

Company Code: 600469

Company Abbreviation: Fengshen

Fengshen Tyre Company Limited Annual Report 2022



Important Notes

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

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

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

Fourth, the company's head of Wang Jianjun, responsible for accounting Wang Xiaoliu and the head of the accounting organisation (accounting supervisor) Du Lihong statement: to ensure that the annual report of the financial report is true, accurate and complete.

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

Pursuant to the resolution of the Sixteenth Meeting of the Eighth Session of the Board of Directors of the Company held on 28 April 2023, the Company will distribute a cash dividend of RMB0.5 (inclusive of tax) for every 10 shares to all shareholders calculated on the basis of the total share capital of 729,450,871 shares as at the date of shareholding registration for the implementation of the equity distribution, making a total of RMB36,472,543.55 (inclusive of tax) to be distributed as cash dividend. There will be no bonus shares or capitalisation of capital reserves for the year.

After the announcement of the profit distribution plan of the Company and before its implementation, if there is any change in the share capital of the Company available for profit distribution, it is proposed that the total amount of distribution be adjusted in accordance with the unchanged distribution ratio per share.

VI. Statement of risks of forward-looking statements

☒Applicable ☐Not applicable

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

VII. Whether there is non-operational appropriation

of funds by controlling shareholders²⁰²² and other related parties No

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

Nine, Whether more than half of the directors are unable to guarantee the truthfulness, accuracy and completeness of the annual report disclosed by the company No

X. Significant Risk Warning

During the reporting period, there was no particularly significant risk that would have a material impact on the Company's production and operation. The Company has described the possible risks in detail in this report, please refer to the relevant contents of "Possible Risks" in "Section III: Management Discussion and Analysis" of this report.

XI. Other

☐Applicable ☒Not Applicable

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Catalogue of documents available for review	Containing the signatures and seals of the person in charge of the company, the person in charge of accounting work, and the person in charge of the accounting organisation of the financial statements.
	The originals of all corporate documents and manuscripts of announcements that have been publicly disclosed during the reporting period.

Section I. Interpretation

I. Interpretation

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

Interpretation of commonly used words		
China securities regulatory commission CSRC	dep end on	China Securities Regulatory Commission (CSRC)
the Shanghai Stock Exchange (SSE)	dep end on	Shanghai Stock Exchange (SSE)
company law	dep end on	Company Law of the People's Republic of China
securities law	dep end on	Securities Law of the People's Republic of China
The Company, the Company, Fengshen Shares	dep end on	Fengshen Tyre Co.
Sinochem China	dep end on	Sinochem China Holdings Limited
rubber company	dep end on	China Chemical & Rubber Co.

Section II Company Profile and Key Financial Indicators

I. Corporate information		
Base name of the company	dep end on	Fengshen Tyre Co.
Chinese abbreviation of the company	dep end on	Fengshen Corporation (PRC state-owned enterprise)
Foreign name of the company	dep end on	aeolus tyre co., ltd.
Abbreviation of the company's foreign name	dep end on	AEOLUS
Pirelli (brand)	dep end on	Pirelli Tyre S.p.A
Legal representative of the company	dep end on	Chien-Jun Wang (1980-), Taiwanese starting pitcher for the Washington Nationals in Major League Baseball
Prometeon Tyre Group, PTG	dep end on	Prometeon Tyre Group I.r.l.

II. Contact person and contact information

Pirelli (Jiaozuo)	dep end on	Pirelli Tyre (Jiaozuo) Co.	Securities Representative
name and surname	dep end on	Zhang Linlin	Sun Jing (1981-), Chinese female revolutionary and martyr
Designated Information Disclosure Media	dep end on	No.48, Jiao Dongnan Road, Jiaozuo City, Henan Province, China	No.48, Jiao Dongnan Road, Jiaozuo City, Henan Province, China
report period	dep end on	1 January 2022 to 31 December 2022	China 2022
telephones	dep end on	0391-3999080	0391-3999080
telex	dep end on	0391-3999080	0391-3999080
Electronic filing period	dep end on	company@aeolustyre.com	company@aeolustyre.com

III. Basic information

Company registered address	No.48, Jiao Dongnan Road, Jiaozuo City, Henan Province, China
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Historical changes in the company's registered address	2022 Inapplicable
Company Office Address	No.48, Jiao Dongnan Road, Jiaozuo City, Henan Province, China
Postal code of the company's office address	454003
Company Website	http://www.aeolustyre.com
electronic mailbox	company@aeolustyre.com

IV. Information disclosure and availability

Name and website of the media in which the company discloses its annual report	China Securities Journal https://www.cs.com.cn/ , Shanghai The Securities Journal. https://www.cnstock.com/
Website of the stock exchange where the company discloses its annual report	www.sse.com.cn
Place where the company's annual report is filed	Corporate Investor Relations Department

V. Brief description of the company's shares

Company stock profile				
Stock Type	stock exchange	stock short name	stock code (computing)	Stock name before change
A-share	Shanghai Stock Exchange (SSE)	Fengshen Corporation (PRC state-owned enterprise)	600469	G Wind God

VI. Other relevant information

Accounting firms engaged by the company (in-country)	name (of a thing)	Lixin Accounting Firm (Special General Partnership)
	business address	4/F, No. 61 East Nanjing Road, Huangpu District, Shanghai, China
	Name of signatory accountant	Dong Hongjun, Huang Fazhou

**VII. MAJOR ACCOUNTING DATA
AND FINANCIAL INDICATORS
FOR THE RECENT THREE
YEARS (I) Major accounting
data**

Unit: Yuan Currency: RMB

Key accounting data	2022	2021	Current period over previous year Increase/decrease over the same period (%)	2020
revenue	4,987,894,009.26	5,557,572,578.05	-10.25	5,578,726,789.65
Net attributable to shareholders of listed	84,521,408.26	-109,024,869.62	inapplicable	201,089,061.22

(ii) Key financial indicators

Main financial indicators	2022	2021	Current period compared with the same period in the previous year Periodic increase/decrease (%)	2020
Basic earnings per share (\$/share)	0.12	-0.15	inapplicable	0.35

Diluted earnings per share (\$/share)	0.12	-0.15	inapplicable	0.35
Basic per cent after non-recurring gains and losses Earnings on shares (\$/share)	0.07	-0.17	inapplicable	0.29
Weighted average return on net assets (%)	3.11	-3.87	Increase of 6.98 per cent point of division	9.01
Weighted average net of non-recurring gains/losses Return on average net assets (%)	1.87	-4.35	Increase of 6.22 per cent point of division	7.53

Description of the Company's principal accounting data and financial indicators for the previous three years at the end of the reporting period

☐Applicable ☒Not Applicable

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

(i) Difference between net profit and net assets attributable to shareholders of the listed company in financial reports disclosed in accordance with both IAS and PRC accounting standards

☐Applicable ☒Not Applicable

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

☐Applicable ☒Not Applicable

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

☐Applicable ☒Not Applicable

IX. Key Financial Data by

Quarter 2022

Unit: Yuan Currency: RMB

	first quarter (of financial year) (January-March)	second quarter (of financial year) (April-June)	third quarter (of financial year) (July-September)	fourth quarter (of financial year) (October-December)
revenue	1,052,909,208.35	1,338,388,706.18	1,351,058,118.60	1,245,537,976.13
Attributable to shareholders of the listed company net profit	-41,254,837.56	52,134,365.68	52,486,701.18	21,155,178.96
Attributable to shareholders of the listed company net of non-recurring gains and losses	-45,715,188.56	33,456,190.84	45,300,192.33	17,797,884.51
Explanation of differences between quarterly data and data from disclosed periodic reports				
<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not applicable				
X. Items and amounts of non-recurring gains and losses				
Cash generated from operating activities	43,856,333.48	124,869,365.32	244,681,841.63	37,216,699.25
Net flow	9 / 352			

Non-recurring items of profit or loss	2022 2022 Amount	footnote (as appropriate) (used)	2021 Amount	2020 Amount
Gains and losses on disposal of non-current assets	9,375,037.11		10,150,403.21	64,737.48
(b) Excessive authorisation, or lack of official approval documents, or occasional tax rebates or reductions. excuse sb.				

Government grants recognised in profit or loss for the current period, but closely related to the Company's normal business operations, in line with national policies, and in accordance with certain standards of fixed or quantitative continuous enjoyment. Except for government grants	11,007,410.50		9,950,685.37	30,823,474.36
Non-financial corporations recognised in profit or loss for the period Occupancy charges collected				
The cost of investments in subsidiaries, associates and joint ventures acquired by an enterprise is less than its equity in the investee's identifiable assets and liabilities at the time of acquisition. Gain arising from recognition of fair value of net assets				
Gains and losses on exchange of non-monetary assets				
Losses on entrusted investments or management of assets all the more				
Impairment allowance for each asset due to force majeure factors, such as natural disasters provide or equip				
Debt restructuring gains and losses	952,648.12		190,529.89	
Business restructuring costs, such as relocation of employees Expenditure, integration costs, etc.				
Transactions resulting in manifestly unfair transaction prices Gains and losses in excess of fair value of				
Net loss for the period from the beginning of the period to the date of consolidation of subsidiaries resulting from				

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business combinations under the same control all the more	2022			
not related to the Company's normal business operations or Gains and losses arising from events				
Except for the effective hedging business related to the Company's normal business operations, gains and losses on fair value changes arising from the holding of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities, and disposals of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other financial assets and liabilities are recognised in the consolidated financial statements of the Company and its subsidiaries. Investment income earned on debt investments				
Receivables individually tested for impairment Reversal of provision for impairment of items and contract assets	2,683,702.23		1,020,455.40	
Gains and losses on external entrusted loans				
Changes in fair value of investment properties subsequently measured using the fair value model Gains and losses arising from operations				
A one-time assessment of the current period's profit or loss is made in accordance with the requirements of tax, accounting and other laws and regulations. Effect of adjustments on current profit or loss				
Custodian fee income earned on trusteeship	962,264.15		1,007,547.17	170,754.72

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Non-operating other than the above Income and expenditure	2022 15,154,668.82		-6,680,915.00	8,381,239.62
Other non-recurring gains and losses that meet the definition of Profit and loss items				

Less: income tax effect	6,453,401.79		1,965,161.15	6,552,038.99
Effect of minority interests (tax) (after)				
add up the total	33,682,329.14		13,673,544.89	32,888,167.19

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

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

☐Applicable ☒Not Applicable

XI, Items measured using fair value

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Project name	Opening balance	Closing balance	Current period's change	Impact on current profit amount that rings a bell
Receivables financing	633,869,395.58	298,776,868.19	-335,092,527.39	
Investments in other equity instruments	3,230,000.00	2,660,000.00	-570,000.00	
XII. Other	637,099,395.58	301,436,868.19	-335,662,527.39	
<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not Applicable				

Section III.

Management discussion and analysis

I. Discussion and analysis of operations

In 2022, the international environment will become more complicated and severe, and the overlap of factors such as global counter-globalisation and persistently high shipping costs will accelerate the re-layout of the global supply chain; the domestic "carbon peak, carbon neutral" dual carbon policy and the continuous promotion of energy and environmental control measures; the upstream raw materials of the tyre industry, such as soaring prices of carbon black, will increase the operating cost of enterprises, which has always been at a historically high level with limited transmission to the downstream market. The price of upstream raw materials in the tyre industry, such as carbon black, soared, and the operating costs of the Company remained at a historically high level, with limited transmission to the downstream market. In the face of severe external challenges, during the reporting period, the Company further increased the adjustment of product structure and market structure, actively promoted marketing innovation, technological innovation and management innovation, and the proportion of products and markets with better profitability was significantly increased, which contributed to the improvement of the Company's profitability.

In 2022, the Company achieved operating revenue of RMB4,988 million, a year-on-year decrease of 10.25%, and net profit of RMB85 million, turning losses into profits for the year. The main work carried out by the Company is as follows:

1. Implementation of market restructuring and promotion of fleet digital systems²⁰²²

In the domestic radial tyre repair market, in 2022, we will focus on promoting the sales volume of the "9+1" region and the implementation of branded product channel combination strategy. 2022, the "9+1" region is expected to achieve a sales share of 58%, a year-on-year increase of 5%. Increase strategic investment in fleet business, push forward the construction of customer service force with "Feng Zhihui" smart tyre and fleet service system as the core, and actively promote the platform of car-free carrier and TCO business, so that the KA business of large fleet will achieve sales growth of more than 20% in 2022.

Domestic radial load tyre supporting market, and actively adjust the supporting product structure, resources to key customers to focus on the transition to high-end products. At the same time, we focus on the development of all-terrain crane customers and special tyre business, and actively develop the international top-tier host supporting plant, to enter the world-class circle of friends.

In the domestic hydropower mining market, the share of non-mounted sales increased substantially. The share of non-mounted sales in the domestic engineering tyre repair market for the whole year in 2022 was 65%, with sales increasing by 16% year-on-year.

To set up localised sales teams in overseas markets, to transform from simple export mode to localised sales mode, and from single-channel to multi-channel strategy. Continuing to improve the sales proportion of high-end products. 2022, the sales of high-end radial load tyre series will increase by 10% year-on-year; the proportion of high-end products will increase by 7% year-on-year to 21%; and sales of radial engineering tyres of more than 49 inches will increase by 105.7% year-on-year.

2、Promote information technology and digitalisation to optimise business management details

In terms of smart business, we promoted the smart tyre fleet management system (radial load tyre) of the Wind Smart project; in the hydropower mine market, we put on-line the smart tyre mine management system (engineering tyre) and the smart tyre market testing system, and provided corresponding WeChat applets for different systems, which is convenient for the promotion and application of engineering tyres and jumbo tyres under the scenarios of hydropower mines. For the integration of sales, marketing channels, logistics delivery, inventory, demand and other whole chain management data, develop multi-dimensional intelligent analysis charts, build a successful unified standard comprehensive domestic marketing data analysis platform, digital means to support the work of the sales line in all aspects of the company's marketing decision-making at all levels of the data support (company level, marketing business units, sales regions), for wholesalers to provide sales Data analysis service for wholesalers.

In terms of intelligent manufacturing, we have established the giant tyre production control system, and in promoting the localisation of the PTG 4.0 PRO digitalisation project Fengshen, we have realised the automatic cleaning, sorting, uploading, statistical analysis, visualisation of business functions and other functional modules of the historical data of the production control system, which have now been applied in the semi-finished products laboratory, the daily work of the quality control profession and so on. Data-oriented application development: By leveraging the completeness of Python software in the field of data science and the convenience of application development, WEB applications such as data sharing, data collection, office automation, etc., have been developed, which not only empowers the business to improve management efficiency, but also promotes the application of digital transformation in front-line basic work.

3, in-depth promotion of comprehensive benchmarking, to grasp the quality and efficiency gains

In 2022, the benchmarking work took "6+X" as the direction, the benchmarking topic as the platform and the management salon activity as the powerful grasp, and achieved the benchmarking improvement in product quality, production management, health and environmental protection, and equipment efficiency, etc. The manufacturing system used "matrix benchmarking" to output 32 indicators at the factory level and 157 indicators at the process level, covering the whole process of tyre manufacturing. The manufacturing system uses "matrix benchmarking" to output 32 indicators at the factory level and 157 indicators at the process level, covering the whole process of tyre manufacturing, which strongly supports the achievement of the company's indicators.

Improving quality and lowering costs were effective. By optimising the market, customer and product structure and strengthening cost control, the company cut costs by more than 100 million yuan. The company has set up a special purchasing team, formulated more than 60 raw material supplier development plans, and ensured that each specification of the main raw materials has no less than three or more qualified suppliers.

4、Implementation of talent programmes to enhance staff skills

In 2022, the company set up a special class for human resources change and promoted it in accordance with the mode of "special class + project cluster", with a total output of job descriptions. The company has implemented 12 key projects, including the preparation and application of the book, the HR digital platform, the construction of the grade system, the talent pool, and the succession plan. Starting from the structural problems faced by the company's HR department,

the company will improve the management of various HR modules and organisations, enhance organisational efficiency, improve the company's organisational capability and support the implementation of the company's strategy.

Overall, in 2022, in the face of unfavourable situations such as high raw material prices, energy prices and shipping costs, the Company actively adjusted its market structure, did a good job in reducing costs and increasing efficiency, continuously promoted technological innovation and endeavoured to improve the level of operations, ensuring stable and orderly operations.

II. Situation of the industry in which the Company operated during the reporting period 1.

Operating costs remained high

In 2022, affected by the domestic energy consumption double control, power coal prices and other factors, tyre industry enterprise production costs continue to go

High. Although both domestic and foreign tyre companies had price increases of different magnitudes under cost pressures, market demand was lower as a result of the downstream automotive and construction machinery industry market downturn conditions, and market wholesale and retail prices could not be increased, leading to lower profits in the channel.

2, the overall sea freight rates in a downward trend

In 2021, the domestic tyre industry exports have experienced container shortage, Los Angeles port congestion, Suez Canal blockage of ships and other domestic and international maritime unfavourable factors, sea freight rates appeared to surge. 2022 began, the gradual liberalisation of control measures by a number of countries, the rate of ship punctuality and turnover efficiency rebounded sharply, the freight rate than the last year's high level of a general decline.

3, green and smart into the industry development direction

Increasing market competition, upgraded technology applications and people's attention to environmental protection are driving the tyre industry towards green and intelligent tyres. Green and intelligent tyres are bound to become the mainstream tyres in the tyre industry. Therefore, lower noise, better reduction of automobile fuel consumption, and intelligent services that take into account the tracking, analysis and management of the whole life cycle of tyres will be the focus of competition in the tyre industry in the future.

4. Accelerated internationalisation

With the gradual expansion of the scope of anti-dumping in world trade, coupled with the Sino-US trade war and other international trade barriers, the export situation of domestic tyre enterprises is grim, the export of domestic tyre enterprises has posed a greater challenge to the tyre industry, internationalisation has been an important direction of expansion of the tyre industry. Many domestic tyre enterprises by grasping the national "Belt and Road" policy opportunities, overseas production capacity layout, to avoid trade barriers, and further enhance the influence and competitiveness of Chinese tyres in the global market.

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

(i) Principal activities in which the Company is engaged

Founded in 1965, the company is a large-scale tyre listed company held by Sinochem Holding Corporation, **one of the** world's top 500 companies. The company is an advanced Lean Six Sigma enterprise in the domestic tyre industry: it won the title of "Advanced Unit of Environmental Protection in the National Petroleum and Chemical Industry" **in the** 12th Five-Year Plan, and participated in the Third Green Industry Conference of the United Nations and made a typical speech on behalf of Chinese enterprises; it won the titles of "Green Factory" and "Green Supply Chain Management Enterprise" in the chemical industry in 2020; it won the title of "Green Factory" and "Green Supply Chain Management Enterprise" in 2022. In 2020, it won the titles of "Green Factory" and "Green Supply Chain Management Enterprise" **in China's chemical industry**; in 2022, it won the two awards of "Best Supplier in 2022" and "Excellent Supplier of After-sales Service in 2022" of Dongfeng Commercial Vehicle. In 2022, the company was awarded the "2022 Best Supplier" and "2022 Excellent Supplier of After-sales Service" **of Dongfeng Commercial Vehicle**.

The company mainly produces "Fengshen", "wind power", "card force", "Henan" and other brands. The company mainly produces more than 1,000 specifications and varieties of truck tyres, construction machinery tyres and other tyres, and is the strategic supplier of XCMG, Lonking and other domestic construction machinery and vehicle production giants, the main tyre supplier of Dongfeng Commercial Vehicle Company, the tyre supplier of Mercedes-Benz Daimler, the world-famous medium- and heavy-duty truck manufacturer, and the supplier of VOLVO and other construction equipment enterprises around the globe. The company's tyre products sell well in more than 140 countries and regions around the world, and the price level of its products in overseas markets, especially in the high-end markets of many European and American countries, ranks the forefront of Chinese products.

The Company owns 100% equity interests in Fengshen Tire (Taiyuan) Co., Ltd, Fengshen Tire (Hong Kong) Co., Ltd, Aeolus Tire (Canada) Inc. and Aeolus Tire (Russia) LLC, 20% equity interests in Pirelli Tire (Jiaozuo) Co., Ltd. and 10% equity interests in PTG, and has signed equity trusteeship agreement and supplemental agreement with Rubber Co. A supplemental agreement was also signed with Rubber Company to entrust the management of a total of 90% equity interest in PTG. By carrying out a series of business integration, the Company accelerated the pace of transformation and upgrading, accelerated the internal development of the Company, and continued to provide domestic and foreign customers with high-quality products and efficient services.

(ii) Company's business model 1.

Procurement model

The company's procurement adopts two modes: centralised and unified centralised management and independent procurement, with procurement categories including raw and

auxiliary materials such as natural rubber, synthetic rubber, steel cord, carbon black, etc. Meanwhile, the company implements a strict supplier management system (including supplier access, withdrawal and process control, etc.) The main bulk raw materials are purchased through the Great Wall e-commerce platform with unified price comparison, traceable historical data and controllable process, which is conducive to the company's reduction of purchasing costs and improvement of economic efficiency. Synthetic rubber is mainly procured through long-term strategic partners such as PetroChina and Sinopec; natural rubber is mainly procured from high-quality rubber-producing areas such as Thailand by means of the e-commerce platform, implementing flexible procurement methods combining forward and spot according to changes in the market, and implementing unbalanced procurement strategies. The company's domestic and international supply channels for raw materials are stable, and the procurement cost is controllable.

2. Production model

Combining the production capacity, product process and product structure, the company adopts the production mode of "production based on sales, promotion based on production, and production and sales balance" according to the demand of downstream customers in the tyre market and the forecast of the market. The company has advanced industrial tyre production equipment, imported Pirelli tyre manufacturing process technology, benchmarked against the industry, played to its advantage, implemented continuous improvement, optimized the core equipment, formed a complete high-end production capacity of industrial tyres; at the same time, the company adopts lean production tools and information management means to dynamically monitor, deploy and collaborate with production resources to improve production and operation efficiency; increase the application of advanced technology in production, improve the company's production efficiency and improve the company's production performance, and improve the company's production efficiency. production, and improve the company's digital and intelligent level.

3. Sales model

The company uses different sales models for different market segments, including:

(1) Direct sales sales model:

Domestic direct sales customers are mainly trucks and buses, construction machinery vehicles host supporting plant. Relying on the domestic leading technology and service strength, the company has been occupying an advantageous supporting position in the production enterprises of trucks, buses and construction machinery vehicles for many years. The company has a professional supporting marketing team, focusing on the downstream supporting market, to provide a full range of products and services to key OEMs, long-term recognition by OEMs.

(2) Dealer sales model:

Export Markets: The company is divided into six major overseas marketing regions, targeting North America, Latin America, Europe, the Middle East and Africa, Asia-Pacific and the United States.

CIS and other markets. At present, the company has more than 300 overseas first-class distributors, and the product sales scope covers most of the countries and regions in the world.

Replacement market: Domestic regions are sold in accordance with the distribution network, and currently more than 200 first-class dealers have been developed in each province across the country, realising the overall layout of domestic sales channels and service network. The company carries out centralised and synergistic management to maximise the advantages of each brand in different market segments, and develops new products in a customised and targeted manner through research and judgement of market demand, so as to quickly strive for more market share.

IV. Analysis of core competencies during the reporting period

✓Applicable □Not applicable

The company seizes the opportunity of market development, continuous innovation and development, the products sell well in many countries and regions around the world. After years of accumulation and precipitation, the company has formed the following core competitive advantages:

(i) Have a tyre brand with high global recognition

The company attaches great importance to brand building and increasingly consolidates market channels. Through the construction of brand image shops, advertising, self-media platform operation and maintenance and other measures, the company actively promotes brand building. 2020 won the titles of "Green Factory" and "Green Supply Chain Management Enterprise" in China's chemical industry; 2022 won the "2022 Best Supplier" and "2022 Excellent Supplier in After-sales Service" awards of Dongfeng Commercial Vehicle. In 2020, the Company was awarded the titles of "Green Factory" and "Green Supply Chain Management Enterprise" in China's chemical industry; in 2022, the Company was awarded the "Best Supplier in 2022" and "Excellent Supplier of After-sales Service in 2022" **by Dongfeng** Motor. The business synergy between the Company and PTG has formed the advantage of multi-level and multi-brand promotion, with clear positioning and complementary advantages of its brands, covering various industrial tyre segments, meeting the needs of different markets for products with different price points and functions, and providing integrated value-added services for customers.

(ii) Good R&D platform and technological innovation capability

The company is a national high-tech enterprise, national technology innovation demonstration enterprise, with a national enterprise technology centre, postdoctoral research station and other scientific research platforms, through independent innovation, technology introduction and "production, learning and research" combination of various ways to continuously improve the company's scientific and technological innovation capacity and technology research and development level.

The Company signed a Patent and Know-how Licence Agreement with Pirelli and a Technical Assistance Agreement with PTG. At present, Pirelli's industrial tyre technology is being transferred to the ground in an orderly manner, accelerating the Company's pace towards a world-class tyre

enterprise.

The company owns a large number of core technologies, such as the R&D and manufacturing technology of giant engineering radial tyres, the design and manufacturing technology of wide base ultra-low profile tubeless radial tyres, the design and manufacturing technology of ultra-low rolling resistance green tyres, and the design and manufacturing technology of intelligent tyres. The total number of patents owned by the enterprise is 347, and it has presided over and participated in 1 international standard, 89 national standards and 16 industrial standards.

(iii) Product manufacturing and service capabilities for a full range of industrial tyres

The company has the ability to manufacture medium and high-end tyres. In addition to producing its own brands, it also processes high-end industrial tyres under the Pirelli brand on behalf of Pirelli.

The Company has formulated a long-term product enhancement plan based on a multi-level branding strategy to provide high-end and cost-effective industrial tyres for different market segments. Through the integration and upgrading of Pirelli's tyre manufacturing technology, we have successively launched the new third-generation "Neo" series, new lightweight and fuel-efficient tyres, green fuel-efficient tyres and the "Kali" series, which have become a strong support for the growth of the Company's business in the export, ancillary and replacement markets. These new products have become the strong support for the company's export, matching and replacement markets. In terms of radial engineering tyres, the company is also trying to develop various new products, and in 2022, the 59/80R63 "Jumbo" radial engineering tyre will be successfully rolled out of the Jiaozuo base, a milestone that marks the company's direction towards "being a global leader in industrial tyre quality". This milestone event marks an important step towards "being a global leader in industrial tyre quality".

(iv) Advanced quality management system and product performance certification

The company takes quality as the centre, insists on green manufacturing and sustainable development, and implements comprehensive quality management. The company has successively passed ISO9001 quality system, IATF16949 system, ISO14001 environmental management system, OHSAS18001, GB/T23331-2012 energy management system, and has passed the ISO9001 quality management system.

Our products have been certified with 16 certificates, including ISO10012:2003, ISO/IEC17025, DOT, ECE, etc. We are guided by the technical standards of the global high-end market, and our products have passed the SMARTWAY certification of the United States. The company is guided by the technical standards of the global high-end market, and its products have passed the SMARTWAY certification of the United States.

In the EU labelling law test achieved B/C grade, noise to meet the requirements of the EU labelling law limit value of the second phase, is one of the few companies in the industry to achieve and pass the above international certification standards.

(v) Omni-directional market channels and network layout

The company has established a "three-in-one" market channel and sales network of export market, supporting market and replacement market to achieve complementary advantages and business synergy. The export market covers North America, Latin America, Europe, the Middle East and Africa, Asia-Pacific and the CIS, and the products are sold to more than 140 countries and regions. Supporting market, directly supplying for more than 20 leading automobile and construction machinery OEMs, such as Dongfeng Motor and Xugong. In the maintenance market, we have formed a marketing system mainly based on wholesale by dealers and retail by listed shops, and our sales network covers the whole country.

V. Main operations during the reporting period

During the reporting period, the Company achieved a cumulative operating income of RMB 4,988 million, a year-on-year decrease of 10.25 per cent, and a net profit of RMB 85 million, a year-on-year decrease of 10.25 per cent.

Year-on-year growth of 194 million yuan, achieving a reversal of losses. (I) Main business analysis

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

Unit: Yuan Currency: RMB

subjects	Curren t period	Same period last year	Percentage change (%)
revenue	4,987,894,009.26	5,557,572,578.05	-10.25
business costs	4,294,447,521.09	4,989,614,733.24	-13.93
sales expense	136,514,972.56	151,238,294.72	-9.74
overheads	152,844,070.14	176,042,759.95	-13.18
financial cost	4,642,999.09	33,775,153.99	-86.25
R&D costs	232,343,270.09	256,167,139.32	-9.30
Net cash flows from operating activities	450,624,239.68	247,019,864.32	82.42
Net cash flows from investing activities	-30,082,569.55	-79,161,740.48	inapplicab
Net cash flows from financing activities	129,259,900.64	99,926,742.62	28.92

During the reporting period, the Company took the initiative to adjust its market structure and comprehensively sorted out the profitability of its products. Compared with 2022, the Company took the initiative to reduce sales in the ancillary market, which accounted for a relatively high proportion of the total but with lower profitability, while seizing the opportunity to expand sales in the export market thanks to the recovery of the export market brought about by the decline in shipping costs and exchange rate changes. Although sales revenue decreased by 10.25% year-on-year, the Company's gross profit margin increased by 4.04% and the absolute amount of gross profit increased by 23.55%. Coupled with the further strengthening of cost control, the results thus improved significantly, achieving a turnaround. Specific analyses are as follows:

Trend of gross profit margin of main business in the company's

2022
consolidated statements of operations

Unit: million yuan

sport s even t	2022	2021	Amount of change	Percentage change
Revenue from main operations	475,719.75	537,381.07	-61,661.32	-11.47 per cent
Main operating costs	407,996.76	482,566.69	-74,569.93	-15.45 per cent
Gross profit from main operations	67,722.99	54,814.38	12,908.61	23.55 per cent
Gross margin from main operations	14.24 per cent	10.20 per cent	4.04 per cent	

- (1) **Comprehensively sort out the profitability of products in each market and enhance the gross profit level of the advantageous markets**
- Gross margins of the Company's products by market**

market (also in abstract)	Gross margin 2022	2021 Gross margin	flux
interchangeability	7.23 per cent	11.13 per cent	-3.90 per cent
form a complete set	2.86 per cent	3.90 per cent	-1.04 per cent
exit	22.02 per cent	17.05 per cent	4.97 per cent
add up the total	14.24 per cent	10.20 per cent	4.04 per cent

During the reporting period, in the face of the severe competitive situation of the domestic tyre industry, the company comprehensively sorted out and analysed the profitability level of the products in each market, seized the opportunity and strengthened the gross profit margin level of the export market. 2022, with the liberalisation of the control measures of various countries around the globe, the punctual rate of the ships and the turnaround efficiency rebounded significantly, the shipping price generally dropped compared with the high level of the last year, and the pressure on the logistic cost of the export market decreased compared with that of 2021, and the exchange gain increased significantly. At the same time, due to the impact of RMB exchange rate depreciation, the exchange gain increased significantly, the gross profit margin of export market increased from 17.05% in 2021 to 22.02% in 2022, and the overall gross profit margin level also increased from 10.20% to 14.24%, an increase of 4.04 percentage points year-on-year.

(2) Optimising market structure and expanding the proportion of sales in export markets

Unit: million yuan

mark et (also in abstra ct)	2022 Revenue	2022 Collection percentag e of income	2021 Revenue	2021 Revenue percentage	Year-on-year change in revenue	Change in revenue share
interc hange ability	112,753.65	24 per cent	112,145.98	21 per cent	0.54 per cent	3 per cent
form a compl ete set	106,287.04	22 per cent	229,457.69	43 per cent	-53.68 per cent	-21 per cent
exit	256,679.06	54 per cent	195,777.40	36 per cent	31.11 per cent	18 per cent
add up the total	475,719.75	100%	537,381.07	100%	-11.47 per cent	/

During the reporting period, according to the different profitability levels of products in various markets, the Company took the initiative to seek changes, optimised the market structure, actively expanded the channels for overseas customers, and boosted the overall profitability by increasing the proportion of revenue from the export market, which has a higher level of gross profit margin. The revenue share of export market will increase from 36% in 2021 to 54% in 2022.

(3) Raw material prices eased

Changes in the company's purchasing entry price index for major raw materials over the past three years

kind	2022	2021	2020
natural rubber	110	117	100
synthetic rubber	126	129	100
soot	161	136	100
cord fabric	112	127	100
used in Cost as a percentage of revenue	2022	2021	2021 VS 2020
raw materials	101 61.10%	65.45 per cent	-4.35 per cent
mainly	6.29 per cent	5.89 per cent	0.40 per cent
energy costs	7.72 per cent	6.67 per cent	1.05 per cent
Manufacturing costs and others	10.65 per cent	11.79 per cent	-1.14 per cent
add up the total	85.76 per cent	89.80 per cent	-4.04 per cent

During the reporting period, except for carbon black, the purchase and storage prices of the Company's major raw materials dropped to a certain extent as compared with that of 2021, accounting for a year-on-year decrease of 4.35%.

(4) Operational excellence, strengthened budgetary control

Company's expenses during the period Unit: Yuan

sports event	Current period's incidence	Prior period's incidence	Percentage of change
--------------	----------------------------	--------------------------	----------------------

sales expense	136,514,972.56	151,238,294.72	-9.74 per cent
overheads	152,844,070.14	176,042,759.95	-13.18 per cent
R&D costs	232,343,270.09	256,167,139.32	-9.30 per cent
financial cost	4,642,999.09	33,775,153.99	-86.25 per cent
sports event	2022	2021	
Cost of sales as a percentage of revenue	2.74 per cent	2.72 per cent	
Administrative expenses as a percentage of revenue	3.06 per cent	3.17 per cent	
R&D expenses as a percentage of revenue	4.66 per cent	4.61 per cent	

During the reporting period, the Company continued to actively promote various innovative measures, improve quality and reduce costs, strengthen budgetary control, and effectively optimise management expenses and selling expenses. For finance costs, due to the impact of RMB depreciation, exchange gains increased significantly during the reporting period, and finance costs decreased significantly year-on-year.

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

☐Applicable ☒Not Applicable

2. Revenue and cost analysis

☒Applicable ☐Not applicable

During the reporting period, the Company's sales revenue from main business was RMB4,757 million, a decrease of 11.47%, and cost of main business was RMB4,080 million, a decrease of 15.45%.

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

Unit: Yuan Currency: RMB

Main business by industry						
subsector	revenue	business costs	gross margin (per cent)	Increase/decrease in operating income over the previous year (per cent)	Increase/decrease in operating costs over the previous year (per cent)	Increase or decrease in gross profit margin over previous year (%)
		26 / 352				
Rubber and plastics	4,757,197,450.28	4,079,967,562.60	14.24	-11.47	-15.45	Increase of 4.04

<input type="checkbox"/> Applicable	clause (of law or treaty)	0,985,608	3,983,737	959,783.00	-25.60	-25.89	0.20
			27 /	352			

(4). Cost analysis table

Unit: Yuan

Sub-industry situation							
subsector	Co t compo nent items	Amount for the period	Perce ntage of total costs for the period (%)	Amount for the same period of the previous year	Perc enta ge of total cost s for the sam e peri od of the prev ious year (%)	Perce ntage chang e in the current period over the same period of the previo us year (%)	infor mati on note
Rubber and Plastic material goods	raw materials	2,906,599,214.64	71.24	3,517,060,758.55	72.88	-17.36	
	manually	299,416,803.42	7.34	316,278,552.54	6.55	-5.33	
	energy costs	367,119,641.08	9.00	358,407,332.62	7.43	2.43	
	manufactu ring cost and others	506,831,903.47	12.42	633,920,232.28	13.14	-20.05	
By product							
by product	cost compone nt sports event	Amount for the period	The current period account s for total costs	Amount for the same period of the previous year	prece ding year the corres pondin g time period (in a differe nt year etc)	current period percenta ge share of proceed s	state of affairs instructi ons

			Pro por ti on (%)		Perc enta ge of total cost s (%)	Year- on- year percen tage chang e (%)	
tyres	raw materials	2,906,599,214.64	71.24	3,517,060,758.55	72.88	-17.36	
	manually	299,416,803.42	7.34	316,278,552.54	6.55	-5.33	
	energy costs	367,119,641.08	9.00	358,407,332.62	7.43	2.43	
	manufacturing cost and others	506,831,903.47	12.42	633,920,232.28	13.14	-20.05	

Other information notes on cost analysis

During the reporting period, the cost of raw materials and its proportion decreased year-on-year due to the fall in the purchase prices of major raw materials. As a result of the increase in coal prices and electricity prices, the cost of energy and its share increased year-on-year.

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

☐Applicable ☒Not Applicable

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

☐Applicable ☒Not Applicable

(7). Major sales customers and major suppliers A. Major sales customers of the Company

☒Applicable ☐Not applicable

The sales of the top five customers amounted to RMB 100,999.06 million, accounting for 21.29% of the total annual sales; among which the sales of the top five customers included the sales of the related parties amounted to RMB 0 million, accounting for 0% of the total annual sales.

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

☐Applicable ☒Not Applicable

B. Information on the Company's major suppliers

☒Applicable ☐Not applicable

Purchases from the top five suppliers amounted to RMB 1,326,652,100, accounting for 39.56 per cent of the total annual purchases; among the purchases from the top five suppliers, purchases from related parties amounted to RMB 203,350,500, accounting for 6.06 per cent of the total annual purchases.

Procurement from a single supplier exceeding 50 per cent of the total during the reporting period,

the presence of new suppliers in the top five suppliers or heavy reliance on a small number of suppliers

☐Applicable

☒Not Applicable

Other Notes

not have

3. cost

☒Applicable ☐Not applicable

For more details, please refer to Section III.V(1) Main Business Analysis(4) **Operational Excellence and Strengthened Budgetary Control".

4. R&D investment

(1). Table of R&D investment

☒Applicable ☐Not applicable

Unit: Yuan

Expensed research and development investment for the period	232,343,270.09
Capitalised research and development investment for the period	
Total R&D investment	232,343,270.09

Total R&D investment as a percentage of operating revenue (%)	4.66
Share of R&D inputs capitalised (%)	

(2). R&D Staff Fact Sheet√Applicable ☐Not applicable

Number of R&D staff in the company	686
Number of R&D personnel as a percentage of total company headcount (%)	12.11 per cent
Educational structure of R&D staff	
Type of academic structure	Number of persons with academic structure
PhD student	2
Master's degree student	20
undergraduate (adjunctive)	120
polytechnic	139
High school and below	405
Age structure of R&D staff	
Age structure categories	Age structure
Under 30 years of age (not including 30 years of age)	64
30-40 years old (including 30 years old, not including 40 years old)	249
40-50 years old (including 40 years old and excluding 50 years old)	223
50-60 years old (including 50 years old, not including 60 years old)	150
60 years and over	

(3). information note☐Applicable √Not Applicable**(4). Reasons for the significant changes in the composition of R&D personnel and the impact on the Company's future development**☐Applicable √Not Applicable**5. cash flows**√Applicable ☐Not applicable

sport s even t	Amount for the period	Prior period amount	Percentage change %
operating activities Net cash flow	450,624,239.68	247,019,864.32	82.42

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from investment activities Net cash flow	2022 -30,082,569.55	-79,161,740.48	inapplicable
from fund-raising activities Net cash flow	-129,299,190.84	-99,926,742.63	inapplicable

Reasons for the change in net cash flows from operating activities: mainly due to the increase in cash flows from operating activities as a result of the Company's improved profitability.

Reasons for the change in net cash flows from investing activities: Mainly as a result of the decrease in cash paid for the acquisition and construction of fixed assets, intangible assets and other long-term assets.

Explanation of the change in net cash flows from financing activities: mainly due to the compression of loans and repayment of borrowings.

(ii) Explanation of significant changes in profit due to non-principal activities

□ Applicable √ Not Applicable

(iii) Analysis of assets and liabilities

√ Applicable Not applicable

1. Assets and liabilities

Unit: Yuan

Project name	Closing balance of the period	Percentage of total assets at the end of the period (per cent)	Closing balance of the previous period	Percentage of total assets at the end of the previous period (%)	Percentage change in amount at the end of the period over the end of the previous period (per cent)	information note
Receivables financing	298,776,868.19	4.14	633,869,395.58	8.44	-52.86	(1)
Other notes	23,435,820.46	0.32	48,918,568.75	0.65	-52.05	(2)
(1) Financing of receivables; due to a decrease in notes receivable;	17,831,514.02	0.25	38,164,705.02	0.75	-68.25	(3)
(2) Other current assets; due to a decrease in taxes to be deducted	2,910,631.63	0.04	4,884,815.88	0.07	-40.41	(4)
(3) Construction in progress; due to the completion of construction in progress projects and their conversion to fixed assets;	1,204,895,418.26	16.66	6,290,611.80	0.08	-19,053.87	(6)
(4) Other non-current assets: Decrease in prepayments for equipment work;	662,307.14	0.01	992,907.28	13.21	-31.28	(5)
(5) Accounts payable; due to a decrease in accounts payable;	1,204,895,418.26	16.66	6,290,611.80	0.08	-19,053.87	(6)
(6) Non-current liabilities due within one year; due to increase in long-term borrowings due within one year;	1,204,895,418.26	16.66	6,290,611.80	0.08	-19,053.87	(6)
(7) Long-term borrowings; due to the conversion of long-term borrowings to long-term borrowings maturing within one year;	1,204,895,418.26	16.66	6,290,611.80	0.08	-19,053.87	(6)
(8) Other comprehensive income: as a result of the change in the current period's recognition of other	98,119,930.88	1.33	66,871,758.74	-0.88	49.85	(8)
Other comprehensive income from associates under the equity method;	98,119,930.88	1.33	66,871,758.74	-0.88	49.85	(8)

2. Foreign assets

√ Applicable □ Not applicable

(1) asset size

Of which: Overseas assets 484,259,837.71 (Unit: RMB), accounting for 6.71% of the total assets. Currency: RMB), accounting for 6.71% of total assets.

(2) Explanation of the high proportion of offshore assets

□ Applicable √ Not Applicable

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

√ Applicable Not applicable

See "Section X Financial Reporting - VII. Notes to the Consolidated Financial Statements, Item 81".

4. Other notes

☐Applicable ☒Not applicable

2022

(iv) Analysis of industry business information

√Applicable Not applicable

In 2022, the downward pressure on the economic operation of the tyre industry continued to increase, manifesting itself as a serious contraction of the domestic market, a sharp decline in industry efficiency, a continuous rise in factory inventory, and a continuation of the low start rate.

The tyre industry upstream rubber, carbon black, additives, cord fabric, steel cord and other raw materials, as well as energy prices rose sharply, pushing the cost of rubber products enterprises soared, seriously eroding corporate profits.

According to the statistics of China Rubber Association, the annual output of rubber tyres in China in 2022 will be 856.003 million, down by 5% year-on-year. Due to the severe contraction of the domestic market, the capacity utilisation rate of domestic all-steel tyres in 2022 will be approximately 60.8%, a decrease of 17.7 percentage points, while the capacity utilisation rate of semi-steel tyres will be approximately 70.2%, a decrease of 6.3 percentage points.

2022 domestic auto market new energy vehicle production and sales of a branch, to China's own brand tyres bring opportunities, tyre companies seize the opportunity to actively adjust the product structure, from the contour, pattern, formula, structure, materials, technology and other multi-dimensional technological innovation, new energy vehicle tyre new products have been listed. Truck and bus production and sales continue to be sluggish, some foreign companies to adjust the operating strategy, exit China's truck and bus tyre market. Off-highway tyres have become an investment hotspot, and a number of projects have been started.

The "double reverse" response has achieved certain results. As the trade friction against China intensifies, domestic tyre enterprises have to defend their own rights and interests through judicial procedures, and positive progress has been made. 4 May, the General Court of the European Union made a first-instance ruling on the case of China Rubber Industry Association and China Chamber of Commerce for Import and Export of Mineral Mining and Chemical Industry (CCCCMC) on behalf of 27 Chinese exporters suing the European Commission for "double reverse" duty order on China's truck tyres, and decided to revoke all the "double reverse" orders on Chinese suing enterprises. The General Court of the European Union (GCJEU) issued a first instance judgement on the case of 27 Chinese exporters represented by China Rubber Industry Association (CRIA) and China Minmetals and Chemical Importers and Exporters Association (CMIEA) against the European Commission's "double reverse" duty order on Chinese truck tyres. On the one hand, the first-instance victory in this case made the Chinese enterprises involved in the litigation expected to return to the European market; on the other hand, it provided the Chinese tyre enterprises with a new way of thinking to oppose the unfair trade remedy measures through judicial remedies. 8 July, the European Commission issued the "Re-investigation Announcement" and the "Opening of Imported Products Registration Procedure" announcement, announcing that the EC gave up the appeal, and the Chinese side locked in the first-instance victory; at the same time, the EC decided to conduct a re-investigation on the Chinese enterprises that won the case. At the same time, the EC decided to re-investigate the Chinese enterprises that won the case. During the period of reinvestigation, the EU Customs will not impose "double reverse" duty on the litigating enterprises, and may only pay the new level of measures after the results of the reinvestigation are announced; after the conclusion of the reinvestigation, the litigating enterprises may not be subject to the implementation of the "double reverse" measures or may be subject to the implementation of a lower level of

In 2022, export became the bright spot to drive the growth of tyre industry. In the first half of 2022, the export volume of tyre accounted for 51.65% of the total output, exceeding 50% for the first time, the highest ratio ever. In the case of the decline in total tyre production, the export volume accounted for more than 50%, indicating that the export sales support the operation of the industry. 2022 year, China's rubber tyre cumulative export volume of 7.65 million tons, an increase of 4.7%; the export value of 131,418,000,000 yuan, an increase of 16%.

Analysis of operating information in the chemical industry

1 Basic

information about the industry (1).

Industry policies and their changes

√Applicable □Not applicable

September 19, 2022, the Ministry of Industry and Information Technology and other four departments jointly issued the "raw materials industry" three products "implementation plan", the programme explains that the tyre industry to focus on the development of green and low-carbon products, enrich the varieties of new materials, optimize the means of product design, strengthen the quality of the target management, improve the effectiveness of the quality system, the establishment of innovative evaluation system, build brand globalization development strategy, strengthen upstream and downstream linkage and other seven aspects to accelerate the industry's "increase varieties, improve quality, create brand" strategy implementation and landing, in order to effectively promote the industry development model from the scale and speed type. System, build brand global development strategy, strengthen upstream and downstream linkage and other seven aspects, to accelerate the industry to "increase variety, improve quality, brand" strategy implementation and landing, in order to effectively promote the industry's development model from the scale of speed to quality and efficiency of the transformation.

The National Standard Committee will "tyres unit product energy consumption limit" (GB 29449-2012) and "carbon black unit product energy consumption limit

(The two standards (GB 29440-2012) were included in the integration and revision plan, and CRRC was responsible for organising and implementing the integration and revision of the standards. Through a large amount of data research, as well as analysis and processing of research data from enterprises, the boundaries of the standards were redefined; the first to propose separating raw material oil and fuel oil, and not to include raw material oil in the calculation of energy consumption of carbon black, so that the limit of energy consumption per unit of product of carbon black was significantly reduced; the two products of tyre and carbon black were integrated into a single standard of energy consumption, and the final completion of the "Rubber Industry (Tyre and Carbon Black) Energy Consumption Limit per Unit of Product" was made. Limit" draft for comments.

The revision of mandatory national standards such as the "Load Car Tyre" (GB 9744) incorporates rolling resistance and wet road grip limits into the standard in accordance with the China Green Tyre Roadmap developed by CRRC.

The Ministry of Industry and Information Technology (MIIT) has issued two industry standards, "Green Factory Evaluation Requirements for the Tyre Industry" (HG/T 6061-2022) and "Green Supply Chain Management Requirements for Tyre Manufacturing" (HG/T 6062-2022), which were formulated by the industry and organised by the China National Rubber Association (CNRA), with an implementation timeframe of April 2023

1 The release and implementation of these two industry standards on Sunday provides a basis for the green transformation and upgrading of the tyre industry.

