



# **Guizhou Tyre Co. Annual Report 2022**

**25 April 2023**

## **Section I. Important notes, table of contents and interpretation**

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

The person in charge of the company, Huang Gege, the person in charge of accounting work, Xiong Chaoyang, and the person in charge of the accounting organisation (accounting officer in charge), Zhang Yanjun, declared: to ensure the truthfulness, accuracy and completeness of the financial report in this annual report.

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

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

The Company has described in detail the risk factors that may adversely affect the achievement of the Company's future development strategies and business objectives and the countermeasures to be taken in Section III of this report under the

heading of "XI. Prospects for the future development of the Company", and invites investors to pay attention to them.

Securities Times, China Securities Journal, Shanghai Securities News and Juchao Information Website (<http://www.cninfo.com.cn>) is the information disclosure media selected by the Company. All information of the Company is subject to the information published in the above designated media. Investors are advised to invest rationally and pay attention to risks.

The profit distribution proposal of the Company approved by the Board of Directors is as follows: the total share capital of 1,147,150,612.00 shares after the deduction of the shares in the special securities account for repurchase (63,900 shares) (such number of shares is the number of shares to be repurchased by the Company on 4 April 2023)

On the basis of the number of shares after the completion of the repurchase and cancellation of restricted shares on 11th November, the following amount will be distributed to all shareholders per 10 shares

Cash dividend of RMB2.00 (inclusive of tax) bonus shares of 0 (inclusive of tax) no capitalisation from provident fund.

## **directory (on computer hard drive)**

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## Catalogue of documents available for review

I. A copy of the annual report containing the handwritten signature of the Chairman of the Board of Directors and legal representative of the Company;

II. Accounting statements containing the signatures and seals of the company's legal

representative, the person in charge of accounting work and the head of the accounting

organisation; III. The original audit report containing the seal of the accounting firm and the

signature and seal of the certified public accountant;

IV. The originals of all company documents and announcements that have been publicly

disclosed in the newspapers designated by the China Securities Regulatory Commission

during the reporting period. V. Place where the above documents are available for

inspection: Secretariat of the Board of Directors of the Company.

## an explanation of the meaning of words or phrases

definitional items	depend on	Interpretation content
China securities regulatory commission CSRC	depend on	China Securities Regulatory Commission (CSRC)
Shenzhen Stock Exchange (SZSE)	depend on	Shenzhen Stock Exchange (SZSE)
company law	depend on	Company Law of the People's Republic of China
securities law	depend on	Securities Law of the People's Republic of China
Company, the Company	depend on	Guizhou Tyre Co.
general shareholders' meeting	depend on	General Meeting of Guizhou Tyre Co.
board of directors	depend on	Board of Directors of Guizhou Tyre Co.
Reporting period, current reporting period, current period	depend on	1 January 2022 to 31 December 2022 date
the Yuan or Mongol dynasty (1279-1368)	depend on	Renminbi Yuan (RMB), PRC currency unit

## Section II. Company profile and key financial indicators

### I. Company information

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

### II. Contact person and contact information

	secretary to the board	Securities Representative
name and surname	Jiang Daikun	Chen Yingying
Contacts	Qianlun, Zazuo Industrial Park, Xiwen County, Guiyang City, Guizhou Province, China thoroughfare	Qianlun, Zazuo Industrial Park, Xiwen County, Guiyang City, Guizhou Province, China thoroughfare
telephones	0851-84767251	0851-84767826
telex	0851-84764248	0851-84763651
electronic mailbox	<a href="mailto:jiangdakun@gtc.com.cn">jiangdakun@gtc.com.cn</a>	<a href="mailto:chenyingying@gtc.com.cn">chenyingying@gtc.com.cn</a>

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

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

#### IV. Changes in registration

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



## V. Other relevant information

Accounting firm engaged by the Company

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

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

☒Applicable ☐Not applicable

Name of Sponsor	Sponsor's office address	Name of Sponsor Representative	Period of continuous supervision
Guosen Securities Co.	Guoxin, Fuhua 1st Road, Futian District, Shenzhen Finance Tower 35th floor	Li Dongfang, He Yi	30 May 2022 to 2023 31 December 2009

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

☐ Applicable ☒ Not applicable

## VI. Key accounting data and financial indicators

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

Yes ☒No

	2022	2021	Increase/decrease in the current year over the previous year	2020
Operating income (\$)	8,439,860,381.14	7,339,279,211.48	15.00 per cent	6,808,729,456.34
Attributable to shareholders of the listed company Net profit of (\$)	428,788,029.37	369,734,591.17	15.97 per cent	1,138,469,209.25
Attributable to shareholders of the listed company net of non-recurring gains and losses Net profit of (\$)	404,259,489.06	263,340,105.46	53.51 per cent	597,259,830.32
Cash generated from operating activities Net flows (\$)	-111,112,685.19	285,812,968.69	-138.88 per cent	1,659,357,744.01
Basic Earnings Per Share (RMB/ (Unit)	0.38	0.40	-5.00 per cent	1.47
Diluted earnings per share (\$/ (Unit)	0.33	0.39	-15.38 per cent	1.43