(2). Basic information of major industry segments and the Company's industry position

√Applicable □Not applicable

The company's main products are industrial tyres for trucks and buses and construction machinery vehicles. Truck and bus tyres are mainly used in various working conditions of trucks (heavy-duty trucks, light trucks, dump trucks, tractors), buses, buses and other transport vehicles in different functional parts (guide wheels, drive wheels, trailer wheels, etc.) of the vehicle tyres. Construction machinery tyres are mainly used for vehicle tyres of wheeled vehicles and all kinds of construction machinery (loaders, excavators, bulldozers, road rollers, cranes, etc.) under various operating conditions such as mines, coal, construction sites, tunnels and other harsh operating environments.

The company is one of the few enterprises in China that specialises in the research, development and manufacturing of industrial tyre products, and has rich operational experience in the field of industrial tyres. The company is committed to providing green, safe, energy-saving and environmentally friendly tyre products with higher performance and cost-effectiveness to a wide range of customers, including domestic and foreign OEM supporting customers, large logistics fleets, retailers and other customer groups.

2 Products &**Production (1).****Main Business****Modes**

√Applicable □Not applicable

See "Section III. Management's Discussion and Analysis (II) The Company's Business Model" in this report.

Major adjustments to the business model during the reporting period

□Applicable √Not applicable

(2). Main products

√Applicable Not applicable

offerings	Industry Segment	Main upstream raw materials	Main downstream applications	Main factors influencing prices
tyres	Rubber and plastic products	Natural Rubber, Synthetic Rubber, Carbon Black, Skeleton Materials fertiliser	Trucks, buses, construction machinery vehicles	Changes in raw material prices and market conditions

(3). Research and Development Innovation

√Applicable Not applicable

(i) Three core breakthroughs

Breakthrough I: 63" giant engineering radial tyre breakthrough.

In order to complete the national rubber industry's "14th Five-Year Plan" development plan to vigorously develop the goal of giant engineering tyres, Fengshen tyres from the structure, formula, process, raw materials and other aspects of innovation and research, to solve the neck of the giant tyre technology; the output of the core technology from R & D to the process of manufacturing the world-class giant tyres; the performance of the product to reach the international leading level; Constructing Fengshen's own patent barriers for key performance technologies of giant tyres, breaking the monopoly of international giants in the giant tyre industry, enhancing Fengshen's brand image, and bringing sales and profit growth to the company.

Breakthrough II: Breakthrough in the development of ABA products with European labelling methods.

Responding to the implementation of policies related to the national dual-carbon strategy in the tyre industry, reducing energy consumption in vehicles, and at the same time enhancing product competitiveness and separating from the industrial price war competition. Fengshen tyres conduct research on formulations, tread patterns, processes, etc., and develop ABA label-grade products, with the current rolling resistance and noise levels reaching the European Labeling Act Class A level, and the wet-slip level reaching the Class B level.

Breakthrough III: Breakthrough in the development of green sustainable tyres.

The implementation of policies related to the national dual-carbon strategy in the tyre industry requires enterprises to develop in the direction of the target. Fengshen Tyre has taken this responsibility to devote itself to the exploration and application of green and recyclable materials, and has set up green and sustainable material stage targets to match those of international tyre giants. The proportion of sustainable materials in a single tyre has increased from 38% to more than 45%, reaching the target of more than 40% in the first phase of the world's giants, increasing the durability of tyres by 30% and reducing rolling resistance by 2.5%, maintaining high performance while minimizing carbon emissions during the life cycle of the tyre, and reducing the carbon footprint, in line with the national "dual-carbon" policy.

(ii) Synergistic innovations

In terms of technological synergy with PTG, Fengshen focuses on the transfer and integration of technologies around formulation, product and process simulation, skeleton material analysis, pattern design, product design technology, test method technology, digital technology, and process technology and equipment landing to achieve the goal of secondary innovation.

In terms of industry-academia-research, the formulation development project with Qingdao University of Science and Technology has completed the basic research content of the project through the efforts of both parties and basically reached the goals set at the beginning of the project, and the output of the project will be transformed and applied in the subsequent formulation development and design. The material research project in cooperation with Henan University has completed the optimisation of the scheme and performance evaluation, and achieved more satisfactory results, the next step is to carry out performance verification, as well as indoor verification and outdoor road test of the finished tyre. Cooperated with Beijing Rubber

Industry Design Institute to research the ²⁰²² giant engineering radial tyre project, to improve and solve the parts of giant tyre products such as performance enhancement and process improvement.

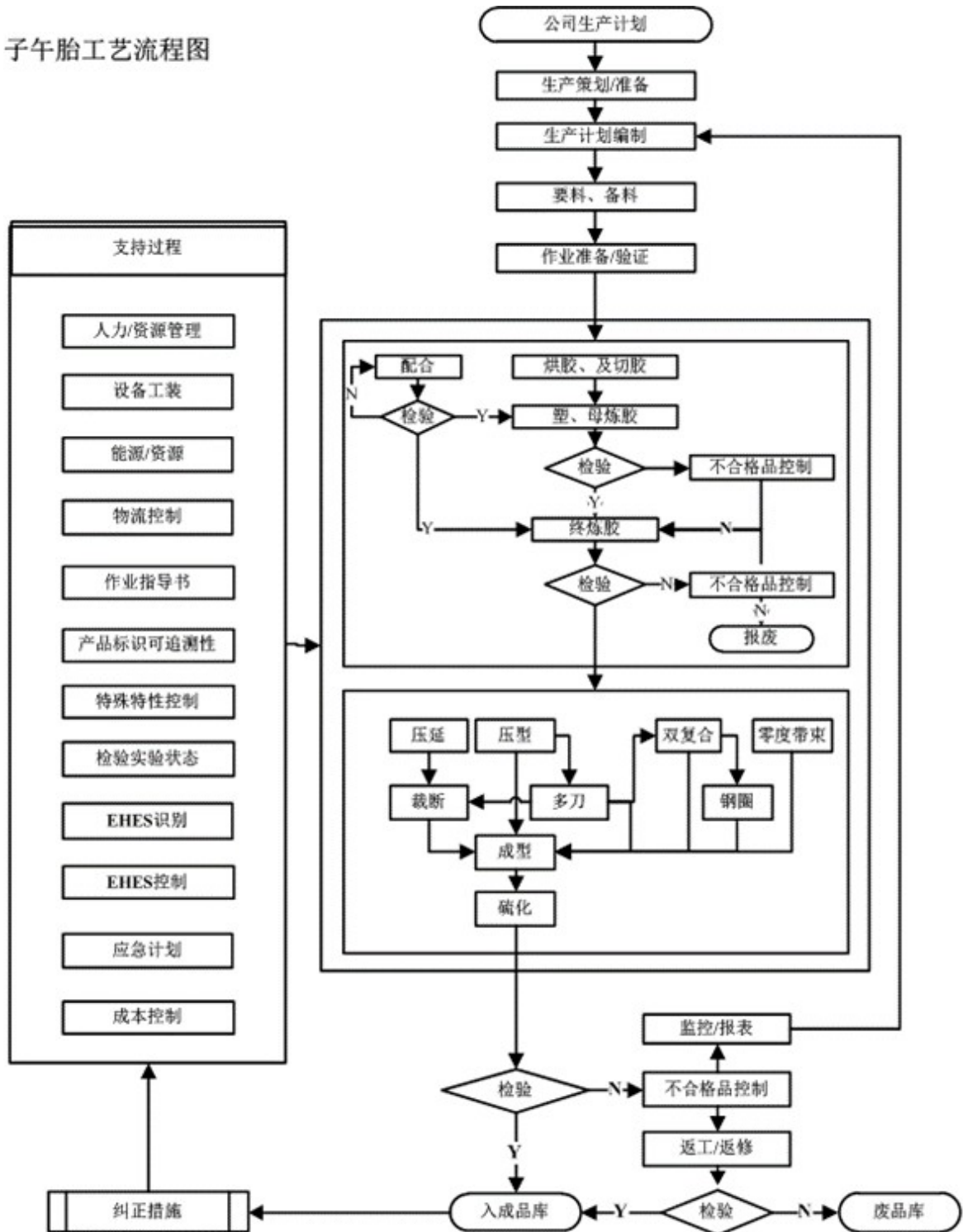
(iii) Patented intellectual property rights

In order to promote the technological progress of enterprises, realise the transformation and upgrading of enterprises, and fully protect the core technology and interests of the company, Fenghshen declared a total of 27 patents in 2022, of which there are 2 invention patents, 7 utility models and 18 appearance patents.

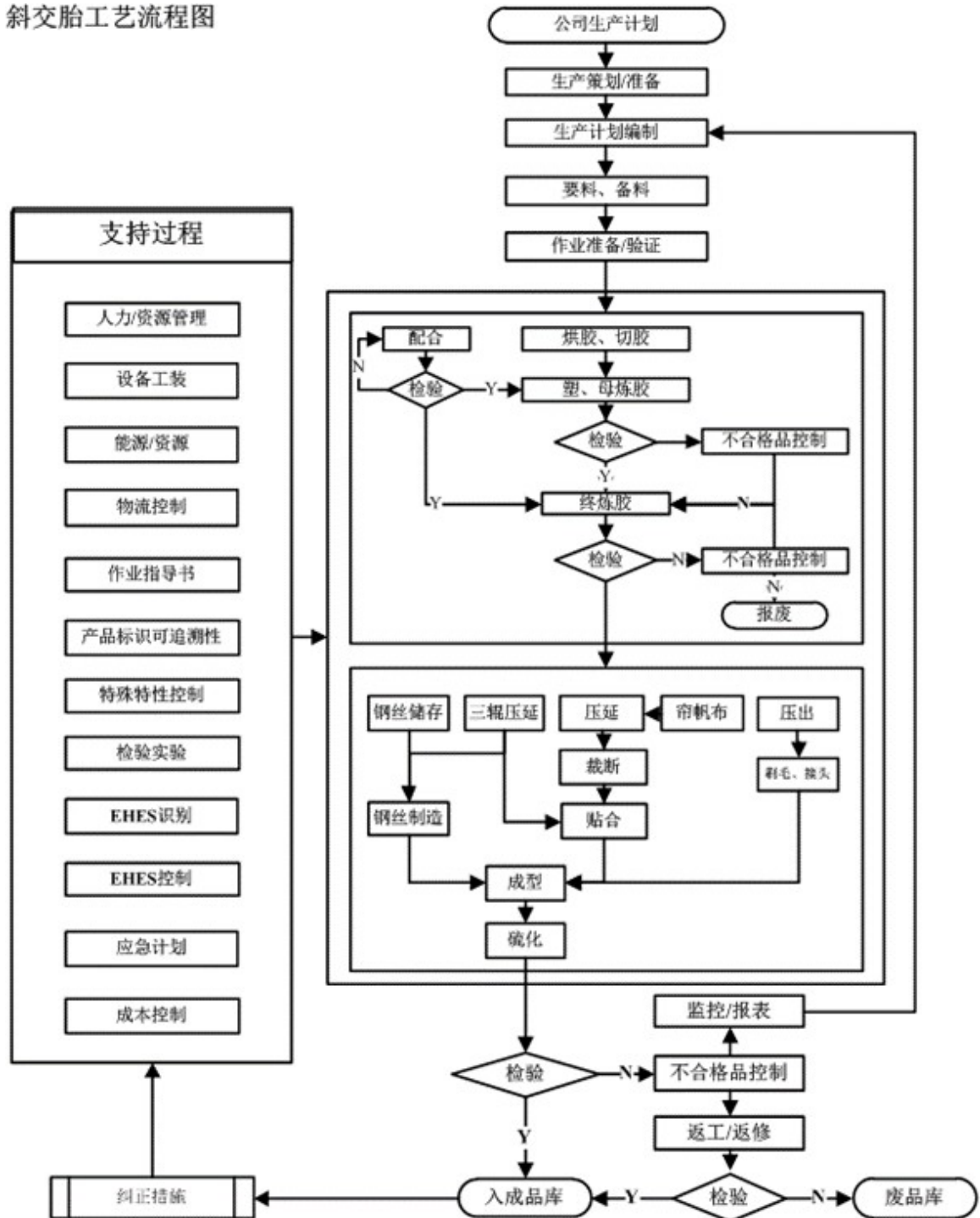
(4). Production process and flow

√Applicable Not applicable

子午胎工艺流程图



斜交胎工艺流程图



(5). Production capacity and start-ups

√Applicable Not applicable

Unit: RMB 10,000 Currency: RMB

Main plant or sports event	Designed capacity	Capacity utilisation (per cent)	Capacity under construction	Capacity under construction has been invested funding level	Capacity under construction is expected to Completion time
		42 / 352			
radial load carrying tyre	6 million sets/year	60.17 per cent	/	/	/
Radial	200,000	99.00 per	80,000	64.2	2024/6/30

Increases or decreases in productive capacity

√Applicable Not applicable

The company implemented the project of 80,000 sets of radial engineering tyres on the basis of the original plant to expand the capacity of radial engineering tyres and giant tyres.

Adjustments to optimise product lines and capacity structure

√Applicable Not applicable

In 2022, in order to meet the market demand for radial engineering tyres and balance the production capacity of radial load carrying tyres and radial engineering tyres, the plant will be established at Jiaozuo Zhongzhan Station.

Upgrading part of the radial load tyre production line into radial engineering tyre production line, increasing the capacity of radial engineering tyre by 30,000 pcs/year.

Unusual shutdowns

□Applicable √Not applicable

3 Procurement of raw materials

(1). Basic information on major raw materials

√Applicable Not applicable

Main raw materials	Procurement modalities	settlement terms (accountancy, law)	Price change year-on-year Activity ratio (%)	procurement volume	consumption
natural rubber	Long-term contract + point picking	Collections or wire transfers	-6.08 per cent	93086	98421
Synthetic Rubber (Butyl)	Long-term contract + spot	Advance payment or delivery of orders	-2.29 per cent	15036	15325
Note: Procurement and consumption are in tonnes. Impact of changes in the prices of major raw materials on the company's operating costs: changes in the prices of major raw materials brought about a year-on-year decline in costs.					

(2). Basic information on major energy sources

√Applicable Not applicable

Primary energy sources	Procurement modalities	Inquiry settlement terms (accountancy, law)	disbursements 3 months after delivery	Rate of year-on-year price changes (per cent)	procurement volume	consumption
steel cord energy	procurement	Bidding Inquiry	disbursements 3 months after delivery	-7.28 per cent	38100	37686
coal	collection	Goods received and accepted in accordance with the actual International single burner settlement	42 per cent	71,986 tonnes	71,986 tonnes	
Impact of changes in major energy prices on the company's operating costs: year-on-year cost increases due to changes in major energy prices. (3). Risk response measures for raw material price fluctuations						
electrical	self-acquisition	Monthly Settlement	15.7 per cent 43 / 352	346,644,125 KWH	346,644,125 KWH	
vapour	self-acquisition	Monthly Settlement	0 per cent	163,941 tonnes	163,941 tonnes	
mineral oil	self-acquisition	Monthly Settlement	0 per cent	1,528,212 tonnes	1,528,212 tonnes	

Major holdings of financial products such as derivatives

☐Applicable ☒Not applicable

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

☐Applicable ☒Not applicable

4 Product sales

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

Unit: Yuan Currency: RMB

niche industry	√Applicable revenue	Not applicable business costs	Gross margin (%)	Increase/decrease in operating income over the previous year (per cent)	Increase/decrease in operating costs over the previous year (per cent)	Increase or decrease in gross profit margin over the previous year (per cent)	Gross margins of products in the same field in the same industry
(2). Basic information on the Company's main business by sales channel							
	√Applicable sales channel	Not applicable	revenue	year (per cent)	Increase or decrease in operating income over previous year (%)		
Rubber and Plastic material goods	interchangeability	28	4,079,967,562.60	1,127,536,494.42	-15.45	4.04	0.54
	form a complete set			1,062,870,395.92			-53.68
	exit			2,566,790,559.94			31.11
	During the reporting period, competition in the domestic replacement market was						

exceptionally fierce and revenue was basically flat. The ancillary market was affected by the decline in production and sales volume of domestic commercial vehicle host manufacturers as well as the optimisation and adjustment of the Company's market structure, resulting in a significant decline in revenue. In the export market, affected by the optimisation of global control measures and the decline in shipping costs, the Company actively expanded its overseas markets, resulting in significant revenue growth.

Statement of accounting policy

☐Applicable ☒Not applicable

5 Environmental and safety situation

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

☐Applicable ☒Not applicable

(2). Significant environmental violations

☐Applicable ☒Not applicable

[illegible]

2. Significant non-equity investments

☐Applicable ☒Not applicable

3. Financial assets at fair value

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable asset class	Not applicable beginning of period	Fair value for the period Change in profit and loss	Accumulated in equity Fair value changes	Provision for the current period impairments	Amount purchased during the period	Current sale/redempti on refundable amount	Other changes	closing figure
Investment in stock (market)	3,230,000.00		-3,760,000.00					2,660,000.00
securities the add up the total	3,230,000.00		-3,760,000.00					2,660,000.00

Unit: Yuan Currency: RMB

<input type="checkbox"/> Not applicable Type of securities	stock code	short form	Initial investment cost	Sour ce of fund s	Opening book value	Cha nge in fair valu e duri ng the peri od increa se and decre ase	Accumulated fair value changes included in equity	Amo unt purc has ed duri ng the peri od	Amo unt sold duri ng the peri od	Gain s and loss es on inve stm ents for the peri od	Closing book value	Accounti ng subject s
Private equity investments <input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not Applicable												
Derivatives investments <input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not Applicable												
stock (mark et)	000815	Xiamen Industrial Co.	6,420,000.00	poss ess	3,230,000.00	47 / 352	-3,760,000.00				2,660,000.00	Other interests Instrument investment
add up the total	/	/	6,420,000.00	/	3,230,000.00		-3,760,000.00				2,660,000.00	/

4. Specific progress in the integration of major asset reorganisations during the reporting period

☐Applicable ☒Not Applicable

(vi) Significant asset and equity sales

☐Applicable ☒Not Applicable

(vii) Analysis of major holding and participating companies

☒Applicable ☐Not applicable

company identification	Main business	registered capital	percentage of equity participation	Total assets (\$ million)	Net assets (\$ million)	Net profit (\$ million)
Fengshen Tyre (Tai) (Hara) Limited	production and sales Industrial tyres	\$30,000,000	100%	108,060.71	-5661.04	-7,427.05
Fengshen Tyre (Hong Kong) Co.	Import and export trade in tyre-related businesses, Foreign exchange receipts and payments	HK\$5 million	100%	878.21	232.13	-13.89
Aeolus Tyre (Russia) LLC	Tyre-related businesses import and export trade and Foreign exchange receipts and payments	US\$ 1 million	100%	4954.11	1166.37	511.20
Aeolus Tire (Canada) Inc.	Tyre-related businesses import and	\$500,000	100%	342.13	342.13	-0.18

	export trade and Foreign exchange receipts and payments					
Pirelli tyres (Jiao) Ltd.	production and sales Passenger tyres	\$350 million	20 per cent	115,386.83	43,956.45	2,468.71
Prometeon Tyre Group S.r.l.	production and sales Industrial tyres	100 million euros	10%	1,315,686.70	381,386.82	12,396.27

(viii) Information on structured subjects controlled by the company

☐Applicable ☒Not Applicable

**VI. THE COMPANY'S
DISCUSSION AND ANALYSIS OF
FUTURE DEVELOPMENTS (i)**

Industry landscape and trends

☒Applicable ☐Not applicable

Domestic tyre industry in the world economic instability, downside risks intensify the situation, still facing enormous pressure, gradually showing the following trends: First, international trade friction will become the norm, "go out", the global layout strategy will become the industry's development trend; Second, in the "intelligent Second, in the context of the development of "smart manufacturing", the enterprise's production and manufacturing will face automation, information technology to intelligent, digital transformation; Third, with the Internet + deep into the lives of the public, the e-commerce platform has become the mainstream way of sales, the tyre industry sales channels as well as the sales model needs to accelerate the change to adapt to future development; Fourth, the major raw materials and energy prices fluctuate greatly; Fifth, the wave of reverse globalisation brought about by the global supply chain, and the global supply chain. The wave of anti-globalisation brought about by the global supply chain re-layout intensified.

(ii) Corporate development strategy

☒Applicable ☐Not applicable

Led by the concept of "Science First", the company aspires to be a global industrial tyre "quality" leader and a sustainable tyre manufacturing company with world-class influence, accelerates the construction of the five Fengshen We will accelerate the construction of the five Winds, namely World Winds, Science and Technology Winds, Digital Winds, Green Winds, and Humanity Winds, actively promote the "315" strategy, and implement the "6+X" key action plan, so as to push forward the company's high-quality and sustainable development.

(iii) Business plans

√Applicable Not applicable

1. Compact basic management, to achieve safety zero accident

Taking the landing of the FORUS system as an opportunity, upgrading the company's HSE management system; practicing social responsibility and actively introducing the ESG system; deepening the management practice of the "dual prevention mechanism + safety information platform"; improving the quality and efficiency of the management of high-risk accidents, the return of accidents/hidden dangers to risks, the risk abatement plan, and the risk study and early warning analysis. The company will improve the quality and efficiency of high-risk accident management, accident/hidden danger return to risk, risk abatement plan, risk research, judgement and early warning analysis, etc., so as to achieve that the risks of larger or above are within the acceptable range and under safety control; promote the improvement of the skills of the safety profession and the professional safety personnel through the means of training practice, mutual inspection by the experts and exchange of benchmarks; and continue to push forward the construction of the intelligent HSE project.

2. Increase market restructuring and promote sales business transformation

Continue to promote market restructuring. Actively respond to the long-term systematic pressure faced by the supporting market and solve the problem of poor profitability in the supporting market. Make use of the PM portfolio of the product market to seek new business growth, and carry out various business tasks such as supporting high-end models, supporting high-end products, and developing special tyre market on the basis of profit improvement. At the same time, we should focus on the development of the domestic host aftermarket and international top host supporting plant such as Daimler, VOLVO, SCANIA, and enter the world-class circle of friends.

Promote the transformation of sales model. In the domestic radial tyre repair market, continue to promote the sales layout of "9+1" regions & commercial agency, optimise the existing sales staff: turn some of the sales staff currently in charge of wholesalers into sales staff dedicated to visiting core retailers; guide the construction of the agent's full-time sales team of Fengshen; and promote the model of the commercial agency to achieve localisation of sales staff and better management of the core retailers' network. To realise the localisation of sales staff and better manage the core retailer network.

3. Strengthening core personnel management and implementing the talent development programme

Continuously carry out human resources reform, and work on improving organisational efficiency, perfecting talent management, improving incentive and constraint mechanisms, implementing accurate recruitment, strengthening training management, and implementing HR self-construction. Strengthening the functional construction of the Beijing headquarters, continuing to promote the introduction of high-level talents, and implementing the plan for the introduction of director-level (CXO) high-end talents and 50Plus professionals to meet the talent needs of the company's international development. We will continue to implement the "Eagle" Talent Plan,

and continue to arrange cross-base postings for key personnel, and continue to carry out on-the-job training to make the best use of their talents and support the company's business development.

Strengthen core personnel control. Combined with the company's turnover control objectives, through the combination of on-site management and indicator monitoring principles, according to the different levels of employees and demand for different objectives, classification, level by level to formulate measures to improve, focusing on improving the research and development of core talent and manufacturing system of the turnover control of new employees.

4. Strict risk prevention and control to achieve compliant operation

The Company earnestly implemented the requirements of the State Council SASAC on the construction of the rule of law and the implementation of the Measures for Compliance Management of Central Enterprises, and continued to promote the special work of the "Year of Strengthening Compliance Management". With the implementation of the compliance management checklist as the starting point, the Company strengthened the "three lines of defence" of compliance management. The Company also cooperated with external legal intermediaries to strengthen the prevention of compliance risks.

Strengthening the whole process of contract management before, during and after the contract, promoting the digital management of the contract, improving the quality of the whole process of contract management, and striving to reduce the number of new disputes and litigation cases. Keeping an eye on the handling of key cases, promoting the development of cases in the direction of favouring the company, and protecting the company's intellectual property rights in accordance with the law.

(iv) Possible risk exposure

√Applicable Not applicable

1. Risk of changes in the international political economy

In recent years, the international competitive environment has become increasingly complex, with the trend of anti-globalisation on the rise, and the global industrial chain and supply chain facing the risk of "chain breakage"; international trade frictions are on the rise, especially trade protectionism against China. During the reporting period, factors such as the escalation of foreign geopolitical conflicts represented by the Russian-Ukrainian war have intensified global inflation, and the world economic growth has faced serious challenges.

At the same time, the company's import and export business settlement currency is mainly the United States dollar, due to the volatile international macroeconomic situation, the United States dollar exchange rate fluctuations against the Renminbi obvious, the company's performance has a greater impact.

2. Raw material price fluctuation risk

Natural rubber is the main raw material for the Company's tyre manufacturing. As a commodity, the price of natural rubber is closely linked to trade policies, exchange rates and capital market conditions. In recent years by the influence of overseas commodity markets, natural rubber, steel prices fluctuated sharply, other chemical raw materials prices are also due to the national environmental policy and elimination of low-end overcapacity impact of the rising trend. As natural rubber, synthetic rubber, as well as carbon black, steel cord is the main raw materials for the production of tyres, accounting for a large proportion of production costs, so the substantial fluctuations in raw material prices will have a greater impact on the company's cost control and operating results. At the same time, energy prices are still running at a high level, which has a greater impact on the company's costs.

3. International trade barriers to enhance the risk

In recent years, with the United States, Europe and the United States of America on China's tyre exports launched anti-dumping investigation activities began, Brazil, India and other countries have gradually joined in, or to raise the threshold of access to limit China's tyre exports. 2021 May the U.S. Department of Commerce announced for the Southeast Asian countries involved in the region of the final ruling on the double anti-dumping duty rate of the product, disguised as an increase in China's tyre enterprises' export costs. The US Department of Commerce announced in May 2021 the final results of the double anti-duty rate on products related to Southeast Asia, in effect increasing the export cost of Chinese tyre enterprises.

(v) Other

☐Applicable ☒Not Applicable

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

☐Applicable ☒Not Applicable

Section IV. Corporate governance

I. Information note on corporate governance

☒Applicable ☐Not applicable

In strict accordance with the requirements of the Company Law, the Securities Law, the Guidelines for the Governance of Listed Companies and the documents on corporate governance issued by the China Securities Regulatory Commission and the Shanghai Stock Exchange, the Company has continuously improved its corporate governance structure, standardised the operation of the Company, strengthened its internal management and enhanced information disclosure, and has established a relatively perfect corporate governance structure and corporate governance system.

1. On shareholders and general meetings:

The Company has standardised the implementation of the convening, holding and proceedings of the general meeting of shareholders in accordance with the requirements of the "Normative Opinions on General Meetings of Shareholders of Listed Companies", the "Rules of Procedure for General Meetings of Shareholders" and the "Articles of Association of the Company". It has established a corporate governance structure capable of ensuring that all shareholders can fully exercise their legal, administrative regulations and legitimate rights, treating all shareholders equally and ensuring that shareholders can fully exercise their rights and protect their legitimate interests.

2. On controlling shareholders and listed companies:

The Company and the controlling shareholder are clearly distinguished in terms of assets, finance, organisations and business management, and each is independently accounted for and bears responsibilities and risks independently. The Board of Directors, Supervisory Committee and internal organisations of the Company operate independently. The controlling shareholder exercises its rights and undertakes obligations in strict accordance with the relevant provisions of the Company Law and the Articles of Association. The Company's connected transactions are fair and reasonable, and the pricing basis, conclusion of agreements and performance of connected transactions are disclosed in a timely and adequate manner.

3. On directors and boards of directors:

The Directors of the Company attend the meetings of the Board of Directors and the general meetings of the Company in accordance with the relevant laws and regulations and in a conscientious and responsible manner, exercising their rights and fulfilling their obligations faithfully, honestly and diligently. The Board of Directors of the Company has set up four specialised committees, namely Strategy Committee, Audit Committee, Nomination Committee and Remuneration and Evaluation Committee, and the specialised committees have been carrying out their work in earnest, giving full play to their professional functions, and operating in accordance with the provisions of the relevant rules of procedure and rules of procedure. The independent directors earnestly fulfilled their duties as independent directors, actively attended the relevant meetings, carefully considered the motions of the Board of Directors, and expressed relevant opinions on major issues and matters requiring prior approval or independent opinions from the independent directors as required, giving full play to the role of the independent directors, and providing an effective guarantee for the scientific decision-making of the Board of Directors.

4. On the Supervisor and the Supervisory Board:

In accordance with the Rules of Procedure of the Supervisory Committee, all Supervisors of the Company, in the spirit of being responsible to the shareholders, conscientiously fulfilled their duties and supervised daily connected transactions, connected transactions, the financial position of the Company, as well as the legality and compliance of the performance of duties by the Directors and senior management of the Company.

5. On information disclosure and transparency:

The Board of Directors of the Company has designated the secretary of the Board of Directors to be responsible for information disclosure, set up an investor relations management department with corresponding personnel to fulfil the obligation of information disclosure, receive visits and answer enquiries in accordance with the law, and designated China Securities Journal and Shanghai Securities News as the media of the Company's information disclosure, so as to disclose the relevant information of the Company in a true, accurate, complete and timely manner.

6. On daily regulatory and preventive work:

The Company has formulated the Registration and Filing System for Informants of Insider Information, the Working System for the Secretary of the Board of Directors, and the Accountability System for Material Errors in Disclosure of Information in the Annual Report. During the reporting period, the daily supervision work was carried out in a solid manner to ensure that the Company's operation and management were legal and compliant, the Company's assets were safe and intact, the disclosure of information was true and accurate, and there was no incident of using insider trading.

7. On connected transactions:

The Company insists on regulating the business of connected transactions in strict accordance with the Articles of Association, Rules of Procedure of the General Meeting of Shareholders, Rules of Procedure of the Board of Directors, Working System of Independent Directors, Measures for the Administration of Connected Transactions and other relevant regulations, and the independent directors and lawyers have issued testimonials to continuously improve the level of standardised operation of the Company.

8. On investor relations management:

During the reporting period, the Company maintained close daily communication with investors in a transparent, open and fair manner, kept abreast of market dynamics, analysed the focus of market concerns, organised and participated in a variety of forms of investor meetings, and continued to pass on timely information about the Company through a variety of channels such as SSE E Interactive, emails, hotlines and other channels, to enhance communication with investors and strengthen market confidence.

9. On the management of the registration of insiders:

The Company has formulated and improved the Registration and Filing System for Informants of Insider Information in strict accordance with the Company Law, Securities Law, Administrative Measures for Disclosure of Information by Listed Companies and other relevant regulations, and has done a good job in keeping the confidentiality and registration of insider information such as interim reports and periodic reports, and has strictly managed the use of information by the Company's external information users, so as to effectively maintain the principle of fairness in the disclosure of the Company's information.

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

☐Applicable ☒Not Applicable

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

☒Applicable ☐Not applicable

The Company and the controlling shareholder are clearly distinguished in terms of assets, finance, organisations and business management, and each is independently accounted for and bears responsibilities and risks independently. The Board of Directors, Supervisory Committee and internal organisations of the Company operate independently. The controlling shareholder exercises its rights and undertakes obligations in strict accordance with the relevant provisions of the Company Law and the Articles of Association. The Company's connected transactions are fair and reasonable, and the pricing basis, conclusion of agreements and performance of connected transactions are disclosed in a timely and adequate manner.

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

☒Applicable ☐Not applicable

On 14 February 2014, the Company disclosed the Announcement on the Implementation of Commitments by Shareholders of the Company (for details, please refer to Announcement No.: Pro 2014) (-006), Announcement on Further Clarification of Commitment Matters by Controlling Shareholders of the Company (Announcement No. Pro 2014-020) disclosed on 21 June 2014

On 6 June 2016, the Company disclosed the "Announcement on Purchase and Sale of Assets and Connected Transactions (Announcement No.: Lin 2016-048), intending to purchase 100% equity interests in Fengshen (Taiyuan) and 100% equity interests in Qingdao Huanghai Rubber Co. from Rubber Company in cash; purchase 10% equity interests in **Pirelli** Industrial S.r.l. from Pirelli in cash, and meanwhile to Purchase of 10% equity interest in Pirelli Industrial S.r.l. from Pirelli in cash, and sale of Jiao Feng Style S.r.l. to Pirelli in cash.

The transaction plan of 80% equity interest in God Tire Limited Liability Company and other subject assets, and completed the delivery on 22 October 2016 (Announcement No.: Pro 2016-066).

On 13 April 2017, the Company disclosed the "Proposed Purchase of Assets by Issuance of Shares and Raising of Matching Funds and Connected Transaction of Fengshen Shares" (Announcement No. Pro 2017-024), in which the Company proposed to carry out a major asset reorganisation to purchase equity interests in Guilin Benefo Tire Company Limited and other Subject Assets from the counterparties through the issuance of shares respectively. As the Asset Injection Agreement signed in advance by the parties to the transaction was entered into on 2017

It was automatically terminated on 31 December, and the Company convened an extraordinary general meeting on 22 January 2018 to consider the "Report on the Termination of the Material Asset Restructuring Matters and Withdrawal of Relevant Application Documents" and other matters, and the relevant motions were not passed. On 24 January 2018, the Company disclosed an interim announcement (Announcement No.: Pro 2018-013) that as the legal basis for the Transaction had ceased to exist, there were objectively significant impediments to the continuation of the Transaction.

On 16 March 2018, the Company disclosed the "Announcement of Fengshen Shares on the Signing of Equity Custody Agreement and Connected Transaction Matters (Announcement No.: Pro 2018-020), the Company accepted the entrustment to manage the equity interest of Guilin Benefo Tyre Company Limited, the other industrial tyre assets under the controlling shareholder Rubber Company.

On 4 December 2018, the Company disclosed the "Proposal on the Signing of Equity and Debt Transfer Agreement and Connected Transaction" and the "Proposal on the Signing of Equity Custody Agreement and Connected Transaction" (Announcement No.: Pro 2018-063). The Company and Qingdao Yellow Sea Rubber Group Limited Liability Company (hereinafter referred to as "Yellow Sea Group") entered into the Equity and Debt Transfer Agreement in respect of Qingdao Yellow Sea Rubber Company Limited (hereinafter referred to as "Yellow Sea Limited"), pursuant to which the Company transferred 100% equity interest in Yellow Sea Limited directly held by the Company, and 100% equity interest in Yellow Sea Limited as at 6 June 2018, to Qingdao Yellow Sea Rubber Company Limited. ("Huanghai Limited"), under which the Company transferred 100% equity interest in Huanghai Limited directly held by the Company and the equity interest in Huanghai Limited as at 30 June 2018

30 the Company's claim on Huanghai Limited was transferred to Huanghai Group. The Company also signed the Equity Trusteeship Agreement with Yellow Sea Group in respect of Yellow Sea Limited, whereby Yellow Sea Group entrusted the Company with the management of 100% equity interest in Yellow Sea Limited transferred by the Company (Announcement No.: Pro 2018-064). On 4 December 2018, the Company disclosed the "Proposal on the Signing of the <Equity Trusteeship Termination Agreement> and Related Transaction Matters", the It was agreed that the Company would enter into the Equity Trusteeship Termination Agreement with Rubber Company, the controlling shareholder, to terminate the trusteeship of 100% equity interest in Guilin Benefo Tire Company Limited (Announcement No.: Pro 2018-065).

The Company signed the Equity Escrow Agreement with PTG on 12 June 2018, 28 June 2019 and 24 July 2020 respectively, accepting the entrustment of 100% equity interest in its wholly-owned subsidiary, Toup Trading (Beijing) Company Limited (Announcement No.: Pro 2018-043, Pro 2019-047 and Pro 2020-038).

On 29 June 2020, the Twenty-eighth Meeting of the Seventh Session of the Board of Directors of the Company was held, at which the "Proposal on the Company's plan for the non-public issue of A shares in 2020", "Proposal on the connected transactions involved in the Company's non-public issue of A shares and other relevant proposals" and "Proposal on the signing by the Company of the "Conditionally Effective Non-public Issue of Subscription Agreements" and other relevant proposals were considered and passed. Relevant motions. The controlling shareholder of the Company has issued a commitment that it will submit to Fengshen Shares by 31 December 2021 to inject its industrial tyre assets into Fengshen.

The specific proposal of God's shares is detailed in the "Response to Feedback on Application Documents for Non-public Offering of A Shares (Revised Draft)" disclosed by the Company on 19 September 2020.

On 30 November 2020, the Company disclosed the Announcement on the Signing of Equity Escrow Agreement and Related Transaction Matters. The Company and its controlling shareholder, China National Chemical Rubber Corporation, entered into the Equity Escrow Agreement, under which the Company will be entrusted with the management of 52% equity interest in PTG (Announcement No. Pro 2020-070).

On 9 February 2021, the Company disclosed the "Prompt Announcement on Planning of Major Asset Reorganisation", announcing that the Company intended to purchase 38% equity interest in PTG held by High Grade (HK) Investment Management Limited ("HG") by way of cash payment. ("HG").

On 2 June 2021, the Company held the Thirty-fifth Meeting of the Seventh Session of the Board of Directors and considered and passed the "Proposal on the Specific Plan of the Company's Current Restructuring" and other proposals related to the restructuring matter, in which the Company proposed to purchase the 38% equity interest in PTG held by HG, which had been listed on the Beijing Property Rights Exchange and transferred by the Company through its wholly-owned subsidiary, Fengshen Hong Kong, by way of cash payment.

On 12 July 2021, the Company held the Thirty-sixth Meeting of the Seventh Session of the Board of Directors and considered and passed the Proposal on Termination of Major Asset Reorganisation of the Company. Considering that the controlling shareholder has already entrusted its 52% equity interest in PTG to the Company, the business synergy between the Company and PTG is currently progressing smoothly. The Company will actively study with the controlling shareholder to seek ways to completely resolve the competition in the same industry. In order to effectively safeguard the interests of the listed company and investors, the Company has decided to terminate the restructuring after prudent study.

On 31 December 2021, the Company disclosed the "Announcement on the Proposed Acquisition of 38% Equity Interests in PTG by Controlling Shareholders", Rubber Company has been
An agreement was signed with HG on 30 December 2021 to acquire its 38% stake in PTG.

On 30 June 2022, the Company disclosed the "Announcement on the Completion of the Acquisition of 38% Equity Interests in PTG by the Controlling Shareholder", which transaction has been performed
The Company has completed the filing procedures with the relevant ministries and commissions of the State, and on 28 June 2022, the formal delivery was completed.

On 3 August 2022, the Company held the ninth meeting of the eighth session of the Board of Directors and agreed that the Company would be entrusted with the management of 38% of the equity interest in PTG held by Rubber Company, and that the Company would be entrusted with the management of a total of 90% of the equity interest in PTG after the effective date of this agreement.

III. Briefing on the General Meeting of Shareholders

Session of the Conference	Date of convening	Index of searches on designated websites where resolutions are published	Resolutions published in the Official Journals date of exposure	Conference resolution
First Extraordinary General Meeting 2022	2022 February 10 date	http://www.sse.com.cn	2022 February 11 date	See the Company's report dated 11 February 2022 for details. Announcement of Resolutions of the First Extraordinary General Meeting of 2022 of the Company disclosed on 24 June 2012 (Circular No. (No. Pro 2022-007).
2021 Annual General Meeting	2022 May 25 date	http://www.sse.com.cn	2022 May 26 date	See the Company's report dated 26 May 2022 for details. Announcement of Resolutions of the 2021 Annual General Meeting of the Company (Announcement No.: Lin) (2022-021).
2022 Second Extraordinary General Meeting	2022 19 August date	http://www.sse.com.cn	2022 August 20 date	For details, see the Company's Annual Report on 20 August 2022 Announcement of Resolutions of the Second Extraordinary General Meeting of 2022 of the Company disclosed on 24 May

				2012 (the "Announcement") (the "Announcement") (No. Pro 2022-035).
2022 Third Extraordi nary General Meeting	2022 Decem ber 5 date	http://www.sse.com.cn	2022 Decem ber 6 date	See the Company's report dated 6 December 2022 for details. Announcement of Resolutions of the Third Extraordinary General Meeting of 2022 of the Company disclosed on 24 March 2012 (Circular No. (No. Pro 2022-056).

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

☐Applicable ☒Not Applicable

Information note on the general meeting of shareholders

☐Applicable ☒Not Applicable

IV. Directors, Supervisors and Senior Managers

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

√Applicable □Not applicable

Unit: shares

name and surname	Position (note)	distinction between the sexes	(a person's) age	Date of commencement of term of office	Termination date	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Increase or decrease in the number of shares during the year	Reasons for changes	Total pre-tax compensation received from the company during the reporting period Amount (\$ million)	Whether or not remuneration is received at a related party of the company
Wang Feng (1901-1982), famous Chinese communist leader	chairman of the board	male	58	2021-08-24	2024-08-23	0	0	0	footnote	168.29	clogged
Yang Hanqian (1925-), Chinese-American physicist, astronomer and mathematician	board member	male	45	2023-02-09	2024-08-23	0	0	0	0	-	be
Chen Jian	Director, Party	male	45	2021-08-24	2024-08-23	0	0	0	footnote	12.62	clogged

Zhao Jianyong (1937-), PRC film director (outgoing)	Fengshen (Taiyuan) Executive Director, Party Secretary, General Manager President of the Labour Union	male	61	2021-08-24	2024-08-23	0	0	0	footnote	33.25	clogged
Liu Xinjun (1942-), PRC diplomat, special representative for the Chinese communist party from 2007 (outgoing)	Secretary to the Board, Deputy Director of Finance	male	45	2021-08-24	2024-08-23	0	0	0	footnote	39.00	clogged
add up the total	/	/	/	/	/				/	481.22	/

Notes:

- The Company held the Second Extraordinary General Meeting of 2019 on 23 July 2019 and considered and approved the Employee Share Ownership Plan of Fengshen Shares. The first phase of the Company's Employee Stock Ownership Plan Company's directors, supervisors and
There were 10 senior management personnel, and the total shares granted were 1,025,500 shares, accounting for 14.78% of the total shares of the first phase of the Employee Stock Purchase Plan. Directors, Supervisors and Senior Management of the Second Employee Stock Ownership Plan of the

Company

There were 10 persons of the Company's directors, supervisors and senior management, who were granted a total of 115,200 shares, accounting for 14.78% of the total shares of the second phase of the Employee Stock Purchase Plan. The third phase of the Employee Stock Ownership Plan of the Company has 10 directors, supervisors and senior management personnel, with an aggregate share of 282,700 shares granted, accounting for 15.58% of the total share of the third phase of the Employee Stock Ownership Plan. The total amount of after-tax remuneration disclosed in the annual report is consistent with the requirement of reporting on personal matters of leading cadres. 2. The 15th meeting of the 8th session of the Board of Directors of the Company was held on 18 January 2023. Proposal to Change the Secretary of the Board of Directors of the Company" and disclosed the "Announcement on the Retirement and Departure of Senior Management Personnel".

name and surname	Main work experience
Wang Feng (1901-1982), famous Chinese communist leader	He is a member of the CPC, Master of Business Administration, and professor-level senior engineer. Chairman of the Board of Directors of the Company, enjoying national government special allowance, deputy to the 12th National People's Congress, deputy to the 10th and 11th National People's Congress of Jiaozuo City, and member of the 10th CPC Committee of Jiaozuo City. He is currently an executive director and party secretary of China National Chemical & Rubber Corporation. He was once the Secretary of the Party Committee and General Manager of the Company, and a member of the Committee of the CPC of Jiaozuo City. Member of the Board of Directors for the 2nd, 2nd, 3rd, 4th, 5th, 6th, 7th and 8th terms, Senior Strategic Advisor to Pirelli Tyre S.p.A., Chief Integration Management Officer of Pirelli Industrial Tyre S.p.A..
Yang Hanqian (1925-), Chinese-American physicist, astronomer and mathematician	Member of the CPC, Master's degree holder, Director of the Company. Currently, he is the financial controller of Sinochem Rubber Corporation. He was formerly the financial controller and a member of the Party Committee of Sinochem Petroleum Marketing Co.

Chien-Jun Wang (1980-), Taiwanese starting pitcher for the Washington Nationals in Major League Baseball	Member of the CPC, Master's degree holder, Director, Party Secretary and General Manager of the Company. He has served as deputy general manager, head of the manufacturing department, head of the human resources department, and head of the safety and environmental protection department of Jiaozuo Branch of the Company. Minister of the Ministry.
Jiao Mengyuan	CPC Member, Master Degree, Accountant, Director of the Company. Currently, he is the chairman, party secretary and general manager of Henan Tyre Group Co. Director, Capital Limited.
Wu Chunqi	Member of the CPC, Doctor of Laws and Postdoctoral Fellow in Land Management of Renmin University of China, Independent Director of the Company. He is currently the President of the Urbanisation Research Institute (Zhongcheng Think Tank) of Beijing City College, and the President and Professor of China Real Estate (Natural Resources) Registration Research Institute. He is also the secretary-general of China Real Estate (Natural Resources) Registration Collaborative Innovation Centre, and the secretary-general of Zhongguancun Hi-tech Enterprise Association of Natural Resources. Chairman of the Professional Committee.
Xu Yanhua (1957-), PRC actress	CPC member, bachelor degree, senior engineer, independent director of the Company. Currently, he is the chairman of China Automotive Extreme Charging Promotion Association and the secretary-general of China Power Battery Industry Innovation Alliance, Deputy Secretary General of China Automotive Chip Industry Strategic Alliance and Deputy Secretary General of EV 100. He used to be the director of Planning Department of FAW Group and Deputy Chief Engineer of FAW Group.
Xu Zongyu (1962-), Chinese short story writer	Member of the CPC, Doctor of Accountancy, Independent Director of the Company. He is a professor of accounting at the School of Management of Shanghai University and a supervisor of doctoral students. He is currently the head of the Accounting Department of the School of Management of Shanghai University, China Accounting

	He is a member of the Association of Higher Engineering Colleges and Universities, and an expert in the assessment of accounting and finance majors in Shanghai.
Liu Chenhong	CPC Member, Bachelor's Degree, Chairman of the Supervisory Board of the Company, Director of the Party Committee Working Department, Vice Chairman of the Labour Union, and Director of the Human Resources Department of Jiaozuo Base.
Qi Chunyu (1944-), Chinese-American physicist	Member of the CPC, with postgraduate education, Supervisor of the Company. He is currently the Deputy Director of Discipline Inspection Office of China National Chemical & Rubber Corporation. He has served as the enterprise management of China National New Materials Corporation and General Administration of Chemical Industry Science and Technology. He is a lawyer in the Asset Operation Department and Supervision Department of China National New Chemical Materials Corporation, and an assistant to the director of Liaoyuan Plant.
Former Lei Qing (1928-), Taiwanese politician, President of the Republic of China from 2008	CPC member, on-the-job postgraduate education, senior economist, supervisor of the Company. He is currently the executive director and general manager of Jiaozuo State-owned Development Investment Co. Director and Deputy General Manager of the limited company.
Girón (name)	CPC Member, Bachelor's Degree, Accountant, Supervisor and Head of Audit Department of the Company. He has served as Deputy Director and Director of the Finance Department of the Company.
Zhang Peng (1928-), leading PRC politician, prime minister 1987-1998, reportedly leading a	Member of CPC, Bachelor's Degree, Director of Office (Party Committee Office) and Secretary of Youth League Committee of Fengshen (Taiyuan).

conservative lifestyle	
Zhang Xiaoxin (1930-1975), PRC film director	CPC member, postgraduate degree, professorate senior engineer, chief operating officer and executive deputy general manager of the Company. He has served as deputy director and director of the power plant of Henan Tyre Factory, and production manager of the Company. Deputy Minister, Minister, Assistant General Manager, Deputy General Manager of the Ministry, Chairman of the Labour Union, Chairman of the Supervisory Board, General Manager.
Shen Yusheng (1950-), PRC diplomat and politician, foreign minister from 2008	CPC member, bachelor degree, professor-level senior engineer, deputy general manager of the Company. He has served as Deputy Director of the Technical Research Department and Deputy Director of the Project Office of Henan Tyre Factory and Director of the Enterprise Development Department of the Company, Deputy Chief Engineer, Assistant General Manager, Deputy General Manager.
Zhang Linlin	CPC Member, Master's Degree, Secretary of the Board of Directors of the Company. Currently, he is the Director of Office (Party Committee Office) of Fengshen Tyre Company Limited. Previously served as Deputy Chief Information Officer of the Company, Management Deputy Minister of Information.

Other information notes

☐Applicable ☒Not Applicable

(ii) Occupation of Directors, Supervisors and senior management currently in office and those who left office during the reporting period

1. Employment in shareholders' organisations

√Applicable □Not applicable

Name of incumbent	Name of shareholder unit	In the shareholders' unit Positions held by the Office of the United Nations High Commissioner for Human Rights	Date of commencement of term of office	Termination date
Wang Feng (1901-1982), famous Chinese communist leader	China Chemical & Rubber Co.	Executive Director, Party Committee janitors	December 2022	/

2. Yang Hanqian (1923-), Chinese-American physicist, astronomer and mathematician	China Chemical & Rubber Co.	chief financial officer	December 2022	/
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√Applicable □Not applicable

Name of incumbent	Name of other units	Served in other units positions	Date of commencement of term of office	Termination date
Wu Chungui (1923-), Chinese-American physicist, astronomer and mathematician	Beijing City College	president (of a Deputy Party Secretary etc)	June 2015	/
Chien-Jun Wang (1980-), Taiwanese starting pitcher for the Washington Nationals in Major League Baseball	China Chemical & Rubber Co.	part-time lawyer	January 2023	/
Xu Yanhua (1957-), PRC actress	Shandong Zhongcheng Qingtai Law Firm office		November 2010	/
Xu Yanhua (1957-), PRC actress	Guolian Automotive Power Battery Research Institute	Chairman of the Supervisory Board	June 2016	/
Mengyuan	Henan Tyre Group Co. (new centres)	Secretary of the Party Committee and Director	August 2018	/
Xu Yanhua (1957-), PRC actress	China Automotive Power Battery Production	Director Secretary-General Manager	June 2016	/
Qi Chunyu (1944-), Chinese-actress American physicist	Industry Innovation Alliance	Senior Deputy Director (Main)		
Xu Yanhua (1957-), PRC Chinese-actress American physicist	China Chemical & Rubber Co.	Discipline vice-secretary Inspection Office (Party Office)	April 2023 September 2020	/
Xu Yanhua (1957-), PRC actress	China Electric Vehicle Association of 100	Secretary (holding a job)	January 2017	/
	Jiaozuo State-owned	Executive	December 2017	/

(iii) Remuneration of Directors, Supervisors and Senior Management

√Applicable □Not applicable

Decision-making procedures for remuneration of directors, supervisors and senior management	The remuneration of directors shall be formulated by the Remuneration and Evaluation Committee of the Board of Directors of the Company and approved by the general meeting of the Company; the remuneration of senior management shall be formulated by the Remuneration and Evaluation Committee of the Board of Directors of the Company. The Board of Directors of the Company approves the decision.
Directors, Supervisors and Senior Management Report Basis for determining remuneration	Remuneration incentive and discipline mechanism for directors and senior executives of the Company and performance appraisal of senior executives of the Company Implementing rules.
Directors, Supervisors and Senior Management Actual payment of	Support based on the decision-making process and basis for determining the remuneration of directors, supervisors and senior managers

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

√Applicable □Not applicable

name and surname	Positions held	Scenario of change	Reason for change
The actual amounts received by all Directors, Supervisors and Senior Management at the end of the reporting period	481.22 million		
Yang Handian (1925), Chinese physicist, astronomer and mathematician	board member	elections	/
Chien-Jun Wang (1980-), Taiwanese starting pitcher for the Washington Nationals Major League Baseball	Director, Party Secretary, General Manager	elections	/

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

□Applicable √Not Applicable

Zhang Linlin	secretary to the board	appoint (to a position)	/
Liu Chenhong	Chairman of the Supervisory Board	elections	/

V. Information on board meetings held during the reporting period

Zhang Peng (1928-), leading PRC politician, prime minister	Date of convening	supervisor	elections	/
1987-1998 Eighth Session of the Board of Trustees reportedly leading a conservative lifestyle	January 2022 21st	For details, please refer to the "Eighth Meeting of the Board of Directors of the Company" disclosed by the Company on 22 January 2022	Announcement of Resolutions of the Fifth Meeting of the Board of Directors (Announcement No. Pro 2022-001).	
Zhang Xiaoxin (1938-), PRC film director	April 2022 28th	board member	leave office	/
Jiao Chonggao (outgoing)		board member 67/352	leave office	/
Wang Renjun (departed)		Chairman of the Supervisory Board, Deputy Secretary of the Party Committee, Disciplinary	leave office	/

Six meetings		Announcement of Resolutions of the Sixth Meeting of the Board of Directors (Announcement No. Pro 2022-008).
Eighth session of the Board of Trustees Seventh meeting	May 2022 30 days	For details, please refer to the "Eighth Annual Report of the Directors of the Company" disclosed on 31 May 2022 by the Company. Announcement of Resolutions of the Seventh Meeting of the Board of Directors (Announcement No. Pro 2022-022).
Eighth session of the Board of Trustees Eight meetings	June 2022 22nd	For details, please refer to the "Eighth Annual Report of the Directors of the Company" disclosed on 23 June 2022 by the Company. Announcement of Resolutions of the Eighth Meeting of the Board of Directors (Announcement No. Pro 2022-023).
Eighth session of the Board of Trustees Nine meetings	August 2022 3 days	For details, please refer to the "Eighth Meeting of the Board of Directors of the Company" disclosed by the Company on 4 August 2022 Announcement of Resolutions of the Ninth Meeting of the Board of Directors (Announcement No. Pro 2022-029).

Eighth session of the Board of Trustees Ten meetings	August 2022 29th	For details, please refer to the "Eighth Annual Report of the Directors of the Company" disclosed on 30 August 2022 by the Company. Announcement of Resolutions of the Tenth Meeting of the Board of Directors (Announcement No. Pro 2022-036).
Eighth session of the Board of Trustees Eleventh meeting	2022 10 11th of January	For details, please refer to the "Eighth Session of the Board of Directors of the Company" disclosed by the Company on 12 October 2022 Announcement of Resolutions of the Eleventh Meeting of the Board of Directors (Announcement No. Pro 2022-042).
Eighth session of the Board of Trustees Twelve meetings	2022 10 27th of March	For details, please refer to the "Eighth Session of the Board of Directors of the Company" disclosed by the Company on 28 October 2022 Announcement of Resolutions of the Twelfth Meeting of the Board of Directors (Announcement No. Pro 2022-045).
Eighth session of the Board of Trustees Thirteenth meeting	2022 11 10th day of the month	For details, please refer to the "Eighth Session of the Board of Directors of the Company" disclosed by the Company on 11 November 2022 Announcement of Resolutions of the Thirteenth Meeting of the Board of Directors (Announcement No. Pro 2022-049).
Eighth session of the Board of Trustees Fourteenth meeting	2022 11 18th of January	For details, please refer to the "Eighth Session of the Board of Directors of the Company" disclosed by the Company on 19 November 2022 Announcement of Resolutions of the Fourteenth Meeting of the Board of Directors (Announcement No. Pro 2022-051).

vi. fulfilment of directors' duties

(i) Directors' participation in the Board of Directors' and shareholders' meetings

Name of Director	Independent or not	Participation in the Board of Trustees						participating shareholder General Assembly
		Number of times due to participate in the Board during the year	Number of personal appearances	Participation by correspondence	Attendance by proxy	Number of absences	Failure to attend two consecutive meetings in person comment on	Attendance at General Meetings of Shareholders
Wang Feng (1921-), leader of the Chinese communi	clogged	10	10	0	0	0	clogged	4

st party after the cultural revolutio n								
Yang Hanqian (1925-), Chinese- America n physicist, astrono mer and mathem atician	clogg ed	0	0	0	0	0	clogge d	0
Chien- Jun Wang (1980-), Taiwane se starting pitcher for the Washing ton Nationals in Major League Baseball	clogg ed	0	0	0	0	0	clogge d	0
Jiao Mengyua n	clogg ed	10	10	0	0	0	clogge d	4
Wu Chunqi	be	10	1	9	0	0	clogge d	4
Xu Yanhua (1957-), PRC actress	be	10	1	9	0	0	clogge d	4
Xu Zongyu (1962-), Chinese short story writer	be	10	1	9	0	0	clogge d	4
J i a o Chongga o (outgoi ng)	clogg ed	10	1	9	0	0	clogge d	4

Zhang Xiaoxin (1930-1975), PRC film director (outgoing)	clogged	10	10	0	0	0	clogged	4
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Remarks: The Company held the first extraordinary general meeting of 2023 on 8 February 2023 and considered and passed the "Election of Mr. Yang Hanjian as a Non-independent Director of the Eighth Session of the Board of Directors" and "Election of Mr. Wang Jianjun as a Non-independent Director of the Eighth Session of the Board of Directors".

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

☐Applicable ☒Not Applicable

Number of Board meetings held during the year	10
Of which: number of on-site meetings	0
Number of meetings held by correspondence	9
Number of meetings held on-site in conjunction with communications	1

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

☐Applicable ☒Not Applicable

(iii) Other

☐Applicable ☒Not applicable

VII. Specialised committees under the Board of Directors

√Applicable □Not applicable

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

Category of specialised committees	Name of member
Board of Auditors	Jiao Chonggao (departed), Xu Yanhua, Xu Zongyu
nominating committee	Wang Feng, Wu Chunqi, Xu Yanhua
Remuneration and Appraisal Committee	Wang Feng, Wu Chunqi, Xu Zongyu
Strategic Committee	Wang Feng, Jiao Chonggao (departed), Zhang Xiaoxin (departed), Jiao Mengyuan, Wu Chunqi, Xu Yanhua

At the 15th meeting of the 8th session of the Board of Directors and the first extraordinary general meeting of 2023, on 18 January 2023 and 8 February 2023, at which it considered and passed the "Proposal on Changes in the Directors of the Company", elected Mr. Yang Hanjian and Mr. Wang Jianjun as the candidates for the directorships of the 8th session of the Board of Directors of the Company, and at the same time Mr. Yang Hanjian replaced Mr. Jiao Chonggao as a member of the strategy committee of the Board of Directors and the audit committee of the Board of Directors of the Company. Mr Yang Hanjian replaced Mr Jiao Chonggao as a member of the Strategy Committee of the Board of Directors of the Company and the Audit Committee of the Board of Directors of the Company, and Mr Wang Jianjun replaced Mr Zhang Xiaoxin as a member of the Strategy Committee of the Board of Directors of the Company.

(2). The Audit Committee met 5 times during the reporting period

Date of convening	Content of the meeting	Critical observations and recommendations	Other performance of duties state of affairs
2022 January 21 date	Matters relating to the fifth meeting of the eighth session of the Board of Trustees	The Audit Committee carried out its work in strict accordance with laws, regulations and relevant rules and regulations, diligently performed its duties, and made relevant comments based on the actual situation of the Company, which were unanimously approved and agreed to be submitted to the Board of Directors of the Company after thorough communication and discussion. Consideration by the Conference.	not have
2022 April 28 date	Matters relating to the sixth meeting of the eighth session of the Board of Trustees	The Audit Committee carried out its work in strict accordance with laws, regulations and relevant rules and regulations, diligently performed its duties, and made relevant comments based on the actual situation of the Company, which were unanimously approved and agreed to be submitted to the Board of Directors of the Company after thorough communication and discussion. Consideration by the Conference.	not have

(3). The Remuneration and Evaluation Committee met once during the reporting period.

Date of convening	Content of the meeting	Critical observations and recommendations	Other performance of duties state of affairs
2022 August 3 date	Matters relating to the ninth meeting of the eighth session of the Board of Trustees	The Audit Committee carried out its work in strict accordance with laws, regulations and relevant rules and regulations, diligently performed its duties, and made relevant comments based on the actual situation of the Company, which were unanimously approved and agreed to be submitted to the Board of Directors of the Company after thorough communication and discussion. Consideration by the Conference.	not have
2022	Relevant information	The Remuneration and Evaluation Committee carried out its work in strict accordance with the laws, regulations	

(4). 1 meeting of the Strategy Committee during the reporting period

Date of convening	Content of the meeting	Key observations and recommendations	Other performance of duties state of affairs
2022 November 10 <input type="checkbox"/> Applicable date	Matters relating to the thirteenth meeting of the eighth session of the Board of Trustees	The Strategy Committee worked in strict accordance with laws, regulations and relevant rules and regulations, diligently performed its duties, and put forward relevant opinions in accordance with the actual situation identified by the Supervisory Board for the Company approved and agreed to be submitted to the Board of Directors of the Company after thorough communication and discussion. The Supervisory Board has no objections to the supervisory matters in the reporting period. Consideration by the Conference.	not have

VIII. Explanation of the risks identified by the Supervisory Board for the Company☐ Applicable☐ Not Applicable

The Supervisory Board has

Trustees

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

Number of active employees of the parent company	4,636
Number of employees on board of major subsidiaries	1,027
Total number of active employees	5,663
Parent company and principal subsidiaries' retired employees subject to charges	1,305
Number of workers	
Professional composition	
Professional composition category	Professional composition
production staff	4,032
sales person	251
technical staff	743
treasurer	62
administrative staff	575
add up the total	5,663
educational attainment	
Type of educational attainment	Number (persons)
Postgraduate and above	62
Bachelor's degree (including self-study)	644
polytechnic	1,036
High school and below	3,921

add up the total	5,663
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(ii) Remuneration policy

√Applicable ☐Not applicable

During the reporting period, the remuneration policy of the Company's general employees was based on the Company's Remuneration Management System and the Notice on the Implementation of the Company's Remuneration Adjustment Programme; the remuneration of directors was implemented in accordance with the Implementing Rules for the Remuneration Incentive and Disciplinary Mechanism of the Company's Directors; and the remuneration of senior management personnel was implemented in accordance with the Implementing Rules for the Remuneration Incentive and Disciplinary Mechanism of Senior Management Personnel. The individual remuneration of the management personnel is calculated in conjunction with the achievement of the performance indicators of their positions, and the remuneration of the frontline production staff is calculated mainly on the basis of the staff's output, quality and work assignments.

The company has also implemented incentives such as project and achievement rewards, gold and silver employee allowances, quarterly funds for quality and quarterly prizes for cost reduction and efficiency improvement to encourage employees to complete their work tasks with higher quality and efficiency.

(iii) Training programmes

√Applicable □Not applicable

During the reporting period, the Company prepared a total of 904 company-level and departmental-level training programmes based on strategic planning, training needs of the four lines of business and audit requirements, including 260 training programmes for the first line of science and technology, 527 training programmes for the first line of production, 25 training programmes for the first line of marketing, and 92 training programmes for the first line of management.2022

In 2008, under the joint efforts of all departments, the company actually carried out 846 training sessions, of which 79 were company-level training sessions and 767 were department-level training sessions, with a per capita training hour of about 24.4 semester hours, and the completion rate of the training plan was 93.3%, of which the completion rate of the company-level training plan was 91.8%, and the completion rate of the department-level training plan was 96.5%. The R&D ability, quality management method, management ability, production operation method and other aspects of the staff's ability have been improved.

(iv) Outsourcing of labour services

√Applicable □Not applicable

Total number of hours worked by labour outsourcing	2116540 hours
Total remuneration paid for labour outsourcing.	48.95 million

X. Proposals for profit distribution or capitalisation of capital reserves

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

√Applicable □Not applicable

The Company has established a continuous, scientific, stable and transparent dividend policy and decision-making mechanism, and has specified the Company's dividend distribution criteria and dividend distribution ratio: except for special circumstances, the Company distributes dividends in cash if the Company makes a profit for the year and the accumulated undistributed profit is positive. The cumulative profit distributed in cash in the last three years shall not be less than 30% of the average annual distributable profit achieved in the last three years. The Company implements its dividend policy in strict accordance with the relevant provisions of the Company Law, the Securities Law and the Articles of Association.

(ii) Special note on cash dividend policy

√Applicable □Not applicable

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

(iii) If the reporting period is profitable and the parent company's profit available for distribution to shareholders is positive, but no cash profit distribution plan has been proposed, the Company shall disclose in detail the reasons therefor as well as the use of the undistributed profits and the plan for their use

☐Applicable ☒Not Applicable

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

☒Applicable ☐Not applicable

Unit:Yuan Currency:RMB

Number of bonus shares per 10 shares (shares)	
Dividend per 10 shares (RMB) (tax included)	0.5
Number of shares transferred per 10 shares (shares)	
Cash dividend amount (including tax)	36,472,543.55

Attributable to common stock of the listed company in the consolidated statement of income for the year of dividend payment Net profit to shareholders	84,521,408.26
Percentage of consolidated statement of income attributable to common shareholders of the listed company Ratio of net profit (%)	43.15%
Repurchase of shares for cash included in cash dividends	
Total dividend amount (including tax)	36,472,543.55
Aggregate dividend amount as a percentage of consolidated statement of income attributable to listed companies Ratio of net profit to ordinary shareholders (%)	43.15%

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 has been no progress or change in subsequent implementation

☒Applicable ☐Not applicable

Overview of matters	Query Index
On 21 January 2022, the Company held the Fifth Meeting of the Eighth Session of the Board of Directors to consider and approve the "Proposal on the Extension of the Employee Share Ownership Plan of the Company", which extends the duration of the first phase of the Employee Share Ownership Plan of the Company by six months, i.e., until 14 August 2022; and the duration of the second phase of the Employee Share Ownership Plan of the Company by six months. Extended by six months, i.e., until 14 October 2022	Company in January 2022 22nd Disclosure of relevant announcements (Public Notice No.: Pro 2022-004).
On 3 August 2022, the Company held the Ninth Meeting of the Eighth Session of the Board of Directors to consider and approve the "Proposal on the Extension of the First Employee Share Ownership Plan of the Company", whereby the duration of the First Employee Share Ownership Plan of the Company is extended by 6 months, i.e. until 14 February 2023	Company in August 2022 4 Disclosure of relevant announcements (Public Notice No.: Pro 2022-033).
On 10 October 2022, the Company convened the eleventh meeting of the eighth session of the Board of Directors to consider and approve the following: Other notes: The renewal period of the Phase II Employee Share Ownership Plan of the Company was extended for six months, i.e. until 14 April 2023, by the Resolution on the Extension of the Phase II Employee Share Ownership Plan of the Company. <input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not applicable	The company was established on 10 October 2022. Disclosure of relevant announcements on 12 May (Announcement No.: Pro 2022-044).

Other incentives

☐Applicable ☒Not Applicable

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

☐Applicable ☒Not Applicable

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

☒Applicable ☐Not applicable

The Remuneration and Evaluation Committee of the Board of Directors of the Company is responsible for the appraisal of the Company's senior management personnel, and conducts annual performance evaluation work of the Company's senior management personnel in accordance with the "Rules for the Implementation of the Mechanism for Incentives and Restraints on Remuneration for Directors/Executives of Fengshen Tyre Company Limited", and determines the contents of the annual performance bonuses and other elements.

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

√Applicable □Not applicable

For details, please refer to the "2022 Annual Internal Control Evaluation Report" disclosed by the Company on the website of the SSE (www.sse.com.cn).

Description of significant deficiencies in internal control during the reporting period

□Applicable √Not Applicable

XIII, Management control of subsidiaries during the reporting period

√Applicable □Not applicable

The Company has formulated the Subsidiary Management System in accordance with the Company Law, the Securities Law, the Rules for Listing of Stocks on the Shanghai Stock Exchange and other laws and regulations as well as the relevant provisions of the Articles of Association of the Company, taking into account the actual situation of the Company. The Company strictly follows the Subsidiary Management System to further strengthen the management of its subsidiaries and to improve the overall operational efficiency and risk resistance of the Company.

XIV, Information note on internal control audit reports

√Applicable Not applicable

For details, please refer to the "2022 Annual Internal Control Audit Report" disclosed by the Company on the SSE website (www.sse.com.cn). Whether to disclose the internal control audit report: Yes

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

XV, Self-inspection and rectification of problems in the special operation on governance of listed companies not applicable

XVI. Other

□Applicable √Not Applicable

Section V. Environmental and social responsibility

I. Status of environmental information

Whether mechanisms related to environmental protection have been established	be
Invested in environmental protection during the reporting period (unit: RMB 10,000)	1,302.54

(i) a description of the environmental protection situation of the Company and its

**principal subsidiaries which are key emission units as announced by the
environmental protection authorities**

√Applicable ☐Not applicable

1. sewage information

√Applicable ☐Not applicable

Fengshen and its subsidiary Taiyuan Base belong to the key emission units announced by the ecological environment department, and the specific environmental protection situation is as follows:

(1) Main pollutants and

characteristic pollutants

wastewater: COD, ammonia

nitrogen, PH

Gum refining, moulding and vulcanisation exhaust:

particulate matter, non-methane hydrocarbons, odour

concentration Boiler exhaust: sulphur dioxide, nitrogen

oxides, smoke and dust

(2) Discharge

Method

Wastewater

discharge

method:

Jiaozuo base is divided into two plants, east and west, production and living wastewater through the company's water treatment system, in accordance with the "Rubber Products Industry Pollutant Emission Standards"(GB27632-2011) and "Comprehensive Wastewater Emission Standards"(GB8798-1996) treatment to meet the standards, the majority of the treated wastewater of the east plant for reuse, the rest is discharged into municipal sewage pipe network, through Jiaozuo City Kanda The rest is discharged into the municipal sewage network and centrally disposed by Jiaozuo Kangda Water Co. West plant wastewater is partly reused, and the rest is discharged into the municipal sewage network and disposed of centrally by Jiaozuo City Industrial Clustering Zone Zhongzhan District Wastewater Treatment Plant of Jiaozuo City Industrial Clustering Zone of Jiaozuo City (Jiaozuo) Water Service Co.

Taiyuan base has constructed a sewage network, steam condensate is all reused, production and domestic wastewater is treated by the company's water treatment system, in accordance with the "Pollutant Emission Standards for Rubber Products Industry"(GB27632-2011), after treatment to meet the standards, the production wastewater together with domestic sewage is connected to municipal pipeline network and enters the Qingxu County Wastewater Treatment Plant.

Emission methods for refining, moulding and vulcanising exhaust gases:

Rubber refining, moulding and vulcanisation exhaust gases are collected through air collecting hoods, treated by VOCs treatment facilities, and then led up to the standard emission. Boiler exhaust emission method:

There are 3 sets of 130t/h boilers in the power operation department of Jiaozuo Base East Plant (with 2 sets in reserve) corresponding to 3 sets of sulphur denitrification and dedusting facilities. The boiler exhaust gas will be discharged through the 150m chimney at high altitude after being processed to meet the standard according to the "Emission Standards for Air Pollutants from Coal-fired Power Plants" of Henan Province (DB41/1424-2017) after being processed to meet the standard by the desulphurisation, denitrification and dedusting facilities.

There are 3 gas boilers in Taiyuan Power Plant, respectively 2 sets of 35T and 1 set of 20T. The boilers are fuelled by gas and natural gas, and an on-line monitoring system of flue gas from overhead sources is installed at the chimney discharge port for real-time monitoring of various pollutants, which is discharged at high altitude through a 60 m chimney. The boiler exhaust gas carries out the special emission limit value of Standard 3 in Boiler Air Pollutant Emission Standard GB13271-2014.

During the reporting period, the Company's major pollutants and characteristic pollutants were all in compliance with the emission standards, and there were no cases of exceeding the emission standards.

2. Construction and operation of pollution prevention and control facilities

√Applicable □Not applicable

(1) There is one set of sewage treatment system in the east and west of Jiaozuo base, with a treatment capacity of 12000t/d and 1920t/d. Production wastewater, domestic wastewater and domestic water of neighbouring residents are collected and disposed of by the sewage treatment station in the plant and used as circulating cooling water for the power plant and water for greening of the plant after in-depth treatment in the wastewater treatment facilities. On-line monitoring facilities are installed at the total outlet of the plant and networked with the

environmental protection department for real-time monitoring of pollutant discharge, and all pollutants are discharged in compliance with the standards.

Exhaust gases generated from the refining, moulding and vulcanisation processes in the east and west plants of Jiaozuo Base are treated with VOCs and discharged in compliance with the standards, and routine environmental monitoring is carried out on a quarterly basis in accordance with the requirements of the Emission Permit.

There are three 130t/h boilers in the power supply department of Jiaozuo base's east plant (two boilers in use and one in reserve), corresponding to three sets of desulphurisation, denitrification and dust removal facilities.

(2) Taiyuan base has a set of wastewater treatment system with a treatment capacity of 2400t/d. The waste gas generated from rubber refining, moulding and vulcanisation processes meets the emission standards after treatment with VOCs and is subject to quarterly routine environmental monitoring in accordance with the requirements of the sewage discharge permit; there are three gas boilers in the power plant, namely, two 35T and one 20T, equipped with two sets of low-NO_x combustion + FGR flue gas cycle denitrification system, one set of gas purification and desulphurisation system, and one set of SCR denitrification system. There are three gas boilers in the power plant, namely, two sets of 35T, one set of 20T, two sets of low-NO_x combustion + FGR flue gas cycle denitrification system, one set of gas purification and desulphurisation system and one set of SCR denitrification system.

During the reporting period, the Company's environmental protection facilities all operated normally and reliably without any abnormalities.

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

☐Applicable ☒Not Applicable

4. Emergency Response Plan for Environmental Emergencies

☒Applicable ☐Not applicable

- (1) The Jiaozuo base has formulated the Emergency Response Plan for Environmental Emergencies and completed the filing with the Ecological Environment Bureau of Jiaozuo City.
- (2) Taiyuan Base has formulated the Emergency Response Plan for Environmental Emergencies and completed the filing with the Qingxu County Bureau of Ecology and Environment.

5. Environmental self-monitoring programme

☒Applicable ☐Not applicable

Jiaozuo Base prepared a daily environmental monitoring programme for 2022 and commissioned Zhengzhou Tongbiao Environmental Testing Co., Ltd, a third-party environmental testing company, to carry out daily monitoring of the east plant area in accordance with the programme, and commissioned Henan Heyang Environmental Technology Co., Ltd, a third-party environmental testing company, to carry out daily monitoring of the west plant area in accordance with the programme, and the monitoring results were uploaded to the environmental information management system of the enterprises and institutions of Henan Province in accordance with the requirements.

The Taiyuan base prepared a daily environmental monitoring programme for 2022 and commissioned a third-party environmental testing company, Shanxi Yunplatform Sunscape Environmental Monitoring Company Limited, to carry out daily environmental testing in accordance with the monitoring programme.

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

☐Applicable ☒Not Applicable

7. Other environmental information that should be made public

☒Applicable ☐Not applicable

The company's environmental protection information is disclosed on the corresponding environmental protection information disclosure website in accordance with the requirements of the relevant environmental protection authorities.

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

☐Applicable ☒Not Applicable

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

☒Applicable ☐Not applicable

Jiaozuo base west plant to create "rubber products industry A-level performance" enhancement project, through the installation of CO catalytic combustion equipment in the north side of the rubber refining workshop, the rubber refining workshop 6 sets of refiners for the second sealing, the carbon black unpacking warehouse for the second sealing, the vulcanisation workshop to install the side of the suction collector and the implementation of other sub-projects, the enterprise pollutant emissions will be further reduced. further decrease.

Jiaozuo base east plant refining centre carbon black unpacking warehouse using magnetic suction curtain for secondary closure, both to improve the collection efficiency of the site particles,

but also to increase the neatness of the site; increase the dust removal equipment, increase the efficiency of the particles, reduce the emissions of particles.

The company strictly follows the requirements of laws and regulations, adopts advanced treatment technology to treat wastewater and waste gas in depth, and promotes environmental management with FORUS management system, so as to achieve continuous and stable emission of all kinds of pollutants better than the national standards, and achieve good environmental and social benefits.

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

Whether or not carbon reduction measures have been taken	be
Reduction of carbon dioxide equivalent emissions (in tonnes)	16,273
Types of carbon reduction measures (e.g. use of clean energy for electricity generation, use of carbon-reducing technologies in production processes, research and development of production facilities, etc.) (e) New products that contribute to carbon reduction, etc.)	In 2022, Fengshen Tyre will implement key energy-saving and low-carbon projects, technological upgrading and technical improvement. The total number of projects for waste heat utilisation and elimination of outdated equipment is 12. Post equipment, energy classification and utilisation, utility integration and other projects.

explicit explanation

√Applicable □Not applicable

The company takes green manufacturing as the goal, actively develops low-carbon economy, continuously carries out energy-saving and consumption reduction activities, applies the technology of resource and energy recycling and efficient use, and relies on the information management platform to accurately manage energy consumption, improve the efficiency of comprehensive use of resources and reduce resource and energy consumption, which effectively promotes the advancement of energy-saving and carbon-reduction work.

II. Status of work on social responsibility

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

√Applicable □Not applicable

For details, please refer to the Company's Environmental, Social and Corporate Governance (ESG) Report 2022 disclosed on the SSE website (www.sse.com.cn).

(ii) Specifics of social responsibility work

√Applicable □Not applicable

External donations, public service projects	Quantity/content	informati on note
Total input (\$ million)	26.17	
Of which: funds (\$ million)	26.17	Donation for Dreams for Schools, Purchase of Support Products, Donation for the 99th Public Welfare Day Activity, Veterans' Care Fund Gold, Courageous Foundation
Depreciation of materials (\$ million)		
Number of beneficiaries (persons)		

In the process of continuous development, the company effectively fulfils the social responsibility of central enterprises, strongly supports charitable undertakings, actively participates in charitable activities, and always adheres to the **principle of "development originates from the society, love dedicates to the society, and builds a harmonious homeland together"**. In 2022, 1882 employees of the company donated RMB 48,711 in total in the "Dreams for Schools" donation campaign; the company also organised the use of online platforms to voluntarily purchase the products of Pingshan in Hebei Province, Gulang in Gansu Province and other poor recipients.

The total consumption of agricultural and sideline products in the aid area was 67,425 RMB with 1,045 employees actively participating. Organised to participate in Jiaozuo City Charity Federation's 99 public

The company donated RMB42,610 to the Jiaozuo Charity Federation's Veterans' Care Fund. The company donated to Jiaozuo Charity Federation Veterans Care Fund.

100,000 yuan, and a donation of 3,000 yuan to the Henan Provincial Foundation for Courage and Courage through the Association of Courage and Courage in Shanyang District, Jiaozuo City.

III. Consolidating and expanding the results of poverty eradication, rural revitalisation and other specifics

√Applicable □Not applicable

Poverty Alleviation and Rural Revitalisation Project	Quantity/content	information note
Total input (\$ million)	1.032	The company has purchased office supplies for the villages where the village teams are located; donated epidemic prevention materials; carried out activities to send warmth to the people in need; and presented gifts to college freshmen who have passed the university entrance exams. Luggage that warms the way to school.
Of which: funds (\$ million)	0	
Depreciation of materials (\$ million)	1.03	Value of office supplies purchased for village committees by the village task force 0.122 million; donated epidemic prevention materials valued at 0.48 million yuan; consold The Government has provided assistance to the needy in the amount of RMB 0.23 million, and has provided university students with a gift of RMB 1,000,000. The value of the suitcases is \$0.02 million.
Number of beneficiaries (persons)	926	The company donated 84 disinfectant to the villages supported by the village teams. 200 kg, 4,600 medical surgical masks and other anti-epidemic materials were distributed to all the people in the village to protect their lives. Life Health.
Forms of assistance (e.g. industrial poverty alleviation, employment)	poverty reduction through employment	Job referrals for poverty-eradication and monitoring households helped to stabilise 3 persons.

(Poverty alleviation, education for poverty alleviation, etc.)		Employment.
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explicit explanation

√Applicable □Not applicable

In order to consolidate the results of poverty eradication and prevent the return of poverty, the company's village task force has carried out centralised and regularised inspection activities to prevent the return of poverty, implemented the "six must be inspected and six upgraded" special action for consolidating and expanding the results of poverty eradication and preventing the return of poverty, weaved a dense protective net against the return of poverty, and built up a firm defensive line to prevent the return of poverty. Through policy support, 100 per cent of the labour force of poverty-stricken and monitored households in the villages in which they are stationed who have the ability and desire to work have been employed, eliminating the risk of returning to poverty and causing it.

The village task force focuses on promoting the strategy of rural revitalisation, writing research reports on rural revitalisation, planning and promoting the implementation of programmes, and leading and enhancing the self-development capacity of the village committees of the villages in which they are stationed. The team has assisted the village branch in promoting the creation of a "five-star" branch, with a clear goal of creating a star. We have carried out intensive improvement of the human environment and completed the greening project. Through the implementation of support measures, we have continuously improved the governance effectiveness of village committees, dug deep into income-generating projects, strengthened the collective economy, and led the masses to become rich together.

Section VI. Important matters

I. Implementation of commitments

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

√Applicable □Not applicable

Background to the commitments	Type of commitment	Committee	Content of the commitment	Commitment time and duration	Availability of a period of performance set a limit (on)	Timely and strict fulfillment	Failure to perform in a timely manner should be accompanied by a statement of the specific reasons why performance has not been completed.	Failure to comply in a timely manner should result in an explanation of the next steps
Commitments relating to refinancing	Settlement of Connected Transactions	China Chemical & Rubber Co.	1. The Company and other enterprises controlled by the Company will minimise connected transactions with Fengshen and its subsidiaries as far as possible; 2. For connected transactions that are really necessary or beneficial to the listed company and its subsidiaries, the Company and other enterprises controlled by the Company will carry out connected transactions with Fengshen and its subsidiaries in accordance with the principles of fairness, equity, and equal pay for equal value in accordance with the law, and carry out the appropriate legal procedures, and will (3) The Company and other enterprises controlled by the Company will not conduct transactions with Fengshen shares and its subsidiaries on terms that are unfair compared with market prices, nor will they take advantage of their status as shareholders to engage in any transactions that impair the legitimate rights and interests of Fengshen shares and other shareholders of Fengshen shares; and (4) In the event that there is a breach of the aforesaid undertakings by the Company that results in a breach of the undertakings, the Company will not engage in any transactions with Fengshen shares and its subsidiaries on the principle of fairness and equal pay, and will carry out appropriate legal procedures. If there is any damage to the rights and interests of Fengshen Shares or other shareholders as a result of the Company's	be effective over the long term 88 / 352	clogged	be	-	-

	limited company	The Company, its subsidiaries under its controlling or de facto control and other related parties will not directly or indirectly occupy the funds or other assets of Fengshen shares in any way, nor will they require Fengshen shares to provide guarantees in violation of the Articles of Association of Fengshen Tyre Company Limited and relevant laws, regulations and normative documents, and will not harm the interests of Fengshen shares and other shareholders. 3. In the event of any damage to the rights and interests of Fengshen shares or other shareholders arising from the violation of the above undertakings by the Company, the Company is willing to assume the responsibility thereof. In the event that the rights and interests of Fengshen Shares or other shareholders are harmed as a result of the Company's breach of the above undertakings, the Company is willing to bear the responsibility arising therefrom. 4. This undertaking shall become effective upon signature by the Company. (1) The Company ceases to be the controlling shareholder of Fengshen Shares; (2) Fengshen Shares are finally The date on which the listing on the Shanghai Stock Exchange ceased.					
the rest	China National Chemical Corporation (ChemChina)	1. As of the date of this commitment letter, the Company, its subsidiaries under its controlling or de facto control and other connected parties do not have any situation of occupying the funds or other assets of Fengshen Shares, nor do they require Fengshen Shares to provide guarantees in violation of the law. 2. The Company undertakes that from the date of this Undertaking, the Company, its subsidiaries under its controlling or de facto control and other connected parties will not in any way directly or indirectly occupy the funds or other assets of Fengshen Shares, and will not request Fengshen Shares to provide guarantees in violation of the Articles of Association of Fengshen Tyre Company Limited and relevant laws, regulations and normative documents, and will not harm the interests of Fengshen Shares and other shareholders. 3. If there is any damage to the rights and interests of Fengshen shares or other shareholders as a result of the Company's breach of the above undertakings, the Company is willing to bear the responsibility arising therefrom. 4. This undertaking shall become effective after it is signed by the Company. and shall expire on the date when one of the following conditions is fulfilled: (1) the Company ceases to be the de facto controller of Fengshen Shares; (2) Fengshen Shares The date of termination of listing on the Shanghai Stock Exchange.	be effective over the long term	clogged	be	-	-
the rest	China Chemical & Rubber	1. Exercise the rights of controlling shareholders in accordance with relevant laws and regulations and the Articles of Association of Fengshen Tyre Company Limited, and do not intervene in the company's operation and management activities beyond the scope of their authority, or encroach on the company's profits. Benefits. 2. As one of the main parties responsible for the measures to fill in the returns, if it violates the above undertakings or refuses to fulfil the above undertakings, it agrees to the relevant penalties or management	be effective over the	clogged	be	-	-

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	Co.	m e a s u r e s to be taken by the China Securities Regulatory Commission (CSRC), the Shanghai Stock Exchange (SSE) and other securities regulatory bodies in accordance with the relevant regulations and rules formulated or issued by them; if it violates such undertakings and causes losses to the Company or investors, it is willing to bear the losses to the Company or investors in accordance with the law. Investors' liability for compensation.	long term				
(st h. or sb) el se	Chin a National Chemical Corporation (ChemChina)	1. Exercise the rights of the actual controller in accordance with relevant laws and regulations and the relevant provisions of the Articles of Association of Fengshen Tyre Company Limited, and do not intervene in the operation and management activities of the Company beyond their authority and do not encroach upon the interests of the Company. 2, as one of the main parties responsible for filling in the return measures, if violating the above commitment or refusing to fulfil the above commitment, agree to the China Securities Regulatory Commission and the Shanghai Stock Exchange and other securities regulatory bodies in accordance with the relevant regulations and rules formulated or issued by the relevant penalties or management measures; if violating the commitment and causing losses to the company or investors, willing to bear the losses to the company or investors in accordance with the law. of liability.	be effective over the long term	clogged	be	-	-
re strict ed sale of shares	Chin a Chemical & Rubber Co.	1. Within thirty-six months from the date of the closing of the issue of the shares subscribed by the Company in this non-public offering, the Company shall not in any way transfer, assign or agree that other entities shall in any way be entitled to partially or wholly enjoy the shares subscribed by the Company in this non-public offering of the shares of Fengshen. 2. Shares of the Company increased after the close of this issue as a result of the Company's share dividend, capitalisation of capital surplus, etc. shall also be subject to the above restriction period arrangement. The above shares shall also be subject to the relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange and other regulatory authorities after the end of the restriction period. 3. The Company will strictly comply with the relevant undertakings in respect of the lock-up of shares, and at the same time will strictly comply with the China Securities Regulatory Commission's "Certain Provisions on Reduction of Shareholdings by Shareholders, Directors, Supervisors and Senior Executives of Listed Companies" (CSRC Announcement [2017] No. 9) and the Shanghai Stock Exchange's The provisions and requirements on share reductions, such as the Rules for the Implementation of Share Reduction by Shareholders and Directors, Supervisors and Senior Management of the Shanghai Stock Exchange, are implemented. If the relevant laws, administrative regulations, the China Securities Regulatory Commission and the Shanghai Stock Exchange have other requirements on the transfer and reduction of shares, the Company will follow the relevant requirements	Thirty-six months from the date of closing of the Offering	be	be	-	-

			Execution. 4. This undertaking is irrevocable, and any breach of this undertaking will result in the loss of Fengshen Shares or the relevant parties. The Company is willing to bear the legal responsibility for any damage caused by the party.					
Other commitments	Resolution of competition in the same industry	China Chemical & Rubber Co.	<p>Ltd. will differentiate the business development direction, product type, market distribution, sales customers, etc. of its subordinate enterprises when formulating business development plan, so as to avoid new inter-industry competition between its subordinate enterprises and Fengshen shares as far as possible. 2. The rubber company will take Fengshen shares as a platform for integrating tyre assets under China National Chemical Corporation, and will determine the selection of effective enterprises such as directional issue, absorption and merger, cash purchase, etc. when tyre enterprises or assets under ChemChina have the conditions to enter the listed company, subject to the approval of state-owned assets, securities supervision and other competent authorities in accordance with legal procedures. To solve the requirement of inter-trade competition, when the tyre enterprises or assets under China National Chemical Corporation have the conditions to enter the listed company, after approval by the competent authorities of state-owned assets and securities supervision, it will determine in accordance with the legal procedures to choose effective ways such as directional issue, absorption and merger, cash purchase and other effective ways to inject the tyre assets into Fengshen Shares. 3. The Rubber Company will submit a report on the integration of the tyre assets under China National Chemical Corporation with those under China National Chemical Corporation into the listed company to Fengshen Shares by 31 December 2017.</p> <p>Chemical's tyre assets injected into Fengshen's shares in a concrete plan. At 31 December 2017</p> <p>If the Rubber Company fails to submit a tyre asset injection proposal to Fengshen, or if the tyre asset injection proposal fails to be considered and approved by the board of directors or the general meeting of Fengshen or by the approving authority, the Rubber Company will take appropriate measures to resolve its relationship with Fengshen, including but not limited to entrusting the management of the relevant tyre business or assets to Fengshen, or selling the tyre business or assets to a third party that is not related to Fengshen.</p> <p>of competition in the same industry.</p>	2017 31 December r day before (an event)	be	be	—	—
	Resolution of	China Chemical & Rubber	<p>In September 2020, Fengshen disclosed that in the programme for the non-public offering of A shares, the rubber company would be</p> <p>By 31 December 2021, the Company will submit to Fengshen Shareholders the proposal to inject the Company's industrial tyre assets into Fengshen.</p> <p>Specific proposal of Fengshen Shares. If the Rubber Company fails to submit the relevant asset injection proposal to Fengshen Shares or the relevant industrial tyre asset injection proposal fails to be considered and</p>	2021 31 December r	be	be	—	—

com pe titi on in th e sa me in du str y	ber Co.	passed by the board of directors or shareholders' general meeting of Fengshen Shares or approved by the approval authority before 31 December 2021, the Rubber Company will take measures, including but not limited to entrusting the management of the relevant industrial tyre business or assets to Fengshen Shares, transferring the relevant industrial tyre business or assets to an unaffiliated third party or to a third party. Three parties to sell industrial tyre business or assets and other appropriate ways to resolve the competition in the same industry with Fengshen shares.	day before (an event)				
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Note: On 30 June 2022, the Company disclosed the "Announcement on the Completion of the Acquisition of 38% Equity Interests in PTG by the Controlling Shareholder", which transaction has fulfilled the filing procedures of the relevant ministries and commissions of the State and was approved by the Board of Directors of the Company on 28 June 2022

The delivery was formally completed on 3 August 2022.2022 At the ninth meeting of the eighth session of the Board of Directors of the Company held on 3 August 2022, the Company considered and passed the "Proposal on the Signing of <Supplemental Agreement to Equity Trusteeship Agreement> and Connected Transaction with Rubber Company", agreeing that the Company shall be entrusted with the management of 38% equity interest in PTG held by Rubber Company, and that after the effective date of the Agreement, the Company shall be entrusted with the management of a total of 90% of the equity interest in PTG, and hold a 10% equity interest in PTG.

(ii) Where a profit forecast exists for the company's assets or projects and the reporting period is still in the period of the profit forecast, the company provides an explanation as to whether the original profit forecast for the assets or projects has been met and the reasons therefor

☐ Achieved ☐ Not Achieved ☒ Not Applicable

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

☐ Applicable ☒ Not Applicable

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

☐Applicable

☒Not Applicable

III. Guarantee

Violations

☐Applicable ☒Not Applicable

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

☐Applicable ☒Not Applicable

V. Explanation of the Company's analysis of the 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

(1) Implementation of Accounting Standard Interpretation No. 15

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

(hereinafter referred to as "Interpretation No. 15").

① Accounting for Trial Sales

Interpretation No. 15 prescribes the accounting treatment and presentation for the sale of products or by-products produced before a fixed asset reaches its intended state of use or in the course of research and development, and stipulates that the cost of fixed assets or research and development expenditures should not be reduced by the net amount of revenues from sales of trial runs after offsetting the costs incurred. This provision is effective from 1 January 2022 for the period from the beginning to the end of the earliest period for which the financial statements are presented.

Pilot sales occurring between 1 January 2022 should be adjusted retrospectively. The implementation of this provision did not have a material impact on the Company's financial position and results of operations.

② Judgement on loss-making contracts

Interpretation No. 15 clarifies that the "cost of performing the contract", which an enterprise takes into account in determining whether a contract constitutes a loss-making contract, shall be It also includes an apportionment of the incremental cost of performing the contract and other costs directly related to the performance of the contract. This provision is effective from 1 January 2022.

The Company shall implement this provision for contracts for which it has not yet fulfilled all obligations as of 1 January 2022, and the cumulative effect shall be adjusted to retained earnings and other related financial statement items at the beginning of the year in which the provision is implemented, but not to the comparative financial statement data of the previous period. The implementation of this provision did not have a significant impact on the Company's financial position and results of operations.

(2) Implementation of the Circular on Issues Related to the Application of the Provisions on Accounting for Rental Concessions Associated with the New Crown Pneumonia Epidemic

On 19 May 2022, the Ministry of Finance ("MOF") issued the "Notice on Issues Related to the Application of the Provisions on Accounting Treatment for Rental Concessions Related to the New Crown Pneumonia Epidemic" (Caihui [2022] No. 13), which once again adjusted the scope of application of the simplified approach to allow for rental concessions related to the new Crown pneumonia epidemic by cancelling the original "Concessions

for lease payments payable before 30 June 2022". The scope of application of the simplified method of granting rent concessions related to NCPP has been adjusted again, and the original "Concessions only for lease payments payable before 30 June 2022" **has been cancelled.**

in order to apply the limitations of the simplified approach. For concessions on lease payments payable after 30 June 2022 that are directly attributable to the New Crown Pneumonia Outbreak, lessees and lessors may continue to elect to apply the simplified method of accounting treatment regulated by the "Provisions on Accounting for Rental Concessions Associated with the New Crown Pneumonia Outbreak", with all other conditions of application remaining unchanged.

The Company has elected to adopt the simplified method of accounting for all eligible lease contracts before the scope of application adjustment, and to adopt the simplified method of accounting for all eligible similar lease contracts after the scope of application adjustment, and to make retrospective adjustments to the relevant lease contracts for which lease modifications had been adopted for accounting treatment prior to the issuance of the notice, without adjusting the data of the comparative financial statements of the previous period; and to make adjustments to the relevant rental concessions that had not been subject to accounting treatment in accordance with the notice and that had taken place between 1 January 2022 and the effective date of the notice. The related rental concessions that occurred between 1 January 2022 and the effective date of the Circular that were not subject to accounting treatment in accordance with the provisions of the Circular were adjusted in accordance with the Circular.

(3) Implementation of Accounting Standard Interpretation No. 16

The Ministry of Finance (MOF) issued ASBE Interpretation No. 16 on 30 November 2022 (Caixin [2022] No. 31 to (hereinafter referred to as "Interpretation No. 16").

① Accounting for the income tax effects of dividends related to financial instruments classified by the issuer as equity instruments

Interpretation No. 16 stipulates that for financial instruments classified as equity instruments by an enterprise, if the related dividend expenses are deductible before enterprise income tax in accordance with the relevant provisions of the tax policy, the income tax effect related to the dividends should be recognised when the dividends payable are recognised and the income tax effect of the dividends should be charged to the current profit or loss in a manner consistent with the accounting treatment adopted for the past transactions or events that resulted in distributable profits or owner's equity items (including other comprehensive income items).

This provision is effective from the date of its publication, and if the relevant dividend payable occurs between 1 January 2022 and the date of its implementation, the dividend payable will be paid in accordance with this provision.

Adjustments should be made in accordance with this provision; retroactive adjustments should be made if they occurred prior to 1 January 2022 and the related financial instruments had not been derecognised as at 1 January 2022. The implementation of this provision did not have a significant impact on the Company's financial position and results of operations.