## Guizhou Tyre Company Limited Annual

Weighted average return on net assets hasty	6.89 per cent	6.46%	0.43 per cent	27.04 per cent
	End of 2022	End of 2021	Increase/decrease at the end of the year over the end of the previous year	End of 2020
Total assets (\$)	15,761,578,522.54	12,875,731,596.92	22.41 per cent	11,516,227,987.83
Attributable to shareholders of the listed company of net assets (\$)	6,450,076,995.71	5,916,887,663.05	9.01 per cent	4,870,125,631.95

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

Yes ☒ No

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

Yes ☒ No

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

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

☐ Applicable ☒ Not applicable

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

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

☐ Applicable ☒ Not applicable

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

## VIII. Quarterly key financial indicators

Unit: Yuan

	first quarter (of financial year)	second quarter (of financial year)	third quarter (of financial year)	fourth quarter (of financial year)
revenues	1,863,050,378.19	2,086,441,496.53	2,302,045,465.46	2,188,323,040.96
Attributable to shareholders of the listed company net profit	56,264,792.41	103,883,408.97	95,280,491.04	173,359,336.95
Attributable to shareholders of the listed company net of non-recurring gains and losses net profit	54,001,759.48	104,201,024.20	111,517,805.73	134,538,899.65
Cash generated from operating activities Net flow	-7,781,778.91	-206,009,358.21	149,601,472.10	-46,923,020.17

Whether the above financial indicators or their sums are materially different from the relevant financial indicators in the

Company's disclosed quarterly reports and half-yearly reports

Yes ☒ No**IX. Items and amounts of non-recurring gains and losses**☒Applicable ☐Not applicable

Unit: Yuan

sports event	2022 Amount	2021 Amount	2020 Amount	instructions
Gains and losses on disposal of non-current assets (including provision for impairment of assets) (Elimination of portion of provision for value)	-14,123,919.38	95,706,755.08	692,902,640.08	
Government grants recognised as current profit or loss (closely related to the Company's normal business operations, in line with national policies and in accordance with quota or fixed amount according to a certain standard)	21,597,508.45	30,950,545.73	15,896,320.72	

Continued government subsidies (except for assistance)				
Business restructuring costs, such as expenditures for relocating employees, integrating cost			-59,570,988.17	
Except for the effective hedging business related to the Company's normal operations, gains and losses from changes in fair value of financial assets and liabilities held for trading and disposal of financial assets and liabilities held for trading and available-for-sale are recognised in the consolidated financial statements. Investment income earned	22,001,550.00	12,957,000.00	13,873,393.15	
Transfer of provision for impairment of receivables individually tested for impairment classifier for a chapter in old Chinese fictional novels	1,722,169.02			
Other than the above Other non-operating income and expenses	-1,558,787.00	-2,573,215.11	-25,584,450.52	
Less: income tax effect	5,109,980.78	30,646,599.99	96,307,536.33	
add up the total	24,528,540.31	106,394,485.71	541,209,378.93	—

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

☐ Applicable ☒ Not applicable

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

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

☐ Applicable ☒ Not applicable

There are no instances where the Company defines items of non-recurring gains and losses listed in "Interpretative

Announcement No. 1 on Information Disclosure by Companies Issuing Public Securities - Non-recurring Gains and Losses" as items of recurring gains and losses.

## Section III. Management discussion and analysis

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

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

In 2022, tyre industry was hit by many unfavourable factors such as economic downturn, geopolitical conflicts, poor logistics, continuous cost increase, and downward consumption due to high inflation abroad, and the market demand was weak, and the industry's overall capacity utilisation rate was not high, and the output declined. According to the data released by the National Bureau of Statistics, China's cumulative output of tyre outer tyres in 2022 was 856 million, down 5 % year-on-year. In terms of export, according to the data released by the General Administration of Customs, China exported 552.55 million new pneumatic rubber tyres in 2022, a year-on-year decline of 6.6%; the export weight was 7.36 million tonnes, a year-on-year increase of 5.1%, and the export value was RMB 125.73 billion, a year-on-year increase of 16.5%. On the whole, the quantity of products declined, but the weight and value of exports increased due to the structure of exported products and changes in the exchange rate.

Upstream of the tyre industry, prices of synthetic rubber and other products fluctuated around 2021 due to the impact of high crude oil prices; carbon black was affected by the price of its raw material, coal tar.

The price has risen sharply. On the downstream side, according to the data released by China Association of Automobile Manufacturers, the production and sales of automobiles in 2022 will complete 27.021 million units and 26.864 million units respectively, with a year-on-year growth of 3.4% and 2.1%. Among them, the production and sales of commercial vehicles will complete 3.185 million units and 3.3 million units respectively, down 31.9% and 31.2% year-on-year. Commercial vehicles were affected by the demand overdraft under the policies of environmental protection and overload control in the early period, coupled with poor logistics, including the impact of high oil prices and other factors, the overall demand slowed down. According to the information on the website of China Construction Machinery Association, the key enterprises contacted by the Association fast statistics, the main products of the construction machinery industry sales in 2022 than in 2021 there was a significant decline. Excavator sales of 261,000 units, down 23.8% year-on-year; loader sales of 123,000 units, down 12.2% year-on-year; truck cranes 259,000 units, down 47.2 per cent; industrial vehicles, 1.048 million units, down 4.68 per cent; up from 2021 are products such as elevated work platforms, wide-body trucks, bulldozers and graders.