② Accounting treatment of an enterprise's modification of cash-settled share-based payment to equity-settled share-based payment

Interpretation No. 16 clarifies that if an enterprise modifies the terms and conditions of a cash-settled share-based payment agreement to make it an equity-settled share-based payment, at the date of modification (whether it occurs within the waiting period or after the end of the waiting period), it shall measure the equity-settled share-based payment at the fair value of the equity instrument granted on the date of modification, record the services acquired in capital surplus, and derecognise the cash-settled share-based payment liabilities recognised at the date of modification, with the difference between the two being recognised in profit or loss.

This provision shall come into force on the date of its publication. The relevant transactions newly added between 1 January 2022 and the date of its implementation shall be adjusted in accordance with this provision;

Transactions that occurred prior to 1 January 2022 that have not been treated in accordance with this provision should be retrospectively adjusted to reflect the cumulative effect of

This provision adjusts retained earnings and other related items as of 1 January 2022 and does not adjust the comparative financial statements of prior periods. The implementation of this provision did not have a significant impact on the Company's financial position and results of operations.

(iii) Accounting for the non-applicability of the initial recognition exemption for deferred income taxes related to assets and liabilities arising from a single transaction

Interpretation No. 16 provides that for transactions that are not business combinations and do not affect either accounting profit or taxable income at the time of the transaction

(The exemption from initial recognition of deferred income tax liabilities and deferred income tax assets does not apply to individual transactions (including lease transactions in which the lessee initially recognises a lease liability on the commencement date of the lease term and credits it to the right-of-use asset, and those in which the lessee recognises a projected liability for the existence of an abandonment obligation for a fixed asset, etc. and credits it to the cost of the relevant asset, etc.) that result in the creation of an equivalent amount of taxable temporary differences and deductible temporary differences. Deferred tax liabilities and deferred tax assets should be recognised when the transaction occurs in accordance with the relevant provisions of "Accounting Standard for Business Enterprises (ASBE) No. 18 - Income Taxes" and other relevant regulations.

(4) Implementation of Finance [2022] No. 32

The Ministry of Finance issued the Circular on Strictly Implementing Enterprise Accounting Standards and Effectively Doing a Good Job in Enterprises' 2022 Annual Report on 6 December 2022, which stipulates that enterprises should follow Enterprise Accounting Standard No. 1 - Inventory (Caixin [2006] No. 3),

In accordance with the relevant provisions of Accounting Standard for Business Enterprises No. 4 - Fixed Assets (Caijing [2006] No. 3, hereinafter referred to as the standard for fixed assets), the cost of routine repairs of fixed assets that do not qualify as subsequent expenditures on capitalisation of fixed assets shall be charged to profit or loss of the current period or to the cost

of the relevant assets in accordance with the object to be benefited at the time of incurring the cost of the fixed assets. Routine repair costs of fixed assets related to the production and processing of inventories are handled in accordance with the principle of inventory cost determination, while routine repair costs of fixed assets incurred by administrative departments, sales organisations dedicated to enterprises, etc. are charged to administrative expenses or selling expenses in accordance with their functional classification. The Company records the cost of routine repairs of fixed assets related to the production and processing of inventories as manufacturing expenses and no longer records them as administrative expenses.

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

☐Applicable ☒Not applicable

(iii) Communication with previous accounting firms

☐Applicable ☒Not applicable

(iv) Other notes

☐Applicable ☒Not applicable

VI. Appointment and dismissal of accounting firms

Unit: Yuan Currency: RMB

	current appointment
Name of domestic accounting firm	Lixin Accounting Firm (Special General Partnership)
Remuneration of domestic accounting firms	900,000
Years of audit experience of domestic accounting firms	10

Name of Certified Public Accountant of Domestic Accounting Firm	Dong Hongjun, Huang Fazhou
Company of Certified Public Accountants Audit Services of Domestic Accounting Firms renewal period	10
Name of overseas accounting firm	inapplicable
Remuneration of offshore accounting firms	inapplicable
Years of audit experience of overseas accounting firms	inapplicable

	name (of a thing)	rewards
Internal control audit accounting firm	Lixin Certified Public Accountants (Special) (Partnership)	300,000
financial adviser	inapplicable	inapplicable
sponsors	inapplicable	inapplicable

Appointment and dismissal of accounting firms

☐Applicable ☒Not Applicable

Information note on the change of accounting firm during the audit period

☐Applicable ☒Not applicable

VII. Situations at risk of delisting

(i) Reasons leading to the delisting risk warning

☐Applicable ☒Not applicable

(ii) Response measures to be taken by the Company

☐Applicable ☒Not Applicable

(iii) Circumstances and reasons for facing termination of listing

☐Applicable ☒Not applicable

VIII. Matters relating to insolvency reorganisation

☐Applicable ☒Not Applicable

IX. Significant litigation and arbitration matters

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

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

☐Applicable ☒Not Applicable

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

√Applicable Not applicable

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

XII. Significant connected transactions**(i) Connected transactions related to daily operations****1. Matters that have been disclosed in an interim announcement and for which there has been no progress or change in subsequent implementation**

☒Applicable ☐Not applicable

Overview of matters	Query Index
On 29 April 2022, the sixth meeting of the eighth session of the Board of Directors of the Company was held. The Meeting considered and approved the Announcement on the Estimation of Daily Connected Transactions for the Year 2022 and the Announcement on <ChemChina Finance Ltd. 2021 Annual Risk Assessment Report> Motion.	The Company disclosed the relevant announcements on 30 April 2022 (Announcement No.: Pro 2022-008 and Pro 2022-014).
On 3 August 2022, at the Ninth Meeting of the Eighth Session of the Board of Directors of the Company, the "Supplementary Agreement to the Equity Depository Agreement and Connected Transaction with China National Chemical Rubber Corporation" was considered and approved.	The Company disclosed the relevant announcement on 4 August 2022 (Announcement No. Pro 2022-029).
On 29 August 2022, the Tenth Meeting of the Eighth Session of the Board of Directors of the Company considered and approved the Third Amendment to the Agreement on the Acceptance by the Company of Consignment Manufacture of Products by Top Trading (Beijing) Company Limited and Prometer Tyre Group S.r.l. and Connected Transactions.	The Company disclosed the relevant announcement on 30 August 2022 (Announcement No. Pro 2022-039).

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

☐Applicable ☒Not applicable

3. Matters not disclosed in the interim announcement

☐Applicable ☒Not Applicable

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

☐Applicable ☒Not applicable

(iii) Significant connected transactions for joint foreign investments

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

☐Applicable ☒Not Applicable

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

☐Applicable ☒Not applicable

3. Matters not disclosed in the interim announcement

□Applicable √Not Applicable

(iv) Related debt transactions**1. Matters that have been disclosed in an interim announcement and for which there has been no progress or change in subsequent implementation**

□Applicable √Not Applicable

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

□Applicable √Not applicable

3. Matters not disclosed in the interim announcement

□Applicable √Not Applicable

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

√Applicable □Not applicable

1. Deposit operations

√Applicable □Not applicable

Unit: Yuan Currency: RMB

related party	affiliate relationship	Maximum Daily Deposit Limit	deposit rate realm	Opening balance	Current period's incidence		Closing balance
					Total deposits for the period	Total amount withdrawn during the period	
ChemChina Finance Ltd. firms	Same ultimate controlling party	500,000,000.00	1.61%–2.025%	496,703,610.16		496,703,610.16	
Sinochem Group Finance Limited	Same ultimate controlling party	1,000,000,000.00	1.61%–2.025%		8,158,144,573.33	7,158,144,573.33	1,000,000,000.00

2. Loan Operations

□Applicable □Not applicable

Unit: Yuan Currency: RMB

related party	affiliate relationship	loan size	interest rate	Opening balance	Current period's incidence		Closing balance
					Total deposits for the period	Total repayments for the period	
add up the total	/	/	/	496,703,610.16	8,158,144,573.33	7,654,848,183.49	1,000,000,000.00

ChemChina Finance Ltd.	Same ultimate controlling abbr. for square	500,000,000.00	3.00 per cent	60,000,000.00		60,000,000.00	
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3. Credit operations or other financial operations

☐Applicable ☒Not Applicable

4. Other notes

☐Applicable ☒Not Applicable

(vi) Other

☐Applicable ☒Not applicable

XIII. Significant contracts and their fulfilment (i)

Trusteeship, contracting and leasing matters 1.

☒Applicable ☐Not applicable

Unit:RMB 10,000 Currency:RMB

Name of client	Name of Trustee	Status of assets held in trust	The assets held in trust relate to sum of money	Hosting start date	Escrow termination date	Custodial income	Determination of custodial income gauge	Custodial income to the public Division impact	Whether or not the transaction is a connected transaction	affiliate relationship
Trusteeship statement nil										
2. Contracting	China Pengsheng Tyre Group S.r.l.	Promote	1,815.686.70	2020 1 December	Agreed termination time date of occurrence	96.23	Lease contracts and actual performance	Favourable to the company's profit growth	be	Same ultimate controlling party
3. Leasehold status	Chemical Rubber Corporation of department (under a ministry)	Not applicable								
Name of client	Name of Trustee	Status of assets held in trust	Amounts involved in leased assets	Lease commencement date	Lease termination date	Lease rental income	Lease proceeds for determining lease	Impact of lease income on the company	Whether or not the transaction is a connected transaction	affiliate relationship
Description of the lease										
During the reporting period, the Company's leasing business was mainly related parties										
Fengshan Tyre Co.	Henan Tyre Group Co. firms	house	35,322.25	2022 Year 1 month 1st	2022 Year 12 31st day of the month	60,960.00	Lease contracts and actual	60,960.00	be	Company Shareholder

Unit: Yuan Currency: RMB

(ii) Status of guarantees

☐Applicable ☒Not Applicable

(iii) Delegation of cash asset management

1. Entrusted financial management

(1) Overall commissioned finance

☐ Applicable
☒ Not applicable

Other cases

☐ Applicable ☒ Not applicable

(2) Individual delegated financial management

☐ Applicable
☒ Not applicable

Other cases

☐ Applicable ☒ Not applicable

(3) Provision for impairment of entrusted finance

☐ Applicable ☒ Not applicable

2. Status of entrusted loans

(1) Overall situation of entrusted loans

☐ Applicable
☒ Not applicable

Other cases

☐ Applicable ☒ Not applicable

(2) Status of individual entrusted loans

☐ Applicable
☒ Not applicable

Other cases

☐ Applicable ☒ Not applicable

(3) Provision for impairment of entrusted loans

☐ Applicable ☒ Not applicable

3. Other situations

☐ Applicable ☒ Not applicable

(iv) Other significant contracts

☐ Applicable ☒ Not applicable

XIV. Description of other significant matters that materially affect investors' value judgements and investment decisions

☐ Applicable ☒ Not Applicable

Section VII. Changes in shares and shareholders

I. Changes in share capital

(i) Statement of Changes in Shares 1.

The Company cancelled a total of 1,686,313 previously repurchased shares at China Securities Depository & Clearing Company Limited on 30 January 2023

The Company will cancel the shares of the Company and complete the change of registration procedures and other related matters in a timely manner. After the cancellation of the shares, the total number of shares of the Company will change from 731,137,184 to changed to 729,450,871 shares.

Class of shares	Before this change		Cancellation of shares (Unit)	After this change	
	Number of shares (Unit)	Proportion (%)		Number of shares (Unit)	Proportion (%)
restricted share	168,723,962	23.08	0	168,723,962	23.13
Unlimited shares	562,413,222	76.92	1,686,313	560,726,909	76.87
Of which: Repurchase special securities account a household	1,686,313	0.23	1,686,313	0	0
Total number of shares	731,137,184	100.00	1,686,313	729,450,871	100.00

2. Description of changes in shares

☒Applicable ☐Not applicable

The Company disclosed the "Implementation Announcement on the Cancellation of Repurchased Shares" on 21 January 2023, as detailed in the Company's announcement on the Relevant announcements disclosed in China Securities Journal, Shanghai Securities News and the website of Shanghai Stock Exchange (www.sse.com.cn).

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

☐Applicable ☒Not applicable

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

☐Applicable ☒Not applicable

(ii) Movements in restricted shares

☐Applicable ☒Not Applicable

II. Issuance and listing of securities

(i) Issuance of securities up to the reporting period

☐Applicable ☒Not Applicable

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

☐Applicable ☒Not applicable

(ii) Changes in the total number of shares and shareholder structure of the Company and changes in the Company's asset and liability structure

☐Applicable ☒Not applicable

(iii) Existing internal employee shares

☐Applicable ☒Not Applicable

III. Shareholders and de facto controllers

(i) Total number of shareholders

Total number of ordinary shareholders as at the end of the reporting period (households)	23,471
Total number of ordinary shareholders at the end of the previous month before the annual report disclosure date (households)	22,435
Total number of preference shareholders with voting rights restored as at the end of the reporting period (Households)	inapplicable
Priority of voting rights restored at the end of the previous month before the annual report disclosure date Total number of shareholders (households)	inapplicable

(ii) Table showing the shareholdings of the top ten shareholders and the

top ten outstanding shareholders (or shareholders with unlimited rights

Unit: Unit

Shareholding of top ten shareholders							
Name of Shareholder (full name)	Increase/ decrease during the reporting period	Number of shares held at the end of the period	Proportion (%)	Number of shares held with limited selling conditions measure word	Pledged, marked or frozen		Nature of shareholders
					joint stock attitude	quantities	
China National Chemical Rubber Corporation firms	-	419,435,536	57.37	168,723,962	not have	-	state-run legal personality
Beijing Hongtu Changli Investment Fund Management Centre (with (limited partnership)	-	11,047,120	1.51	-	pledges	11,047,120	the rest
Jiaozuo Investment Group has limited company	-	11,005,600	1.51	-	not have	-	state-run legal personality
Henan Tyre Group Co. responsible company	-384,200	8,573,838	1.17	-	pledges	2,000,000	state-run legal personality
Xiamen Haiyi International Trade limited company	-	4,140,000	0.57	-	not have	-	state-run legal personality
CITIC Securities Co. firms	3,612,934	3,613,310	65 / 0.49	-	not have	-	state-run legal personality
Zhang Wenhua	2,972,738	2,972,738	0.41	-	not have	-	Nature in

Repurchase of specialised accounts in the top ten shareholders said understand	inapplicable
Proxy voting rights of the above shareholders, proxy form Voting rights, waiver of voting rights	inapplicable
Description of the above shareholders' affiliation or concerted action	Among the above top ten shareholders, Beijing Hongtu Changli Investment Fund Management Centre (Limited Partnership) is a party acting in concert with China National Chemical Asset Management Company Limited, a subsidiary of China Sinochem Holding Company Limited. Apart from the aforesaid relationship, it is not known whether there is any relationship or concerted action among the aforesaid other shareholders. Relationships.
Preference shareholders whose voting rights have been restored and holders of Description of the number of shares	inapplicable

Number of shares held by the top ten shareholders with limited selling conditions and the conditions under which they are restricted from selling

√Applicable □Not applicable

serial number	Name of restricted shareholders	Number of shares held under limited selling conditions	Listing and trading of shares subject to limited selling conditions moreover		Unit: shares conditions for selling restrictions
			Listable times	New Listable Number of shares	
1	China Chemical & Rubber Co.	168,723,962	2023 11 13th of March	168,723,962	The share lock-up period is 36 months
(iii) Strategic investors or general corporations becoming the top 10 shareholders as a result of the placing of new shares					
Description of the above shareholders' affiliation or concerted action		inapplicable			

□Applicable √Not Applicable

IV. Controlling shareholders and de facto controllers

(i) Controlling shareholders

1 legal personality

√Applicable □Not applicable

name (of a thing)	China Chemical & Rubber Co.
Head of Unit or Legal Representative	Wang Feng (1921-), leader of the Chinese communist party after the cultural revolution
Date of Establishment	31 May 1988
Main business operations	New chemical materials and related raw materials (except hazardous chemicals), tyres, rubber products, latex products, research, production, sales; rubber, chemical equipment development, design, production, sales; import and export business; engineering construction supervision; provide technical advice and technical services related to the above business. (Items subject to approval by law can only be carried out after approval by the relevant departments) Enterprises independently choose their own business projects and carry out business activities in accordance with law; items subject to approval by law can only be carried out in

2 natural person (law)

☐Applicable ☒Not Applicable

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

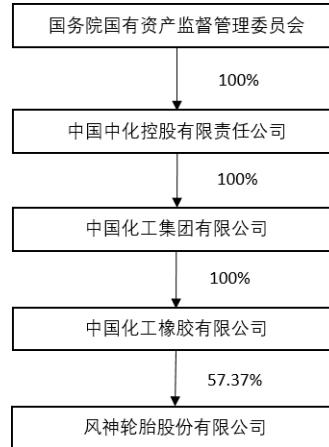
☐Applicable ☒Not applicable

4 Explanation of changes in controlling shareholders during the reporting period

□Applicable ✓Not applicable

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

✓Applicable Not applicable

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

✓Applicable □Not applicable

name (of a thing)	centralised state capital management body (SCMB)
Head of Unit or Legal Representative	inapplicable
Date of Establishment	inapplicable
Main business operations	inapplicable
Other domestic holdings and equity participation during the reporting period	inapplicable
Shareholdings in foreign listed companies	inapplicable
Other information notes	not have

2 natural person (law)

□Applicable ✓Not Applicable

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

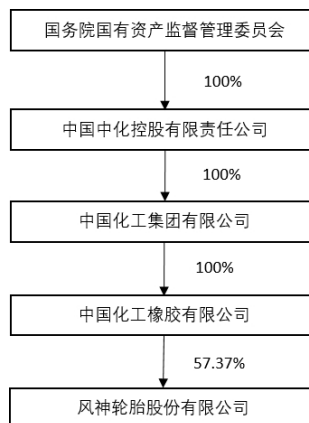
□Applicable ✓Not applicable

4 Description of changes in control of the Company during the reporting period

□Applicable ✓Not applicable

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

✓Applicable Not applicable



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

☐Applicable ☒Not applicable

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

☐Applicable ☒Not applicable

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

☐Applicable ☒Not Applicable

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

☐Applicable ☒Not Applicable

VII. Explanation of restrictions on the reduction of shareholdings

☐Applicable ☒Not Applicable

VIII. Specific implementation of share repurchases during the reporting period

☐Applicable ☒Not Applicable

Section VIII. Information on preferred shares

☐Applicable ☒Not Applicable

Section IX. Bond-related information

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

☐Applicable ☒Not Applicable

II. Convertible corporate bonds

☐Applicable ☒Not Applicable

Section X. Financial reporting

I. Audit reports

☒Applicable ☐Not applicable

All shareholders of Fengshen Tyre

Co:

Xinhuihui Shi Zi [2023] No.
ZA11475

I. Audit opinion

We have audited the financial statements of Fengshen Tire Company Limited (hereinafter referred to as Fengshen), which comprise the consolidated and parent company balance sheets as at 31 December 2022, the consolidated and parent company income statements, the consolidated and parent company statements of cash flows, and the consolidated and parent company statements of changes in equity for the year 2022, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and parent company financial position of Fengshen as of 31 December 2022 and the consolidated and parent company results of operations and cash flows for the year ended 31 December 2022 in conformity with EITF.

II. Basis for forming an audit opinion

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

iii. key audit issues

Key audit matters are those matters that, in our professional judgement, are of most significance to the audit of the current financial statements. These matters are addressed in the context of the audit of the financial statements as a whole and the formation of an audit opinion, and we do not express an opinion on these matters individually. We have identified the following matters as key audit matters to be communicated in the audit report.

Key audit matters	How the matter was addressed in the audit
(i) Revenue recognition	70 / 352
In FY2022, the revenue from sales of tyres of Fengshen Shares amounted to RMB4,757,197,450.28, accounting for 95.37% of the total operating revenue, which is one of the major sources of revenue and key performance indicators of Fengshen Shares	The audit procedures we performed for revenue recognition from tyre sales consisted primarily of: (1) Understood, assessed and

	<p>(3) Perform period-over-period and month-over-month revenue and gross margins</p> <p>The Company also conducts comparative analyses of the industry, analyses changes in relevant financial indicators and reviews the reasonableness of changes in revenue;</p> <p>(4) Select revenue recognition samples and perform detail tests to verify sales orders, delivery records, shipping documents, customs declarations, bills of lading, sales invoices, payback records, and bookkeeping vouchers, etc.; and for export revenues, obtain customs export data to assess the authenticity and completeness of revenue recognition;</p> <p>(5) In conjunction with the audit of accounts receivable, key customers were selected to correspond with the current year's sales in order to assess the truthfulness and accuracy of revenue recognition;</p> <p>(6) A cut-off test is performed on income before and after the balance sheet date to assess whether income is charged to the appropriate accounting period;</p> <p>(7) Examine the adequacy and appropriateness of the presentation and disclosure of information relating to revenue recognition in the financial statements.</p> <p>When.</p>
(ii) Provision for decline in value of inventories	

<p>As shown in Note VII.9, as at 31 December 2022, the balance of inventories of Fengshen Shares was RMB1,142,871,658.38, and the amount of provision for decline in value of inventories was RMB25,818,536.23, which had a high carrying value, and the impact of the provision for decline in value of inventories on the financial statements was more significant, and the main raw materials of the products of Fengshen Shares were rubber and rubber products, and the price of rubber bulk commodities The prices of rubber commodities continue to fluctuate significantly, and there is a greater possibility of price decreases in the products of Fengshen Shares, and therefore we have made the provision for provision for decline in value of inventories a key audit matter.</p>	<p>The audit procedures we performed on the provision for inventory write-downs consisted primarily of:</p> <p>(1) Understood and tested internal controls related to the estimation of net realisable value of inventories and assessed the reasonableness of their design and the effectiveness of their implementation;</p> <p>(2) We monitor the inventory of Windsor Corporation and check the quantity and condition of the inventory and the age of the products;</p> <p>(3) Obtained a schedule of inventory impairment and reviewed the estimated selling price, selling expenses and related taxes used in the estimation of the net realisable value of inventories. Among other things, for the estimated selling price, we compared it to the most recent actual selling price;</p> <p>(4) Obtaining a breakdown of inventory decreases and recalculating them</p> <p>Inventory impairment results.</p>
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IV. Other information

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

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

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

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

V. Management and governance responsibilities for the financial statements

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

In preparing the financial statements, management is responsible for assessing Fengshen's ability to continue as a going concern and disclosing matters related to going concern (where applicable) and applying the going concern assumption, unless liquidation is planned, operations are terminated or there is no realistic alternative. Governance is responsible for overseeing the financial reporting process for Windsor.

VI. Responsibilities of certified public accountants for the audit of financial statements

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

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

- (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 audit evidence that is sufficient and appropriate to provide a basis for the audit opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, as fraud may involve **c o l l u s i o n** , forgery, intentional omissions, misrepresentation or overriding internal controls.
- (2) Understand internal controls relevant to the audit in order to design appropriate audit procedures.
- (3) Evaluate the appropriateness of accounting policies selected and the reasonableness of accounting estimates and related disclosures made by management.
- (4) Conclude on the appropriateness of management's use of the going concern assumption. At the same time, based on the audit evidence obtained, we conclude whether there is a material uncertainty about the existence of matters or circumstances that may give rise to significant doubt about Fengshen's ability to continue as a going concern. If we conclude that a material uncertainty exists, auditing standards require us to draw the attention of the users of the statements to the relevant disclosures in the financial statements in our audit report; if the disclosures are not adequate, we should issue a non-qualified opinion. Our conclusions are based on the information available as at the date of the audit report. However, future events or circumstances may cause Fengshen to be unable to continue as a going concern.
- (5) Evaluate the overall presentation (including disclosures), structure and content of the financial statements and whether the financial statements present fairly the underlying transactions and events.
- (6) Obtain sufficient and appropriate audit evidence about the financial information of the entities or business activities in Windsor to express an audit opinion on the financial statements. We are responsible for directing, supervising and performing the Group's audits and accept full responsibility for the audit opinion.

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

We also provide a statement to governance that we have complied with ethical requirements related to independence and communicate with governance all relationships and other matters that could reasonably be perceived to affect our independence, as well as related precautions, if

applicable.

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

Lixin Accounting Firm
(Special General Partnership)

Certified Public Accountant, China:
(Project partner)

II. Financial statements

Consolidated balance sheet 31

Prepared by: Fengshen Tyre Co.

December 2022

Unit: Yuan Currency:

sports event	footnote	31 December 2022	31 December 2021 RMB
Liquid assets:			
money funds	VII.1	1,448,601,949.93	1,144,219,229.82
Provision for settlement			

invested sum that can be cashed			
Financial assets held for trading			
derivative financial asset			
notes receivable	VII.4	391,980,727.07	530,157,781.11
accounts receivable	VII.5	557,438,741.55	517,849,836.09
Receivables financing	VII.6	298,776,868.19	633,869,395.58
Prepayments	VII.7	28,838,557.30	28,472,421.72
Premiums receivable			
Receivables from reinsurance			
Reserve for reinsurance contracts receivable			
Other receivables	VII.8	2,912,587.42	4,016,144.87
Of which: Interest receivable			
Dividends receivable			
Bought and sold financial assets			
inventory (of material)	VII.9	1,117,053,122.15	1,049,248,572.33
Contractual assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets	VII.13	23,455,820.46	48,918,568.75
Total current assets		3,869,058,374.07	3,956,751,950.27
Non-current assets:			
Release of loans and advances			
debenture investment			
Other debt investments			
Long-term receivables			
Long-term equity investments	VII.17	501,894,475.19	448,702,879.37
Investments in other equity instruments	VII.18	2,660,000.00	3,230,000.00
Other non-current financial assets			
investment property			
fixed assets	VII. 21	2,578,653,561.71	2,759,363,923.52
construction in progress	VII.22	17,831,514.02	56,164,705.02
Productive biological assets			
oil and gas assets			
usufructuary assets	VII.25	37,082,157.55	45,932,242.23
intangible asset	VII. 26	48,712,069.36	51,379,502.83
development expenditure			
reputation of a firm's product			
Long-term amortised expenses	VII.29	99,904,389.66	116,544,212.26
Deferred tax assets	VII.30	63,269,030.44	71,408,847.13

Other non-current assets	VII.31	2,910,631.63	4,884,815.88
Total non-current assets		3,352,917,829.56	3,557,611,128.24
Total assets		7,221,976,203.63	7,514,363,078.51
Current liabilities:			
short term loan	VII.32	332,087,096.68	375,553,922.19
Borrowing from the Central Bank			
funds on call			
Trading financial liabilities			
Derivative financial liabilities			

note payable	VII. 35	1,316,544,806.89	1,568,630,425.73
accounts payable	VII.36	682,307,711.41	992,907,229.28
Advance receipts			
Contractual liabilities	VII.38	152,024,701.80	126,885,005.65
Sales of repurchased financial assets			
Deposit-taking and interbank deposits			
Securities brokerage			
Underwriting of securities			
Employee remuneration payable	VII.39	46,791,704.66	37,255,600.93
Taxes payable	VII.40	18,375,959.40	15,620,516.28
Other accounts payable	VII.41	314,876,226.97	284,688,109.05
Of which: Interest payable			
dividend payable			
Fees and commissions payable			
Accounts payable for reinsurance			
Liabilities held for sale			
Non-current liabilities due within one year	VII.43	1,204,895,418.26	6,290,611.80
Other current liabilities	VII.44	103,972,583.97	102,105,430.86
Total current liabilities		4,171,876,210.04	3,509,936,851.77
Non-current liabilities:			
Reserves for insurance contracts			
long term loan	VII.45		1,200,000,000.00
bonds payable			
Of which: preference shares			
perpetual bond			
leasehold liability	VII. 47	34,542,903.11	41,627,725.81
Long-term accounts payable	VII.48	20,000,000.00	20,000,000.00
Long-term employee compensation payable	VII. 49	1,234,125.91	1,258,320.06
projected liability			
Deferred income	VII.51	19,085,725.92	25,340,804.47
Deferred income tax liabilities	VII.30	35,090,130.60	26,664,355.73
Other non-current liabilities			
Total non-current liabilities		109,952,885.54	1,314,891,206.07
Total liabilities		4,281,829,095.58	4,824,828,057.84
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	VII.53	731,137,184.00	731,137,184.00
Other equity instruments			
Of which: preference shares			

perpetual bond			
capital surplus	VII.55	2,530,374,858.71	2,316,852,990.03
Less: Treasury stock	VII.56	8,496,260.92	8,496,260.92
Other comprehensive income	VII.57	-98,719,930.88	-65,877,758.74
earmark			
surplus surplus	VII.59	317,847,689.20	302,784,156.07
General risk provision			
unallocated profit	VII. 60	-531,996,432.06	-586,865,289.77
Equity attributable to owners of the parent company (Total (or shareholders' equity)		2,940,147,108.05	2,689,535,020.67

Minority interests			
Owners' equity (or shareholders' rights)		2,940,147,108.05	2,689,535,020.67
Total (benefits)			
Liabilities and owners' equity (Total (or shareholders' equity))		7,221,976,203.63	7,514,363,078.51

Person in charge of the Company: Wang Jianjun Person in charge of accounting work: Wang Xiaoliu Person in charge of accounting organisation: Du Lihong

Parent company

balance sheet 31

Prepared by: Fengshen Tyre Co.

December 2022

Unit: Yuan

spor ts eve nt	footnot e	31 December 2022	31 December 2021 Currency: RMB
Liquid assets:			
money funds		1,409,951,557.22	1,124,910,014.85
Financial assets held for trading			
derivative financial asset			
notes receivable		391,908,092.07	529,931,097.78
accounts receivable	XVII.1	583,677,982.88	523,091,716.22
Receivables financing		298,765,330.47	633,821,795.58
Prepayments		21,810,328.49	23,392,408.76
Other receivables	XVII.2	1,009,900,063.16	998,812,900.78
Of which: Interest receivable			
Dividends receivable			
inventory (of material)		1,042,684,128.06	964,163,337.15
Contractual assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		15,711,281.89	44,025,951.79
Total current assets		4,774,408,764.24	4,842,149,222.91
Non-current assets:			
debenture investment			
Other debt investments			
Long-term receivables			
Long-term equity investments	XVII.3	904,747,581.78	847,980,092.76
Investments in other equity instruments		2,660,000.00	3,230,000.00
Other non-current financial assets			
investment property		79 / 352	
fixed assets		1,717,193,659.91	1,834,260,328.13
construction in progress		13,044,176.49	54,016,198.94
Productive biological assets			
oil and gas assets			

Deferred tax assets		61,671,450.37	69,765,205.21
Other non-current assets		1,733,799.70	4,884,815.88
Total non-current assets		2,864,689,997.81	3,002,636,927.39
Total assets		7,639,098,762.05	7,844,786,150.30
Current liabilities:			
short term loan		332,087,096.68	375,553,922.19
Trading financial liabilities			
Derivative financial liabilities			
banknote payable		1,316,544,806.89	1,579,697,401.73
accounts payable		725,682,046.23	986,696,160.70
Advance receipts			
Contractual liabilities		118,849,464.28	114,141,262.40
Employee remuneration payable		33,846,953.59	28,375,594.67
Taxes payable		9,704,926.08	10,926,346.52
Other accounts payable		303,568,830.13	272,839,640.45
Of which: Interest payable			
dividend payable			
Liabilities held for sale			
Non-current liabilities due within one year		1,204,895,418.26	6,290,611.80
Other current liabilities		101,708,180.15	89,612,196.68
Total current liabilities		4,146,887,722.29	3,464,133,137.14
Non-current liabilities:			
long term loan			1,200,000,000.00
bonds payable			
Of which: preference shares			
perpetual bond			
leasehold liability		33,579,328.10	41,627,725.81
Long-term accounts payable		20,000,000.00	20,000,000.00
Long-term employee compensation payable		1,234,125.91	1,258,320.06
projected liability			
Deferred income		13,937,647.43	18,760,468.67
Deferred income tax liabilities		34,586,104.65	26,310,828.68
Other non-current liabilities			
Total non-current liabilities		103,337,206.09	1,307,957,343.22
Total liabilities		4,250,224,928.38	4,772,090,480.36
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)		731,137,184.00	731,137,184.00
Other equity instruments			
Of which: preference shares			
perpetual bond			
capital surplus		1,141,157,270.57	927,635,401.89
Less: Treasury stock		8,496,260.92	8,496,260.92

Other comprehensive income		-98,726,655.91	-65,336,637.06
earmark			
surplus surplus		317,265,499.20	302,201,966.07
unallocated profit		1,306,536,796.73	1,185,554,015.96
Owners' equity (or shareholders' rights)		3,388,873,833.67	3,072,695,669.94
Total (benefit)			

Liabilities and owners' equity (Total (or shareholders' equity))		7,639,098,762.05	7,844,786,150.30
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Person in charge of the Company: Wang Jianjun Person in charge of accounting work: Wang Xiaoliu Person in charge of accounting organisation: Du Lihong

**Consolidated
Income
Statement**
January-
December 2022

Unit: Yuan Currency:

sports event	foot note	2022	2021 RMB
I. Gross operating income		4,987,894,009.26	5,557,572,578.05
Of which: Operating income	VII.61	4,987,894,009.26	5,557,572,578.05
Interest income			
Earned premiums			
Fee and commission income			
II. Total operating costs		4,859,786,582.45	5,647,558,362.88
Of which: Operating costs	VII.61	4,294,447,521.09	4,989,614,733.24
interest expense			
Handling fee and commission expenses			
surrender charge			
Net claims expenditure			
Net withdrawal of reserve for insurance liabilities			
Policy dividend expenses			
Reinsurance costs			
Taxes and surcharges	VII.62	38,993,749.48	40,720,281.66
sales expense	VII.63	136,514,972.56	151,238,294.72
overheads	VII.64	152,844,070.14	176,042,759.95
R&D costs	VII. 65	232,343,270.09	256,167,139.32
financial cost	VII.66	4,642,999.09	33,775,153.99
Of which: interest costs	VII.66	47,016,614.51	47,254,825.65
Interest income	VII.66	14,862,756.78	13,519,069.46
Add: other gains	VII. 67	11,960,058.62	10,141,215.26
Investment income (losses are marked with a "-") (fill in the blanks)	VII.68	11,654,681.17	1,481,247.84
Of which: for associates and joint ventures	VII.68	16,788,246.09	17,447,459.45
Returns on investments in the industry	82 / 352		
Gold measured at amortised cost			
Gain on derecognition of financing assets			
Exchange gains (losses)			

Gain (loss) on disposal of assets at "-" sign)	VII.73	9,375,037.11	1,756,669.88
III. Operating profit (Loss is filled in with a "-" sign) (columns)		96,564,096.50	-132,804,630.56
Add: Non-operating income	VII.74	15,286,941.60	21,310,226.20
Less: Non-operating expenses	VII.75	3,431,316.33	19,597,407.87
IV. Total profit (total loss is represented by "-") (No.)		108,419,721.77	-131,091,812.23
Less: Income tax expense	VII. 76	23,898,313.51	-22,066,942.61
V. Net profit (net loss is marked with a "-") (columns)		84,521,408.26	-109,024,869.62
(i) Classification by continuity of operations			
1. Net profit from continuing operations (net loss to "-" sign)		84,521,408.26	-109,024,869.62
2. Net profit from discontinued operations (net loss to "-" sign)			
(ii) Classification by ownership			
1. Net profit attributable to shareholders of the parent company (Net loss is represented by a "-" sign)		84,521,408.26	-109,024,869.62
2. Minority interests (net loss of "-" sign)			
VI. Other comprehensive income, net of tax	VII.57	-32,842,172.14	-64,321,829.84
(i) Others attributable to owners of the parent company Net comprehensive income after tax	VII.57	-32,842,172.14	-64,321,829.84
1. Other items that cannot be reclassified to profit or loss Comprehensive income	VII.57	-11,193,517.83	782,000.00
(1) Remeasurement of changes in defined benefit plans balance (of a loan)			
(2) The equity method of accounting does not allow for the transfer of gains and losses. Other comprehensive income	VII.57	-10,709,017.83	
(3) Fair value of investments in other equity instruments change in value	VII.57	-484,500.00	782,000.00
(4) Fair value of the enterprise's own credit risk change in value			

2. Other comprehensive income to be reclassified to profit or loss combined income	VII.57	-21,648,654.31	-65,103,829.84
(1) Other transferable gains and losses under the equity method Comprehensive income	VII.57	-22,196,501.02	-64,534,937.06
(2) Changes in fair value of other debt investments act			
(3) Reclassification of financial assets to other Amount of comprehensive income			
(4) Credit impairment of other debt investments provide or equip			
(5) Cash flow hedge reserve			
(6) Translation differences on foreign currency financial statements	VII.57	547,846.71	-230,402.45
(7) Other	VII.57		-338,490.33
(ii) Other comprehensive income attributable to minority shareholders Net of tax on combined earnings			

VII. Total comprehensive income		51,679,236.12	-173,346,699.46
(i) Total attributable to owners of the parent company		51,679,236.12	-173,346,699.46
Total combined income			
(ii) Comprehensive income attributable to minority shareholders			
Total benefits			
VIII. Earnings per share:			
(i) Basic earnings per share (yuan/share)		0.12	-0.15
(ii) Diluted earnings per share (\$/share)		0.12	-0.15

Person in charge of the Company: Wang Jianjun Person in charge of accounting work: Wang Xiaoliu Person in charge of accounting organisation: Du Lihong

**Parent
Company
Income
Statement**

January-
December 2022

Unit: Yuan Currency:

sports event	foot note	2022	2021 RMB
I. Operating income	XVII.4	5,320,739,027.62	5,873,773,247.37
Less: Operating costs	XVII.4	4,623,597,210.50	5,360,586,766.35
Taxes and surcharges		30,890,943.07	30,657,587.25
sales expense		128,196,083.23	145,897,274.21
overheads		128,430,868.78	141,638,039.86
R&D costs		213,513,001.71	244,429,660.64
financial cost		2,810,581.79	34,659,791.11
Of which: interest costs		47,002,874.87	47,254,825.65
Interest income		14,844,711.56	13,502,992.76
Add: other gains		9,266,342.29	8,121,685.43
Investment income (losses are marked with a "-") (fill in the blanks)	XVII.5	11,654,681.17	1,481,247.84
Of which: for associates and joint ventures	XVII.5	16,788,246.09	17,447,459.45
Returns on investments in the industry			
Gold measured at amortised cost			
Gain on derecognition of financing assets			
Net exposure to hedging gains (losses on "- " sign)	85 / 352		
Gain (loss) on change in fair value at "- " sign)			
Credit Impairment Losses		3,324,030.69	13,124,305.69

IV. Net profit (net loss is marked with a "-") (columns)		150,635,331.32	-90,007,988.60
(i) Net profit (net loss) from continuing operations (to be completed with a "-" sign)		150,635,331.32	-90,007,988.60
(ii) Net profit (net loss) from discontinued operations (to be completed with a "-" sign)			
V. Other comprehensive income, net of tax		-33,390,018.85	-64,091,427.39
(i) Other items that cannot be reclassified to profit or loss Comprehensive income		-11,193,517.83	782,000.00
1. Remeasurement of changes in defined benefit plans horizontal tablet or inscribed board			
2. Others that cannot be transferred to profit or loss under the equity method Comprehensive income		-10,709,017.83	
3. Fair value of investments in other equity instruments flux		-484,500.00	782,000.00
4. Fair value of an enterprise's own credit risk flux			
(ii) Other comprehensive income to be reclassified to profit or loss combined income		-22,196,501.02	-64,873,427.39
1. Other consolidated transferable gains and losses under the equity method combined income		-22,196,501.02	-64,534,937.06
2. Changes in fair value of other debt investments			
3. Reclassification of financial assets to other comprehensive income Amount of combined proceeds			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedge reserve			
6. Translation differences on foreign currency financial statements			
7. Other			-338,490.33
VI. Total comprehensive income		117,245,312.47	-154,099,415.99
VII. Earnings per share:			

(i) Basic earnings per share (yuan/share)			
(ii) Diluted earnings per share (\$/share)			

Person in charge of the Company: Wang Jianjun Person in charge of accounting work: Wang Xiaoliu Person in charge of accounting organisation: Du Lihong

**Consolidated
Cash Flow
Statement**
January-
December 2022

Unit: Yuan Currency: RMB

spor ts eve nt	foot note	2022	2021
i. Cash flows from operating activities:			
Sales of goods and services received in cash		5,428,691,160.37	5,507,094,557.10
Net customer deposits and interbank deposits increase			
Net increase in borrowing from central banks			
Net borrowing from other financial institutions increase			

Premiums received for original insurance contracts in cash			
Net cash received from reinsurance operations			
Net increase in policyholder deposits and investments			
Interest, fees and commissions charged in cash			
Net increase in inward remittances			
Net increase in funding for repurchase operations			
Net cash received from dealing in securities horizontal tablet or inscribed board			
Tax refunds received		177,083,539.78	139,505,335.39
Receipt of other operating activities in cash	VII.78	206,577,764.39	133,347,322.56
Subtotal cash inflow from operating activities		5,812,352,464.54	5,779,947,215.05
Purchase of goods, acceptance of labour paid in cash		4,612,605,962.20	4,654,656,336.18
Net increase in loans and advances to customers			
Net deposits with central banks and interbanks increase			
Payment of claims under the original insurance contract in cash			
Net increase in funds disbursed			
Payment of interest, fees and commissions in cash			
Cash for payment of policy dividends			
Payments to and for employees in cash		584,286,358.23	607,519,161.98
Taxes paid		55,028,683.46	76,872,282.67
Payments for other operating activities in cash	VII.78	109,807,220.97	193,879,569.90
Subtotal cash outflows from operating activities		5,361,728,224.86	5,532,927,350.73

Cash flows from operating activities net quantity	VII.79	450,624,239.68	247,019,864.32
II. Cash flows from investing activities:			
Cash received from recovery of investments			
Cash received from investment income			
Disposal of fixed assets, intangible assets and Net cash recovered from other long-term assets		37,484,200.95	13,613,825.64
Disposal of subsidiaries and other operating units Net cash received			
Receipt of other investment activities in cash			
Subtotal cash inflow from investing activities		37,484,200.95	13,613,825.64
Acquisition of fixed assets, intangible assets and Cash paid for other long-term assets		67,566,770.50	92,775,566.12
Cash paid for investments			
Net increase in pledged loans			
Acquisition of subsidiaries and other operating units Net cash paid			

Payments for other investment activities in cash			
Subtotal cash outflows from investing activities		67,566,770.50	92,775,566.12
Cash flows from investing activities net quantity		-30,082,569.55	-79,161,740.48
III. Cash flows from financing activities:			
Cash received from absorption of investments			
Of which: Absorption of minority shareholders by subsidiaries			
Cash received from investments			
Cash received for borrowings		413,392,100.00	1,264,943,000.00
Receipt of other financing activities in cash			
Subtotal cash inflow from financing activities		413,392,100.00	1,264,943,000.00
Cash paid for debt service		475,417,000.00	1,265,354,820.00
Distribution of dividends, profits or repayment of interest		61,621,194.84	90,940,905.01
Cash paid			
Of which: Paid by subsidiaries to minority shareholders			
Dividends, profits of owners			
Disbursements for other financing activities in cash	VII.78	5,653,096.00	8,574,017.62
Subtotal cash outflows from financing activities		542,691,290.84	1,364,869,742.63
Cash flows from financing activities net quantity		-129,299,190.84	-99,926,742.63
iv. impact of exchange rate changes on cash and cash equivalents		16,149,238.35	-5,562,534.80
Impact of valuation			
V. Net increase in cash and cash equivalents horizontal tablet or inscribed board		307,391,717.64	62,368,846.41
Add: Cash and cash equivalents at beginning of period balances		906,625,586.35	844,256,739.94
VI. Cash and cash equivalents at end of period		1,214,017,303.99	906,625,586.35

horizontal tablet or inscribed board			
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Person in charge of the Company: Wang Jianjun Person in charge of accounting work: Wang Xiaoliu Person in charge of accounting organisation: Du Lihong

**Parent
Company Cash
Flow Statement**
January-
December 2022

Unit: Yuan Currency: RMB

sports event	foot note	2022	2021
i. Cash flows from operating activities:			
Sales of goods and services received in cash		5,746,031,071.87	5,802,366,914.31
Tax refunds received		177,083,539.78	139,505,335.39
Receipt of other operating activities in cash		203,931,905.35	126,882,124.28
Subtotal cash inflow from operating activities		6,127,046,517.00	6,068,754,373.98
Purchase of goods, acceptance of labour paid in cash		5,060,546,979.93	5,081,056,754.96

Payments to and for employees in cash		503,674,410.68	527,165,359.05
Taxes paid		31,970,709.21	44,804,882.66
Payments for other operating activities in cash		101,362,605.99	179,337,220.15
Subtotal cash outflows from operating activities		5,697,554,705.81	5,832,364,216.82
Net cash flows from operating activities horizontal tablet or inscribed board		429,491,811.19	236,390,157.16
II. Cash flows from investing activities:			
Cash received from recovery of investments			
Cash received from investment income			
Disposal of fixed assets, intangible assets and Net cash recovered from other long-term assets		37,484,200.95	13,613,825.64
Disposal of subsidiaries and other operating units Net cash received			
Receipt of other investment activities in cash			
Subtotal cash inflow from investing activities		37,484,200.95	13,613,825.64
Acquisition of fixed assets, intangible assets and Cash paid for other long-term assets		63,520,554.06	91,125,902.25
Cash paid for investments		3,575,893.20	6,467,900.00
Acquisition of subsidiaries and other operating units Net cash paid			
Payments for other investment activities in cash			
Subtotal cash outflows from investing activities		67,096,447.26	97,593,802.25
Cash flows from investing activities net quantity		-29,612,246.31	-83,979,976.61
III. Cash flows from financing activities:			
Cash received from absorption of investments			
Cash received for borrowings		413,392,100.00	1,264,943,000.00

Receipt of other financing activities in cash			
Subtotal cash inflow from financing activities		413,392,100.00	1,264,943,000.00
Cash paid for debt service		475,417,000.00	1,265,354,820.00
Distribution of dividends, profits or repayment of interest Cash paid		61,621,194.84	90,940,905.01
Disbursements for other financing activities in cash		5,147,617.57	8,574,017.62
Subtotal cash outflows from financing activities		542,185,812.41	1,364,869,742.63
Cash flows from financing activities net quantity		-128,793,712.41	-99,926,742.63
iv. impact of exchange rate changes on cash and cash equivalents Impact of valuation		16,666,107.88	-4,928,600.28
V. Net increase in cash and cash equivalents horizontal tablet or inscribed board		287,751,960.35	47,554,837.64
Add: Cash and cash equivalents at beginning of period balances		887,614,950.93	840,060,113.29

VI. Cash and cash equivalents at end of period horizontal tablet or inscribed board		1,175,366,911.28	887,614,950.93
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Person in charge of the Company: Wang Jianjun Person in charge of accounting work: Wang Xiaoliu Person in charge of accounting organisation: Du Lihong

2022

Currency: RMB

[illegible]

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Sport s even t	2021											
	Equity attributable to owners of the parent company										Minority interests	Total owners' equity
	Paid-in capital (or share capital)	Other equity instruments	capital surplus	Less: Treasury stock	Other comprehensive income	earnings reserve	surplus	General risk provision	unallocated profit	the rest	Subtotal	
		prior period adjustments	surplus	the rest								
I. Prior year-end balance	731,137,184.00		2,310,605,439.00	17,637,886.17	-1,555,928.90		302,784,156.07		-434,073,367.89		2,891,259,596.11	2,891,259,596.11
Add: change in accounting policy												
Correction of prior period errors												
Same-control business combinations												
the rest												
II. Opening balance for the year	731,137,184.00		2,310,605,439.00	17,637,886.17	-1,555,928.90		302,784,156.07		-434,073,367.89		2,891,259,596.11	2,891,259,596.11
III. Increase/decrease during the period (Decrease to "—" sign)			6,247,551.03	-9,141,625.25	-64,321,829.84				-152,791,921.88		-201,724,575.44	-201,724,575.44
(i) Total comprehensive income					-64,321,829.84				-109,024,869.62		-173,346,699.46	-173,346,699.46
(ii) Owners' inputs and reductions in capital			6,247,551.03	-9,141,625.25							15,389,176.28	15,389,176.28
1. Ordinary shares invested by owners												
2. Capital contributions by holders of other equity instruments												
3. Share-based payments credited to owners' equity horizontal tablet or inscribed board			-105,599.51								-105,599.51	-105,599.51
4. Other			6,353,150.54	-9,141,625.25							15,494,775.79	15,494,775.79
(iii) Distribution of profits									-43,767,052.26		-43,767,052.26	-43,767,052.26
1. Withdrawal of surplus reserves												
2. Provision for general risks												
3. Distribution to owners (or shareholders)									-43,767,052.26		-43,767,052.26	-43,767,052.26
4. Other												

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(iv) Internal carry-forward of owners' equity														
1. Transfer of capital surplus to capital (or share capital)														
2. Transfer of surplus to capital (or share capital)														
3. Surplus surpluses to cover losses														
4. Carry-over of changes in defined-benefit plans proceed														
5. Other comprehensive income carried forward to retained earnings														
6. Other														
(v) Earmarked reserves														
1. Withdrawals during the period														
2. Use during the period														
(vi) Other														
IV. Closing balance for the period	731,137,184.00				2,316,852,990.03	8,496,260.92	-65,877,758.74		302,784,156.07		-586,865,289.77		2,689,535,020.67	2,689,535,020.67

Person in charge of the Company: Wang Jianjun Person in charge of accounting work: Wang Xiaoliu Person in charge of accounting organisation: Du Lihong

Statement of changes in owners' equity of the parent company

January-December 2022

Unit: Yuan Currency: RMB

sport s even t	2022										
	Paid-in capital (or share capital)	Other equity instruments			capital surplus	Less: Treasury stock	Other comprehensive income	ear mar k	surplus surplus	unallocated profit	Total owners' equity
		preferen tial shares	perpetual bond	the rest							
I. Prior year-end balance	731,137,184.00				927,635,401.89	8,496,260.92	-65,336,637.06		302,201,966.07	1,185,554,015.96	3,072,695,669.94
Add: change in accounting policy											
Correction of prior period errors											
the rest											
II. Opening balance for the year	731,137,184.00				927,635,401.89	8,496,260.92	-65,336,637.06		302,201,966.07	1,185,554,015.96	3,072,695,669.94
III. Increase/decrease during the period (Decrease to “-” sign)					213,521,868.68		-33,390,018.85		15,063,533.13	120,982,780.77	316,178,163.73
(i) Total comprehensive income							-33,390,018.85			150,635,331.32	117,245,312.47
(ii) Owners' inputs and reductions in capital					213,521,868.68						213,521,868.68
1. Ordinary shares invested by owners											
2. Capital contributions by holders of other equity instruments											
3. Share-based payments credited to owners' equity horizontal tablet or inscribed board											
4. Other					213,521,868.68						213,521,868.68
(iii) Distribution of profits									15,063,533.13	-29,652,550.55	-14,589,017.42
1. Withdrawal of surplus reserves									15,063,533.13	-15,063,533.13	
2. Distribution to owners (or shareholders)										-14,589,017.42	-14,589,017.42
3. Other											
(iv) Internal carry-forward of owners' equity											
1. Transfer of capital surplus to capital (or share capital)											
2. Transfer of surplus to capital (or share capital)											
3. Surplus surpluses to cover losses											
4. Carry-over of changes in defined- benefit plans proceed											
5. Other comprehensive income carried forward to retained earnings						98 / 352					
6. Other											
(v) Earmarked reserves											
1. Withdrawals during the period											
2. Use during the period											
(vi) Other											
IV. Closing balance for the period	731,137,184.00				1,141,157,270.57	8,496,260.92	-98,726,655.91		317,265,499.20	1,306,536,796.73	3,388,873,833.67

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sport s even t	2022					2021					
	Paid-in capital (or share capital)	Other equity instruments			capital surplus	Less: Treasury stock	Other comprehensive income	earmark	surplus surplus	unallocated profit	Total owners' equity
		pri ori tis e thigh	perpetual bond	the rest							
I. Prior year-end balance	731,137,184.00				921,387,850.86	17,637,886.17	-1,245,209.67		302,201,966.07	1,319,329,056.82	3,255,172,961.91
Add: change in accounting policy											
Correction of prior period errors											
the rest											
II. Opening balance for the year	731,137,184.00				921,387,850.86	17,637,886.17	-1,245,209.67		302,201,966.07	1,319,329,056.82	3,255,172,961.91
III. Increase/decrease during the period (Decrease to "—" sign)					6,247,551.03	-9,141,625.25	-64,091,427.39			-133,775,040.86	-182,477,291.97
(i) Total comprehensive income							-64,091,427.39			-90,007,988.60	-154,099,415.99
(ii) Owners' inputs and reductions in capital					6,247,551.03	-9,141,625.25					15,389,176.28
1. Ordinary shares invested by owners											
2. Capital contributions by holders of other equity instruments											
3. Amount of share-based payments credited to owners' equity					-105,599.51						-105,599.51
4. Other					6,353,150.54	-9,141,625.25					15,494,775.79
(iii) Distribution of profits										-43,767,052.26	-43,767,052.26
1. Withdrawal of surplus reserves											
2. Distribution to owners (or shareholders)										-43,767,052.26	-43,767,052.26
3. Other											
(iv) Internal carry-forward of owners' equity											
1. Transfer of capital surplus to capital (or share capital)											
2. Transfer of surplus to capital (or share capital)											
3. Surplus surpluses to cover losses											
4. Transfer of changes in defined benefit plans to retained earnings all the more											
5. Other comprehensive income carried forward to retained earnings											
6. Other											
(v) Earmarked reserves											
1. Withdrawals during the period											

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2. Use during the period											
(vi) Other											
IV. Closing balance for the period	731,137,184.00				927,635,401.89	8,496,260.92	-65,336,637.06		302,201,966.07	1,185,554,015.96	3,072,695,669.94

Person in charge of the Company: Wang Jianjun Person in charge of accounting work: Wang Xiaoliu Person in charge of accounting organisation: Du Lihong

III. Basic company information

1. Company Profile

√Applicable □Not applicable

(hereinafter referred to as "the Company" or "Fengshen"), formerly known as Henan Tyre Company Limited, is a joint venture between Henan Tyre Group Limited Company, China Shenma Group Limited Company, Yugang (Henan) Development Company Limited, Jiaozuo City Investment Company, Jiaozuo City Zinc Factory, Jiangshan City Zinc Factory and Henan Tyre Group Limited Company. Approved by Henan Provincial People's Government, Henan Tyre Group Co., Ltd. jointly with China Shenma Group Co., Ltd., Yugang (Henan) Development Co., Ltd., Jiaozuo Investment Company, Jiaozuo Zinc Factory, Jiangyin Innovative Valve Valve Factory (renamed as Jiangyin Innovative Valve Valve Co., Ltd.) and Fengqiu Auxiliaries Factory of Henan Province were jointly established as a joint-stock limited company, which was approved by the Document No.49 of the Henan Provincial People's Government. The company was registered and established on 1 December 1998 in Henan Province Administration for Industry and Commerce.

The initial registered capital is RMB 180 million. The parent company of the Company is China National Chemical Rubber Corporation (formerly known as China National Chemical Rubber Corporation).

(the company, on 17 January 2013, the whole company was restructured and changed to China National Chemical Rubber Corporation)

Approved by the China Securities Regulatory Commission (hereinafter referred to as the "CSRC") under Circular No. 119 of the Securities and Futures Commission [2003], the Company launched a public offering of 75 million RMB ordinary shares (A) on 29 September 2003, which was listed on the Shanghai Stock Exchange on 21 October 2003 under stock code 600469, and the registered capital was increased to RMB255 million after the offering. After the issue, the registered capital increased to RMB255 million.

In June 2005, the Company was determined by the CSRC to be a pilot company for the equity distribution reform. At the resolution of the Third Sixth Meeting of the Board of Directors of the Company held on 5 July 2005, the seven non-circulating shareholders of the Company unanimously agreed to pay part of their respective shareholdings to the outstanding shareholders on a pro rata basis in consideration of their right to the circulation of the non-circulating shares, i.e., shareholders of the outstanding shares whose names appeared in the register of members as at the date of registration of shareholdings for the implementation of the Scheme would receive 4.2 shares for every 10 outstanding shares held by them. For every 10 outstanding shares held, 4.2 shares will be paid by the non-circulating shareholders; upon completion of the payment, the non-circulating shares held by the non-circulating shareholders of the Company will be granted the right to be listed and circulated. The non-circulating shareholders have made commitments on the restrictions on the circulation of their shares. on 29 July 2005, the equity distribution reform plan was approved by the State-owned Assets Supervision and Administration Commission of the State Council.

At the Extraordinary General Meeting of the Company held on 8 August 2005, the resolution on the shareholding reform programme of the Company was considered and approved. Implementation of the Programme
The share registration date of the Company was 12 August 2005, and the total share capital of the Company remained at 255 million shares after the completion of the share subdivision. After the completion of the share subdivision, the total share capital of the Company remained at 255 million shares.

On 25 June 2007, the Company received State-owned Assets Supervision and Administration Commission of the State Council's State-owned Assets Property Rights [2007] No. 545 "Reply to the Approval on Issues Relating to the Transfer of State-owned Shares of Fengshen Tire Company Limited", agreeing that the controlling shareholder of the Company, Henan Tire Group Company Limited, would transfer 100 million state-owned legal person shares of the Company to China Haohua Chemical (Group) Company Limited. 2007

On 11 October, 100 million shares held by Henan Tire Group Co., Ltd. were transferred to China Haohua Chemical (Group) Co.

After the completion of this transfer of state-owned shares, the total share capital of the Company remained at 255 million shares, of which China Hohua Chemical (Group) Corporation and Henan Tire Group Co. After the completion of this transfer of state-owned shares, the total share capital of the Company remained at 255 million shares, of which China Haohua Chemical (Group) Corporation and Henan Tire Group Co., Ltd. held 100 million shares and 33,866,810 shares, respectively. 30 May 2008, the Company's application for the non-public offering of shares was approved by the China Securities Regulatory Commission. 27 June 2008, the China Securities Regulatory Commission issued the Approval Reply No. [2008] 861 on Approval of the Non-public Offering of Shares by Windshen Tire Co. On 27 June 2008, China Securities Regulatory Commission (CSRC) issued CSRC Permit [2008] No. 861 "Approval of the Approval of the Non-public Offering of Shares by Fengshen Tire Company Limited", approving the Company's non-public offering of not more than 12,000,000 shares.

The registered capital increased to 37,494.2148 million shares after the non-public offering of 11,994.2148 million shares to seven specific parties, including the head office of the Company.

The total share capital is 37,494.2148 million shares, of which 15,964.2148 million shares are held by China Haohua Chemical Industry (Group) Corporation, Henan Province

Ltd. holds 33,540,200 shares, Jiangsu Xingda Steel Cord Co.

Ltd. holds 10 million shares, Hubei Fuxing Science and Technology Co.

Ltd. holds 8.5 million shares, Lonking (Fujian) Bridge Box Co.

On 21 December 2009, China Haohua Chemical (Group) Corporation and China National Chemical & Rubber Corporation signed the Agreement on Transfer of State-owned Equity, under which China Haohua Chemical (Group) Corporation transferred 159,642,148 ~~shares~~ 42.58% of the total share capital of the Company) to China National Chemical & Rubber Corporation without compensation. On 7 January 2010, the State-owned Assets Supervision and Administration Commission of the State Council approved the aforesaid equity transfer by way of document SASAC [2010] No. 3. On 7 January 2010, the State-owned Assets Supervision and Administration Commission of the State Council approved the above equity transfer with the document of State-owned Property Rights [2010] 3.

(Ltd. held 59,642,148 shares of Fengshen, which were restricted shares and were not yet eligible for transfer, and the two parties entered into an agreement in 2010 to transfer the shares.

The Supplementary Agreement on the Transfer of State-owned Equity was signed on 31 August 2009, agreeing that the shares transferred to China National Chemical & Rubber Corporation would be set at a fixed price.

On 20 September 2010, the transfer and registration confirmation procedures for this gratuitous transfer of shareholdings were all completed. The shares held by China National Chemical & Rubber Corporation in the Company amounted to 100,000,000 shares, accounting for 26.67 per cent of the total share capital of the Company, making it the largest shareholder of the Company.

China Haohua Chemical (Group) holds 59,642,148 shares of the Company, accounting for 15.91% of the total share capital of the Company, and is the second largest shareholder of the Company.

On 16 May 2013, ChemChina Rubber Corporation entered into an agreement with China Haohua Chemical Group Corporation (the predecessor of "ChemChina") to establish a joint venture between ChemChina Rubber Corporation and China Haohua Chemical Group Corporation.

China Haohua Chemical (Group) Corporation, the former second largest shareholder of Fengshen shares; on 29 June 2012, the whole company was restructured and changed into a joint stock limited company) entered into the "Supplementary Agreement on Transfer of State-owned Equity Interests (II)", which stipulated that China Haohua Chemical Group Corporation would transfer the remaining 59,642,148 shares of Fengshen shares held by China Haohua Chemical Group Corporation to China Chemical Rubber Company Limited for no consideration. On 8 June 2013, the China Securities Regulatory Commission approved the waiver of the obligation to make a tender offer in respect of this gratuitous transfer of shares, and the registration procedures for the transfer of the aforesaid shares were completed on 5 July. As a result, the number of shares held by China National Chemical & Rubber Corporation in Fengshen increased from 100,000,000 shares to 159,642,148 shares, and the shareholding ratio increased from 26.67% to 42.58%. China Haohua Chemical Group Corporation no longer held the Company's shares, and the parent company of the Company remained as China National Chemical & Rubber Corporation, with no change in the actual controller.

In May 2016, according to the "Proposed Profit Distribution of the Company for the Year 2015", which was considered and approved by the 2015 Annual General Meeting of the Company, the 5 shares for every 10 shares to all shareholders based on the total share capital of 374,942,148 shares at the end of 2015, implemented on 29 June 2016

The share capital of the Company is RMB562,413,222.

On 29 June 2020, the Twenty-eighth Meeting of the Seventh Session of the Board of Directors of the Company considered and approved the relevant documents for the non-public offering of A shares.

On 20 October 2020, Fengshen received the "Approval for the Non-public Offering of Shares by Fengshen Tire Company Limited (Securities Regulatory Permit [2020] No. 2585)" from China Securities Regulatory Commission (CSRC), approving the Company's non-public offering of not more than 168,723,966 new shares. The new shares to be issued in 2020 were registered with China Securities Depository & Clearing Company Limited, Shanghai Branch on 12 November 2020 and the share registration procedures were completed. The new shares issued in 2020 were registered at the Shanghai Branch of China Securities Depository and Clearing Corporation on 12 November 2020, and after the issuance, China National Chemical & Rubber Corporation held 419,435,536 shares of the Company, accounting for 57.37% of the total share capital of the Company.

On 30 January 2023, the Company cancelled a total of 1,686,313 previously repurchased shares with China Securities Depository & Clearing Co.

After the cancellation, the total number of shares of the Company changed from 731,137,184 shares to 729,450,871 shares, of which the total number of limited share capital is 168,723,962 shares, accounting for 23.13% of the total share capital, and 562,413,222 shares, accounting for 76.87% of the total share capital.

The registered capital of the Company is RMB72,945.0871 million, and the unified social credit code of the business licence of the enterprise legal person is 914100007126348530, the registered place and

office is No. 48, Jiao Dongnan Road, Jiaozuo City, Henan Province, and the legal representative is Wang Jianjun.

The company belongs to the tyre manufacturing enterprises, belongs to the rubber manufacturing industry, the scope of business is: the company's production of tyres and related technology export business; the company's production of raw and auxiliary materials, machinery and equipment, spare parts, instruments and related technology import business; to carry out foreign cooperative production, processing, processing, sample processing, assembly and compensation trade business. Tyre production and sales; tyre production with the sale of raw and auxiliary materials; automotive and construction machinery spare parts sales.

The company's main products: all-steel radial tyres, bias tyres and so on.

These financial statements were approved for reporting by the Company's Board of Directors on 28 April 2023

2. Scope of consolidated financial statements

√/Applicable Not applicable

For details of changes in the scope of consolidation during the reporting period, please refer to "VIII. Changes in the Scope of Consolidation" in this note. For details of the Company's subsidiaries, please refer to "IX. Interests in other entities" in this note.

IV. Basis of preparation of the financial statements

1. Basis of preparation

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

2. going concern

☒Applicable ☐Not applicable

The financial statements have been prepared on a going concern basis and there are no matters or circumstances that may cast significant doubt on the Company's ability to continue as a going concern for a period of 12 months from the end of the reporting period.

V. SIGNIFICANT**ACCOUNTING POLICIES****AND ACCOUNTING****ESTIMATES** Specific

accounting policies and

accounting estimate tips:

☒Applicable ☐Not applicable

The following disclosures have covered specific accounting policies and accounting estimates that the Company has formulated based on actual production and operating characteristics.

1. Statement of compliance with enterprise accounting standards

These financial statements comply with the requirements of the Enterprise Accounting Standards issued by the Ministry of Finance, and give a true and complete account of the Company's December 2022 financial statements. Consolidated and Parent Company Financial Condition at 31st and Consolidated and Parent Company Results of Operations and Cash Flows for Fiscal Year 2022.

2. accounting period

The Company's fiscal year begins on 1 January and ends on 31 December of the calendar year.

3. business cycle

☒Applicable ☐Not applicable

The Company's operating cycle is 12 months.

4. local currency

The Company's bookkeeping currency is RMB.

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

☒Applicable ☐Not applicable

Business combinations under the same control: Assets and liabilities acquired by the combining parties in a business combination (including goodwill resulting from the acquisition of the consolidated party by the ultimate controlling party) are measured on the basis of the carrying value of the assets and liabilities of the consolidated party in the consolidated financial statements of the ultimate controlling party at the date of the combination. The difference between the book value of net assets acquired in the merger and the book value of the merger

consideration paid (or the total nominal value of the shares issued) is adjusted to the equity premium in capital surplus, and the retained earnings is adjusted to the extent that the equity premium in capital surplus is not sufficient to eliminate the difference.

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

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

6. Methodology for the preparation of consolidated financial statements

✓Applicable

☐Not

applicable 1.

Scope of

consolidation

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

2. Consolidation process

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

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

(1) Increase in subsidiaries or operations

During the reporting period, if a subsidiary or business is added as a result of a business combination under the same control, the results of operations and cash flows from the beginning to the end of the period in which the subsidiary or business is combined are included in the consolidated financial statements, and adjustments are also made to the opening balance of the consolidated financial statements and the related items in the comparative statements, and the consolidated reporting entity is deemed to have existed from the point at which the party ultimately controlling the subsidiary or business began to control the subsidiary or business.

If an investee under the same control is able to exercise control over the investee as a result

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

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

If the Company is able to exercise control over an investee that is not under the same control due to additional investment, the equity in the investee held prior to the date of purchase is remeasured at the fair value of the equity in the investee at the date of purchase, and the difference between the fair value and its carrying amount is included in investment income for the current period. Other comprehensive income that can be reclassified to profit or loss and other changes in equity under the equity method in respect of the equity interest in the acquiree held prior to the date of purchase are transferred to investment income for the period in which the purchase is made.

(2) Disposal of subsidiaries

① General treatment

When control over an investee is lost due to the disposal of a portion of the equity investment or for other reasons, the remaining equity investment after disposal is remeasured at its fair value at the date of loss of control. The difference between the sum of the consideration received for the disposal and the fair value of the remaining equity interest, less the sum of the share of the original subsidiary's net assets continuously measured from the date of purchase or consolidation based on the original shareholding ratio and goodwill, is included in investment income in the period in which control is lost. Subsequent reclassification of equity investments in former subsidiaries

Other comprehensive income and other changes in owners' equity under the equity method of accounting are transferred to investment income in the current period when control is lost.

② Step-by-step disposal of subsidiaries

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

- i. These transactions are entered into simultaneously or with consideration of the effects of each other;
- ii. It is the totality of these transactions that will lead to a complete business result;
- iii. The occurrence of one transaction is dependent on the occurrence of at least one other transaction;
- iv. A transaction is uneconomical when viewed in isolation, but economical when considered in conjunction with other transactions.

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

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

(3) Purchase of minority interests in subsidiaries

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

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

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

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

√Applicable Not applicable

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

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

- (1) Recognition of assets held individually by the Company and of assets held jointly in proportion to the Company's share;
- (2) Recognition of liabilities borne individually by the Company and recognition of liabilities borne jointly in the Company's share;
- (3) Recognise revenue from the sale of the Company's share of common operating output;
- (4) Revenue from joint operations arising from the sale of output is recognised at the Company's share;
- (5) Expenses incurred separately are recognised, and expenses incurred in joint operations are recognised in proportion to the Company's share. The Company's investments in joint ventures are accounted for using the equity method, as described in Note 21, "Long-term equity investments".

8. Criteria for determining cash and cash equivalents

Cash equivalents are investments held by an enterprise that have a short maturity (generally maturing within three months from the date of purchase), are highly liquid, are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

9. Foreign currency operations and translation of foreign currency statements

✓Applicable

□ Not applicable

1. Foreign currency operations

Foreign currency operations are recorded in RMB using the spot exchange rate or an approximate exchange rate at the date of the transaction as the conversion rate to translate foreign currency amounts into RMB. The balances of foreign currency monetary items at the balance sheet date are translated at the spot exchange rate at the balance sheet date, and the resulting exchange differences are included in profit or loss for the current period, except for exchange differences arising from special borrowings in foreign currencies relating to the acquisition and construction of assets eligible for capitalisation, which are dealt with in accordance with the principle of capitalisation of borrowing costs.

2. Translation of foreign currency financial statements

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

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

10. financial instrument

✓Applicable □Not applicable

1. Classification of financial instruments

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

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

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

The Company classifies financial assets that meet both of the following conditions and are

not designated as at fair value through profit or loss as financial assets at fair value through other comprehensive income (debt instruments):

- The business model aims both to collect the contractual cash flows and to sell the financial asset;
- Contractual cash flows represent only payments of principal and interest based on the amount of principal outstanding.

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

Except for the above financial assets measured at amortised cost and at fair value through other comprehensive income, the Company classifies all remaining financial assets as financial assets at fair value through profit or loss. At initial recognition, the Company may irrevocably designate financial assets that would otherwise be classified as financial assets at amortised cost or at fair value through other comprehensive income as financial assets at fair value through profit or loss if the accounting mismatch can be eliminated or significantly reduced.

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

Financial liabilities that meet one of the following conditions can be designated as financial liabilities at fair value through profit or loss at initial measurement:

- 1) The designation eliminates or significantly reduces accounting mismatches.
- 2) The management and performance of a portfolio of financial liabilities or a portfolio of financial assets and financial liabilities are managed and evaluated on a fair value basis in accordance with the enterprise's risk management or investment strategy as set out in a formal written document and reported on this basis within the enterprise to key management personnel.
- 3) The financial liability contains embedded derivatives that are subject to separate spin-off.

2. Basis of recognition and measurement of financial instruments

(1) Financial assets measured at amortised cost

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

Interest calculated using the effective interest method during the holding period is recognised in profit or loss. Upon recovery or disposal, the difference between the price obtained and the carrying amount of the financial asset is recognised in profit or loss.

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

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

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

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

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

On derecognition, the cumulative gain or loss previously included in other comprehensive

income is transferred from other comprehensive income to retained earnings.

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

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

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

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

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

(6) Financial liabilities measured at amortised cost

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

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

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

3. Derecognition of financial assets and transfer of financial assets

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

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

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

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

If the conditions are met, the difference between the following two amounts is recognised in profit or loss for the period:

- (1) Carrying value of financial assets transferred;
- (2) The sum of the consideration received as a result of the transfer and the cumulative amount of changes in fair value that would have been recognised directly in owners' equity (in cases where the financial assets transferred are financial assets (debt instruments) at fair value through other comprehensive income).

If a partial transfer of a financial asset satisfies the conditions for derecognition, the carrying amount of the transferred financial asset as a whole is apportioned between the derecognised portion and the non-derecognised portion in accordance with their respective relative fair values, and the difference between the two amounts listed below is recognised in profit or loss for the current period:

- (1) The carrying value of the derecognition component;
- (2) Consideration for the derecognition portion, together with the amount corresponding to the derecognition portion of the cumulative changes in fair value that would have been recognised directly in equity (the financial assets involved in the transfer are financial assets at fair value through other comprehensive income) (debt instruments)).

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

4. Derecognition of financial liabilities

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

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

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

If the Company repurchases a portion of a financial liability, the carrying amount of the financial liability as a whole is allocated between the continuing and derecognised portions based on their relative fair values at the date of repurchase. The difference between the carrying amount allocated to the derecognised portion and the consideration paid, including the non-cash assets transferred or new financial liabilities assumed, is recognised in profit or loss.

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

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

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

The Company estimates expected credit losses on financial assets measured at amortised cost and financial assets at fair value through other comprehensive income (debt instruments), either individually or in combination, taking into account all reasonable and supportable information, including forward-looking information. The measurement of expected credit losses depends on whether a significant increase in credit risk has occurred since the initial recognition of the financial assets.

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

Generally, the Company considers that the credit risk of a financial instrument has increased significantly when it is past due for more than 30 days, unless there is conclusive evidence that the credit risk of the financial instrument has not increased significantly since the initial recognition.

If the credit risk of a financial instrument is low at the balance sheet date, the Company

considers that the credit risk of the financial instrument has not increased significantly since initial recognition.

If there is objective evidence that a financial asset is impaired for credit purposes, the Company makes a provision for impairment of the financial asset on an individual basis.

The methodology for determining credit losses for each class of financial assets is set out below:

(1) For notes receivable, accounts receivable financing and accounts receivable arising from daily operations, such as sales of goods and provision of services, the Company measures the allowance for losses at an amount equal to the expected credit losses over the entire period of existence, regardless of whether there is a significant financing component. In addition to assessing credit risk individually, they are classified into different portfolios based on their credit risk characteristics:

sports event	Basis for determining the portfolio
banker's acceptance	Acceptors are banks with low credit risk
commercial promissory note	Classification according to the credit risk of the acceptor
Accounts receivable portfolio	Sales of units within the scope of consolidation
Accounts receivable portfolio	Sales to other customers

(2) Other receivables

The Company measures impairment losses based on whether there has been a significant increase in the credit risk of other receivables since the initial recognition of the receivables, using an amount equal to the expected credit losses within the next 12 months, or over the entire duration of the receivables. Except for other receivables that are individually assessed for credit risk, they are classified into different portfolios based on their credit risk characteristics:

sports event	Basis for determining the portfolio
Other accounts receivable portfolio	Transactions with units within the scope of consolidation
Other accounts receivable portfolio	Receivables other than those in the above portfolio

11. notes receivable

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

☐Applicable ☒Not Applicable

12. accounts receivable

Methods of determining and accounting for expected credit losses on receivables

☐Applicable ☒Not Applicable

13. Receivables financing

☐Applicable ☒Not Applicable

14. Other receivables

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

☐Applicable ☒Not Applicable

15. inventory (of material)

☒Applicable ☐Not applicable

1. Classification and cost of inventories

Inventories are categorised as: raw materials, goods in stock, products in process, low value consumables, etc.

2. Method of valuation of inventories issued

Inventories are valued on a weighted average basis when issued.

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

In the normal course of production and operation, the net realisable value of inventories of goods directly used for sale, such as finished goods, commodities in stock and materials for sale, is determined by the estimated selling price of the inventories, less the estimated selling expenses and related taxes; inventories of materials that need to be processed are determined by the estimated selling price of the finished goods produced in the normal course of production and operation, less the estimated expenses to be incurred until the completion of the work.

The net realizable value is determined as the amount after cost, estimated selling expenses and related taxes; the net realizable value of inventories held for the purpose of executing a sales contract or a labour contract is calculated on the basis of the contract price; if the quantity of inventories held is more than the quantity ordered under the sales contract, the net realizable value of the excess inventory is calculated on the basis of the general selling price. Provision for inventory write-downs is made at the end of the period on the basis of individual inventory items; however, provision for inventory write-downs is made on the basis of inventory categories for inventories with large quantities and low unit prices; and provision for inventory write-downs is made on a consolidated basis for inventories that are related to a product line that is manufactured and marketed in the same region, have the same or similar end-use or purpose, and are difficult to measure separately from other items.

4. The inventory system for inventories is based on the perpetual inventory system.

5. Methods of amortisation of low value consumables and packing materials

- (1) The 50/50 amortisation method is used for low value consumables;
- (2) Packaging is done using the one-time resale method.

16. Contractual assets

(1). Methods and criteria for recognition of contract assets

☒Applicable ☐Not applicable

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between the fulfilment of performance obligations and payments from customers. The right to receive consideration for goods or services that the Company has transferred to the customer (and which is dependent on factors other than the passage of time) is shown as a contract asset. Contract assets and contract liabilities under the same contract are presented on a net basis. The Company's owned, unconditional

(The right to receive consideration from customers (depending only on the passage of time) is shown separately as a receivable.

(2). Method of determining and accounting for expected credit losses on contract assets

☒Applicable ☐Not applicable

For details of the method of determining expected credit losses on contract assets and the accounting treatment, please refer to "V. 10.6, Test methods for impairment of financial assets and accounting treatment" in this note.

17. Assets held for sale

√Applicable Not applicable

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

(1) In accordance with the practice for the sale of such assets or disposal groups in similar transactions, immediate sale is possible in the current situation;

(2) It is highly probable that a sale will occur, i.e., the Company has resolved on a plan of sale and obtained a firm commitment to purchase, and the sale is expected to be completed within one year. Where the relevant regulations require the approval of the Company's relevant authority or regulator before the sale can take place, such approval has been obtained.

If the carrying amount of a non-current asset (excluding financial assets, deferred tax assets and assets arising from employee compensation) or a disposal group classified as held for sale is greater than its fair value less costs to sell, the carrying amount is written down to its fair value less costs to sell, and the amount of the write-down is recognised as an impairment loss on the asset, which is recognised in profit or loss, and a provision for impairment of the asset held for sale is made at the same time.

18. debenture investment

(1). Method of determining and accounting for expected credit losses on debt investments

☐Applicable ☒Not Applicable

19. Other debt investments

(1). Method of determining and accounting for expected credit losses on other debt investments

☐Applicable ☒Not Applicable

20. Long-term receivables

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

☐Applicable ☒Not Applicable

21. Long-term equity investments

☒Applicable ☐Not applicable

1. Criteria for determining joint control and significant influence

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

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

2. Determination of initial investment cost

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

Business combinations under the same control: If the company pays cash, transfers non-cash assets or assumes liabilities and issues equity securities as consideration for the combination, the initial investment cost of a long-term equity investment is determined at the date of the combination on the basis of the company's share of the book value of the equity in the net assets of the party to be combined in the consolidated financial statements of the party that will ultimately control the company. If the investee unit under the same control can be controlled due to additional investment or other reasons, the initial investment cost of the long-term equity investment is determined at the date of consolidation based on the share of the book value of the net assets of the consolidated party in the consolidated financial statements of the party ultimately controlling the consolidated party after the consolidation. The difference between the initial investment cost of the long-term equity investment at the date of consolidation and the sum of the book value of the long-term equity investment before reaching consolidation plus the book

value of the new consideration paid for the further acquisition of shares at the date of consolidation is adjusted for equity premium, and if equity premium is not sufficient to be eliminated, it is eliminated against retained earnings.

Business combinations not under common control: The Company uses the cost of the combination determined at the date of purchase as the initial investment cost of a long-term equity investment. If the Company is able to exercise control over an investee that is not under the same control due to additional investment, the initial investment cost is the sum of the book value of the original equity investment plus the cost of the additional investment, which is accounted for under the cost method.

(2) Long-term equity investments acquired otherwise

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

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

Under the premise that non-monetary asset exchanges have commercial substance and the fair value of the exchanged assets or the exchanged assets can be measured reliably, the initial investment cost of long-term equity investments received in non-monetary asset exchanges shall be determined by the fair value of the exchanged assets and the relevant taxes and fees payable, unless there is conclusive evidence that the fair value of the exchanged assets is more reliable; non-monetary asset exchanges that do not satisfy the above premise shall be determined by the book value of the exchanged assets and the relevant taxes and fees payable as the initial investment cost of the exchanged long-term equity investments. For non-monetary asset exchanges that do not meet the above prerequisites, the carrying value of the exchanged assets and related taxes payable are used as the initial investment cost of the long-term equity investment exchanged.

The initial investment cost of long-term equity investments acquired through debt restructuring is determined on the basis of fair value.

3. Subsequent measurement and profit or loss recognition methods

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

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

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

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

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

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

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

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

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

(3) Disposal of long-term equity investments

On disposal of long-term equity investments, the difference between the carrying amount and the actual acquisition price is recognised in profit or loss for the period.

If a long-term equity investment accounted for under the equity method is partially disposed of and the remaining equity interest is still accounted for under the equity method, other comprehensive income recognised under the original equity method is carried forward on a proportionate basis using the same basis as that used for the direct disposal of the relevant assets or liabilities by the investee, and other changes in equity are carried forward on a proportionate basis to the current period's profit or loss.

If the common control or significant influence over the investee is lost due to the disposal of an equity investment, other comprehensive income recognised in respect of the original equity investment as a result of the adoption of the equity method of accounting is adopted in the termination of the adoption of the equity method of accounting in the same way as the direct disposal of the relevant assets by the investee.

or liabilities are accounted for on the same basis, and all other changes in equity are transferred to profit or loss when the equity method of accounting is discontinued.

If control over an investee is lost due to the disposal of a portion of the equity investment, the remaining equity interest shall be accounted for under the equity method if it is capable of exercising joint control or significant influence over the investee at the time of preparation of the individual financial statements and the remaining equity interest shall be adjusted as if it were accounted for under the equity method from the time of its acquisition; other comprehensive income recognised prior to the acquisition of control over the investee shall be carried forward on a pro rata basis on the same basis as that of the direct For other comprehensive income recognised prior to the acquisition of control of the investee unit, the same basis as the direct disposal of the relevant assets or liabilities of the investee unit is used for the proportionate carry forward, and other changes in equity recognised as a result of the adoption of the equity method of accounting are proportionately carried forward to the profit or loss of the current period; if the remaining equity interest does not enable the Company to exercise joint control or significant influence over the investee unit, the remaining equity interest is recognised as a financial asset, with the difference between the fair value and the carrying value on the date of the loss of control being recognised in the current period's profit or loss; for other comprehensive income recognised and other changes in equity recognised before the acquisition of control of the investee unit For other comprehensive income and other changes in equity recognised prior to the acquisition of control over the investee, all of them are carried forward.

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

**22. Not
applicable to
investment
properties**

**23. Fixed
Assets (1).**

Conditions for recognition

✓Applicable ☐Not applicable

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

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

(2). Depreciation method

✓Applicable ☐Not applicable

form	Depreciation method	Depreciable life (years)	salvage rate	Annual depreciation rate
Houses and buildings	life-cycle averaging (LCA)	25-40	5	2.38-3.80
machinery and equipment	life-cycle averaging (LCA)	5-30	5	3.17-19.00
Transport equipment	life-cycle averaging (LCA)	5-10	5	9.50-19.00
electronic equipment	life-cycle averaging (LCA)	5-10	5	9.50-19.00

Depreciation of fixed assets is provided on a classified basis using the average annual depreciation method, with depreciation rates determined on the basis of the category of fixed assets, their estimated useful lives and estimated net salvage value. For fixed assets for which provision for impairment has been made, depreciation is determined in future periods on the basis of the carrying amount net of provision for impairment and on the basis of the remaining useful life. If each component of a fixed asset has a different useful life or provides economic benefits to the enterprise in different ways, different depreciation rates or methods are selected and depreciation is provided separately.

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

☐Applicable ✓Not Applicable

24. construction in progress

✓Applicable ☐Not applicable

Construction-in-progress projects are recognised as fixed assets on the basis of the necessary expenditures incurred before the asset is constructed and brought to its intended state of use. If the fixed assets under construction have reached the intended state of use, but the final accounts have not yet been finalised, the fixed assets shall be transferred to the fixed assets at the estimated value according to the project budget, construction cost or actual cost of the project from the date of reaching the intended state of use, and depreciation of fixed assets shall be provided in accordance with the Company's depreciation policy for fixed assets, and the provisional value shall be adjusted according to the actual cost after the final accounts have been finalised, but the amount of depreciation originally provided for shall not be adjusted. Adjustment of the depreciation originally provided for.

25. borrowing cost

✓Applicable ☐Not applicable

1. Principles for recognition of capitalisation of borrowing costs

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

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

2. Period in which borrowing costs are capitalised

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

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

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

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

3. Period of suspension of capitalisation

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

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

For specialised borrowings for the purpose of purchasing, constructing or producing assets eligible for capitalisation, the amount of borrowing costs capitalised is determined by the actual borrowing costs incurred during the period of the specialised borrowings, less the amount of interest income earned on the unused borrowed funds deposited in the bank or the amount of investment income earned on the temporary investment.

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

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

26. biological asset

☐Applicable ☒Not applicable

27. oil and gas assets

☐Applicable ☒Not applicable

28. usufructuary assets

☒Applicable ☐Not applicable

On the commencement date of the lease term, the Company recognises right-of-use assets for leases other than short-term leases and leases of low-value assets. Right-of-use assets are initially measured at cost. This cost includes:

- (i) The amount of the initial measurement of the lease liability;
- ② Amount of lease payments made on or before the commencement date of the lease term for which a lease incentive exists, net of the amount related to the lease incentive that has been taken;
- (iii) Initial direct costs incurred by the Company;
- ④ Costs that the Company expects to incur to dismantle and remove the leased assets, to restore the site where the leased assets are located, or to return the leased assets to the condition agreed upon in the terms of the leases, excluding costs that are attributable to the production of inventories.

The Company subsequently depreciates right-of-use assets on a straight-line basis. Depreciation is provided over the remaining useful life of the leased asset if ownership of the leased asset can be reasonably determined at the end of the lease term; otherwise, the leased asset is depreciated over the shorter of the lease term or the remaining useful life of the leased asset.

The Company determines whether right-of-use assets are impaired in accordance with the principles described in "V.30. Impairment of Long-Lived Assets" in this note and accounts for identified impairment losses.

29. intangible asset

(1). Valuation method, useful life, impairment testing

☒Applicable ☐Not applicable

(i) Method of valuation of intangible assets

(1) Intangible assets are initially measured at cost when acquired by the Company;

The cost of an acquired intangible asset consists of the purchase price, related taxes and other expenses directly attributable to bringing the asset to its intended use. If the purchase price of an intangible asset is deferred beyond normal credit terms and is essentially of a financing nature, the cost of the intangible asset is determined on the basis of the present value of the purchase price. When a debt restructuring involves the acquisition of an intangible asset used by the debtor to offset a debt, the fair value of the intangible asset is used as the basis for determining its carrying value, and the difference between the carrying value of the restructured debt and the fair value of the intangible asset used to offset the debt is recognised in profit or loss for the current period.

Under the premise that non-monetary asset exchanges have commercial substance and the fair value of the exchanged assets or the exchanged assets can be measured reliably, the intangible assets exchanged in non-monetary asset exchanges are recorded at the fair value of the exchanged assets unless there is conclusive **e v i d e n c e** that the fair value of the exchanged assets is more reliable; for non-monetary asset exchanges that do not satisfy the above premise, the carrying value of the exchanged assets and related taxes and fees shall be recognised as the cost of the exchanged assets. For non-monetary asset exchanges that do not meet the above criteria, the carrying value of the exchanged assets and the related taxes payable are recognised as the cost of the intangible assets exchanged, and no gain or loss is recognised.

(2) Follow-up measurement

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

Intangible assets with finite useful lives are amortised on a straight-line basis over the period of time over which they will bring economic benefits to the enterprise; if the period over which the intangible asset will bring economic benefits to the enterprise cannot be foreseen, it is considered to be an intangible asset with an indefinite useful life and is not amortised.

(ii) Estimated useful lives of intangible assets with finite useful lives

spor ts eve nt	Expected service life
land use right	Warrant marking period
patented technology	benefit period
trademark right	benefit period
hardware	benefit period
Non-patented technology	benefit period

The useful lives and amortisation methods of intangible assets with finite useful lives are reviewed at the end of each year. As a result of the review, the useful lives and amortisation methods of intangible assets at the end of the current year are not different from those previously estimated.

(iii) Basis of judgement for intangible assets with indefinite useful lives and procedures for reviewing their useful lives

Intangible assets with indefinite useful lives are considered to be intangible assets with indefinite useful lives if the Company is unable to foresee the period over which the intangible asset will bring economic benefits to the enterprise. As of the balance sheet date, the Company has no intangible assets with indefinite useful lives.

(2). Accounting policy for internal research and development expenditure

✓Applicable □Not applicable

(i) Specific criteria for classifying research and development phases

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

Research stage: The stage of original and planned investigation and research activities to acquire and understand new scientific or technological knowledge, etc.

Development phase: The phase of activity in which research results or other knowledge are applied to a programme or design to produce new or substantially improved materials, devices, products, etc., prior to commercial production or use.

(ii) Specific conditions for capitalisation of development phase expenditure

Expenditure in the development phase of an internal research and development project is recognised as an intangible asset when the following conditions are simultaneously met:

- (1) It is technically feasible to complete the intangible asset so that it can be used or sold;
 - (2) There is an intention to complete the intangible asset and use or sell it;
 - (3) The manner in which an intangible asset generates economic benefits, including the ability to demonstrate the existence of a market for the product produced using the intangible asset or the existence of a market for the intangible asset itself, and the ability to demonstrate the usefulness of the intangible asset if it is to be used internally;
 - (4) have sufficient technical, financial and other resource support to complete the development of the intangible asset and the ability to use or sell the intangible asset;
 - (5) Expenditure attributable to the development phase of the intangible asset can be measured reliably.
- Expenditure in the development phase that does not fulfil the conditions listed above is charged to profit or loss when incurred. Research expenditures are charged to profit or loss when incurred.

30. Impairment of long-lived assets

✓/Applicable Not applicable

Long-term equity investments, investment properties measured using the cost model, property, plant and equipment, construction in progress, right-of-use assets, intangible assets with finite useful lives, oil and gas assets and other long-lived assets are assessed for impairment if there is any indication that they are impaired at the balance sheet date.

Impairment test. If the results of an impairment test indicate that the recoverable amount of an asset is less than its carrying amount, a provision for impairment is made and an impairment loss is recognised for the difference. The recoverable amount is the higher of the asset's fair value less costs of disposal and the present value of the asset's estimated future cash flows. Provision for asset impairment is calculated and recognised on an individual asset basis. If it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group is determined using the asset group to which the asset belongs. An asset group is the smallest group of assets that can generate cash inflows independently.

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

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

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

31. Long-term amortised expenses

✓Applicable Not applicable

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

32. Contractual liabilities

(1). Method of recognition of contract liabilities

✓Applicable ☐Not applicable

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

33. remuneration of employees

(1). Accounting treatment of short-term remuneration

✓Applicable ☐Not applicable

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

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

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

(2). Accounting treatment of post-employment benefits

√Applicable Not applicable

(1) Setting up a withdrawal plan

The Company pays basic pension insurance and unemployment insurance for its employees in accordance with relevant local government regulations. During the accounting period in which the employees provide services to the Company, the amount payable is calculated on the basis of the locally stipulated contribution base and ratio, and is recognised as a liability and charged to profit or loss or the cost of the relevant asset.

In addition to basic pension insurance, the Company has established an enterprise pension contribution system in accordance with the relevant policies of the national enterprise pension system (Supplementary pension insurance)/Enterprise pension plan. The Company contributes a certain percentage of the employees' gross salaries to the local social insurance institutions/annuity plans, and the corresponding expenditures are charged to current profit or loss or the cost of related assets.

(2) Setting up a benefit plan

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

The deficit or surplus resulting from the present value of the defined benefit plan obligation less the fair value of the defined benefit plan assets is recognised as a net defined benefit plan liability or net asset. If the defined benefit plan has a surplus, the Company measures the net defined benefit plan asset at the lower of the surplus of the defined benefit plan or the asset ceiling. All defined benefit plan obligations, including those that are expected to be paid within twelve months after the end of the annual reporting period in which the employees render services, are discounted based on market yields at the balance sheet date on treasury bonds or high-quality corporate bonds in active markets that match the maturity and currency of the defined benefit plan obligations.

The service costs incurred for the defined benefit plan and the net interest on the net liability or net asset of the defined benefit plan are recognised in profit or loss or in the cost of the related assets; the changes arising from the remeasurement of the net liability or net asset of the defined benefit plan are recognised in other comprehensive income and are not reversed to profit or loss in the subsequent accounting periods, and the portion previously recognised in other comprehensive income is fully transferred to unappropriated earnings within equity on the termination of the original defined benefit plan. (c) Unappropriated earnings. Upon settlement of a defined benefit plan, a settlement gain or loss is recognised based on the difference between the present value of the defined benefit plan obligation and the settlement price determined at the settlement date.

(3). Accounting for termination benefits

✓Applicable ☐Not applicable

The Company recognises employee compensation liabilities arising from termination benefits in profit or loss when it is unable to unilaterally withdraw the termination benefits provided as a result of a plan to terminate employment or a proposal for redundancy or when it recognises the earlier of the costs or expenses related to a restructuring that involves the payment of termination benefits.

(4). Accounting treatment of other long-term employee benefits

☐Applicable ✓Not Applicable

34. leasehold liability

✓Applicable ☐Not applicable

For details, see "42. Leases (3). Methods of Determining Leases and Accounting for Leases under the New Leasing Standards".

35. projected liability

✓Applicable ☐Not applicable

(i) Criteria for recognition of projected liabilities

The Company recognises estimated liabilities when obligations related to contingencies such as lawsuits, debt guarantees, loss contracts and restructuring matters simultaneously meet the following conditions:

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

(ii) Measurement of various types of projected liabilities

The Company's projected liabilities are measured initially on the basis of the best estimate of the expenditure required to fulfil the related present obligation. In determining the best estimate, the Company considers a combination of factors such as the risks and uncertainties associated with the contingency and the time value of money. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows.

The best estimates are dealt with separately below:

Where there is a continuous range (or interval) of expenditure requirements and the likelihood of each outcome within that range is equal, the best estimate is determined by averaging the middle of the range, i.e., the upper and lower limits.

Where there is no continuous range (or interval) of expenditure requirements, or where there is a continuous range but the likelihood of the various outcomes within the range is not the same, the best estimate is determined on the basis of the most probable amount to be incurred if the contingency relates to a single item, or on the basis of a range of possible outcomes and associated probabilities if the contingency relates to a number of items.

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

36. share-based payment

✓Applicable Not applicable

The Company's share-based payments are transactions in which equity instruments are granted or liabilities determined on the basis of equity instruments are assumed in order to obtain services from employees or other parties. The Company's share-based payments are classified as equity-settled and **c a s h - s e t t l e d**.

(i) Equity-settled share-based payments and equity instruments

Equity-settled share-based payments in exchange for services rendered by employees are measured at the fair value of the equity instruments granted to the employees. Where the Company makes share-based payments in restricted shares, employees contribute to the subscription of shares, which may not be listed, circulated or transferred until the unlocking conditions have been fulfilled and unlocked; if the unlocking conditions set out in the final share incentive plan are not fulfilled, the Company repurchases the shares at a pre-agreed price. When

the Company obtains payment from employees for subscription of restricted shares, it recognises share capital and share premium in accordance with the subscription amount obtained, and at the same time recognises a liability for the full amount of the repurchase obligation and recognises treasury shares. At each balance sheet date during the waiting period, the Company makes its best estimate of the number of feasible equity instruments based on the latest available subsequent information, and based on this estimate, the Company recognises the services acquired during the period in the relevant cost or expense at the fair value on the date of grant, and increases the capital surplus accordingly. No further adjustments are made to the related costs or expenses recognised and to total owners' equity after the date of exercisability. However, if the rights are exercisable immediately after the grant, the related costs or expenses are recognised at fair value on the date of grant, with a corresponding increase in equity premium.