Among them, 196,200 units of elevated work platforms will be sold in 2022, representing a year-on-year growth of 22.5%.

2022 international and domestic environment is severe, but the tyre industry to overcome the supply chain is not good, rising costs and weak market demand and other multiple adverse impacts, in the difficulties to seek a breakthrough, seize the opportunity brought about by the development of new energy automobile industry, through strengthening innovation, adjusting the product structure, strengthen the industry chain synergies, and other measures, showing a

certain degree of resilience. Advanced enterprises in the industry have strengthened the construction of intelligence and information technology to improve production efficiency; strengthened the research and development of high-end products and adjusted the product structure; and strengthened the construction and research and development of green factories and green products in accordance with the national "dual-carbon" strategy to walk out of the road of greening, high-end and sustainable development of Chinese tyres. During the reporting period, the overall operation of the Company was in line with the overall development trend of the tyre industry.

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

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

The company is mainly engaged in the research and development, production and sales of commercial tyres, registered trademarks are "Advance", "Doris", "Jinhu", "King Kong". The main products are highway tyres (truck tyres), off-road tyres (construction machinery tyres, agricultural machinery tyres, industrial vehicle (including solid) tyres and special tyres (such as heavy-duty off-road tyres, light-rail walking tyres, desert transport tyres, etc.)), two categories of five series of products, the domestic commercial tyres specification varieties of tyres more complete tyre manufacturing enterprises. It is one of the domestic tyre manufacturers with a complete range of commercial tyre specifications. The market mainly includes replacement market, supporting market and group customers, etc. The products are sold to all provinces and cities in China and more than 130 countries and regions abroad. It has established supporting relationships with many famous enterprises at home and abroad. In March 2023, China Rubber magazine ranked 8th in the "2022 China Tyre Enterprises Ranking" based on the total sales revenue of Chinese tyre enterprises in domestic and overseas tyre business in 2021.



After being awarded "National Green Factory" and "Model Enterprise of Green Design for Industrial Products" by the Ministry of Industry and Information Technology in 2021, the company has made some progress in green development. 12R22.5 specification series products were selected as "2021 Green Design Products List" by the Ministry of Industry and Information Technology in January 2022; GHA/GL278A/GL518A pattern series products were awarded the first batch of "China Green Design Products" in October 2022. In January 2022, 12R22.5 specification series products were selected as "2021 Green Design Products List" by the Ministry of Industry and Information Technology; in October 2022, GHA/GL278A/GL518A pattern series products were awarded the first batch of "China Green Product Certification"; in June 2022, GHA/GL278A/GL518A series products were awarded "Guizhou Key Energy Consumption Unit". In June 2022, GHA/GL278A/GL518A pattern series products were awarded the first "China Green Product Certificate".

#### 1、The main business model of the company

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

##### (1) Procurement model:

Raw materials for the company's production mainly include natural rubber, synthetic rubber, steel cord, nylon cord fabric and carbon black, etc., which are mainly procured through offline inquiry and price comparison, the establishment of strategic partnership with suppliers, and bidding on the state-accredited third-party Internet procurement platform, etc. The company adheres to the principles of price priority within the framework of supplier qualification certification and local and proximate proximity, and strictly enforces the procurement approval procedures to comprehensively implement "zero" inventory management of raw materials. "Zero" inventory management is fully implemented for raw materials. In terms of pricing, the Company adopts various flexible pricing strategies, such as bidding and procurement pricing, strategic cooperation pricing, and pricing based on open market prices, according to the market characteristics of different types of raw materials, so as to effectively control the procurement costs.

##### (2) Production model:

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

The company's current level of intelligence, automation and informationisation is already at an advanced level in China. With the production experience accumulated in the tyre industry for many years, the company carries out in-depth research and comprehensive promotion in intelligent manufacturing, etc. In February 2021, the company and

China Unicom jointly built a customized "5G fully-connected factory" project to complete the acceptance, and it became the first fully-connected factory in Guizhou Province. In June 2022, the "5G Fully Connected Factory Construction" project of the company was selected as a provincial-level integration benchmark project in 2021 for the "Integration of Ten Thousand Enterprises" action in Guizhou Province; in September 2022, the "Guizhou Tyre 5G Fully Connected Factory" was awarded the "Blooming Cup" of the Fifth China National Tire and Rubber Industry Association (CNTIA), sponsored by the Ministry of Industry and Information Technology. In September 2022, "Guizhou Tyre 5G Fully Connected Factory" won the Excellence Award of the 5th "Blooming Cup" 5G Application Collection Competition organised by the Ministry of Industry and Information Technology. Meanwhile, the Company has established and fully implemented the GTPS (Lean Management) system, which promotes the improvement of the level of lean management and all-round improvement of production management, quality control and cost control.