No cost or expense is recognised for share-based payments that are not ultimately exercised, unless the conditions for exercise are market or non-viable conditions, in which case the right is deemed to be exercisable as long as the non-market conditions of all the conditions for exercisability are satisfied, irrespective of whether or not the market or non-viable conditions are satisfied.

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

If equity-settled share-based payments are cancelled, they are treated as accelerated exercise on the date of cancellation, with the unrecognised amount recognised immediately. If the employee or other party is able to elect to satisfy the non-viability condition but fails to do so within the waiting period, it is treated as a cancellation of equity-settled share-based payment. However, if a new equity instrument is granted and it is determined at the date of grant of the new equity instrument that the new equity instrument granted is intended to replace the cancelled equity instrument, the replacement equity instrument granted is treated in the same manner as if the modification of the terms and conditions of the original equity instrument had been treated.

(ii) Cash-settled share-based payments and equity instruments

Cash-settled share-based payments are measured at the fair value of liabilities assumed by the Company that are determined by calculations based on shares or other equity instruments. If the option is exercisable immediately after grant, the fair value of the liability assumed is recognised as a cost or expense at the date of grant, with a corresponding increase in the liability; if the option is exercisable only upon completion of services within the waiting period or upon fulfilment of the specified performance conditions, the best estimate of the feasibility of the option is used during the waiting period as the basis for recognising the services acquired in the current period as the relevant cost or expense, with a corresponding increase in the liability, based on the fair value of the liability assumed. The fair value of the liability is remeasured at each balance sheet date prior to settlement of the related liability and at the date of settlement, with changes recognised in profit or loss for the period.

37. Preference shares, perpetual bonds and other financial instruments

☐Applicable ☒Not applicable

38. incomes

(1). Accounting policies used for revenue recognition and measurement

☒Applicable ☐Not applicable

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

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

The transaction price is the amount of consideration to which the Company expects to be entitled as a result of the transfer of goods or services to the customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to the customer. The Company determines the transaction price in accordance with the terms of the contract and in conjunction with its past customary practices. In determining the transaction price, the Company

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

If one of the following conditions is met, the performance obligation is fulfilled within a certain period of time; otherwise, the performance obligation is fulfilled at a certain point in time:

- The customer acquires and consumes the economic benefits of the Company's performance at the same time as the Company's performance.
- The customer is able to control the goods under construction in the course of the Company's performance.
- Commodities produced in the course of the Company's performance are irreplaceable

and the Company is entitled to receive payment for the portion of performance that has been completed to date, cumulatively, throughout the term of the contract.

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

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

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

2. Specific revenue recognition policies

- (1) Domestic sales: according to the customer's order products have been sent out, the customer acceptance;
- (2) Export: Arrival of goods at the port and completion of customs formalities.

(2). Differences in accounting policies for revenue recognition due to the use of different operating models for the same type of business

☐Applicable ☒Not Applicable

39. contract cost

☒Applicable ☐Not applicable

Contract costs include contract performance costs and contract acquisition costs.

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

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

Incremental costs incurred by the Company to acquire a contract that are expected to be recovered are recognised as an asset as contract acquisition costs. Assets related to contract costs are amortised using the same basis as revenue recognition for goods or services to which the asset relates; however, the

If the amortisation period of contract acquisition costs does not exceed one year, the Company recognises the costs in profit or loss when incurred.

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

1. The residual consideration expected to be obtained as a result of the transfer of goods or services related to the asset;
2. The estimated costs to be incurred for the transfer of the relevant goods or services.

If there is a subsequent change in the factors that impaired the asset in a previous period that causes the aforementioned difference to be greater than the carrying amount of the asset, the Company reverses the provision for impairment and recognises it in profit or loss for the current period, provided that the carrying amount of the asset after the reversal does not exceed the carrying amount that would have been determined as at the date of the reversal assuming that no provision for impairment had been made.

40. government grant

✓Applicable

☐Not

Applicable

1. Type

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

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

The Company's specific criteria for classifying government grants as asset-related are:

The Company classifies grants from relevant government departments as asset-related government grants when there is clear evidence that the grants are provided for the formation of long-term assets.

The Company's specific criteria for classifying government grants as revenue-related are government grants other than those related to assets.

The Company classifies government grants as revenue-related if the government documents do not specify the recipients of the grants. 2. Point of recognition

Government grants are recognised and measured at the actual amount on hand when the funds are actually received. Grants are recognised and measured at the amount receivable only if there is conclusive evidence that the grant is disbursed on the basis of a fixed fixed rate and if there is conclusive evidence that the relevant conditions of the financial support policy can be met and that the financial support is expected to be received.

3. Accounting treatment

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

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

41. Deferred income tax assets/deferred income tax liabilities

✓Applicable ☐Not applicable

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

Deferred tax liabilities are recognised for taxable temporary differences, except in special cases.

The special situations in which deferred tax assets or deferred tax liabilities are not recognised include: the initial recognition of goodwill; and transactions or events, other than business combinations, that affect neither the accounting profit nor taxable income (or deductible losses) at the time of occurrence.

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

When there is a legal right to settle current income tax assets and current income tax liabilities on a net basis and the deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same tax administration on the same taxable entity or on different taxable entities, but in each future period in which significant deferred income tax assets and liabilities reverse, the taxable entities involved intend to settle the assets and liabilities on a net basis.

Deferred tax assets and deferred tax liabilities are offset when current income tax assets and liabilities are settled or when assets are acquired and liabilities are settled simultaneously.

42. tenancy

(1). Accounting for operating leases

✓Applicable Not applicable

For details, see (3) Methods of determining and accounting for leases under the new leasing standards.

(2). Accounting for finance leases

✓Applicable Not applicable

For details, see (3) Methods of determining and accounting for leases under the new leasing standards.

(3). Methods of determining leases under the new leasing standards and accounting treatment

✓Applicable ☐Not applicable

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

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

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

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

- A combination of qualitative and quantitative factors determined that there were no material changes in the other terms and conditions of the lease. 1. The Company as lessee

(1) usufructuary assets

On the commencement date of the lease term, the Company recognises right-of-use assets for leases other than short-term leases and leases of low-value assets. Right-of-use assets are initially measured at cost. This cost includes:

The amount of the initial measurement of the lease liability;

Lease payments made on or before the commencement date of the lease term for which a

lease incentive exists, net of the amount relating to the lease incentive already taken;

Initial direct costs incurred by the Company;

Costs that the Company expects to incur to dismantle and remove a leased asset, to rehabilitate the site on which the leased asset is located, or to restore the leased asset to the condition agreed upon in the terms of the lease, excluding costs attributable to the production of inventory.

The Company subsequently depreciates right-of-use assets on a straight-line basis. Depreciation is provided over the remaining useful life of the leased asset if ownership of the leased asset can be reasonably determined at the end of the lease term; otherwise, the leased asset is depreciated over the shorter of the lease term or the remaining useful life of the leased asset.

The Company determines whether right-of-use assets are impaired in accordance with the principles described in "V.30. Impairment of Long-Lived Assets" in this note and accounts for identified impairment losses.

(2) leasehold liability

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

Fixed payments (including substantially fixed payments), net of lease incentive-related amounts where lease incentives exist; variable lease payments dependent on an index or ratio;

Payments expected to be made based on the residual value of the guarantee provided by the company;

The exercise price of a purchase option, provided that the company is reasonably certain that it will exercise the option;

Payments required to exercise the option to terminate the lease, provided the lease term reflects that the Company will exercise the option to terminate the lease.

The Company uses the interest rate embedded in the lease as the discount rate; however, if the interest rate embedded in the lease cannot be reasonably determined, the Company's incremental borrowing rate is used as the discount rate.

The Company calculates interest expense on lease liabilities at a fixed periodic rate for each period of the lease term and records it in profit or loss or in the cost of the related asset.

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

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

- When there is a change in the valuation of the purchase option, lease renewal option or termination option, or when the actual exercise of the foregoing options is inconsistent with the original valuation, the Company re-measures the lease liability based on the present value of the lease payments after the change and the revised discount rate;
- When there is a change in the substantive fixed payments, a change in the amount expected to be payable for the residual value of the guarantee, or a change in the index or rate used to determine the lease payments, the Company remeasures the lease liability based on the present value of the lease payments after the change and the original discount rate. However, if the change in the lease payments results from a change in the floating rate, the present value is calculated using the revised discount rate.

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

The Company has elected not to recognise right-of-use assets and lease liabilities for short-

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

(4) Change of Lease

The Company accounts for a lease modification as a separate lease if the lease modification occurs and the following conditions are also met: the lease modification expands the scope of the lease by increasing the right to use one or more leased assets;

The increased consideration is comparable to the separate price of the expanded portion of the lease adjusted for the circumstances of that contract.

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

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

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

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

For short-term leases and leases of low-value assets, the Company continues to record the original contractual rentals in the cost or expense of the related assets in a manner consistent with that used prior to the abatement. In the event of a rent abatement, the Company recognises the abated rent as a variable lease payment and reduces the related cost of the asset or expense during the period of abatement. In the event of a deferred rent payment, the Company recognises the rent payable as an **a c c o u n t** payable in the period in which the rent is originally payable, and reduces the payable recognised in prior periods when the rent is actually paid.

2. The Company as lessor

At the inception date of a lease, the Company classifies leases as finance leases and operating leases. A finance lease is a lease that transfers substantially all of the risks and rewards associated with ownership of the leased asset, regardless of whether ownership is ultimately transferred. Operating leases are leases other than finance leases. When the Company acts as a sublease lessor, it classifies the sublease based on the right-of-use asset arising from the original lease.

(1) Accounting for operating leases

Lease receipts under operating leases are recognised as rental income on a straight-line basis in each period during the lease term. The Company capitalises the initial direct costs incurred in relation to operating leases and apportions them over the lease term to current profit

or loss on the same basis as rental income is recognised. Variable lease payments that are not included in lease receipts are charged to current profit or loss when they are actually incurred. When an operating lease is changed, the Company accounts for it as a new lease from the effective date of the change, and the lease receipts received in advance or receivable relating to the lease before the change are regarded as receipts under the new lease.

(2) Accounting for finance leases

At the inception date of a lease, the Company recognises a finance lease receivable for a finance lease and derecognises the finance lease asset. When the Company initially measures a finance lease receivable, the net investment in the lease is taken as the recorded value of the finance lease receivable. The net investment in the lease is the sum of the unguaranteed residual value and the present value of the lease receipts not yet received at the commencement date of the lease term discounted at the interest rate embedded in the lease.

The Company calculates and recognises interest income at a fixed periodic rate for each period during the lease term. Derecognition and impairment of finance lease receivables are accounted for in accordance with "III. (J) Financial instruments" in this note.

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

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

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

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

- If the change is effective on the commencement date of the lease and the lease would have been classified as an operating lease, the Company accounts for the lease as a new lease from the effective date of the lease change and uses the net investment in the lease prior to the effective date of the lease change as the carrying value of the leased asset;
- If the change would have been effective on the commencement date of the lease and the lease would have been classified as a finance lease, the Company would have followed this note "III, (x) Financial instruments are accounted for under the policy on modification or renegotiation of contracts.

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

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

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

3. Sale and leaseback transactions

The Company assesses whether the transfer of assets in sale and leaseback transactions is a sale in accordance with the principles described in "V.38 Revenue" in this note.

(1) as lessee

If the transfer of an asset in a sale and leaseback transaction is a sale, the Company, as the lessee, measures the right-of-use asset resulting from the sale and leaseback at the portion of

the original asset's carrying value that relates to the right-of-use acquired by leasing it back and recognises the related gain or loss only on the right transferred to the lessor; if the transfer of an asset in a sale and leaseback transaction is not a sale, the Company, as the lessee, continues to recognise the transferred asset and at the same time recognises a financial liability equal to the revenue from the transfer. The Company, as the lessee, continues to recognise the transferred asset and at the same time recognises a financial liability equal to the transfer proceeds. For details of accounting treatment of financial liabilities, please refer to "V. 10.

Appliances".

(2) lessor

If the transfer of an asset in a sale and leaseback transaction is a sale, the Company, as lessor, accounts for the purchase of the asset and accounts for the lease of the asset in accordance with the policy of "2. The Company as Lessor" mentioned above; if the transfer of an asset in a sale and leaseback transaction is not a sale, the Company, as lessor, does not recognise the transferred asset, but The Company, as the lessor, does not recognise the transferred assets, but recognises a financial asset equal to the transfer proceeds. For accounting treatment of financial assets, please refer to "V.10. Financial instruments" in this note.

43. Other significant accounting policies and accounting estimates

✓Applicable

☐ Not

applicable (i)

Discontinue

d operations

A discontinued operation is a separately distinguishable component that meets one of the following conditions and that has been disposed of by the Company or classified by the Company as held for sale:

- (1) The component represents a separate principal business or a separate principal operating area;
- (2) The component is part of an associated plan for the proposed disposal of a separate major business or a separate major operating area;
- (3) The component is a subsidiary acquired exclusively for resale.

(ii) Hedge

accounting

1. Classification of hedging

(1) A fair value hedge is a hedge of the exposure to changes in the fair value of a recognised asset or liability, a firm commitment that has not yet been recognised, or a component of one of these items.

(2) Cash flow hedges, which are hedges of exposures to changes in cash flows.

(3) Hedge of net investment in foreign operations is a hedge of the foreign exchange risk exposure of net investment in foreign operations.

2. Designation of hedging relationship and determination of hedge effectiveness

At the inception of a hedging relationship, the Company has a formal designation of the hedging relationship and prepares formal written documentation of the hedging relationship, risk management objectives and hedging strategy. This documentation sets out the nature of the hedging instrument and its quantity, the nature of the hedged item and its quantity, the nature of the hedged risk, the type of hedge, and the Company's assessment of the effectiveness of the hedging instrument. Hedge effectiveness is the extent to which changes in the fair value or cash flows of the hedging instrument are able to offset changes in the fair value or cash flows of the hedged item arising from the hedged risk. The Company evaluates hedge effectiveness on an ongoing basis to determine whether the hedge is highly effective over the accounting period in which the hedging relationship is designated.

The Company considers a hedge to be highly effective when it simultaneously meets the following conditions:

(1) An economic relationship exists between the hedged item and the hedging instrument. This economic relationship causes the value of the hedging instrument and the hedged item to move in opposite directions as a result of being exposed to the same hedged risk.

(2) The effect of credit risk does not dominate the change in value arising from the economic relationship between the hedged item and the hedging instrument.

(3) The use of an appropriate hedge ratio, which is equal to the ratio of the number of hedged items actually hedged by the enterprise to the actual number of hedging instruments hedging them, does not reflect an imbalance in the relative weights of the hedged items and hedging instruments, which can lead to ineffective hedging and may produce accounting results that are inconsistent with the objectives of hedge accounting.

3. Hedge accounting treatment

(1) fair value hedge

Changes in the fair value of hedging derivatives are recognised in profit or loss for the period. Changes in the fair value of the hedged item attributable to the hedged risk are recognised in

profit or loss for the period, with an adjustment to the carrying amount of the hedged item.

For fair value hedges relating to financial instruments measured at amortised cost, adjustments to the carrying amount of the hedged item are amortised to profit or loss over the period remaining between the adjustment date and the maturity date. Amortisation under the effective interest rate method may commence immediately after the adjustment to the carrying value and no later than the termination of the hedged item in response to changes in fair value arising from the hedged risk.

If the hedged item is derecognised, the unamortised fair value is recognised in profit or loss for the period.

If the hedged item is a firm commitment that has not yet been recognised, the cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or a liability, and the related gain or loss is recognised in profit or loss. Changes in the fair value of the hedging instrument are also recognised in profit or loss.

(2) cash flow hedge

The portion of the gain or loss on a hedging instrument that is an effective hedge is recognised directly in other comprehensive income, and the portion that is an ineffective hedge is recognised in profit or loss for the period.

If the hedged transaction affects current profit or loss, such as when the hedged financial income or financial expense is recognised or the expected sale occurs, the amount recognised in other comprehensive income is transferred to current profit or loss. If the hedged item is a non-financial asset or a non-financial liability

cost of the non-financial asset or non-financial liability, the amount previously recognised in other comprehensive income is reversed out to the amount initially recognised for the non-financial asset or non-financial liability (or the amount previously recognised in other comprehensive income is reversed out to profit or loss in the same period in which the non-financial asset or non-financial liability affects profit or loss)

If the forecast transaction or firm commitment is not expected to occur, the cumulative gain or loss on the hedging instrument previously included in shareholders' equity is reversed and included in profit or loss for the period. If the hedging instrument expires, is sold, contractually terminated or exercised (but not replaced or rolled over), or the designation of the hedging relationship is revoked, the amount previously included in other comprehensive income is not reversed until the anticipated transaction or firm commitment affects current profit or loss.

(3) Hedges of net investment in foreign operations

Hedges of a net investment in a foreign operation, including hedges of monetary items that are part of the net investment, are treated similarly to cash flow hedges. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is included in other comprehensive income, while the portion of the hedge that is ineffective is recognised in profit or loss for the period. Upon disposal of a foreign operation, any cumulative gain or loss included in shareholders' equity is reversed and recognised in profit or loss for the period.

(iii) Repurchase of the Company's shares

Consideration and transaction costs paid by the company for the repurchase of its own equity instruments are recorded in the treasury stock item, which reduces shareholders' equity. Except for share-based payments, the issuance (including refinancing), repurchase, sale or cancellation of own equity instruments is treated as a change in equity.

44. Changes in significant accounting policies and accounting estimates (1).

Changes in significant accounting policies

✓Applicable ☐Not applicable

What and why changes in accounting policies	Approval process	Remarks (names and amounts of statement items materially affected)
Implementation of Enterprise Accounting Standards Interpretation No. The Government of the United States of America		Description (1)
Implementation of the Convention on the Application of the Convention on the		Description (2)

Rights of Persons with Disabilities. Notice on Issues Relating to the Provisions on Accounting Treatment of Concession of Emotion-related Rentals>>		
Implementation of Enterprise Accounting Standards Interpretation No. The Government of the United States of America has also adopted a number of measures to promote and protect the rights and interests of women.		Description (3)
Implementation of Finance [2022] No. 32		Description (4)

Other notes

(1) Implementation of Accounting Standard Interpretation No. 15

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

(hereinafter referred to as "Interpretation No. 15").

① Accounting for Trial Sales

Interpretation No. 15 prescribes the accounting treatment and presentation for the sale of products or by-products produced before a fixed asset reaches its intended state of use or in the course of research and development, and stipulates that the cost of fixed assets or research and development expenditures should not be reduced by the net amount of revenues from sales of trial runs after offsetting the costs incurred. This provision is effective from 1 January 2022 for the period from the beginning to the end of the earliest period for which the financial statements are presented.

Pilot sales occurring between 1 January 2022 should be adjusted retrospectively. The implementation of this provision did not have a material impact on the Company's financial position and results of operations.

② Judgement on loss-making contracts

Interpretation No. 15 clarifies that the "cost of performing the contract", which an enterprise takes into account in determining whether a contract constitutes a loss-making contract, shall be

It also includes an apportionment of the incremental cost of performing the contract and other costs directly related to the performance of the contract. This provision is effective from 1 January 2022.

The Company shall implement this provision for contracts for which it has not yet fulfilled all obligations as of 1 January 2022, and the cumulative effect shall be adjusted to retained earnings and other related financial statement items at the beginning of the year in which the provision is implemented, but not to the comparative financial statement data of the previous period. The implementation of this provision did not have a significant impact on the Company's financial position and results of operations.

(2) Implementation of the Circular on Issues Related to the Application of the Provisions on Accounting for Rental Concessions Associated with the New Crown Pneumonia Epidemic

On 19 May 2022, the Ministry of Finance ("MOF") issued the "Notice on Issues Related to the Application of the Provisions on Accounting Treatment of Rental Concessions Related to the New Crown Pneumonia Epidemic" (Caihui [2022] No. 13), which once again adjusted the scope of application of the simplified approach to allow for rental concessions related to the new Crown pneumonia epidemic by cancelling the original **"Concessions for lease payments payable before 30 June 2022"** and **"Concessions for lease payments payable before 30 June 2022"**. The scope of application of the simplified method of granting rent concessions relating to NCPP has been adjusted again, and the original **"Concessions only for lease payments payable before 30 June 2022"** **has been cancelled.**

in order to apply the limitations of the simplified approach. For concessions on lease payments payable after 30 June 2022 that are directly attributable to the New Crown Pneumonia Outbreak, lessees and lessors may continue to elect to account for them using the simplified method governed by the "Provisions on Accounting for Rental Concessions Associated with the New Crown Pneumonia Outbreak", with all other conditions of application remaining unchanged.

The Company has elected to adopt the simplified method of accounting for all eligible lease contracts before the scope of application adjustment, and to adopt the simplified method of accounting for all eligible similar lease contracts after the scope of application adjustment, and to make retrospective adjustments to the relevant lease contracts for which lease modifications had been adopted for accounting treatment prior to the issuance of the notice, without adjusting the data of the comparative financial statements of the previous period; and to make adjustments to the relevant rental concessions that had not been subject to accounting treatment in accordance with the notice and that had taken place between 1 January 2022 and the effective date of the notice. The related rental concessions that occurred between 1 January 2022 and the effective date of the Circular that were not subject to accounting treatment in accordance with the provisions of the Circular were adjusted in accordance with the Circular.

(3) Implementation of Accounting Standard Interpretation No. 16

The Ministry of Finance (MOF) issued ASBE Interpretation No. 16 on 30 November 2022 (Caixin [2022] No. 31 to (hereinafter referred to as **"Interpretation No. 16"**)).

① Accounting for the income tax effects of dividends related to financial instruments classified by the issuer as equity instruments

Interpretation No. 16 stipulates that for financial instruments classified as equity instruments by an enterprise, if the related dividend expenses are deductible before enterprise income tax in accordance with the relevant provisions of the tax policy, the income tax effect related to the dividends should be recognised when the dividends payable are recognised and the income tax effect of the dividends should be charged to the current profit or loss in the same

manner as the accounting treatment adopted for the past transactions or events that resulted in profit available for distribution or the owner's equity items (including other comprehensive income items).

This provision is effective from the date of its publication, and if the relevant dividend payable occurs between 1 January 2022 and the date of its implementation, the dividend payable will be paid in accordance with this provision.

Adjustments should be made in accordance with this provision; retroactive adjustments should be made if they occurred prior to 1 January 2022 and the related financial instruments had not been derecognised as at 1 January 2022. The implementation of this provision did not have a significant impact on the Company's financial position and results of operations.

② Accounting treatment of an enterprise's modification of cash-settled share-based payment to equity-settled share-based payment

Interpretation No. 16 clarifies that if an enterprise modifies the terms and conditions of a cash-settled share-based payment agreement to make it an equity-settled share-based payment, at the date of modification (whether it occurs within the waiting period or after the end of the waiting period), it shall measure the equity-settled share-based payment at the fair value of the equity instrument granted on the date of modification, record the services acquired in capital surplus, and derecognise the cash-settled share-based payment liabilities recognised at the date of modification, with the difference between the two being recognised in profit or loss.

This provision shall come into force on the date of its publication, and relevant transactions newly added between 1 January 2022 and the date of its implementation shall be adjusted in accordance with this provision;

Transactions that occurred prior to 1 January 2022 that have not been treated in accordance with this provision should be retrospectively adjusted to reflect the cumulative effect of

This provision adjusts retained earnings and other related items as of 1 January 2022 and does not adjust the comparative financial statements of prior periods. The implementation of this provision did not have a significant impact on the Company's financial position and results of operations.

(iii) Accounting for the non-applicability of the initial recognition exemption for deferred income taxes related to assets and liabilities arising from a single transaction

Interpretation No. 16 provides that for transactions that are not business combinations and do not affect either accounting profit or taxable income at the time of the transaction

(The exemption from initial recognition of deferred income tax liabilities and deferred income tax assets does not apply to individual transactions (including lease transactions in which the lessee initially recognises a lease liability on the commencement date of the lease term and credits it to the right-of-use asset, and those in which the lessee recognises a projected liability for the existence of an abandonment obligation for a fixed asset, etc. and credits it to the cost of the relevant asset, etc.) that result in the creation of an equivalent amount of taxable temporary differences and deductible temporary differences. Deferred tax liabilities and deferred tax assets should be recognised when the transaction occurs in accordance with the relevant provisions of "Accounting Standard for Business Enterprises (ASBE) No. 18 - Income Taxes" and other relevant regulations.

(4) Implementation of Finance [2022] No. 32

The Ministry of Finance (MOF) issued on 6 December 2022 the "Strict Implementation of Accounting Standards for Enterprises and Effective Preparation of Enterprises' Annual Report for 2022".

The Circular stipulates that enterprises should follow the "Accounting Standard for Business Enterprises No. 1 - Inventories" (Caijing [2006] No. 3),

In accordance with the relevant provisions of Accounting Standard for Business Enterprises No. 4 - Fixed Assets (Caijing [2006] No. 3, hereinafter referred to as Fixed Assets Standard), routine repair costs of fixed assets that do not qualify for subsequent expenditure on capitalisation of fixed assets shall be charged to the current profit or loss or to the cost of the relevant assets according to the target beneficiary at the time of incurring. Routine repair costs of fixed assets related to the production and processing of inventories are handled in accordance with the principle of inventory cost determination, while routine repair costs of fixed assets incurred by administrative departments, sales organisations dedicated to enterprises, etc. are charged to administrative expenses or selling expenses in accordance with their functional classification. The Company records the cost of routine repairs of fixed assets related to the production and processing of inventories as manufacturing expenses and no longer records them as administrative expenses.

The Company implemented the requirements from 1 January 2022 onwards. Of these, the changes in presentation of the affected accounts in 2022 are as follows:

sports event	pre-change	after change	Adjust ments
inventory (of material)		2,034,696.94	2,034,696.94
Main operating costs		29,653,697.41	29,653,697.41
overheads	31,688,394.35		-31,688,394.35

According to the requirements of the Circular, if an enterprise adjusts its accounting treatment methods due to the implementation of enterprise accounting standards, interpretations of enterprise accounting standards, accounting treatment regulations and other relevant regulations issued by the Ministry of Finance, it should follow the relevant regulations on the convergence of the old and the new, as well as the guidelines on accounting policies, changes in accounting estimates and correction of errors. Where an enterprise adjusts its accounting treatment methods as a result of comparing the application cases for the implementation of enterprise accounting standards issued by the Ministry of Finance and the implementation questions and answers, the information on the comparable periods of the financial statements shall be adjusted in accordance with the relevant provisions of the guidelines on accounting policies, changes in accounting estimates, and correction of errors and the related disclosures shall be made in the notes to the financial statements. Due to the long period of time over which the event occurred, the difficulty in obtaining the relevant information required for prior period estimates, and the impracticality of adjusting the number of effects in the comparable period, the

Company has adopted the future applicable method of treatment. The change in accounting policy did not have a significant impact on the financial position and results of operations.

(2). Significant changes in accounting estimates

☐Applicable ☒Not Applicable

(3).2022 年起首次执行新会计准则或准则解释等涉及调整首次执行当年年初的财务报表

☐Applicable ☒Not Applicable

45. the rest

☐Applicable ☒Not applicable

VI. Taxes

1. Major tax types and rates

Major tax types and rates

☒Applicable ☐Not applicable

tax type s	taxable basis	duty rate
value-added tax (VAT)	Sales of goods and Calculation of write-offs on the basis of income from taxable services	13 per cent, 9 per cent, 6 per cent

	tax, after deducting the input tax credit allowed for the current period, the difference is payable as value-added tax (VAT)	
Urban maintenance and construction tax	Paid on actual VAT paid	7 per cent, 5 per cent
corporate income tax	Based on taxable income	15 per cent, 25 per cent, 16.5 per cent, 20 per cent

Disclosure of information where there are taxable entities with different corporate income tax rates

√Applicable □Not applicable

Name of taxable entity	Income tax rate (%)
Fengshen Tyre Co.	15%
Fengshen Tyre (Taiyuan) Co.	25 per cent
Fengshen Tyre (Hong Kong) Co.	16.5 per cent
Aeolus Tyre (Russia) LLC	20 per cent
Aeolus Tyre (Canada) Inc.	26.5 per cent

2. Tax incentives

√Applicable Not applicable

According to the relevant provisions of the Administrative Measures for the Recognition of High-tech Enterprises (Guo Ke Fa Huo [2008] No. 172) and the Guidelines for the Recognition and Management of High-tech Enterprises (Guo Ke Fa Huo [2008] No. 362), Fengshen Co. has obtained the certificate of high-tech enterprise (certificate no. GR202041001084) jointly issued by the Department of Science and Technology of Henan Province, the Department of Finance of Henan Province, and the Bureau of Taxation of the State Administration of Taxation of Henan Province for 2020, valid for three years: (Certificate No. GR202041001084, issued on 4 December 2020 and valid for three years), and from 2020 to 2022, it will enjoy a preferential tax rate of 15%.

3. the rest

□Applicable √Not applicable

Notes to the consolidated financial statements 1. Currency funds

√Applicable Not applicable

Unit: Yuan Currency: RMB

sport s even t	Closing balance	Opening balance
(accountancy)	163 / 352 14,254.59	12,717.19
a bank account	1,214,003,049.40	906,612,869.16
Other monetary funds	234,584,645.94	237,593,643.47
add up the total	1,448,601,949.93	1,144,219,229.82
Of which: Deposited	25,068,022.74	9,522,120.02

Other notes

Of these, the following is a breakdown of currency funds with restrictions on their use due to collateral, pledges or freezing, restrictions on withdrawals due to centralised management of funds and restrictions on repatriation of funds placed outside the country:

sport s even t	Closing balance	Opening balance
-------------------------	--------------------	--------------------

Banker's acceptance deposit	234,514,499.94	237,453,991.50
Letter of credit deposits and others	70,146.00	139,651.97
add up the total	234,584,645.94	237,593,643.47

2. Financial assets held for trading

☐Applicable ☒Not Applicable

3. Derivative financial assets

☐Applicable ☒Not Applicable

4. Notes receivable

(1). Classification of

notes receivable

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable sports event	Closing balance	Opening balance
banker's acceptance	336,237,238.11	506,585,898.78
Finance company promissory notes	37,431,900.00	4,640,017.33
commercial promissory note	18,311,588.96	18,931,865.00
add up the total	391,980,727.07	530,157,781.11

(2). Notes receivable pledged by the Company at the end of the period

Unit: Yuan Currency: RMB

☒Applicable ☐Not applicable

sports event	Amount pledged at the end of the period
banker's acceptance	61,125,403.26
commercial promissory note	
Finance company promissory notes	18,569,000.00
add up the total	79,694,403.26

(3). Notes receivable end of period end endorsed or discounted by the company and not yet due at the balance sheet date

Unit: Yuan Currency: RMB

☒Applicable ☐Not applicable

sports	Amounts derecognised at	Amounts not derecognised
--------	-------------------------	--------------------------

event	Annua Report the end of the period 2022	at the end of the period
banker's acceptance		98,282,960.77
Finance company promissory notes		754,000.00
commercial promissory note		985,286.58
add up the total		100,022,247.35

(4). Notes converted to accounts receivable by the company at the end of the period due to the failure of the drawer to perform

☐Applicable ☒Not Applicable

(5). Disclosure by bad debt accrual method

√Applicable □Not applicable

Unit: Yuan Currency: RMB

form	Closing balance					Opening balance				
	Carrying amount		provision for bad debts		book value	Carrying amount		provision for bad debts		book value
	sum of money	Proportion (%)	sum of money	percentage of withdrawals (%)		sum of money	Proportion (%)	sum of money	percentage of withdrawals (%)	
by item Provision for bad debts										
Among them:										
by portfolio Provision for bad debts	392,260,845.11	100.00	280,118.04	0.08	391,980,727.07	530,276,232.78	100	118,451.67	0.02	530,157,781.11
Among them:										
banking contract add (liquid)	336,237,238.11	85.72			336,237,238.11	506,585,898.78	95.53			506,585,898.78
accounting firm company promissory note	37,620,000.00	9.59	188,100.00	0.50	37,431,900.00	4,663,334.00	0.88	23,316.67	0.50	4,640,017.33

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commercial commitment cashier's check	18,403,607.00	4.69	92,018.04	0.50	18,311,588.96	19,027,000.00	3.59	95,135.00	0.50	18,931,865.00
add up the total	392,260,845.11	/	280,118.04	/	391,980,727.07	530,276,232.78	/	118,451.67	/	530,157,781.11

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 accruals: commercial promissory notes

Unit: Yuan Currency: RMB

name (of a thing)	Closing balance		
	notes receivable	provision for bad debts	Accrual ratio (%)
Finance company promissory notes	37,620,000.00	188,100.00	0.50
commercial promissory note	18,403,607.00	92,018.04	0.50
add up the total	56,023,607.00	280,118.04	0.50

Criteria and description of recognition of bad debts by portfolio

☐Applicable ☒Not Applicable

If bad debt provisioning is based on the general model of expected credit losses, please refer to the disclosure of other receivables:

☐Applicable ☒Not Applicable

(6). Provision for bad debts

☐Applicable ☒Not Applicable

(7). Actual write-off of notes receivable during the period

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable

5. Accounts receivable

(1).

Disclosure by age

Unit: Yuan Currency: RMB

☒Applicable

☐Not applicable

age of accounts	Closing book balance
Within 1 year	
Of which: within 1 year	
Within 1 year	552,129,504.96
Subtotal less than 1 year	552,129,504.96
1 to 2 years	5,072,444.34
2 to 3 years	33,953,006.84
More than 3 years	
3 to 4 years	21,047,600.37
4 to 5 years	4,822,491.77
More than 5 years	110,384,028.96
add up the total	727,409,077.24

(2). Disclosure by bad debt accrual method

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

form	Closing balance			Opening balance		
	Carrying amount	provision for bad debts	an entry	Carrying amount	provision for bad debts	an entry

	sum of money	Prop orti on (%)	sum of money	P er ce nt ag e of ac cr ua ls (%)	fig. values (ethical, cultural etc)	sum of money	Prop orti on (%)	sum of money	Prov ision (%)	fig. values (ethical, cultural etc)
by item Provisi on for bad debts	105,122,677.17	14.45	99,706,626.51	94.85	5,416,050.66	112,810,117.01	16.49	91,530,039.40	81.14	21,280,077.61
Among them:										
Receiv ables that are individ ually signific ant and individ ually provisi oned for bad debts money in an account	48,226,592.54	6.63	44,866,592.55	93.03	3,359,999.99	60,278,199.93	8.81	38,998,122.32	64.70	21,280,077.61
Accou nts receiv able for which provisi on for bad	56,896,084.63	7.82	54,840,033.96	96.39	2,056,050.67	52,531,917.08	7.68	52,531,917.08	100.00	

debts has been made individ ually, althou gh the individ ual amoun ts are not materi al paragrap h										
Provisi on of bad debts by portfoli o allowance	622,286,400.07	85.55	70,263,709.18	11.29	552,022,690.89	571,384,287.95	83.51	74,814,529.47	13.09	496,569,758.48
Among them:										
Allowa nce for bad debts by combi nation of credit risk charac teristic s receiv able money in an account	622,286,400.07	85.55	70,263,709.18	11.29	552,022,690.89	571,384,287.95	83.51	74,814,529.47	13.09	496,569,758.48
add up	727,409,077.24	100.00	169,970,335.69	23.37	557,438,741.55	684,194,404.96	100.00	166,344,568.87	24.31	517,849,836.09

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the total										
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Provision for bad debts is made on an individual basis:

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

name (of a thing)	Closing balance			
	Carrying amount	provision for bad debts	Accrual ratio (%)	Reasons for the provision

Individually significant and individually provisioned for bad debts accounts receivable	48,226,592.54	44,866,592.55	93.03	Projected partial non-recovery
Individual bad debt provision, although not material, is made for each item. Provision for accounts receivable	56,896,084.63	54,840,033.96	96.39	Projected partial non-recovery
add up the total	105,122,677.17	99,706,626.51	94.85	/

A description of the provision for bad debts on an individual basis:

☐Applicable ☒Not Applicable

Provision for bad debts is made on a portfolio basis:

☒Applicable ☐Not applicable

Portfolio provisioning items: accounts receivable with bad debt provisioning based on a combination of credit risk characteristics

Unit: Yuan Currency: RMB

name (of a thing)	Closing balance		
	accounts receivable	provision for bad debts	Accrual ratio (%)
By credit risk profile group Accounts receivable with a combined provision for bad debts	622,286,400.07	70,263,709.18	11.29
add up the total	622,286,400.07	70,263,709.18	11.29

Criteria and description of recognition of bad debts by portfolio:

☐Applicable ☒Not Applicable

If bad debt provisioning is based on the general model of expected credit losses, please refer to the disclosure of other receivables:

☐Applicable ☒Not Applicable

(3). Provision for bad debts

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

form	Opening balance	Amount of change during the period				Closing balance
		make provision for (capital requirements)	Recovery or reversal	Write-offs or cancellations	the rest flux	
Individually significant and individually provisioned for bad debts accounts receivable	38,998,122.32	6,658,053.01	789,582.78			44,866,592.55
Individual receivables that are not individually material but for which a separate provision for bad debts has been made money in an account	52,531,917.08	2,618,538.95	310,422.07			54,840,033.96

Provision for bad debts by combination of credit risk characteristics accounts receivable	74,814,529.47	-4,432,965.29		117,855.00		70,263,709.18
add up the total	166,344,568.87	4,843,626.67	1,100,004.85	117,855.00		169,970,335.69

of which the amount of bad debt provisions recovered or reversed during the period is significant:

☐Applicable ☒Not Applicable

(4). Actual accounts receivable written off during the period

☐Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Amount written off	Amount written off
Accounts receivable actually written off	117,855.00

Of which significant accounts receivable write-offs

☐Applicable ☒Not Applicable

Accounts receivable write-off instructions:

☐Applicable

☒Not

Applicable

None

(5). Top five accounts receivable by party owed at the end of the period

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Name of unit	Closing balance	Percentage of closing balance of accounts receivable Proportion of total (%)	Closing balance of provision for bad debts
first place	70,917,025.03	9.75	354,585.13
second place	41,717,654.53	5.74	208,588.27
third place	32,537,309.376 / 352	4.47	162,686.55
fourth place	31,234,467.82	4.29	156,172.34
fifth place	30,398,848.21	4.18	151,994.24
add up the total	206,805,304.96	28.43	1,034,026.53

Other
notes nil

(6). Receivables derecognised as a result of a transfer of a financial asset

☐Applicable ☒Not applicable

(7). Amounts of assets and liabilities resulting from the transfer of accounts receivable with continuing involvement

☐Applicable ☒Not applicable

Other notes:

☐Applicable ☒Not applicable**6. Receivables financing**☐Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Closing balance	Opening balance
notes receivable	298,776,868.19	633,869,395.58
add up the total	298,776,868.19	633,869,395.58

Changes in receivables financing during the period and changes in fair value:

☒Applicable ☐Not applicable

sports event	Prior year-end balance	Additions during the period	Derecognition during the period	Other changes	Closing balance	Cumulative loss recognised in other comprehensive income intend
notes receivable	633,869,395.58	756,371,231.28	1,091,463,758.67		298,776,868.19	
add up the total	633,869,395.58	756,371,231.28	1,091,463,758.67		298,776,868.19	

If bad debt provisioning is based on the general model of expected credit losses, please refer to the disclosure of other receivables:

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable**7. Advance payments****(1). Prepayments by age**☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

age of accounts	Closing balance		Opening balance	
	sum	Proportion	sum	Proportion (%)

2022				
	of mon ey	(%)	of mon ey	
Within 1 year	27,288,559.52	94.63	26,510,554.72	93.11
1 to 2 years	1,549,997.78	5.37	1,726,029.85	6.06
2 to 3 years				
More than 3 years			235,837.15	0.83
add up the total	28,838,557.30	100.00	28,472,421.72	100.00

Explanation of the reasons for the delayed settlement of prepayments aged over 1 year and of significant amount: None

(2). Top five prepayments with closing balances, grouped by prepayment recipient

√Applicable Not applicable

Name of unit	Closing balance	As a percentage of the total closing balance of prepayments Proportion (%)
first place	6,909,972.88	23.96
second place	5,855,528.56	20.30
third place	3,691,251.83	12.80
fourth place	2,051,951.09	7.12
fifth place	1,093,360.19	3.79
Other add up notes nil the total	19,602,064.55	67.97

Other notes

□Applicable √Not applicable

8.

Presentation of other accounts receivable items

√Applicable □Not applicable

Unit: Yuan Currency: RMB

items	Closing balance	Opening balance
Interest receivable		
Dividends receivable		
Other receivables	2,912,587.42	4,016,144.87
add up the total	2,912,587.42	4,016,144.87

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

Dividends receivable

(1).

Dividends receivable

☐Applicable ☒Not Applicable

(2). Significant dividend receivables 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

Unit: Yuan Currency: RMB

☒Applicable

☐Not applicable

age of accounts	Closing book balance
Within 1 year	
Of which: within 1 year	
Within 1 year	2,534,211.59
Subtotal less than 1 year	2,534,211.59
1 to 2 years	4,345,296.83
2 to 3 years	14,782,757.68
More than 3 years	
3 to 4 years	190,100.00
4 to 5 years	405,887.58
More than 5 years	13,143,128.63
add up the total	35,401,382.31

**(2). Breakdown by
nature of funds**

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable		Closing book balance	Opening balance
Nature of payment			
current account		26,429,670.79	28,104,269.77
Deposits and Charges		3,638,604.66	3,641,748.19

employee reserve fund	1,085,379.91	1,276,961.62
the rest	4,247,726.95	3,419,078.35
add up the total	35,401,382.31	36,442,057.93

(3). Provision for bad debts

√Applicable □Not applicable

Unit: Yuan Currency: RMB

provision for bad debts	Phase I	Phase II	Phase III	add up the total
	Expected credit losses for the next 12 months	Expected letters of credit for the entire duration Loss of use (no credit impairment)	Expected letters of credit for the entire duration Loss of use (credit impairment incurred)	
Remaining 1 January 2022 horizontal tablet or inscribed board	6,359,881.80		26,066,031.26	32,425,913.06
Remaining 1 January 2022 Amount for the current period				
--Transfer to Phase II				
--Transferred to phase III				
--Transfer back to phase II				
--Return to phase I				
Provision for the current period	-275,754.71		1,922,333.92	1,646,579.21
Reversal during the period			1,583,697.38	1,583,697.38
Write-offs during the period				
Write-offs during the period				
Other changes				
31st December 2022 balances	6,084,127.09		26,404,667.80	32,488,794.89

A description of significant changes in the carrying amount of other receivables for which a change in the provision for losses has occurred during the period:

☐Applicable ☒Not Applicable

The amount of provision for bad debts in the current period and the basis used to assess whether there is a significant increase in the credit risk of a financial instrument:

☐Applicable ☒Not Applicable

(4). Provision for bad debts

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

form	Opening balance	Amount of change during the period				Closing balance
		make provision for (capital requirements)	Recovery or reversal	Write-off or write-off melt (metal)	Other changes	
Individually significant and a separate bad debt provision	21,931,143.06					21,931,143.06

Provision for other accounts receivable						
Provision for bad debts is made for each item even though the individual amount is not material. Other receivables	4,134,888.20	1,922,333.92	1,583,697.38			4,473,524.74
Provision for bad debts by a combination of credit risk characteristics Other accounts receivable	6,359,881.80	-275,754.71				6,084,127.09
add up the total	32,425,913.06	1,646,579.21	1,583,697.38			32,488,794.89

Of these, the amount of provision for bad debts reversed or recovered during the period is significant:

☐Applicable ☒Not Applicable

(5). Other receivables actually written off during the period

☐Applicable ☒Not Applicable

(6). Top five other receivables with closing balances, by party owed to them

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Name of unit	Nature of payments	Closing balance	age of accounts	Percentage of other accounts receivable Proportion of total closing balance (%)	Closing balance of provision for bad debts
first place	current account	14,600,169.96	2-3 years	41.24	14,600,169.96
second place	current account	4,392,098.13	More than 5 years	12.41	4,392,098.13

third place	margin (in derivative trading)	2,938,874.97	More than 5 years	8.30	2,938,874.97
fourth place	current account	2,190,000.00	More than 5 years	6.19	2,190,000.00
fifth place	current account	1,216,000.00	More than 5 years	3.43	1,216,000.00
add up the total	/	25,337,143.06	/	71.57	25,337,143.06

(7). Receivables relating to government grants

☐Applicable ☒Not Applicable

(8). Derecognition of other receivables due to transfer of financial assets

☐Applicable ☒Not applicable

(9). Amounts transferred from other receivables that continue to be involved in the formation of assets and liabilities

☐Applicable ☒Not applicable

Other notes:

☐Applicable ☒Not applicable

9.

Inventories

(1).

Classification

of

inventories

Unit: Yuan Currency: RMB

☒Applicable

☐Not applicable

sports event	Closing balance			Opening balance		
	Carrying amount	Provision for decline in value of inventories/impairment of contractual performance costs provide or equip	book value	Carrying amount	Provision for decline in value of inventories/impairment of contractual performance costs provide or equip	book value
raw materials	218,655,096.07	419,704.34	218,235,391.73	229,592,067.90	657,180.31	228,934,887.59
in product	48,950,455.14		48,950,455.14	59,602,359.56		59,602,359.56
merchandise in stock	870,577,936.66	25,398,831.89	845,179,104.77	775,929,890.92	18,026,864.25	757,903,026.67
swing space	4,688,170.51		4,688,170.51	2,808,298.51		2,808,298.51
add up the total	1,142,871,658.38	25,818,536.23	1,117,053,122.15	1,067,932,616.89	18,684,044.56	1,049,248,572.33

(2). Provision for decline in value of

inventories and impairment of

contractual performance costs

Unit: Yuan Currency: RMB

☒Applicable ☐Not applicable

sports	Opening balance	Increase during the period		Decrease during the period		Closing balance
		make provision	the	Reversal or	the rest	

event		for (Annual Report 2022) (capital requirements)	rest	cancellation		
raw materials	657,180.31			237,475.97		419,704.34
merchandise in stock	18,026,864.25	36,874,431.43		29,502,463.79		25,398,831.89
add up the total	18,684,044.56	36,874,431.43		29,739,939.76		25,818,536.23

(3). Explanation of closing balance of inventories containing amounts capitalised for borrowing costs

☐Applicable ☒Not applicable

(4). Explanation of the current period's amortisation of contract performance costs

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not applicable

10. Contract

assets (1).

**Status of
contract assets**

☐Applicable ☒Not Applicable

(2). Amounts and reasons for significant changes in carrying value during the reporting period

☐Applicable ☒Not Applicable

(3). Provision for impairment of contract assets during the period

☐Applicable ☒Not Applicable

If bad debt provisioning is based on the general model of expected credit losses, please refer to the disclosure of other receivables:

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

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

not have

13. Other current assets

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Closing balance	Opening balance
Contract acquisition costs		
Returns receivable cost		
Taxes paid in advance and to be offset	23,455,820.46	48,918,568.75
add up the total	23,455,820.46	48,918,568.75

Other

notes nil

14. Debt**investments (1).****Status of 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 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

16. Long-term

receivables (1).