### (3) Sales model:

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

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

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

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

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

The tyre industry has the characteristics of capital-intensive, technology-intensive, labour-intensive and more obvious economies of scale. With years of development, China has become the first big country of tyre production, the tyre industry has built a variety of specifications, series, complete products of the complete industrial system. Domestic tyre industry after rapid development and fierce market competition, has been in a relatively mature stage of development. Overall, the domestic tyre industry presents the following characteristics: (1) rapid growth in industrial scale and increasing industry concentration; (2) increasing competitiveness in the international tyre market; (3) structural overcapacity and fierce competition between low-end and middle-end products; (4) accelerated demand for lightweight tyres, low rolling resistance, long mileage, and high retreading; (5) technological advances, brand building and innovation in business concepts still have a certain gap compared to that of international tyre giants.

### 3、The cyclical characteristics of the industry to which the company belongs

Tyre downstream market is mainly divided into supporting market and replacement market, of which the supporting market is directly related to the production and sales of automobiles, construction machinery, agricultural machinery, etc., and has a high consistency with the macroeconomic fluctuations; the replacement market is directly related to the ownership of automobiles, construction machinery, agricultural machinery, etc., and in view of the huge amount of domestic and foreign ownership, the demand for tyres has a strong rigidity, so the replacement market is not a significant cyclical feature.

### 4、Key performance drivers of the industry to which the company belongs

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

(1) Downstream market demand: tyres as automobiles, construction machinery, agricultural machinery and other industries supporting products, by the economic restructuring and the above downstream industries have a greater impact, if the downstream industry production and sales of products to increase or domestic infrastructure construction investment to speed up the progress of the increase in the amount of highway cargo transport, ports, mines and other industries in the work rate at a high level, will drive the tyre production and sales, thus laying a good market foundation for the tyre sales. Good market foundation for tyre sales. On the contrary, if the downstream industry continues to be in the doldrums, it will directly lead to the tyre industry to start the rate of insufficient, fierce price competition, profitability decline.

(2) Raw material prices: the main raw materials for tyres are natural rubber, synthetic rubber and carbon black, which account for about 65% of the cost of raw materials. As a commodity futures trading varieties, natural rubber is affected by both the traditional supply and demand structure, but also by the capital market funds to promote the impact; synthetic rubber is mainly driven by the price of crude oil and natural rubber; carbon black is mainly affected by the demand for coke and steel. Lower raw material purchase prices are conducive to cost control in the tyre industry. Conversely, it will lead to higher tyre production costs and a decline in gross margins.

(3) Internal management: After years of development, the automation and intelligence level of the tyre industry

has achieved a relatively large increase, but still belongs to the relatively labour-intensive manufacturing industry, the staff's operating skills, process implementation rate will have an impact on the quality of products, labour productivity, quality costs and internal costs and expenses, but also on the company's performance to have a certain impact.

#### 5、The company's main products and use

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

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

( 3 ) Tyres for agricultural machinery: this is an important product line for market segmentation, and is an important component and means of production for agricultural production. They are tyres specially designed and manufactured according to the characteristics of agriculture and the special requirements of various operations, such as tyres for soil-tillage machinery, tyres for planting and fertilizing machinery, and tyres for plant protection machinery,

Crop harvesting machinery tyres, animal husbandry machinery tyres, etc. The product classification includes ordinary bias tyres and agricultural radial tyres.

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

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

Procurement pattern of major raw materials

Unit: Yuan/Kg

Main raw materials	Procurement modalities	Procurement as a percentage of total procurement Proportion of amount	Whether the settlement is issued landmark	Average price for the first half of the year	Average price for the second half of the year
natural rubber	Long-term contractual purchases versus spot Online competitive procurement	32.13 per cent	clogged	13.09	12.51
synthetic rubber	Long-term contractual purchases versus spot Online competitive procurement	14.16 per cent	clogged	13.21	12.50
soot	Spot Online Bidding and Purchasing purchase	19.59 per cent	clogged	9.01	9.95
steel cord	Spot Online Bidding and Purchasing purchase	10.18 per cent	clogged	12.15	11.50

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

During the reporting period, the prices of the Company's major raw materials, except for carbon black, were fluctuating around 2021. Coal tar, the raw material of carbon black, is a by-product of coke production. The decrease in

demand for coke due to the downturn in demand for iron and steel has led to a decrease in the output of coal tar, which in turn has caused a substantial increase in the price of carbon black. For details of the impact of raw materials on operating costs, please refer to "Section IV.2(5) Operating Cost Composition".

Energy purchase prices account for more than 30 per cent of total production costs

☐ Applicable ☒ Not applicable

Reasons for significant changes in major energy types

The company actively responds to the national "double-carbon" strategy, develops a circular economy and implements a carbon black project with an annual output of 50,000 tonnes. The tail gas produced in the process of carbon black production is used for combustion.

boilers, reducing raw coal consumption. After the carbon black project has been put into production, the raw coal used in the domestic factory of the Company has been reduced by 26,809.40 tonnes compared with that of the previous year, and the proportion of exhaust gas in the boiler's energy consumption has been close to 45% at present. The second phase of the company's carbon black project with an annual output of 50,000 tonnes is in active progress. After the project is completed, it will further increase the self-sufficiency rate of the company's carbon black and reduce the consumption of raw coal at the same time.