Long-term

receivables

☐Applicable ☒Not Applicable

(2). Provision for bad debts

☐Applicable ☒Not Applicable

The amount of provision for bad debts for the period and the basis used to assess whether there has been a significant increase in the credit risk of a financial instrument

☐Applicable ☒Not Applicable

(3). Long-term receivables derecognised as a result of a transfer of a financial asset

☐Applicable ☒Not applicable

(4). Amounts of assets and liabilities resulting from the transfer of long-term receivables with continuing involvement

☐Applicable ☒Not applicable

Other notes

☐Applicable ☒Not Applicable

17. Long-term equity investments

√Applicable □Not applicable

Unit: Yuan Currency: RMB

investee (in financ e)	Ope ning bala nce	Increase/decr ease during the period								end of term bala nces	Cl os in g b al a nc e of pr ov isi o n fo r im p air m e nt
		A dd iti on al in ve st m en ts	R e ce iv ed in ve st m en t	Gains and losses on investments recognised under the equity method	Adjustments to other compreh ensive income	Other change s in equity	de cla re (pu bli cly) P ay m en t of ca sh di vi de nd s or pr ofi ts	m ak e pr ov isi on fo r im pa ir m en t	th e re st		
I. Joint ventures											
Subtotal											
II. Associated enterprises											
Pirelli wheel Tire (Jiaozuo) Co.	74,987,085.06			4,391,977.06						79,379,062.12	

Prometeo n Tyre Group S.r.l	373,715,794.31			12,396,269.03	-32,905,518.85	69,308,868.58			422,515,413.07	
Subtotal	448,702,879.37			16,788,246.09	-32,905,518.85	69,308,868.58			501,894,475.19	
add up the total	448,702,879.37			16,788,246.09	-32,905,518.85	69,308,868.58			501,894,475.19	

Other
notes nil

18. Investments in other equity instruments (1).

Investments in other equity instruments

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sport s even t	Closing balance	Opening balance
Xiamen Xiamen Machinery Co.	2,660,000.00	3,230,000.00
add up the total	2,660,000.00	3,230,000.00

(2). Investments in non-trading equity instruments

√Applicable □Not applicable

Unit: Yuan Currency: RMB

sports event	Dividend income recognised in the period	Cumulative gains	Cumulative losses	Transfer from other comprehensive income to retained earnings	Designated to be based on Reasons for fair value measurements with changes in fair value recognised in other comprehensive income	Reasons for transfer of other comprehensive income to retained earnings
Xiamen Xiamen Industrial Co. Machinery Co.					corporate strategy Purpose held	

Other notes:

√Applicable

□Not

Applicable

None

19. Other non-current financial assets

□Applicable

√Not applicable

Other

description:

□Applicable √Not Applicable

20. Investment property

Investment property

measurement model

not applicable

21.

**Presentation
of fixed asset
items**✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Closing balance	Opening balance
fixed assets	2,569,270,132.24	2,751,445,570.73
Fixed assets liquidation	9,383,429.47	7,918,352.79
add up the total	2,578,653,561.71	2,759,363,923.52

Other notes:

☐Applicable ✓Not Applicable

fixed assets**(1). Fixed assets**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

sport s even t	Houses and buildings	machinery and equipment	carrier	electronic equipment	add up the total
i. Original book value:					
1. At the beginnin g of the period balances	1,811,496,767.71	4,520,888,087.53	55,096,706.52	158,561,866.50	6,546,043,428.26
2. Current period Increase	4,737,454.62	110,073,578.33	2,335,239.82	7,990,109.76	125,136,382.53
(1) procurement		1,453,600.78		215,338.20	1,668,938.98
(2) Transfer from construction in progress confirm or agree with	4,737,454.62	108,619,977.55	2,335,239.82	7,774,771.56	123,467,443.55
(3) Increase in business combination s plus					
3. Current period Amount of reduction		147,418,079.59	5,478,950.17	100,659.47	152,997,689.23
(1) Disposal or scrapping		147,418,079.59	5,478,950.17	100,659.47	152,997,689.23
4. End of term balances	1,816,234,222.33	4,483,543,586.27	51,952,996.17	166,451,316.79	6,518,182,121.56
II. Accumulated depreciation					
1. At the beginnin g of the period	660,113,004.97	2,966,081,691.98	198 / 352 33,282,926.03	109,310,272.86	3,768,787,895.84

(1) make provision for (capital requirements)	17,763,465.73	5,927,040.03			23,690,505.76
3. Current period Amount of reduction					
(1) Disposal or scrapping					
4. End of term balances	21,916,498.55	27,506,458.12	77,510.78		49,500,467.45
IV. Carrying value					
1. End of term book value	1,081,932,511.28	1,424,036,022.09	19,965,806.55	43,335,792.32	2,569,270,132.24
2. Beginnin g of the period book value	1,147,230,729.92	1,533,226,977.46	21,736,269.71	49,251,593.64	2,751,445,570.73

(2). Status of temporarily

idle fixed assets

√Applicable □Not

Unit: Yuan Currency: RMB

applicable

sport s even t	Original book value	Accumulated depreciation	provision for impairment	book value	note
Houses and buildings	16,545,589.80	6,952,506.33	9,592,748.88	334.59	electric power plant
machinery and equipment	76,942,570.09	56,044,537.08	12,859,650.20	8,038,382.81	Power plant equipmen t provide or equip
add up the total	93,488,159.89	62,997,043.41	22,452,399.08	8,038,717.40	

**(3). Fixed assets leased through
finance leases**

☐Applicable ☒Not Applicable

**(4). Fixed assets leased out through
operating leases**

Unit: Yuan Currency: RMB

☒Applicable ☐Not applicable

sport s even t	Closing book value
Houses and buildings	35,322.25
add up the total	35,322.25

**(5). Status of fixed assets for
which certificates of title**

Unit: Yuan Currency: RMB

have not been issued sport s even t <input type="checkbox"/> Applicable <input type="checkbox"/> Not applicable	book value	Reasons for non-completion of title deeds
Houses and buildings	249,692,964.62	Acceptance information has been submitted and is awaiting review
add up the total	249,692,964.62	

Other notes:

☐Applicable ☒Not Applicable**Fixed assets****liquidation**☒Applicable

Unit: Yuan Currency: RMB

☐Not applicable

sports event	Closing balance	Opening balance
Houses and buildings		2,177,903.67
machinery and equipment	9,351,469.29	5,314,127.10
carrier	589.74	417,980.31
electronic equipment	31,370.44	8,341.71
add up the total	9,383,429.47	7,918,352.79

Other

notes: none

22.**Presentation****of****construction****-in-progress****projects**

Unit: Yuan Currency: RMB

☒Applicable☐Not applicable

sports event	Closing balance	Opening balance
construction in progress	17,831,514.02	56,164,705.02
Engineering materials		
add up the total	17,831,514.02	56,164,705.02

Other notes:

☐Applicable ☒Not Applicable**construction in progress****(1). Status of construction in progress**☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Closing balance			Opening balance		
	Carrying amount	impaired amount	book value	Carrying amount	impaired amount	book value
			201,452			

(2). Changes in significant construction-in-progress projects during the period

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Project name	budgeted number	Opening balance	Increase during the period	Amounts transferred to fixed assets during the period	Other decrease during the period	Closing balance	Cumulative increase in cost to date	Project progress	Accumulated amount of interest capitalised	Of which: Amount of interest capitalised during the period	Current interest capitalisation rate (%)	Source of funds
SATT sports event (III)	24,300,000.00	14,159,292.05	2,399,782.00	14,199,192.05		2,359,882.00	68					self-finance
Engineering radial tyres for large-size wide	95,010,000.00	191,238.56	29,138,735.81	28,617,959.79		712,014.58	31					self-finance

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2#B oiler load ada ptabi lity remoul d	5,300,000.00		4,829,009.77	4,829,009.77			91					se lf- fin an ce
Spe cial engi neeri ng radia l tyre adju stme nt struc ture off the bottl ene ck proj ect catalog ue	29,500,000.00	7,591,590.06	675,221.24	8,266,811.30			82					se lf- fin an ce
Ente rpris e Infor mati on Tec hnol ogy Proj ect catalog ue	18,000,000.00	1,071,247.30	1,692,515.00	2,763,762.30			85					se lf- fin an ce
add up the total	198,120,000	23,277,285.15	53,730,204.56	73,935,593.13		3,071,896.58	/	/			/	/

(3). Provision for impairment of construction in progress during the period

☐Applicable

✓/Not Applicable

Other Notes

☐Applicable ✓/Not Applicable

Engineering materials

(1). Status of engineering materials

☐Applicable ✓/Not Applicable

23. Productive biological assets

(1). Produced biological assets using the cost-measurement model

☐Applicable ✓/Not Applicable

(2). Produced biological assets using the fair value measurement model

☐Applicable

✓/Not Applicable

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

Right-to-use assets	Houses and buildings	Land use right	Add up the total
I. Original book value			
1. Opening balance	10,689,538.93	41,098,649.63	51,788,188.56
2. Increase during the period	4,076,455.10		4,076,455.10
(1) Provision	4,076,455.10		4,076,455.10
3. Decrease during the period	10,689,538.93		10,689,538.93
(1) Disposal	10,689,538.93		10,689,538.93
4. Closing balance	4,076,455.10	41,098,649.63	45,175,104.73
II. Accumulated depreciation			
1. Opening balances	2,137,907.79	3,718,038.54	5,855,946.33
2. Increase during the period	1,570,740.04	3,718,038.55	5,288,778.59
(1) Provision	1,570,740.04	3,718,038.55	5,288,778.59
3. Decrease during the period	3,051,777.74		3,051,777.74
(1) Disposal	3,051,777.74		3,051,777.74
4. Closing balance	656,870.09	7,436,077.09	8,092,947.18
III. Provision for impairment			
1. Opening balance			
2. Increase during the period			
(1) Provision			
3. Decrease during the period			
(1) Disposal			

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4. Closing balance			
IV. Carrying value			
1. Closing book value	3,419,585.01	33,662,572.54	37,082,157.55
2. Opening book value	8,551,631.14	37,380,611.09	45,932,242.23

Other notes:

not have

26. Intangible**assets (1).****Intangible****assets**

√/Applicable

Not applicable

Unit: Yuan Currency: RMB

sport s even t	land use right	franchises	trademark right	hardware	Non-patented technology	add up the total
I. Original book value						
1. At the beginning of the period balances	46,509,350.30	13,354,017.13	21,133,705.89	10,300,301.38	6,204,300.78	97,501,675.48
2. Current period Increase		143,804.41	596,657.94	1,134,336.27		1,874,798.62
(1) Purch ase install						
(2) Within Research and Development		143,804.41	596,657.94	1,134,336.27		1,874,798.62
(3) Enter prise Increase in industry consolidation						
3. Current period Amount of reduction						
(1) Branc h install			207 / 352			
4. Closing balance	46,509,350.30	13,497,821.54	21,730,363.83	11,434,637.65	6,204,300.78	99,376,474.10

(1) make provision for (capital requirements)						
3. Current period Amount of reduction						
(1) Branch install						
4. End of term balances						
IV. Carrying value						
1. End of term book value	36,842,536.67	1,279,876.16	7,373,807.18	3,215,849.35		48,712,069.36
2. Beginning of the period book value	37,838,684.58	1,390,118.79	8,512,003.98	3,638,695.48		51,379,502.83

(2). Status of land use rights for which no title deeds have been issued

☐Applicable

☒Not applicable

Other

description:

☐Applicable ☒Not Applicable

27. Development expenditure

☐Applicable ☒Not Applicable

28. Goodwill

(1). Original carrying amount of goodwill

☐Applicable

☒Not applicable

(2). Provision

**for impairment
of goodwill**

☐Applicable ☒Not Applicable

(3). Information about the asset group or combination of asset groups in which the goodwill is located

☐Applicable ☒Not Applicable

(4). Description of the goodwill impairment testing process, key parameters (e.g. growth rate over the forecast period when the present value of future cash flows is expected, growth rate over the stabilisation period, profitability, discount rate, forecast period, etc., as applicable) and the recognition of goodwill impairment losses

☐Applicable ☒Not Applicable

(5). Impact of goodwill impairment testing

☐Applicable ☒Not Applicable

Other notes

☐Applicable ☒Not Applicable

29. Long-term amortisation

√Applicable □Not applicable

Unit: Yuan Currency: RMB

sports event	Opening balance	Increase during the period	Amortisation for the period	Other reductions sum of money	Closing balance
mould	116,237,985.25	22,497,229.16	39,039,550.87		99,695,663.54
Leased-in fixed Expenditure on asset improvements	306,227.01		97,500.89		208,726.12
add up the total	116,544,212.26	22,497,229.16	39,137,051.76		99,904,389.66

Other

notes: none

30. Deferred income tax assets/

Deferred income tax liabilities (1).

Deferred tax assets not offset

√Applicable □Not applicable

Unit: Yuan Currency: RMB

sports event	Closing balance		Opening balance	
	Deductible temporary differences discriminate	Deferred income tax liabilities	Deductible temporary differences discriminate	Deferred income tax liabilities
Provision for impairment of assets	70,132,421.17	10,519,863.17	37,142,687.51	5,571,403.13
Unrealised profit on internal transactions	7,700,532.60	1,372,570.89	10,740,887.80	1,611,133.17
Deductible losses			156,977,803.02	23,554,797.64
Costs in advance	139,245,857.13	20,886,878.58	118,029,637.31	17,704,445.60
remuneration of employees	36,080,555.82	5,412,083.37	27,460,372.12	4,119,055.82
Deferred income	13,937,647.43	2,090,647.11	18,760,468.67	2,814,070.30
Right-of-use assets and lease liabilities	38,566,519.83	5,841,232.62	881,928.71	132,289.31

Other comprehensive income included in other comprehensive income	3,760,000.00	3,760,000.00	3,190,000.00	478,500.00
Changes in fair value of investments in other equity instruments				
Provision for credit impairment	110,545,094.11	16,581,764.12	102,821,014.43	15,423,152.16
add up the total	419,968,628.09	63,269,039.86	476,004,799.57	71,408,847.13

(2). Deferred tax liabilities

not offset

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

sport s even t	Closing balance		Opening balance	
	Taxable temporary differences discriminate	Deferred income tax be in debt	Taxable temporary differences discriminate	Deferred income tax be in debt
Assets of non-same control business combinations				
Appraisal of value added				

Change in fair value of other debt investments act				
Fair value of investments in other equity instruments change in value				
Enjoyment of one-off deduction for fixed assets assets of the policy	194,448,936.04	29,167,340.41	175,405,524.50	26,310,828.68
Right-of-use assets and lease liabilities	37,313,954.00	5,656,536.05		
Difference in amortisation of long-term amortised expenses	1,664,045.94	274,567.58	2,142,588.18	353,527.05
add up the total	233,426,935.98	35,098,444.04	177,548,112.68	26,664,355.73

**(3). Deferred income tax assets or liabilities,
net of eliminations**

☐Applicable ☒Not Applicable

**(4). Breakdown of unrecognised deferred
tax assets**

Unit: Yuan Currency: RMB

☒Applicable ☐Not applicable

sports event	Closing balance	Opening balance
Deductible temporary differences	97,382,167.02	103,419,237.91
Deductible losses	163,486,700.10	282,116,547.64
add up the total	260,868,867.12	385,535,785.55

**(5). The deductible losses for which no deferred tax
assets have been recognised will expire in the
following years**

Unit: Yuan Currency: RMB

☒Applicable ☐Not applicable

vintages	Closing amount	Opening amount	note
2022		133,312,954.77	
2023	82,689,513.92	82,689,513.92	
2024	50,683,473.41	50,683,473.41	
2025			

2026	7,277,861.28	Annual Report	15,430,605.54	
2027	22,835,851.49	2022		
add up the total	163,486,700.10		282,116,547.64	/

Other notes:

☐Applicable ☒Not Applicable

31. Other non-current assets

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Closing balance			Opening balance		
	Carrying amount	impairment allowance provide or equip	book value	Carrying amount	impairments intend	book value

Contract acquisition (manufacturing, production etc) costs						
Contract performance (manufacturing, production etc) costs						
Returns receivable (manufacturing, production etc) costs						
Contractual assets						
Prepayments for equipment work and (sth. or sb) else	2,910,631.63		2,910,631.63	4,884,815.88		4,884,815.88
add up the total	2,910,631.63		2,910,631.63	4,884,815.88		4,884,815.88

Other

notes: none

32. Short-term borrowings (1).

Classification of short-term borrowings

√Applicable □Not applicable

Unit: Yuan Currency: RMB

sports event	Closing balance	Opening balance
loan on pledge		
secured loan		

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Guaranteed Borrowing		
credit loan	331,584,000.00	375,028,000.00
interest due	503,096.68	525,922.19
add up the total	332,087,096.68	375,553,922.19

Explanation of
classification of short-
term borrowings: None

(2). Status of overdue short-term borrowings

☐Applicable ☒Not Applicable

Significant of these overdue short-term borrowings are shown below:

☐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

Unit: Yuan Currency: RMB

√Applicable

□Not applicable

kind	Closing balance	Opening balance
commercial promissory note	37,454.22	66,188,332.00
banker's acceptance	1,316,507,352.67	1,502,442,093.73
add up the total	1,316,544,806.89	1,568,630,425.73

36. Accounts

payable (1).

Presentation of accounts payable

Unit: Yuan Currency: RMB

√Applicable

□Not applicable

sports event	Closing balance	Opening balance
Procurement	631,514,615.61	933,015,440.90
payment for work	27,393,888.10	34,795,930.10
transport costs	3,529,490.83	6,968,056.64
the rest	19,869,716.87	18,127,801.64
add up the total	682,307,711.41	992,907,229.28

(2). Significant accounts

payable aged over 1 year

Unit: Yuan Currency: RMB

√Applicable □Not applicable

sports event	Closing balance	Reasons for non- reimbursement or carry- over
Unit A	8,244,468.00	currently outstanding
Unit B	4,015,083.63	currently outstanding
Unit C	5,152,785.56	currently outstanding

Unit D	Annual Report 2022	3,516,872.37	currently outstanding
Unit E		1,999,800.00	currently outstanding
add up the total		22,929,009.56	/

Other notes

☐Applicable ☒Not Applicable

37. Receipts in advance

(1). Presentation of accounts receivable in advance

☐Applicable ☒Not Applicable

(2). Significant receipts in advance aged over 1 year☐Applicable☒Not Applicable

Other Notes

☐Applicable ☒Not Applicable**38. Contract****liabilities (1).****Status of
contractual
liabilities**☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Closing balance	Opening balance
Sales receipts in advance	152,024,701.80	126,885,005.65
add up the total	152,024,701.80	126,885,005.65

(2). Amounts and reasons for significant changes in book value during the reporting period☐Applicable☒Not applicable

Other

description:

☐Applicable ☒Not Applicable**39. Remuneration****payable to
employees (1).****Presentation of
remuneration
payable to
employees**

Unit: Yuan Currency: RMB

☒Applicable ☐Not
applicable

sports event	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Short-term remuneration	36,986,703.34	515,706,117.42	506,095,736.75	46,597,084.01
II. Post-employment benefits -- Defined withdrawal plan	72,803.19	75,290,653.06	75,305,346.01	58,110.24

III Termination benefits	196,094.40	2,825,691.48	2,885,275.47	136,510.41
add up the total	37,255,600.93	593,822,461.96	584,286,358.23	46,791,704.66

(2). Presentatio

n of short-

term

remuneratio

n even

☒ Applicable[†]
☐ Not applicable
 I. Wages, bonuses and allowances and subsidies

Unit: Yuan Currency:RMB

	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Wages, bonuses and allowances and subsidies	9,160,404.85	415,904,832.43	405,737,095.43	19,328,141.85
II. Employee benefit costs	581,632.33	22,199,155.94	22,780,788.27	
III. Social security contributions	44,123.10	31,599,289.34	31,608,518.99	34,893.45
Of which: medical insurance premiums	43,240.66	28,373,866.66	28,384,111.82	32,995.50
Employment injury insurance premiums	882.44	3,225,422.68	3,224,407.17	1,897.95

Maternity insurance premiums				
IV. Housing Provident Fund	1,353,940.99	39,076,202.86	39,076,202.86	1,353,940.99
V. Trade union funds and staff education expenditure on education	25,846,602.07	6,926,636.85	6,893,131.20	25,880,107.72
VI. Short-term paid absences				
VII. Short-term profit-sharing schemes				
add up the total	36,986,703.34	515,706,117.42	506,095,736.75	46,597,084.01

(3). Presentation of the defined benefit plan

☐Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Opening balance	Increase during the period	Decrease during the period	Closing balance
1. Basic pension insurance	70,596.96	58,791,386.17	58,805,411.14	56,571.99
2. Unemployment insurance premiums	2,206.23	2,536,745.21	2,537,413.19	1,538.25
3. Contributions to enterprise annuities		13,962,521.68	13,962,521.68	
add up the total	72,803.19	75,290,653.06	75,305,346.01	58,110.24

Other notes:

☐Applicable ☒Not Applicable

40. Taxes payable

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Closing balance	Opening balance
value-added tax (VAT)	4,669,291.01	

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sales tax		
business tax		
corporate income tax		
personal income tax	539,103.20	865,322.94
Urban maintenance and construction tax	2,707,515.87	2,583,873.67
resource tax		1,009,122.70
property tax	4,000,423.12	5,062,272.48
land use tax	3,604,135.40	3,604,135.40
education surcharge	2,021,839.15	1,785,733.07
Other taxes	833,651.65	710,056.02
add up the total	18,375,959.40	15,620,516.28

Other

notes: none

41.

**Presentation
of other
accounts
payable items**

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Closing balance	Opening balance
interest due		
dividend payable		
Other accounts payable	314,876,226.97	284,688,109.05
add up the total	314,876,226.97	284,688,109.05

Other notes:

☐Applicable ☒Not Applicable

**Interest
payable (1).
Classified
presentatio
n**

☐Applicable ☒Not Applicable

**Dividends
payable (1).
Classified
presentatio
n**

☐Applicable ☒Not Applicable

**Other accounts payable
(1). Other accounts payable
by nature of payment**

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Closing balance	Opening balance
Engineering equipment	62,352,908.89	79,968,822.45
current account	2,646.60	30,738.87
deposit	12,392,969.66	11,190,767.00

Unit 2	2,222,103.90	Not yet settled
Unit 3	1,247,707.94	Not yet settled
Unit 4	1,020,033.00	Not yet settled
Unit 5	898,811.85	Not yet settled
add up the total	8,209,332.89	/

Other notes:

☐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

event	Closing balance	Opening balance
Long-term loans due within 1 year	1,201,033,333.34	1,104,166.67
Bonds payable due within 1 year		
Long-term accounts payable due within 1 year		
Lease liabilities due within 1 year	3,862,084.92	5,186,445.13
add up the total	1,204,895,418.26	6,290,611.80

Other

notes: none

44. Other current liabilities

Other current
liabilities

Unit: Yuan Currency: RMB

☒Applicable

Not applicable

sports event	Annual Report Closing 2022 Balance	Opening balance
Short-term bonds payable		
Returns payable		
Sales tax to be transferred	3,950,336.62	6,322,917.36
Bills Endorsement Financing	100,022,247.35	95,782,513.50
add up the total	103,972,583.97	102,105,430.86

Increase or decrease in short-term bonds payable:

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

45. Long-term loans**(1). Classification of long-term loans**

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Closing balance	Opening balance
loan on pledge		
secured loan		
Guaranteed Borrowing		1,200,000,000.00
credit loan		
add up the total		1,200,000,000.00

Explanation of classification of long-term loans: None

Other notes, including interest rate bands:

☐Applicable ☒Not Applicable

46. Bonds**payable (1).****Bonds****payable**

☐Applicable ☒Not Applicable

(2). Increase or decrease in bonds payable: (excluding other financial instruments such as preference shares and perpetual bonds classified as financial liabilities)

☐Applicable ☒Not Applicable

(3). Description of conversion conditions and conversion time of convertible bonds

☐Applicable ☒Not applicable

(4). Description of other financial instruments classified as financial liabilities

Basic information on other financial instruments such as preferred shares and perpetual bonds issued and outstanding at the end of the period

☐Applicable ☒Not Applicable

Statement of changes in preferred shares, perpetual bonds and other financial instruments issued and outstanding at the end of the period

☐Applicable ☒Not Applicable

Description of the basis on which other financial instruments are classified as financial liabilities:

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable

47. Lease liabilities

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Closing balance	Opening balance
Lease payments	61,754,795.85	72,538,688.97
Unrecognised finance costs	-23,349,807.82	-25,724,518.03
Less: reclassification to non-current assets maturing within one year	3,862,084.92	5,186,445.13
current liability		
add up the total	34,542,903.11	41,627,725.81

Other

notes: none

48.

**Presentation
of long-term
accounts
payable items**

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Closing balance	Opening balance
Long-term accounts payable	20,000,000.00	20,000,000.00
Dedicated accounts payable		
add up the total	20,000,000.00	20,000,000.00

Other notes:

☐Applicable ☒Not Applicable

Long-term accounts payable

(1). Long-term accounts payable by nature of payment

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Closing balance	Opening balance
Long-term accounts payable	20,000,000.00	20,000,000.00
Dedicated accounts payable		
add up the total	20,000,000.00	20,000,000.00

Other

notes: none

Dedicated accounts payable

(1). Special accounts payable by nature of payment

☐Applicable ☒Not Applicable

49. Long-term employee compensation payable✓Applicable ☐Not applicable**(1). Statement of long-term employee compensation payable**✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Closing balance	Opening balance
I. Post-employment benefits -- net negative defined benefit plan debt		
II. Termination benefits	1,234,125.91	1,258,320.06
III. Other long-term benefits		
add up the total	1,234,125.91	1,258,320.06

(2). Changes in defined benefit plans

Present value of defined benefit plan obligations:

☐Applicable

✓Not Applicable

Scheme Assets:

☐Applicable ☒Not applicable

Net liability (net assets) of defined benefit plans

☐Applicable ☒Not Applicable

A description of the content of the defined benefit plan and the risks associated with it, its impact on the company's future cash flows, timing and uncertainty:

☐Applicable ☒Not Applicable

Statement of significant actuarial assumptions and sensitivity analysis results for defined benefit plans

☐Applicable ☒Not Applicable

Other notes:

☐Applicable ☒Not Applicable**50. Projected liabilities**☐Applicable ☒Not Applicable**51. Deferred income**

Status of deferred income

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Opening balance	Increase during the period	Decrease during the period	Closing balance	Reasons for formation

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governme nt grant	25,340,804.47		6,255,078.55	19,085,725.92	government support
add up the total	25,340,804.47		6,255,078.55	19,085,725.92	/

Projects involving government grants:

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Liability items	Opening balance	New grants for the period sum of money	Included in non-operating income for the period sum of money	Amounts charged to other gains for the period	Other changes	Closing balance	Asset-related/revenue-related mountain pass
1. Industrial revitalisation funds 150,000 sets of engineering subs Midday Tire Project	7,142,142.48			3,895,714.32		3,246,428.16	Asset-related
2. Environmental subsidies for pollution remediation sports event	1,387,445.81			149,350.68		1,238,095.13	Asset-related
3. Funding for technology centre innovation capacity project generic term for lustrous and ductile metals	3,000,000.00					3,000,000.00	Asset-related

4. Construction and application of digital workshop for high-performance radial tyre forming expense or outlay	3,468,802.08			390,944.16		3,077,857.92	Asset-related
5. MES information management system sports event	4,914,333.38			1,281,999.96		3,632,333.42	Asset-related
6, environmental protection subsidies pollution remediation projects (VOCs online monitoring project) (Item)	160,312.50			8,550.00		151,762.50	Asset-related
7. Low-NOx conversion of gas boilers sports event	1,505,689.92			141,707.35		1,363,982.57	Asset-related
8. Tyre green supply chain system for natural rubber Unified	3,715,765.80			372,562.08		3,343,203.72	Asset-related

construction project							
9. Water pollution source online detection system equipment item catalogue	46,312.50			14,250.00		32,062.50	Asset-related
add up the total	25,340,804.47			6,255,078.55		19,085,725.92	

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/decrease in current changes (+, i)					Closing balance
		issuance new share	a share grant	provident fund transfer stock	the rest	Subtotal	
stockholder frequently	731,137,184.00						731,137,184.00

Other

notes: none

54. Other equity instruments

(1). Basic information on other financial instruments such as preferred shares and perpetual bonds issued and outstanding at the end of the period

☐Applicable ☒Not Applicable

(2). Statement of changes in preferred shares, perpetual bonds and other financial instruments issued and outstanding at the end of the period

☐Applicable ☒Not Applicable

Changes in other equity instruments during the period, a description of the reasons for such changes, and the basis for the related accounting treatment:

☐Applicable ☒Not Applicable

Other notes.

☐Applicable ☒Not Applicable

55. Capital surplus

☐Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Opening balance	Increase during the period	Decrease during the period	Closing balance
Capital premium (shares) (capital premium)	2,300,997,820.86			2,300,997,820.86
Other capital surplus	15,855,169.17	213,521,868.68		229,377,037.85
add up the total	2,316,852,990.03	213,521,868.68		2,530,374,858.71

Other explanations, including increases, decreases and changes during the period, and explanations of the reasons for the changes:

The change in the Company's other capital surplus during the period was due to the first-time implementation of inflationary accounting standards by a subsidiary of the Company's foreign affiliate, among other reasons.

56. Treasury Unit

√Applicable □Not applicable

Unit: Yuan Currency: RMB

sports event	Opening balance	Increase during the period	Decrease during the period	Closing balance
buyback	8,496,260.92			8,496,260.92
add up the total	8,496,260.92			8,496,260.92

Other explanations, including increases or decreases during the period and reasons for changes: none

57. Other comprehensive income

√Applicable □Not applicable

Unit: Yuan Currency: RMB

sports event	Opening balance	Amount incurred during the period						Closing balance
		Current incidence before income tax	Less : Transfer to profit or loss for the period from prior period to other comprehensive income	Less : Transfer to other comprehensive income from prior period to retained earnings for	Less: Income tax expense	Attributable to parent company after tax	Attributable to minority shareholders after tax	
				237/352				

ii. other to be reclassified to profit or loss Comprehensive income	-63,166,258.74	-21,648,654.31				-21,648,654.31		-84,814,913.05
Of which: Profit or loss available for transfer under the equity method Other comprehensive income	-62,625,137.06	-22,196,501.02				-22,196,501.02		-84,821,638.08
Change in fair value of other debt investments act								
Reclassification of financial assets to other comprehensive income horizontal tablet or inscribed board								
Credit impairment allowance for other debt investments provide or equip								
cash flow hedge interim reserve								
Foreign currency financial statements	-541,121.68	547,846.71				547,846.71		6,725.03

Statement of exchange differences								
Other comprehensive income	-65,877,758.74	-32,927,672.14			-85,500.00	-32,842,172.14		-98,719,930.88
add up the total								

Other notes, including adjustments to the effective portion of gains and losses on cash flow hedges transferred to the initial recognition amount of the hedged item:
none

58. Earmarked reserves

☐Applicable ☒Not Applicable

59. Surplus reserves

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Opening balance	Increase during the period	Decrease during the period	Closing balance
Statutory surplus surplus	301,628,301.50	15,063,533.13		316,691,834.63
Arbitrary surplus reserves				
reserve fund				
Enterprise Development Fund				
the rest	1,155,854.57			1,155,854.57
add up the total	302,784,156.07	15,063,533.13		317,847,689.20

Explanation of surplus surplus, including any increase or decrease during the period and reasons for the change:
none

60.

Undistributed profits

Unit: Yuan Currency: RMB

√Applicable

□Not applicable

sports event	the current period	previous period
Undistributed profit at the end of the previous period before adjustment	-586,865,289.77	-434,073,367.89
Adjustments to total unappropriated earnings at the beginning of the period (upward +, decrease -)		
Adjustments to opening unallocated profit after the period	-586,865,289.77	-434,073,367.89
Add: net attributable to owners of the parent company for the period margins	84,521,408.26	-109,024,869.62
Less: Withdrawal of statutory surplus reserves	15,063,533.13	
Withdrawal of surplus surplus at will		
Provision for general risks		
Dividends payable on ordinary shares	14,589,017.42	43,767,052.26
Dividends on ordinary shares converted to equity		
Undistributed profit at the end of the period	-531,996,432.06	-586,865,289.77

61. Operating Revenues and Operating Costs (1).

Operating income and operating costs

Unit: Yuan Currency: RMB

√Applicable sports event applicable event	□Not	Current period's incidence	Prior period's incidence
	incomes	(manufacturing, production etc) costs	incomes (manufacturing, production etc) costs
Main business	4,757,197,450.28	4,079,967,562.60	5,373,810,724.79 4,825,666,875.99
Other business	230,696,558.98	214,479,958.49 240,732.19	183,761,853.26 163,947,857.25
add up the total	4,987,894,009.26	4,294,447,521.09	5,557,572,578.05 4,989,614,733.24

(2). Status of revenue generated from contracts

☐Applicable ☒Not Applicable

A description of the revenue generated by the contract:

☐Applicable ☒Not Applicable

(3). Description of performance obligations

☐Applicable ☒Not Applicable

(4). Description of apportionment to remaining performance obligations

☐Applicable ☒Not Applicable

Other

notes: none

62. Taxes and surcharges

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Current period's incidence	Prior period's incidence
Urban maintenance and construction tax	6,723,258.99	4,734,321.00
Education surcharge	5,159,085.32	2,619,043.99
resource tax	39,838.30	5,286,539.60
property tax	11,768,452.81	12,886,638.69
land use tax	12,505,667.78	12,503,397.89
vehicle usage tax (VUT)	17,883.42	12,723.42
non-residential property	2,552,990.59	2,434,750.70
environmental protection tax	226,572.27	242,866.37
add up the total	38,993,749.48	40,720,281.66

Other

notes: none

63. Cost of sales

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Current period's incidence	Prior period's incidence
After-sales related costs	38,483,404.92	39,139,895.63
Advertising and marketing promotional costs	2,487,156.66	10,958,225.93
Personnel-related costs	37,588,283.30	35,788,830.59
Summary of other incidental costs	57,956,127.68	65,351,342.57
add up the total	136,514,972.56	151,238,294.72

Other

notes: none

64. Administrative expenses

√Applicable □Not applicable

Unit: Yuan Currency: RMB

sports event	Current period's incidence	Prior period's incidence
Personnel-related costs	82,100,627.45	57,189,529.96
repair cost		29,624,911.14
Depreciation and amortisation charges	26,350,816.06	29,610,894.60
Rental costs	1,465,835.16	1,821,962.95
Intermediary service fees	11,604,626.30	21,379,599.65
Travel costs	169,211.47	671,641.27
Summary of other incidental costs	31,152,953.70	35,744,220.38
add up the total	152,844,070.14	176,042,759.95

Other

notes: none

65. Research and development costs

√Applicable □Not applicable

Unit: Yuan Currency: RMB

sports event	Current period's incidence	Prior period's incidence
material cost	30,326,704.28	91,245,503.35
labour cost	66,320,075.00	62,392,549.13
Depreciation and amortisation charges	16,225,117.81	16,377,050.57
Technology royalties	50,715,092.04	55,184,331.10
Other costs	68,756,280.96	30,967,705.17
add up the total	232,343,270.09	256,167,139.32

Other

notes: none

66. Finance costs

√Applicable □Not applicable

Unit: Yuan Currency: RMB

sports event	Current period's incidence	Prior period's incidence
interest expense	47,016,614.51	47,254,825.65
Less: interest income	14,862,756.78	13,519,069.46
Currency exchange gains and losses	-24,682,883.78	5,315,541.88
the rest	-2,827,974.86	-5,276,144.08
add up the total	4,642,999.09	33,775,153.99

Other

notes: none

67. Other gains

√Applicable □Not applicable

Unit: Yuan Currency: RMB

sports event	Current period's incidence	Prior period's incidence
government grant	11,007,410.50	9,950,685.37
Gain on debt restructuring	952,648.12	190,529.89
add up the total	11,960,058.62	10,141,215.26

Other notes:

Government grants included in other gains

Subsidised projects	Amount for the period	Prior period amount
Asset-related	6,255,078.55	5,975,143.40
revenue-related	4,752,331.95	3,975,541.97
add up the total	11,007,410.50	9,950,685.37

68. Investment income

√Applicable □Not applicable

Unit: Yuan Currency: RMB

sports event	Current period's incidence	Prior period's incidence
Income from long-term equity investments accounted for by the equity method	16,788,246.09	17,447,459.45
Investment income from disposal of long-term equity investments		
Investments in financial assets held for trading proceed		
Investments in other equity instruments acquired during the holding period dividend income		
Interest income earned on debt investments during the holding period confirm or agree with		
Interest earned on other debt investments during the holding period interest income		
Investment income from disposal of financial assets held for trading		
Other notes: none		
Investment income from disposal of investments in other equity instruments		
Investment income on disposal of debt investments		
Investment gain on disposal of other debt investments	243 / 352	
Gain on debt restructuring		
Investment income from discounted notes receivable	-5,133,564.92	-15,966,211.61
add up	11,654,681.17	1,481,247.84

69. Net open hedging gains

□Applicable √Not Applicable

70. Gain on change in fair value

□Applicable √Not Applicable

71. Credit impairment losses

√Applicable □Not applicable

Unit: Yuan Currency: RMB

sports event	Current period's incidence	Prior period's incidence
Bad debt losses on notes receivable	-161,666.37	220,038.66
Bad debt losses on accounts receivable	-3,743,621.82	-14,654,908.88
Bad debt losses on other receivables	-62,881.83	-3,664,230.82
Impairment losses on debt investments		
Impairment loss on other debt investments		
Bad debt losses on long-term receivables		
Impairment losses on contract assets		
72. Impairment losses on assets √Applicable □Not applicable	-3,968,170.02	-18,099,101.04

Unit: Yuan Currency: RMB

sports event	Current period's incidence	Prior period's incidence
I. Bad debt losses		
II. Loss on inventory and contract performance Impairment loss on capital	-36,874,431.43	-32,198,073.27
III. Impairment losses on long-term equity investments		
IV. Impairment losses on investment properties		
V. Impairment losses on fixed assets	-23,690,505.76	-5,900,804.40
VI. Impairment losses on engineering materials		
VII. Impairment losses 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		
73. Gain on disposal of assets √Applicable □Not applicable	-60,564,937.19	38,098,877.67
XII. Other		
add up the total	-60,564,937.19	38,098,877.67

Unit: Yuan Currency: RMB

sports event	Current period's incidence	Prior period's incidence
Gain or loss on disposal of fixed assets	9,142,832.41	1,756,669.88
Early expiry of lease contracts	232,204.70	
add up the total	9,375,037.11	1,756,669.88

Other notes: none

74. Non-operating income

Non-operating income

√Applicable Not applicable

Unit: Yuan Currency: RMB

sports event	Current period's incidence	Prior period's incidence	Included in non-recurring loss for the period Amount of benefit
Gains on disposal of non-current assets grand total	11,891,318.23	17,093,700.89	11,891,318.23
Of which: Fixed Assets Service profiteering			
Intangible Assets Branch profiteering			
Non-monetary exchange of assets profits tax			
Acceptance of donations			
Government grants recognised in profit or loss			
<input type="checkbox"/> Not applicable to day-to-day activities of the enterprise <input type="checkbox"/> Other notes:	Not applicable	150,000.00	
<input type="checkbox"/> Applicable government grants	Not applicable		
Liquidated damages	656,395.86	1,208,122.02	656,395.86
75. Non-operating expenses			
<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Unable to make payments	Not applicable	1,300,995.22	1,325,168.05
the rest	1,414,059.46	1,557,408.07	1,414,059.46
add up the total	15,286,941.60	21,310,226.20	15,286,941.60

Unit: Yuan Currency: RMB

sport s even t	Current period's incidence	Prior period's incidence	Included in non- recurring loss for the period Amount of benefit
Loss on disposal of non-current assets Total loss	96,480.88	8,699,967.56	96,480.88
Of which: Fixed Assets Service replacement cost			
Intangible Assets Branch replacement cost			

Non-monetary exchange of assets damages			
Damages, liquidated damages and overdue fine	34,915.22	2,773,345.54	34,915.22
External donations	103,000.00		103,000.00
Expenditure on fines		45,490.37	
the rest	3,196,920.23	8,078,604.40	3,196,920.23
add up the total	3,431,316.33	19,597,407.87	3,431,316.33

Other

notes: none

76. Income tax expense (1). Schedule of income tax

Unit: Yuan Currency: RMB

expense	Current period's incidence	Prior period's incidence
ports event		
<input checked="" type="checkbox"/> Applicable		
Current income tax expense	7,253,399.71	4,470,143.57
<input type="checkbox"/> Not applicable		
Deferred income tax expense	16,644,913.80	-26,537,086.18
add up the total	23,898,313.51	-22,066,942.61

(2). Process of adjusting accounting profit to income tax

Unit: Yuan Currency: RMB

expense	Current period's incidence
ports event	
<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable	
even t	
Total profit	108,419,721.77
Income tax expense at statutory/applicable rates	16,262,958.27
Effect of applying different tax rates to subsidiaries	-7,383,017.65
Effect of adjustments to prior periods' income taxes	557,589.57
Impact of non-taxable income	
Impact of non-deductible costs, expenses and losses	1,245,095.62
Use of deductible losses for which no deferred tax assets were recognised in prior periods:	
Impact of the loss of	
Deductible temporary differences for which no deferred tax assets have been recognised for the period	19,870,543.19
Effect of differences or deductible losses	
Income tax expense	23,898,313.51

77. Other comprehensive income

☒Applicable ☐Not applicable

See Note VII.57, Other Comprehensive Income, for details.

78. Cash flow statement items**(1). Other cash received relating to operating activities**√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Current period's incidence	Prior period's incidence
Receipt of deposits, security deposits	155,720,398.40	82,026,870.52
Interest income	15,084,368.33	11,888,703.36
government grant	4,645,067.23	9,641,894.47
Compensation, fines	562,070.75	1,192,296.14
Description of other cash received related to operating activities: none	30,565,859.68	28,597,558.07
add up the total	206,577,764.39	133,347,322.56

(2). Other cash paid in relation to operating activities√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Current period's incidence	Prior period's incidence
encashment	84,264,124.30	144,935,352.82
Deposit Guarantee	23,383,804.65	38,590,006.50
handling fee	2,051,586.22	2,405,902.03
the rest	107,705.80	7,948,308.55
add up the total	109,807,220.97	193,879,569.90

Description of other cash paid in relation to operating activities: none

(3). Other cash received relating to investing activities☐Applicable √Not Applicable**(4). Other cash paid relating to investing activities**☐Applicable √Not Applicable**(5). Other cash received relating to financing activities**☐Applicable √Not Applicable**(6). Other cash paid in relation to financing activities**√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Current period's incidence	Prior period's incidence
Borrowing Guarantee Fee	249 / 352	3,600,000.00
Expenditure on lease payments	5,653,096.00	4,974,017.62

add up the total	5,653,096.00	8,574,017.62
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Description of other cash paid in relation
to financing activities: none

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
1. Reconciliation of net profit to cash flows from operating activities:		
net profit	84,521,408.26	-109,024,869.62
Add: Provision for impairment of assets	60,564,937.19	38,098,877.67
Credit impairment losses	3,968,170.02	18,099,101.04
Depreciation of fixed assets, depletion of oil and gas assets, production Depreciation of productive biological assets	269,627,171.16	292,517,429.58
Amortisation of right-of-use assets	5,288,778.59	5,855,946.33
Amortisation of intangible assets	4,542,232.09	4,301,196.93
Amortisation of long-term amortised expenses	39,137,051.76	44,683,995.86
Loss on disposal of fixed assets, intangible assets and other long- lived assets (Gain is represented by a "-" sign) (columns)	-9,375,037.11	-1,756,669.88
Loss on scrapping of fixed assets (gain is represented by "-") (No.)	-11,794,837.35	-8,393,733.33
Loss on change in fair value (gain is represented by "-") (No.)		
Finance costs (gains are represented by a "-" sign)	22,333,730.73	51,953,566.40
Losses on investments (gains are represented by a "-" sign)	-11,654,681.17	-1,481,247.84
Decrease (increase) in deferred tax assets to "-" sign)	8,225,316.69	-26,627,091.43
Increase (decrease) in deferred tax liabilities for	8,425,774.87	64,014.92

Less: opening balance of cash equivalents		
Net increase in cash and cash equivalents	307,391,717.64	62,368,846.41

(2). Net cash paid during the period for acquisition of subsidiaries

□Applicable √Not Applicable

(3). Net cash received for disposal of subsidiaries during the period

□Applicable √Not Applicable

(4). Composition of cash and cash equivalents

√Applicable □Not applicable

Unit: Yuan Currency: RMB

event	Closing balance	Opening balance
I. Cash	1,214,017,303.99	906,625,586.35
Of which: cash on hand	14,254.59	12,717.19
Bank deposits available for payment	1,214,003,049.40	906,612,869.16
Other currencies readily available for payment capital		
Depository central banks available for payment a sum of money		
Interbank deposits		
Interbank placings		
II. Cash equivalents		
Other notes receivable investments in bonds maturing within three months		
III. Cash and cash equivalents balance at end of period	1,214,017,303.99	906,625,586.35

80. Notes to items in the statement of changes in equity

Of which: parent company or subsidiary within the group

Indicate the name of the "other" item and the amount of adjustment to the closing balance of the previous year:
□Applicable √Not Applicable**81. Assets subject to restrictions on ownership or use**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

event	Closing book value	Reason for restriction
money funds	234,584,645.94 251 / 352	Banker's acceptance deposits, etc.
notes receivable	79,694,403.26	pledge of notes
inventory (of material)		
fixed assets		

intangible asset		
add up the total	314,279,049.20	/

Other

notes: none

82. Monetary items

in foreign

currency (1).

Monetary items in

foreign currency

√Applicable □Not applicable

Unit: Yuan

sports event	Foreign currency balance at end of period	Converted exchange rates	Converted to RMB at the end of the period balances
money funds	-	-	
Of which: United States dollars	48,088,635.60	6.9646	334,918,111.50
Euro (currency)	8,355,957.58	7.4229	62,025,437.52
Hong Kong dollar	4,458,441.01	0.8933	3,982,725.35
ruble (Russian currency) (loanword)	244,175,152.65	0.0942	23,001,299.38
Canadian dollar	665,809.29	5.1385	3,421,261.04
accounts receivable	-	-	
Of which: United States dollars	27,161,204.61	6.9646	189,166,925.63
Euro (currency)	2,662,998.64	7.4229	19,767,172.60
ruble (Russian currency) (loanword)	545,149.14	0.0942	51,353.05
Other receivables	-	-	
Of which: United States dollars	46,089.65	6.9646	320,995.98
Euro (currency)	2,640.57	7.4229	19,600.69
short term loan			
Of which: United States dollars	40,000,000.00	6.9646	278,584,000.00
Other accounts payable			
Of which: United States dollars	1,283,896.00	6.9646	8,941,822.08
Euro (currency)	191,771.60	7.4229	1,423,501.41
Other accounts payable			
Of which: United States dollars	556,577.33	6.9646	3,876,338.47
Euro (currency)	5,047,642.05	7.4229	37,468,142.17

□Applicable √Not Applicable

(2) A description of the foreign operating entity, including, in the case of a significant foreign operating entity, a disclosure of the principal place of business outside the country, the local currency of account and the basis of selection, and the reasons for any change in the 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

kind	sum of money	Presentation of items	Amounts recognised in profit or loss for the period
Related to day-to-day business activities	6,255,078.55	Deferred income	6,255,078.55
(2). Return of government grants			
<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not applicable	4,752,331.95	Other gains	4,752,331.95

Other Notes:
not have

85. Other

☐Applicable ☒Not Applicable

VIII. Changes in the scope of consolidation

1. Business combinations not under the same control

☐Applicable ☒Not Applicable

2. Business combinations under the same control

☐Applicable ☒Not Applicable

3. Reverse purchases

☐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 the scope of consolidation for other reasons

Describe changes in the scope of consolidation due to other reasons (e.g., establishment of new subsidiaries, liquidation of subsidiaries, etc.)

and their related circumstances:

☐Applicable ☒Not Applicable

6. Other

☐Applicable ☒Not applicable

IX. Interests in other entities
1. Interests in subsidiaries (1).
Composition of the enterprise group

√Applicable □Not applicable

associated company name (of a thing)	centre ground	registered office	Nature of business	Shareholding (%)		take out way (of life)
				direct	overhead	
Fengshen tyres (Taiyuan) has limited company	Shanxi	Taiyuan, Shanxi	Manufacture and sale of tyres	100.00		business combination
Fengshen tyres (Hong Kong) limited company not have	Mainland	Mainland	Tyre-related industries import and export trade Trade and foreign exchange receipts hand over to	100.00		newly established
(2). Significant non-wholly owned subsidiaries						
Aeolus Tyre (Canada) □Applicable	Canadian	Canadian	Tyre-related industries import and export trade Trade and foreign exchange receipts hand over to	100.00		newly established
(3). Key financial information of significant non-wholly owned subsidiaries						
Inc. □Applicable			Trade and foreign exchange receipts hand over to			
(4). Significant restrictions on the use of enterprise group assets and the discharge of enterprise group liabilities						
Aeolus Tyre (Russia) LLC □Applicable	Georgia	Georgia	Tyre-related industries import and export trade Trade and foreign exchange receipts hand over to	100.00		newly established
(5). Financial or other support provided to structured subjects included in the scope of the consolidated financial statements						
□Applicable	√Not applicable		exchange receipts hand over to			

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

Unit:Yuan Currency:RMB

Name of joint venture or consortium	Principal place of business	registered office	Nature of business	Shareholding (%)		Investments in joint ventures or associates will Methods of treatment
				direct	overhead	
Pirelli tyres (Jiao) Ltd.	He'nan Mengguzu autonomous county in Qinghai	Jiaozuo in Henan	tyre-making Manufacturing, sales	20.00		equity method
Description of shareholdings in joint ventures or associates that differ from the proportion of voting rights: none						
Basis for holding less than 20 per cent of the voting rights but having significant influence, or holding 20 per cent or more of the voting rights but not having significant influence: 0.00						
Prometeon Tyre Group S.r.l. signed an equity escrow agreement on 30 November 2020 with the Company in respect of PTG, whereby its 52% equity interest in PTG was escrowed to the Company, and the Company appointed a director to PTG on 30 November 2020. The Company's investment in PTG is accounted for under the equity method. As a result, the Company's 10% equity investment in PTG was accounted for under the equity method. on 3 August 2022, Fengshen Shares entered into a Supplemental Agreement to the Equity Escrow Agreement with China National Chemical & Rubber Corporation, under which the Company's 38% equity interest in PTG was escrowed to Fengshen Shares. After the Supplemental Agreement became effective, Fengshen shares were entrusted to manage a total of 90 per cent of the equity interest in PTG.						