Production technology of main products

Main products	Stage of production technology	Core technical staff	patented technology	Product R&D Advantage
tyres	large-scale production	Core technical staff are all employees of our company	Total number of technology patents in force 180 (including 12 patents for inventions) Patents and utility model patents 62 Design patents 106 (item)	See section III, "Management discussion and analysis", "III. Analysis of core competencies" for details

## Production capacity of major products

Main products	Designed capacity	Capacity utilisation	Capacity under construction	Investment in construction
tyres	8,751,500 (average annual capacity) 9.2 million bars (year-end capacity)	82.79 per cent	1. "Intelligent Manufacturing Project of All-steel Engineering Radial Tyre with an Annual Output of 380,000 Sets" in China; 2. "High Performance All-steel Radial Tyre Project with an Annual Output of 950,000 Pieces" in Vietnam.	The first phase of the project with an annual capacity of 1.2 million load radial tyres in Vietnam has gradually formed incremental production capacity, and reached the designed capacity at the end of June 2022 after capacity testing. During the reporting period, the Company also added new production capacity of agricultural radial tyres, construction machinery tyres and pneumatic industrial tyres by way of filling in equipment, and at the same time eliminated part of the backward production capacity. The total capacity is 9.2 million bars.

## Product categories in major chemical parks

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

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

☒Applicable ☐Not applicable

2022 Newly acquired "Technology Centre Laboratory Expansion Project", "Phase II Project of Intelligent Manufacturing of Agricultural Radial Tyres, Small and Medium Engineering Tyres and Large Engineering Tyres",

Approval of EIA for "Industrial CT Construction Project", "Relocation of an X-ray Flaw Detection Machine and Nuclear Technology Utilisation Project", "Intelligent Manufacturing Project with Annual Output of 0.38 Million All-Steel Engineered Radial Tyres", "New Annual Output of 0.3 Million Sets of Small-sized Industrial Tyres Project", "Self-produced Fibre Adhesive Construction Project". Completed the Relocation Project of Dangerous Goods Depot of Petrol Station, All-steel radial tyre relocation project", "All-steel radial tyre relocation project smoke treatment project", "All-steel small and medium-sized engineering tyre intelligent manufacturing phase II project",

Completion of the environmental protection acceptance of the All-steel Radial Giant Engineering Tyre Intelligent Manufacturing Project, the Agricultural Radial Tyre Intelligent Manufacturing Phase I Project, the Recycled Rubber

Recycling Project, the 40-tonne Tailgas Boiler Comprehensive Utilisation Project, the Solid Tyre Expansion Project and the 50,000-tonne Annual Carbon Black Production Project.

Irregular production stoppage of listed companies during the reporting period

☐ Applicable ☒ Not applicable

Status of relevant approvals, licences, qualifications and validity periods

☒ Applicable ☐ Not applicable

serial number	Qualification Name	sell-by date	holder
1	ISO9001:2015 Certificate	Until 6 July 2024	firms
2	IATF16949:2016 Management System (Design and Manufacture of Radial Tyres) Certification certificates	Until 20 May 2024	firms
3	ISO14001:2015 Environmental Management System Certification	Until 6 August 2024	firms
4	ISO45001:2018 Occupational Health and Safety Management System Certification	Until 11 August 2025	firms
5	Measurement Management System Certification	To 10 November 2025	firms
6	Energy Management System Certificate	Until 5 January 2026	firms
7	Laboratory accreditation by China National Accreditation Service for Conformity Assessment (CNAS)	To 3 July 2028	firms
8	Low Carbon Product Certification (12R22.5 18PR GHA) Product meets the requirements of NPVC-LC-TS0007-2016 requirements)	Until 11 October 2024	firms



serial number	Qualification Name	sell-by date	holder
9	China Green Product Certification (Pattern GHA, GL278A, GL518A Some specifications) (Meeting the requirements of GB/T 40718-2021)	To 23 October 2027	firms
10	Certificate of rating of dual-chemical integration management system (Grade A)	20 August 2024	firms
11	emission permit	To 24 February 2026	firms
12	High-tech enterprises	2021-2023 (after expiry) (Application will be pursued)	firms
13	Radiation Safety Licence (Certificate No.: QianHuanRadiationCertificate[00075])	To 30 June 2026	firms
14	Customs import and export consignee and consignor record receipt	long term	firms
15	DOT Certificate	long term	firms
16	EU product certification	long term	firms
17	Gulf Product Certification	Valid for 1 year (expiry of application)	Guizhou tyre import and export limited company
18	Compulsory Product Certification	Certificate valid for 5 years	firms
19	Brazilian Product Certification	To 2027	firms
20	Customs import and export consignee and consignor record receipt	long term	Guizhou Tyre Import and Export Corporation limited company
21	Certificate of Registration of Customs Brokerage Unit of the People's Republic of China	long term	Guizhou Advance Tyre Investment limited liability company
22	emission permit	To 21 December 2026	Guizhou Advance New Material limited liability company
23	ISO9001:2015 Certificate	To 29 December 2024	Advance Tyres (Vietnam) limited liability company

Engaged in oil processing, oil trading industry

Yes ☒ No

Fertiliser industry

Yes ☒ No

Pesticide industry

Yes ☒ No

Engaged in chlor-alkali and soda ash industry

Yes ☒ No

### III. Analysis of core competencies

#### 1、Leading product research and development capability

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

On the basis of the technical "gene" inherited since the establishment of the factory in 1958, we continue to increase innovation according to the market demand, and continue to develop new technical fields.