(2). Key financial information of significant joint ventures

□Applicable √Not Applicable

(3). Key financial information of significant associates

√Applicable Not applicable

Unit: Yuan Currency: RMB

	Closing balance/ current period's incidence		Opening balance/ prior period	
	Pirelli tyres (Jiao) Ltd.	Prometeon Tyre Group S.r.l	Pirelli tyres (Jiao) Ltd.	Prometeon Tyre Group S.r.l
current asset	286,294,687.78	4,980,379,842.39	214,163,755.61	4,399,757,377.00
non-current asset	867,573,596.56	8,176,487,111.93	894,572,910.88	7,056,253,211.70
Total assets	1,153,868,284.34	13,156,866,954.32	1,108,736,666.49	11,456,010,588.70
current liability	714,153,229.36	4,223,979,985.81	693,645,582.28	3,826,628,712.20
non-current liability	150,555.64	5,119,018,748.63	213,687.04	4,299,208,615.10
Total liabilities	714,303,785.00	9,342,998,734.44	693,859,269.32	8,125,837,327.30
minority shareholders' rights all the more		-4,301,229.10		9,169,019.00
Attributable to the parent company Shareholders'	439,564,499.34	3,818,169,448.98	414,877,397.17	3,321,004,242.40

--Insider trading Unrealised profit	-8,533,837.75		-7,988,394.37	
--Other		-5,490,377.39		-5,490,377.39
Equity investments in associates book value	79,379,062.12	422,515,413.07	74,987,085.06	373,715,794.31
Existence of publicly quoted equity investments in associates Fair value of				
revenue	717,072,311.57	11,571,476,935.41	586,948,447.16	8,461,422,862.20
net profit	24,687,102.17	123,962,690.32	28,278,422.45	132,609,351.60
out of business net profit				
Other comprehensive income all the more		-430,495,912.07		-269,957,472.40
Total comprehensive income horizontal tablet or inscribed board	24,687,102.17	-306,533,221.76	28,278,422.45	-137,348,120.80
Received during the year from associates Dividends from enterprises				

Other
notes nil

(4). Summarised financial information for immaterial joint ventures and associates

☐Applicable ☒Not applicable

(5). Description of significant restrictions on the ability of a joint venture or associate to transfer funds to the Company

☐Applicable ☒Not applicable

(6). Excess losses incurred in joint ventures or associates

☐Applicable ☒Not applicable

(7). Unrecognised commitments relating to investments in joint ventures

☐Applicable ☒Not applicable

(8). Contingent liabilities relating to investments in joint ventures or associates

☐Applicable ☒Not applicable

4. Important joint operations

☐Applicable ☒Not Applicable

5. Interests in structured entities not included in the scope of the consolidated financial

statements Relevant notes on structured entities not included in the scope of the consolidated financial statements:

☐Applicable ☒Not Applicable

6. Other

☐Applicable ☒Not Applicable

X. Risks related to financial instruments

☒Applicable ☐Not applicable

The Company is exposed to a variety of financial risks in the course of its operations: credit risk, market risk and liquidity risk. The Board of Directors of the Company is fully responsible and ultimately accountable for the determination of risk management objectives and policies, and the Board has delegated authority to each of the Company's functions to design and implement procedures that will ensure the effective implementation of risk management objectives and policies. The Board of Directors reviews the effectiveness of the implemented procedures and the reasonableness of the risk management objectives and policies through reports submitted by the heads of the respective functions. The Company's internal auditors also audit the risk management policies and procedures and report their findings to the Audit Committee.

The overall objective of the Company's risk management is to develop risk management policies that minimise risk without unduly affecting the Company's competitiveness and resilience.

1. Credit risk

Credit risk is the risk that one party to a financial instrument will fail to honour its obligations, causing the other party to incur a financial loss. The Company is primarily exposed to customer credit risk resulting from credit sales. Prior to entering into new contracts, the Company evaluates the credit risk of new customers, including external credit ratings and, in some cases, bank creditworthiness certificates (when this information is available) The Company sets a credit limit for each customer, which is the maximum amount for which no additional approval is required. 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 accounts receivable ageing analysis. 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 may only be sold on credit in future periods with additional approval, otherwise they must be asked to pay in advance.

2. Liquidity risk

Liquidity risk is the risk that a business will experience a shortage of funds in meeting its obligations that are 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 treasury department. The treasury department ensures that the Company has sufficient funds to service its obligations under all reasonably forecast

scenarios by monitoring cash balances, readily realisable marketable securities and rolling forecasts of cash flows over the next 12 months.

The undiscounted contractual cash flows of each of the Company's financial liabilities are presented below by maturity date:

sport s even t	Closing balance		
	Less than 1 year (including 1 year) (years)	More than 1 year	add up the total
short term loan	332,087,096.68		332,087,096.68
accounts payable	597,153,010.72	85,154,700.69	682,307,711.41
Other accounts payable	222,670,455.82	92,205,771.15	314,876,226.97
Non-current due within one year be in debt	1,204,895,418.26		1,204,895,418.26
Lease payments	6,690,756.48	55,064,039.37	61,754,795.85
add up the total	2,363,496,737.96	232,424,511.21	2,595,921,249.17

sports event	Prior year- end balance		
	Up to and including 1 year	More than 1 year	add up the total
short term loan	375,553,922.19		375,553,922.19
accounts payable	891,509,441.91	101,397,787.37	992,907,229.28
Other accounts payable	173,239,335.77	111,448,773.28	284,688,109.05
Non-current liabilities due within one year	6,290,611.80		6,290,611.80
long term loan		1,200,000,000.00	1,200,000,000.00
Lease payments	7,323,391.21	65,215,297.76	72,538,688.97
add up the total	1,453,916,702.88	1,478,061,858.41	2,931,978,561.29

3. Market risk

Market risk for financial instruments is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, including exchange rate risk, interest rate risk and other price risks.

Ⅰ 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 primarily from bank borrowings. The Company may employ interest rate swaps to achieve the desired interest rate structure. Although this policy does not completely insulate the Company from the risk of paying interest rates in excess of prevailing market rates, nor does it completely eliminate the cash flow risk associated with fluctuations in interest payments, management believes that the policy achieves a reasonable balance between these risks.

Ⅱ Exchange rate risk

Exchange rate 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 mitigate exchange rate risk. In addition, the Company may enter into forward exchange contracts or currency swap contracts to hedge exchange rate risk.

The Company's exposure to exchange rate risk mainly arises from financial assets and financial liabilities denominated in foreign currencies, and the amounts of foreign-currency financial assets and foreign-currency financial liabilities translated into RMB are set out below:

sport	Balance at the end of the year
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s even t	Ame rican dolla r	Euro (curr ency)	Hong Kong dollar	ruble (Rus sian curre ncy) (loan word)	Canadian dollar	add up the total
financial asset						
money funds	334,918,111.50	62,025,437.52	3,982,725.35	23,001,299.38	3,421,261.04	427,348,834.79
accounts receivable	189,166,925.65	19,767,172.60		51,353.05		208,985,451.30
Other receivables	320,995.98	19,600.69				340,596.67
financial liability						
short term loan	278,584,000.00					278,584,000.00
accounts payable	8,941,822.08	1,423,501.41				10,365,323.49
Other accounts payable	3,876,338.47	40,202,449.87				44,078,788.34

sports event	Prior year-end balance				
	American dollar	Euro (currency)	Hong Kong dollar	ruble (Russian currency) (loan word)	add up the total
financial asset					
money funds	315,724,698.87	30,913,227.79	3,656,234.49	5,860,132.14	356,154,293.29
accounts receivable	163,581,358.24	14,849,561.62			178,430,919.86
Prepayments	23,793,374.48	528,356.20		879,282.97	25,201,013.65
Other receivables		19,064.12			19,064.12
financial liability					
short term loan	255,028,000.00				255,028,000.00
accounts payable	397,874.35	938,561.00		28,092.27	1,364,527.62
Contractual liabilities	73,084,029.06	4,170,870.22		598,270.15	77,853,169.43
Other accounts payable	226,724.35	13,111,511.55			13,338,235.90

3. Other price risks

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from exchange rate risk and interest rate risk.

The Company's other price risk arises primarily from investments in various types of equity instruments and is subject to the risk of changes in the price of equity instruments.

sports event	Closing balance	Prior year-end balance
Investments in other equity instruments	2,660,000.00	3,230,000.00
add up the total	2,660,000.00	3,230,000.00

XI. Fair value disclosures

1. Closing fair value of assets and liabilities measured at fair value

√Applicable □Not applicable

Unit: Yuan Currency: RMB

sports event	Fair value at end of period			
	Level 1 fairness Value measurement	Level 2 fairness Value measurement	Level 3 fair value Value measurement	add up the total
I. Ongoing fair value measurement		179,735.2		

2. Designation of the financial statements at fair value through profit or loss Financial assets at fair value through profit or loss				
(1) Investments in debt instruments				
(2) Investments in equity instruments				
(ii) Other debt investments				
(iii) Other equity instruments investors	2,660,000.00			2,660,000.00
(iv) Investment property				
1. Land use for rental purposes authority				
2. Rented buildings				
3. After holding and preparing for appreciation Transferred land use rights				
(v) Biological assets				
1. Expendable biological assets				
2. Productive biological assets				
Receivables financing			298,776,868.19	298,776,868.19
Continuously measured at fair value total assets	2,660,000.00		298,776,868.19	301,436,868.19
(vi) Financial liabilities on trading debt				
1. At fair value through profit or loss financial liability				
Of which: Issued transactional debentures				
Derivative financial liabilities				
the rest				
2. Designated as at fair value through profit or loss				

(FVTPL). Financial liabilities for profit or loss				
Continuously measured at fair value Total liabilities				
II. Non-continuing fair value Value measurement				
(i) Assets held for sale				
Non-continuing at fair value Total assets in volume				
Non-continuing at fair value Total liabilities for volume				

The inputs used in the fair value measurements are divided into three levels:

Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that are available at the measurement date. Level 2 inputs are inputs other than level 1 inputs that are observable for the underlying asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the underlying asset or liability.

The level within which a fair value measurement result belongs is determined by the lowest level within which the inputs that are significant to the fair value measurement as a whole belong.

2. Basis for determining the market value of continuing and discontinued Level 1 fair value measurements

√Applicable Not applicable

Publicly quoted prices in active markets for the financial assets at the end of the period.

3. Continuing and discontinued Level 2 fair value measurements, qualitative and quantitative information on valuation techniques used and significant parameters

□Applicable √Not applicable

4. Continuing and discontinued Level 3 fair value measurements, qualitative and quantitative information on valuation techniques used and significant parameters

√Applicable □Not applicable

The Company's Level 3 fair value measurement item is receivables financing. The receivables financing represents promissory notes held by the Company, which are measured at carrying value as a reasonable estimate of fair value due to the short remaining term of the notes. The Company calculates the expected credit loss on the receivables financing at the balance sheet date and records the amount of the expected loss in credit impairment loss and other comprehensive income.

5. Ongoing Level 3 fair value measurements, information on reconciliations between opening and closing book values and sensitivity analysis of unobservable parameters

□Applicable √Not Applicable

6. Ongoing fair value measurement items that were converted between levels during the period, the reasons for the conversion and the policy for determining the point of conversion

□Applicable √Not Applicable

7. Changes in valuation techniques that occurred during the period and the reasons for those changes

□Applicable √Not Applicable

8. Fair value of financial assets and financial liabilities not measured at fair value

□Applicable √Not Applicable

9. Other

□Applicable √Not applicable

XII, RELATED PARTIES AND RELATED TRANSACTIONS 1.

Parent company of the Company

√Applicable Not applicable

Unit: RMB 10,000

Parent company name	registered office	Nature of business	182 / 352 registered capital	Parent company's shareholding in the enterprise (%)	Proportion of voting rights of the parent company in the enterprise (%)
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Currency: RMB

Description of the enterprise's parent company

China National Chemical & Rubber Corporation, formerly known as China National Chemical & New Materials Corporation, was founded on 19 March 1988 by the State Science and Technology Commission under the name of (88) State

Approved to be established by No. 155 of Ke Fa Zi, changed its name to China National Chemical Rubber Corporation on 24 December 2008, and established on 17 January 2013

Ltd. was restructured into ChemChina Rubber Co. Registered capital: RMB 1,600,000.00 million;

Legal representative: Wang Feng; Notes

Registered address: No. 62, Beisihuan West Road, Haidian District, Beijing; Industry: Manufacture of basic chemical raw materials; Business licence for enterprise legal person

Registered No.: 91110000100008069M. Business Scope: Licensed Business Items: None; General Business Items: Research, production and sales of new chemical materials and related raw materials (except hazardous chemicals), tyres, rubber products, latex products; development, design, production and sales of rubber and chemical equipments; import and export business; supervision of engineering and construction; technical consultancy and technical services related to the above business. Technical **c o n s u l t a n c y** and technical services related to the above business.

The ultimate controlling party of the Company is China National Chemical & Rubber Corporation, the shareholder of which is China National Chemical Corporation, and the ultimate de facto controller of the Company is the State-owned Assets Supervision and Administration Commission of the State Council.

Other

notes: none

2. Information on the Company's subsidiaries

Details of the Company's subsidiaries are set out in the notes

√Applicable Not applicable

For details of the Company's subsidiaries, please refer to the note "IX. Interests in other entities".

3. Joint ventures and associates of the enterprise

Details of significant joint ventures or associates of the enterprise are set out in the notes

√Applicable □Not applicable

For details of significant joint ventures or associates of the enterprise, please refer to note "IX. Interests in other entities".

Other joint ventures or associates that had related party transactions with the Company during the period, or had balances arising from related party transactions with the Company in prior periods, are as follows

□Applicable

√Not Applicable

Other Notes

□Applicable √Not Applicable

4. Other related parties

√Applicable □Not applicable

Name of other related parties	Relationship between other related parties and the Company
Henan Tyre Group Co.	Company Shareholders
Qingdao Rubber Six Conveyor Belt Co.	single parent company
Beijing Rubber Industry Research & Design Institute Co.	Same ultimate controlling party
Shenyang Radial Tyre Mould Co.	Same ultimate controlling party
Beijing Blue Star Cleaning Co.	Same ultimate controlling party
blue star engineering limited	Same ultimate controlling party
Yiyang Rubber & Plastic Machinery Group Co.	Same ultimate controlling party
Guilin Rubber Machinery Co.	Same ultimate controlling party
Fujian Huayu Autocontrol Technology Co. 184 / 352	Same ultimate controlling party
China National Chemical Information Centre Ltd.	Same ultimate controlling party
Beijing Blue Star Energy Saving Investment Management Co.	Same ultimate controlling party

Fujian Tianhua Intelligent Equipment Co.	Same ultimate controlling party
Beijing Rubber Academy Rubber & Tyre Testing Technology Service Co.	Same ultimate controlling party
new content enterprises pte ltd	Same ultimate controlling party
Hesheng Natural Rubber (Shanghai) Co.	Same ultimate controlling party
Aiken Silicone (Shanghai) Co.	Same ultimate controlling party
Sinochem Plastics Limited	Same ultimate controlling party
Sheng Ao Chemical Technology Co.	Same ultimate controlling party
Pirelli Tyre (Jiaozuo) Co.	Same ultimate controlling party
Sinochem Information Technology Co.	Same ultimate controlling party
PROMETEON TURKEY ENDÜSTRİYELVE TICARI LASTIKLER A.S.	Same ultimate controlling party
Jiaozuo Puning Property Management Co.	Subsidiaries of the Company's shareholders
Liaocheng Luxi Chemical Materials Co.	Same ultimate controlling party
China National Chemical Corporation (ChemChina)	Same ultimate controlling party
Aiken Silicon Materials (Lanzhou) Co.	Same ultimate controlling party
Toup Trading (Beijing) Co.	Same ultimate controlling party
Prometeon Tyre Egypt Co. (S.A.E)	Same ultimate controlling party

Other
notes nil

5. Related transactions

(1). Connected transactions for the purchase and sale of goods and the provision and acceptance of services

Statement of purchases of goods/acceptance of labour

√Applicable □Not applicable

Unit: Yuan Currency: RMB

related party	Contents of connected transactions	Current period's incidence	Amount of approved transactions (if applicable) (used)	Whether the transaction amount is exceeded (e.g. (applicable))	Prior period's incidence
China Blue International Chemical Corporation limited company	Procurement of materials	65,132,140.63 185 / 352			97,301,901.93
Beijing Rubber Industry	Procurement of materials	1,101,465.91			338,867.92

blue star engineering limited department (under a ministry)	Material procurement, distribution classifier for clothes, luggage, decorations; piece of work; a matter, an event	160,377.36			186,878.73
Zhonghao Heiyuan Chemical Research & Design Institute Co. department (under a ministry)	Procurement of materials				6,893.81
Guilin Rubber Machinery limited company	Procurement of equipment	31 584 070.79			3,716,814.16
Double Happiness Tyre Industrial Unit limited company	Procurement of equipment				1,732,108.24
Fujian Tianhua Intelligent Installation preparations company limited	Procurement of accessories	130,067.00			293,639.83
Hesheng Natural Rubber (Shanghai) Co.	Procurement of materials	171,726,180.53			149,389,614.16
Sheng Ao Chemical Technology Co. limited company	Procurement of materials	87,574,916.00			64,336,800.00
Beijing Rubber Academy Rubber Tyre Testing Technical Services limited company	Testing Services				235,849.05
new content enterprises PTE LTD	Procurement of materials	31,628,829.75			101,699,435.95
Toup Trading (North) (Beijing) Co.	Tyre procurement	15,350,535.50			51,997,104.00

Sinochem Information Technology has limited company	Systems and Services	117,966.27			
Prometeon Tyre Egypt Co. (S.A.E)	Tyre procurement	1,580,995.42			

Statement of sale of goods/provision of labour

√Applicable □Not applicable

Unit: Yuan Currency: RMB

related party	Contents of connected transactions	Current period's incidence	Prior period's incidence
Pirelli Tyre (Jiaozuo) Co.	Comprehensive service fees, commissioning fees, transfer of power supply, energy facility leasing, Sales of materials	40,044,994.48	35,973,696.72
Beijing Rubber Industry Research & Design Institute Co.	Material sales, tyre sales	712,876.10	383,097.35
Prometeon Tyre Group Lr.L.	Tyre sales	57,270,643.05	52,565,403.93
Toup Trading (Beijing) Co.	Tyre sales	56,156,922.40	91,868,878.95
Sinochem Plastics Limited	Tyre sales		403,069.64
PROMETEON TURKEY ENDÜSTRİYELVE TİCARİ LASTİKLER A.Ş.	Equipment Sales	14,565,518.75	
Jiaozuo Puming Property Management Co. □Applicable √Not Applicable	Energy sales	2,584,249.97	
Liaocheng Luxi Chemical Materials Co.	Sales of materials	682,883.19	

(2). Affiliated Fiduciary**Management/Contracting and Delegated****Management/Contracting Out The**

Company's fiduciary

management/contracting table:

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Name of commissioner/contractor	Name of trustee/contractor	Types of assets entrusted/contracted	Date of commencement of entrustment/contracting	Fiduciary/contracting termination date	Pricing of escrowed/contracted earnings gauge	Escrow gains/contracting recognised in the period proceed
<p>Note: China National Chemical Rubber Corporation entered into the Equity Escrow Agreement with Fengshen Shares on 30 November 2020 to escrow the 52% equity interest in Prometeon Tyre Group S.r.l. (hereinafter referred to as PTG) held by TP. On 3 August 2022, Fengshen entered into the Supplemental Agreement to the Equity Escrow Agreement with China National Chemical Rubber Corporation. On 3 August 2022, Fengshen entered into the Supplemental Agreement to the Equity Trusteeship Agreement with China National Chemical Rubber Corporation, under which 38% of the equity interests in PTG held by PTG were entrusted to Fengshen. After the effective date of the Supplemental Agreement, Fengshen was entrusted with a total of 90 per cent of the equity interest in PTG.</p>						
China S.r.l.	Prometeon Tyre Group S.r.l.	Equity	2022.8.4	Agreed termination date of occurrence	agreement	962,264.15

Affiliated hosting/contracting statement

□Applicable √Not Applicable

Table of the Company's entrusted management/contracting

□Applicable √Not Applicable

Affiliated management/contracting statement

□Applicable √Not Applicable

(3). Related**Leases The**

Company acts as

the lessor:

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Name of lessee	Types of leased assets	Lease income recognised in the period	Lease income recognised in prior period
Henan Tyre Group limited liability company	house	60,960.00	60,960.00
Double Happiness Tyre Industrial Unit limited company	a building used as a factory		1,376,146.79

The Company as lessee:
√Applicable □Not applicable

Unit: Yuan Currency:

Name of lessor	Types of leased assets	Rental charges for short-term leases and leases of low-value assets with simplified treatment (if applicable)	Variable lease payments not included in the measurement of the lease liability (if applicable)		Rent paid		Interest expense on lease liabilities assumed		RMB Increased right-to-use assets	
		Occurrence during the period horizontal tablet or inscribed board	Prior period's incidence	Current period's incidence	Prior period's incidence	Current period's incidence	Prior period's incidence	Current period's incidence	Prior period's incidence	Current period's incidence
						189 / 352				

Description of related leases

☐Applicable ☒Not Applicable

(4). Related

Guarantees The

Company as

Guarantor

☐Applicable ☒Not Applicable

The Company as Guaranteed Party

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

secured party	Amount of guarantee	Guarantee start date	warranty expiry date	Whether the guarantee has been fulfilled the whole of
China National Chemical Corporation (ChemChina)	50,000,000.00	2020/5/28	2023/5/27	clogged
China National Chemical Corporation (ChemChina)	300,000,000.00	2020/6/22	2023/5/27	clogged
China National Chemical Corporation (ChemChina)	500,000,000.00	2021/7/13	2023/7/12	clogged
China National Chemical Corporation (ChemChina)	350,000,000.00	2021/9/23	2023/7/12	clogged

(7). Compensation of key management personnel

☐Applicable

☒Not applicable

(8). Other

connected

transactions

☒Applicable ☐Not applicable

- (1) As at 31 December 2022, the balance of deposits in accounts opened by the Company with Sinochem Group Finance Co.

RMB1,000,000,000.00, interest income on money fund deposits obtained from Sinochem Group Finance Co. 9,849,176.85 Yuan. Interest income on money fund deposits from ChemChina Finance Corporation during the period was RMB883,818.63.

- (2) Ltd. provided guarantee for the Company's loan, and the total guarantee fee for the period was RMB3,600,000.00.

- (3) As at 31 December 2022, the principal balance of the Company's loan with Sinochem Group Finance Company Limited, a related party, was 104,469,000.00, and the interest on the loan was paid to Sinochem Group Finance Company Limited for a total of RMB 253,511.44. Total interest paid to Sinochem Group Finance Company Limited for the period was RMB253,511.44.

Repayment of the principal amount of the loan from the related party, China National Chemical Finance Corporation (CNCFC), amounting to RMB60,000,000.00, with a total amount of RMB1,060,000.00 being paid to CNCFC during the period.

Payment of interest on the loan in the amount of \$190,000.00.

(4) Henan Tyre Group Co., Ltd. provided comprehensive management services for the Company's employees, such as baths, single dormitories, staff canteens and healthcare in the production area, and the Company paid comprehensive service fees of RMB2,438,000.00, which were expensed from employee welfare expenses.

6. Receivables and payables from related parties (1). Items receivable

√Applicable Not applicable

Project name	related party	Closing balance		Opening balance	
		Carrying amount	provision for bad debts	Carrying amount	provision for bad debts
accounts receivable					

Unit: Yuan

Currency: RMB

	Prometeon Tyre Group S.r.l.	4,736,815.57	23,684.08	3,307,115.50	16,535.58
	Toupee Trading (Beijing) has limited company	14,526,381.54	72,631.91	8,864,593.89	44,322.97
	Liaocheng Luxi Chemical Materials Co. firms	163,709.00	818.55		
notes receivable					
	Beijing Rubber Industry Research and Design The Courtyard Ltd.	320,000.00		574,937.40	
	Toupee Trading (Beijing) has limited company	8,981,217.19		13,706,661.40	
receivables financing supply					
	Toupee Trading (Beijing) has limited company	100,000.00		2,804,333.50	
	Beijing Rubber Industry Research and Design The Courtyard Ltd.	30,000.00		50,000.00	
Prepayments					
	prometeon turkey endüstriyel ve ticari lastikler A.S.	640,064.79			

Other receivables					
	China National Chemical Information Centre Limited firms	190,000.00	950.00		
	Henan Tyre Group Co. firms			2,000,000.00	195,010.37
	China Bluestar (aka Bluestar), a satellite of the Communist Party of China (CPC) (unit limited company			398,880.22	1,994.40

(2). Items payable

√Applicable Not applicable

Unit:Yuan Currency:RMB

Project name	related party	Closing book balance	Opening balance
accounts payable			

	China Blue International Chemical Co. firms	8,260,455.33	3,342,672.16
	Beijing Rubber Industry Research Design Institute Ltd.	2,315,085.48	7,854,460.37
	Beijing Blue Star Cleaning Co. firms	392,282.86	411,876.08
	Aiken Silicon Materials (Lan) (State) Co.	109,239.36	
	Fujian Huayu Autocontrol Technology corporation	670,238.31	670,772.77
	Huaxia Hanhua Chemical Equipment limited company		430,000.00
	Beijing Blue Star Energy Saving Investment management company	84,563.21	
	Double Happiness Tyre Industry Co. limited company	623,976.42	623,976.42
	Pirelli International plc	32,400.71	29,661.03
	Yiyang Rubber & Plastic Machinery corporation	161,280.00	161,280.00
	Pirelli Tyre Co. department (under a ministry)	4,786.00	4,786.00
	Sheng Ao Chemical Technology Co. firms	8,796,261.30	22,256,286.22
	Fujian Tianhua Intelligent Equipment limited company	25,211.23	155,211.23
	China National Chemical Rubber Corporation firms	6,749,298.29	6,749,298.29
	Beijing Blue Star Energy Saving Investment management company		103,517.43

	Hershey's Natural Rubber (Upper) Ltd.	2,969,568.00	2,717,568.00
	Aiken Silicones (above) (Hai) Ltd.	1,449.00	1,449.00
	Toup Trading (Beijing) Co. limited company	1,153,533.00	1,163,855.00
Other accounts payable			
	Pirelli Tyre S.p.A.	35,461,894.74	11,602,917.88
	Guilin Rubber Machinery Co. firms	9,104,700.00	16,915,740.86
	blue star engineering limited	1,068,811.85	1,372,717.51
	Shenyang radial tyre mould furniture company	412.55	412.55
	Yiyang Rubber & Plastic Machinery corporation	4,120,676.20	8,967,676.20
	China National Chemical Information Centre limited company	36,750.00	54,500.00

	Fujian Tianhua Intelligent Equipment limited company	53,163.11	46,703.69
	Qingdao rubber six conveyor belt has limited company	13,304.16	
Contractual liabilities			
	Beijing Rubber Industry Research Design Institute Ltd.		342,274.30
	Qingdao rubber six conveyor belt has limited company		13,304.16
	Sinochem Plastics Limited	2.97	2.97
	China Blue International Chemical Co. firms	841.00	841.00

7. Related party commitments

☐Applicable ☒Not applicable

8. Other

☒Applicable ☐

Not

applicable

**Centralised
managemen
t of funds**

1. The main elements of the centralised capital management arrangements in which the Company participates and operates are set out below:

The Company entered into a fund centralisation management agreement with Sinochem Group Finance Company Limited in accordance with the unified arrangement of fund centralisation by Sinochem Holding Company Limited and centralised the fund balance of the account to the account of the Finance Company.

2. Funds pooled by the Company to the Group

Funds deposited directly into the finance company by the Company without being channelled to the group parent company's account

Project name	Closing balance		Prior year-end balance	
	Carrying amount	provision for bad debts	Carrying amount	provision for bad debts
money funds	1,000,000,000.00		496,703,610.16	
add up the total	1,000,000,000.00		496,703,610.16	

Of which: funds restricted due to centralised management of funds				
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XIII. Share-based payment**1. Share-based payments in general**
☐Applicable ☒Not Applicable
2. Equity-settled share-based payments
☐Applicable ☒Not Applicable
3. Cash-settled share-based payments
☐Applicable ☒Not Applicable

4. Modification and termination of share-based payments

☐Applicable ☒Not applicable

5. Other

☐Applicable ☒Not applicable

XIV, Commitments and contingencies 1. Material commitments

☐Applicable ☒Not Applicable

2. Contingencies

(1). Significant contingencies existing at the balance sheet date

☐Applicable ☒Not applicable

(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

Unit: Yuan Currency: RMB			
Event	Element	Financial position and results of operations Number of impacts on outcomes	Impacts that cannot be estimated rationale
Issuance of shares and bonds			
Significant foreign investments			
On 30 January 2023, the Company cancelled a total of 1,686,313 previously repurchased shares with China Securities Depository & Clearing Co.			
Significant deposits			
After the cancellation, the total number of shares of the Company changed from 731,137,184 shares to 729,450,871 shares.			
Significant changes in foreign exchange rates			
2. Distribution of profits			
the rest	Cancellation of Treasury Unit	inapplicable	Unit: Yuan Currency: RMB
Profit or dividend to be distributed		199 / 352	36,472,543.55
Profits or dividends declared after consideration and approval			36,472,543.55

Pursuant to the resolution of the 16th meeting of the 8th Board of Directors of the Company held on 28 April 2023, the Company has implemented the equity distribution by means of the share register. Calculated on the basis of the total share capital of 729,450,871 shares as at the date of this report, a cash dividend of RMB0.5 (inclusive of tax) will be paid to all shareholders for every 10 shares, making a total of RMB0.5 (inclusive of tax).

Cash dividend RMB36,472,543.55 (including tax). There will be no bonus shares or capitalisation of capital reserves for the year.

After the announcement of the profit distribution plan of the Company and before its implementation, if there is any change in the share capital of the Company available for profit distribution, it is proposed that the total amount of distribution be adjusted in accordance with the unchanged distribution ratio per share.

3. Sales returns

☐Applicable ☒Not Applicable

4. Description of other post-balance sheet events

☐Applicable ☒Not applicable

OTHER MATTERS OF IMPORTANCE 1.

Correction of prior
period accounting
errors (1).

Retrospective
restatement
method

☐ Applicable ☒
Not Applicable

(2). Future
application
method

☐Applicable
☒Not applicable

2. Debt
restructuring

☐Applicable ☒Not Applicable

3. Asset replacement

(1). Non-monetary exchange of assets

☐Applicable ☒Not applicable

(2). Other asset replacement

☐Applicable ☒Not applicable

4. Annuity schemes

☐Applicable ☒Not Applicable

5. Termination of operations

☐Applicable ☒Not Applicable

6. Segment information

(1). Basis for determining reportable segments and accounting policies

☐Applicable ☒Not applicable

(2). Financial information on reportable segments

☐Applicable ☒Not applicable

(3). If the company has no reportable segments, or if it cannot disclose total assets and total liabilities for each reportable segment, it should explain why

☐Applicable ☒Not applicable

(4). Other notes

☐Applicable ☒Not applicable

7. Other significant transactions and events affecting investors' decisions

☐Applicable ☒Not applicable

8. Other

☐Applicable ☒Not applicable

XVII, Notes to the financial statements of the Parent Company on major items 1. Accounts receivable

(1). Disclosure by age

Unit: Yuan Currency: RMB

<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable	Closing book balance
Within 1 year	
Of which: within 1 year	
Within 1 year	571,093,073.01
Subtotal less than 1 year	571,093,073.01
1 to 2 years	12,462,608.22
2 to 3 years	32,015,385.14
More than 3 years	
3 to 4 years	18,000,171.13
4 to 5 years	829,734.93
More than 5 years	34,964,426.72
add up the total	669,365,399.15

(2). Disclosure by bad debt

accrual method

Unit: Yuan Currency: RMB

form	<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable					Closing balance					Opening balance				
	Carrying amount		provision for bad debts		book value	Carrying amount		provision for bad debts		book value					
	sum of money	Proportion (%)	sum of money	Percentage of accruals (%)		sum of money	Proportion (%)	sum of money	Provision (%)						
Provision for bad debts on	61,467,202.75	9.18	56,051,152.09	91.19	5,416,050.66	69,001,257.56	11.48	47,721,179.95	69.16	21,280,077.61					

Receivables that are individually significant and individually provided for bad debts money in an account	37,767,388.63	5.64	34,407,388.64	91.10	3,359,999.99	49,818,996.02	8.29	28,538,918.41	57.29	21,280,077.61
Accounts receivable for which the individual amounts are not material but for which there is a	23,699,814.12	3.54	21,643,763.45	91.32	2,056,050.67	19,182,261.54	3.19	19,182,261.54	100.00	

separate provision for bad debts paragraph										
Bad debt provision by portfolio provide or equip	607,898,196.40	90.82	29,636,264.18	4.88	578,261,932.22	532,152,053.73	88.52	30,340,415.12	5.70	501,811,638.61
Among them:										
Allowance for bad debts by combination of credit risk characteristics receivable money in an account	607,898,196.40	90.82	29,636,264.18	4.88	578,261,932.22	532,152,053.73	88.52	30,340,415.12	5.70	501,811,638.61
add up the total	669,365,399.15	100.00	85,687,416.27	12.80	583,677,982.88	601,153,311.29	100.00	78,061,595.07	12.99	523,091,716.22

Provision for bad debts is made on an individual basis:

☒Applicable ☐Not applicable

Bit: Yuan Currency: RMB

name (of a thing)	Closing balance			
	Carrying amount	provision for bad debts	Accrual ratio (%)	Reasons for the provision
Individually significant and individually provisioned for bad debts accounts receivable	37,767,388.63	34,407,388.64	91.10	Projected partial non-recovery

Individually insignificant but individually provisioned for bad debts accounts receivable	23,699,814.12	21,643,763.45	91.32	Projected partial non-recovery
add up the total	61,467,202.75	56,051,152.09	91.19	/

A description of the provision for bad debts on an individual basis:

☐Applicable ☒Not Applicable

Provision for bad debts is made on a portfolio basis:

☒Applicable ☐Not applicable

Portfolio provisioning items: accounts receivable with bad debt provisioning based on a combination of credit risk characteristics

Unit: Yuan Currency: RMB

name (of a thing)	Closing balance		
	accounts receivable	provision for bad debts	Accrual ratio (%)
Provision for bad debts based on a combination of credit risk characteristics: accounts receivable	607,898,196.40	29,636,264.18	4.88
add up the total	607,898,196.40	29,636,264.18	4.88

(3). Provision for bad debts

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

form	Opening balance	Amount of change during the period				Closing balance
		make provision for (capital requirements)	Recovery or reversal	Write-offs or audit and write off	other variables	
Individually significant and individually provisioned for bad debts	28,538,918.41	6,658,053.01	789,582.78			34,407,388.64

of which the amount of bad debt provisions recovered or reversed during the period is significant:

☐Applicable ☒Not Applicable

(4). Actual accounts receivable written off during the period

☐Applicable ☒Not Applicable

Of which significant accounts receivable write-offs

☐Applicable ☒Not Applicable

(5). Top five accounts receivable by party owed at the end of the period

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Name of unit	Closing balance	Percentage of closing balance of accounts receivable Proportion of total (%)	Closing balance of provision for bad debts
first place	70,917,025.03	10.59	354,585.13
second place	41,717,654.53	6.23	208,588.27
third place	32,537,309.37	4.86	162,686.55
fourth place	31,234,467.82	4.67	156,172.34
fifth place	30,398,848.21	4.54	151,994.24
Other add up the total	206,805,304.96	30.89	1,034,026.53

(6). Receivables derecognised as a result of a transfer of a financial asset

☐Applicable ☒Not applicable

(7). Amounts of assets and liabilities resulting from the transfer of accounts receivable with continuing involvement

☐Applicable ☒Not applicable

Other notes:

☐Applicable ☒Not Applicable

2.

Presentation of other accounts receivable items

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sports event	Closing balance	Opening balance
Interest receivable		
Dividends receivable		
Other receivables	1,009,900,063.16	998,812,900.78
add up the total	1,009,900,063.16	998,812,900.78

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**Dividends
receivable****(1).****Dividends
receivable**☐Applicable ☒Not Applicable**(2). Significant dividend receivables 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**☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

age of accounts	Closing book balance
Within 1 year	
Of which: within 1 year	
Within 1 year	467,002,519.84
Subtotal less than 1 year	467,002,519.84
1 to 2 years	68,360,900.01
2 to 3 years	465,392,244.29
More than 3 years	
3 to 4 years	27,834,436.31
4 to 5 years	127,231.98
More than 5 years	5,760,655.53
add up the total	211 / 352 1,034,477,987.96

(2). Breakdown by nature of funds

√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Nature of payment	Closing book balance	Opening balance
current account	1,028,775,307.01	1,018,508,927.55
Deposits and Charges	699,729.69	702,873.22
employee reserve fund	806,724.31	997,806.02
the rest	4,196,226.95	3,267,578.35
add up the total	1,034,477,987.96	1,023,477,185.14

(3). Provision for bad debts

√Applicable □Not applicable

Unit: Yuan Currency: RMB

provision for bad debts	Phase I	Phase II	Phase III	add up the total
	Expected credit losses for the next 12 months	Expected credit losses (no credit impairment) over lifetime	Expected credit losses over lifetime (credit impairment incurred)	
Remaining 1 January 2022 horizontal tablet or inscribed board	6,208,381.80		18,455,902.56	24,664,284.36
Remaining 1 January 2022 Amount for the current period	0.00		0.00	0.00
--Transfer to Phase II	0.00		0.00	0.00
--Transferred to phase III	0.00		0.00	0.00
--Transfer back to phase II	0.00		0.00	0.00
--Return to phase I	0.00		0.00	0.00
A description of significant changes in the carrying amount of other receivables for which a change in the provision for losses has occurred during the period:				
Provision for the current period	-175,754.71		1,672,592.53	1,496,837.82
Reversal during the period			1,583,197.38	1,583,197.38
The amount of provision for bad debts in the current period and the basis used to assess whether there is a significant increase in the credit risk of a financial instrument:				
Write-offs during the period				
Other changes				
31st December 2022 balances	6,032,627.09		18,545,297.71	24,577,924.80

Unit: Yuan Currency: RMB

form	Opening balance	Amount of change during the period				Closing balance
		make provision for (capital requirements)	Recovery or reversal	Write-off or write-off melt (metal)	other variables	
			213 / 352			

Provision for other accounts receivable						
Provision for bad debts is made for each item even though the individual amount is not material. Other receivables	3,855,732.60	1,672,592.53	1,583,197.38			3,945,127.75
Provision for bad debts by a combination of credit risk characteristics Other accounts receivable	6,208,381.80	-175,754.71				6,032,627.09
add up the total	24,664,284.36	1,496,837.82	1,583,197.38			24,577,924.80

Of these, the amount of provision for bad debts reversed or recovered during the period is significant:

☐Applicable ☒Not Applicable

(5). Other receivables actually written off during the period

☐Applicable ☒Not Applicable

(6). Top five other receivables with closing balances, by party owed to them

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Name of unit	Nature of payments	Closing balance	age of accounts	Total of closing balance of other receivables Proportion (%)	Closing balance of provision for bad debts
first place	current account	1,006,987,475.74	Less than 1 year, 1-2 years, 2-3 years, 3-4 years	97.34	
(7). Receivables relating to government grants					
second place	payment for goods	14,600,169.96	2-3 years	1.41	14,600,169.96
third place	current account	2,190,000.00	More than 5 years	0.21	2,190,000.00
fourth place	the rest	1,216,000.00	More than	0.12	1,216,000.00

☐Applicable ☒Not Applicable

(8). Derecognition of other receivables due to transfer of financial assets

☐Applicable ☒Not applicable

(9). Amounts of assets and liabilities resulting from the transfer of other receivables with continuing involvement

☐Applicable ☒Not applicable

Other notes:

☐Applicable ☒Not applicable

3. Long-term

equity

Unit: Yuan Currency: RMB

investments

√Applicable □Not applicable	Closing balance			Opening balance		
	Carrying amount	impairment allowance provided or equipment	book value	Carrying amount	impairment allowance provided or equipment	book value
(1). Investments						
To in subsidiaries investors	402,853,106.59		402,853,106.59	399,277,213.39		399,277,213.39
subsidaries						
√Applicable (□Not applicable)	Opening balance		Increase during the period	Decrease during the period	Closing balance	Impairment for the period intend
For associates, joint ventures investors	501,894,475.19		501,894,475.19	448,702,879.37	448,702,879.37	Provision for impairment, end of period balances
add up the total	904,747,581.78		904,747,581.78	847,980,092.76	847,980,092.76	
Fengshen tyres (Taiyuan) has limited company	388,318,468.39				388,318,468.39	
Fengshen tyres (Hong Kong) limited company	4,490,845.00				4,490,845.00	
Aeolus Tyre (Russia) LLC	6,467,900.00				6,467,900.00	
Aeolus Tire (Taiwan) Inc.			3,575,893.20		3,575,893.20	
(2). Investments in associates, joint ventures						
add up the total	399,277,213.39		3,575,893.20		402,853,106.59	

√Applicable □Not

Unit: Yuan Currency: RMB

Unit: Yuan Currency: RMB											
invest- ment unit	Open- ing bal- ance	Increase/decrease during the period								Clos- ing bal- ance	Clos- ing bal- ance of provi- sion for impair- ment
		Ad- ded it- em s in in- vest- ment s	Re- duced it- em s in in- vest- ment s	Gains and losses on investment s recognised under the equity method	Adjustment s to other compre- hensive income	Other changes in equity	Declara- tion of cash divid- end s or profits sleek	mak- e provi- sion for impair- ment	th- e re- st		
I. Joint ventures											

Subtotal										
II. Associated enterprises										
Pirelli tyres (Jiaozuo) has limited company	74,987,085.06			4,391,977.06					79,379,062.12	
Prometeon Tyre Group S.r.l.	373,715,794.31			12,396,269.03	-32,905,518.85	69,308,868.58			422,515,413.07	
Subtotal	448,702,879.37			16,788,246.09	-32,905,518.85	69,308,868.58			501,894,475.19	
add up the total	448,702,879.37			16,788,246.09	-32,905,518.85	69,308,868.58			501,894,475.19	

Other
notes: none

4. Operating income and operating costs

(1). Operating revenues and operating costs

√Applicable Not applicable

Unit: Yuan Currency: RMB

sports event	Current period's incidence		Prior period's incidence	
	incomes	(manufacturing, production etc) costs	incomes	(manufacturing, production etc) costs
Main business	4,690,824,656.77	4,009,522,865.04	5,276,533,387.63	4,783,444,101.15
Other business	629,914,370.85	614,074,345.46	597,239,859.74	577,142,665.20
add up the total	5,320,739,027.62	4,623,597,210.50	5,873,773,247.37	5,360,586,766.35

(2). Status of revenue generated from contracts

□Applicable √Not Applicable

(3). Description of performance obligations

□Applicable √Not Applicable

(4). Description of apportionment to remaining performance obligations

□Applicable √Not Applicable

Other
notes: none

5. Investment income

√Applicable □Not applicable

Unit: Yuan Currency: RMB

sports event	Current period's incidence	Prior period's incidence
Income from long-term equity investments accounted for under the cost method		
Income from long-term equity investments accounted for by the equity method	16,788,246.09	17,447,459.45
Investment income from disposal of long-term equity investments		
Investment income during the period in which		

Interest income earned on debt investments during the holding period		
Interest income earned on other debt investments during the holding period		
Investment income from disposal of financial assets held for trading		
Investment gains on disposal of investments in other equity instruments		
Investment income on disposal of debt investments		
Investment gain on disposal of other debt investments		
Gain on debt restructuring		
Bills discount interest	-5,133,564.92	-15,966,211.61
add up the total	11,654,681.17	1,481,247.84

Other
notes: none

6. Other

☐Applicable ☒Not applicable

xviii. additional information

1. Breakdown of non-recurring gains and losses for the period

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

sport s even t	sum of mon ey	instr uctio ns
Gains and losses on disposal of non-current assets	9,375,037.11	
Tax refunds that are approved beyond authority or without official approval documents, remission		
Government grants recognised in profit or loss (closely related to the business of the enterprise, and provided on a fixed or quantitative basis in accordance with uniform national standards) (other than government grants received)	11,007,410.50	
Funds received from non-financial corporations included in current profit or loss occupancy charge		
The cost of investments in subsidiaries, associates and joint ventures acquired by an enterprise is less than its equity in the investee at the time the investment is acquired. Gain arising from the fair value of identifiable net assets of the Group	219 / 352	
Gains and losses on exchange of non-		

Gains and losses on fair value changes arising from financial assets, financial liabilities for trading, derivative financial liabilities, and gains and losses on disposals of financial assets for trading, derivative financial assets, financial liabilities for trading, derivative financial liabilities and other debt investments investment income		
Receivables, contract assets individually tested for impairment Reversal of provision for impairment	2,683,702.23	
Gains and losses on external entrusted loans		
Investments with subsequent measurement using the fair value model Gains and losses arising from changes in fair value of real estate		
The current tax and accounting laws and regulations are applied to the current Effect of one-time adjustment to profit or loss for the period on profit or loss for the period		
Custodian fee income earned on trusteeship	962,264.15	
Non-operating income and expenses other than those listed above	15,154,668.82	
Other items of profit or loss that meet the definition of non-recurring profit or loss		
Less: income tax effect	6,453,401.79	
Effect of minority interests		
add up the total	33,682,329.14	

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

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

☐Applicable ☒Not Applicable

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 profit attributable to ordinary shareholders of the Company	220 / 352 11	0.12	0.12
Attributable to the Company after extraordinary gains and losses Net profit for ordinary shareholders	1.87	0.07	0.07

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

☐Applicable ☒Not Applicable

4. Other

☐Applicable ☒Not applicable

Chairman:

Wang Feng Board of Directors Approval

Date of Submission: 28 April 2023

revision information

☐Applicable ☒Not Applicable