The company possesses independent intellectual property rights in production and manufacturing. The company has mastered the key technologies of tyre research and development, design and production which are at the advanced level in China, and has presided over and participated in the formulation of national and international standards in the past three years.

There are 29 national standards, 180 patents for self-developed technologies (including 12 invention patents, 62 utility model patents and design patents) in force.

(106 items). The key technology mastery rate of the leading products has reached 100 per cent, and the products are entirely produced with self-developed technologies.

Relying on the company's strong R & D, technical strength, in recent years the company's main products in the industry in a leading position, some of the main performance indicators of the product reached the international advanced level.

## 2、Excellent product hard power

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

The company developed the rail tyre in 2006 to fill the domestic blank, become the world's third China's first manufacturer with the technology, the product was named the national important

Through nearly 20 years of continuous technological precipitation and innovation, the technology has been in the leading level of the industry.

In the field of TBR, the Speed high-end series products, which have been in production for many years, are the first products in China to increase the mileage of a single tyre to 500,000 kilometres, and while maintaining the original performance of high abrasion resistance and anti-bias wear, they have been further optimized to reduce the heat of tyre operation and enhance the comfort performance, and the products have been highly praised by the users.

The **3Prosuper** series of products launched in recent years is the crystallisation of the comprehensive application of the company's latest research and development technologies. The products are made of independently researched and developed new formulated materials, the company's unique "infinite band of steel wire with bundled layers of winding" core safety technology and new mixing technology, which has significant ultra-safety, ultra-wear-resistant, It has remarkable features of ultra-safety, ultra-wear-resistance and ultra-fuel-saving.

In 2022, the self-developed EV series tyres will meet the domestic green tyre performance requirements in terms of noise, rolling resistance and wet slip performance, and will be able to provide better grip under the high torque and high load of new energy vehicles, reduce skidding during start-up and braking, and provide vehicles with more reliable handling performance, save more energy consumption, **and provide drivers with** a more comfortable driving

environment.

The company as a domestic earlier launch of agricultural radial tyres and agricultural tyre product series more complete manufacturers, in recent years, according to agricultural machinery to large-scale, automation, multi-functional development of the direction of in-depth cooperation with the host manufacturers, and constantly through technological innovation to develop high-quality development of products suitable for the modernization of agriculture, successively launched the R-1W, AR100, AR1200, AR2000 and other agricultural Radial tyre products, in September 2022 in China Academy of Agricultural Machinery, Hubei Province Agricultural Business Development Centre hosted **the** **“2022 10th China Agricultural Machinery High-end Forum and 2021 China Agricultural Machinery Annual TOP50 + Award Ceremony”** won the **“2021 China Agricultural Machinery Annual TOP50 + Outstanding Supporting Equipment”** with an excellent overall score. The company was awarded **“2021 China Agricultural Machinery Annual TOP50+ Excellent Supporting Supplier”** with excellent overall rating.

### 3. Improvement of effective quality assurance capacity

The company has established a perfect and effective quality management system according to ISO9001:2015, GJB9001C-2017, IATF16949:2016 standards. The quality information management platform has been established in the company's information system, where the quality data from raw material inspection and release, process manufacturing to finished product inspection are collected, analysed and formed into quality charts in real time, so as to provide early warning, systematic and timely correction and improvement of fluctuation of key quality characteristics. The company actively carries out QC group activities and applies the concept of QC activities in quality management, production and operation management. Since the full implementation of lean production in 2020, employees have widely applied quality tools and methods such as 5why, 5W2H, OPL, QRPS, etc., and the ability of applying quality tools and methods has further improved, with remarkable quality improvement results. Since the introduction of Six Sigma methodology in 2022, the company has implemented the Lean Six Sigma project in the company's manufacturing system, advocated the Six Sigma quality culture, scientific management, and striving for excellence, the company has continuously improved the quality assurance capability of the design and manufacturing process, and the product quality has been steadily improved.

### 4. Domestic and foreign "double base" layout

With the commissioning of the first phase of the Vietnam base, the company's "dual-base" layout has taken a solid step forward. The company's products are mainly exported to the United States, Europe, Australia, Brazil, India, Southeast Asia, the Middle East and other more than 130 countries and regions around the world, the implementation of the international layout can better meet the needs of different regional markets, can reduce the international market on the domestic base of Chinese tyres away from the raw material supply market and the export market of the products, "both ends are out of sight". The implementation of international layout can better meet the needs of different regional markets, reduce the disadvantages of the international market on the domestic base of Chinese tyres away from the raw material supply market and product export market "both ends are outside", enhance the resilience of the supply of products, reduce the impact of the international market on the establishment of trade barriers to Chinese tyres, and improve the company's overall market influence and competitiveness.

#### 5、Perfect lean management system

Based on the strategic development positioning of "internationalisation, intelligence, greening, and being a global leader in commercial tyres", the company has comprehensively built a lean management system (GTPS) for the purpose of management modernisation and connotative development. In order to achieve modernisation of management and internal development, the company has established a comprehensive lean management system (GTPS), which aims to meet the target of international first-class lean management level, comprehensively establish, implement and maintain lean work standards and lean capability evaluation standards, systematically promote and apply lean production tools and methods, and effectively reveal the potential space for quality, cost and efficiency improvement.

Our GTPS is deeply integrated with information technology and intelligence, and we have set up information technology systems such as MES (Manufacturing Execution System) and APS (Advanced Planning and Scheduling System), and invested in automation equipments such as manufacturing robots, fully automated vulcanising machines, automatic guided vehicles, rail guided vehicles, and stacking three-dimensional warehouses, so as to realize the automation management of the whole process from small materials, film to large parts, forming, vulcanising, testing, and warehousing, and further improve and optimize the staffing and operating costs. In February 2021, the Company completed the acceptance of the "5G Fully Connected Factory" project, becoming the first 5G Fully Connected Factory in Guizhou Province. At the Guizhou Province 5G Application Scenario Observation Meeting in 2022, the Company's 5G Fully-Connected Factory was awarded the title of Guizhou Province 5G Application Scenario Demonstration Project by the Guizhou Province 5G Development Leading Group Office.

According to the company's "14th Five-Year Plan" and the "Cost Reduction and Efficiency" three-year action plan, through a series of measures such as industry benchmarking, supply chain integration, process re-engineering, process changes, etc., the company will realise the halving of material and energy consumption, and the

overall improvement of product quality consistency.

During the reporting period, there were no significant changes in the core management team and key technical personnel of the Company.

## IV. Main business analysis

### 1. Overview

In 2022, by the economic downturn, poor logistics and other factors, the tyre end market, especially all-steel radial tyres (truck tyres) demand is not vibrant, while superimposed on the Russian-Ukrainian conflict, the Fed interest rate hike spillover effect caused by weak demand, lack of confidence in economic recovery, the global supply chain is not stable raw materials, energy prices, etc., the tyre industry in the macro-environment is more severe, capacity Underutilization rate, operating pressure to increase the operating reality of most tyre manufacturers.

In the face of difficulties and challenges, all the staff of the company united and worked hard, insisted on the goals and countermeasures set at the beginning of the year, accelerated the construction of the "double base" and the "three-year action" plan to reduce costs and increase efficiency, and continued to implement the product structure adjustment, despite the lack of capacity utilisation of truck tyres, but thanks to the relatively stable production and sales of off-road tyres and the growth of the export market, the company achieved better results. Although the capacity utilisation rate of truck tyres is insufficient, thanks to the relatively stable production and sales of off-highway tyres and the growth of the export market, the company has achieved good results. 2022, the company completed the production of 7,245,100 tyres, an increase of 0.97% over the previous year; completed the sales of 7,130,000 tyres, an increase of 2.13% over the previous year; achieved an operating income of 8,439,860,400 yuan, an increase of 15.00% over the previous year; achieved an operating income of 8,439,860,400 yuan, an increase of 15.00% over the previous year. Achieved operating income of 843,986.04 million yuan, an increase of 15.00% over the previous year; achieve net profit attributable to shareholders of listed companies 42,878.80 million yuan, an increase of 15.97% over the previous year.

### 2. Revenue and costs

#### (1) Composition of operating income

Unit: Yuan

	2022		2021		Year-on-year increase/decrease
	sum of money	Share of operating revenue	sum of money	Share of operating revenue	
Total operating income	8,439,860,381.14	100%	7,339,279,211.48	100%	15.00 per cent
subsector					
Main business	8,395,083,935.92	99.47 per cent	7,273,373,083.40	99.10%	15.42 per cent
Other business	44,776,445.22	0.53 per cent	65,906,128.08	0.90 per cent	-32.06 per cent
by product					
tyres	8,356,440,385.42	99.01 per cent	7,231,497,557.51	98.53 per cent	15.56 per cent
kneaded rubber	38,643,550.50	0.46%	41,875,525.89	0.57 per cent	-7.72 per cent
Other business	44,776,445.22	0.53 per cent	65,906,128.08	0.90 per cent	-32.06 per cent
subregion					
internal (a country)	5,616,714,120.78	66.55 per cent	5,334,211,288.30	72.68 per cent	5.30 per cent
external (affairs)	2,823,146,260.36	33.45 per cent	2,005,067,923.18	27.32 per cent	40.80 per cent
subsals model					
form a complete set	1,702,047,615.04	20.17 per cent	1,598,201,269.96	21.78 per cent	6.50 per cent
the rest	6,737,812,766.10	79.83 per cent	5,741,077,941.52	78.22 per cent	17.36 per cent

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

☒Applicable ☐Not Applicable

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

Unit: Yuan

	revenues	business costs	gross margin	Operating income was higher than the previous year Year-on-year increase/decrease	Operating costs compared to the previous year Year-on-year increase/decrease	Gross profit margin over prior year Increase/decrease over the same period
subsector						
Main business	8,395,083,935.92	7,010,566,250.32	16.49 per cent	15.42 per cent	14.14 per cent	0.94 per cent
by product						
tyres	8,356,440,385.42	6,973,374,798.74	16.55 per cent	15.56 per cent	14.20 per cent	0.99 per cent
kneaded rubber	38,643,550.50	37,191,451.58	3.76 per cent	-7.72 per cent	2.86 per cent	-9.89 per cent
subregion						

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internal (a country)	5,571,937,67 5.56	4,731,981,29 9.91	15.07 per cent	5.76 per cent	6.30 per cent	-0.43 per cent
external (affairs)	2,823,146,26 0.36	2,278,584,95 0.41	19.29 per cent	40.80 per cent	34.76 per cent	3.62 per cent

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

☐ Applicable ☒ Not applicable

Unit: Yuan



Diethylammonium chloride	production capacity	sales volume	Revenue realisation	Selling price during the reporting period tendency	Reason for change
tyres	7,245,109	7,130,043	8,356,440,385.42	Tyre unit price in the first half of the year 1,136.78/ The unit price of tyres in the second half of the year was RMB 1,204.86. /bar, the unit price of tyres is presented Uptrend.	The unit price of tyres sold was adjusted appropriately due to the increase in the company's costs.

Operating revenues or net profits generated from overseas operations accounted for more than 10% of the audited operating revenues or net profits of the company in the most recent fiscal year.

☒Yes ☐No

Name of offshore business	Specific situations in which it has been carried out	Tax policy on foreign operations during the reporting period of the Convention on the Rights of the Child	Corporate response
Tyre exports	The company's export business achieved better performance in 2022. Export revenue will increase by 40.80% compared with the previous year, accounting for 40.80% of the company's total revenue. 33.45 per cent.	There were no significant changes in tax policy during the reporting period.	Not applicable.

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

☒Yes ☐No

Industry Classification	sports event	unit (of measure)	2022	2021	Year-on-year increase/decrease
tyres	sales volume	clause (of law or treaty)	7,130,043	6,981,589	2.13 per cent
	production volume	clause (of law or treaty)	7,245,109	7,175,571	0.97 per cent
	stockpile	clause (of law or treaty)	780,892	632,402	23.48 per cent

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

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

**(5) Operating cost components**

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Unit: Yuan

Industry Classification	sports event	2022		2021		Year-on-year increase/decr ease
		sum of money	As a percentage of operating costs repetition	sum of money	As a percentage of operating costs repetition	
tyres	makings	5,422,939,874.47	77.77 per cent	4,787,505,738.49	78.41 per cent	13.27 per cent
tyres	propulsion	299,387,650.11	4.29 per cent	218,113,578.60	3.57 per cent	37.26 per cent

tyres	manually	528,593,616. 07	7.58 per cent	455,984,915. 98	7.47 per cent	15.92 per cent
tyres	depreciations	314,902,131. 09	4.52 per cent	225,880,023. 95	3.70 per cent	39.41 per cent
tyres	manufacturing cost	181,409,230. 88	2.60 per cent	203,507,412. 13	3.33 per cent	-10.86 per cent
tyres	freight fee	226,142,296. 10	3.24 per cent	215,106,615. 35	3.52 per cent	5.13 per cent

instructions

- (i) Cost of materials increased by 13.27% over the previous year, mainly due to the increase in consumption and price of raw materials;
- (ii) Power costs increased by 37.26% compared to the previous year, mainly due to the increase in production volume and the rise in unit price of electricity;
- (iii) Labour costs increased by 15.92 per cent over the previous year, mainly due to an increase in salaries and benefits;
- (iv) Depreciation expense increased by 39.41 per cent over the previous year, mainly due to the increase in fixed assets;
- (5) Manufacturing costs decreased by 10.86 per cent compared with the previous year, mainly due to the decrease in the cost of machinery and materials and maintenance;
- (vi) Freight costs increased by 5.13 per cent compared with the previous year, mainly due to an increase in sales volume.

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

Yes ☒ No

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

☐ Applicable ☒ Not applicable

#### (8) Major Sales Customers and

##### Major Suppliers of the Company

Total sales to top five customers (\$)	872,285,771.63
Percentage of aggregate sales to total annual sales from top five customers	10.33 per cent
Ratio of related party sales to total annual sales among sales to top five customers	0.00 per cent

Information on the company's top 5 customers

serial number	Client Name	Sales (\$)	Percentage of total annual sales
1	Client 1	334,894,130.16	3.97 per cent

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2	Client 2	194,365,438.66	2.30 per cent
3	Client 3	128,982,428.80	1.53 per cent
4	Client IV	113,229,949.57	1.34 per cent
5	Client 5	100,813,824.44	1.19 per cent
add up the total	—	872,285,771.63	10.33 per cent

Other notes on major clients

☒Applicable ☐Not applicable

The top five customers do not have any connected relationship with the Company, and the Company's directors, supervisors, senior management, core technical personnel, shareholders holding more than 5% of the shares, de facto controllers and other connected parties do not have any direct or indirect interests in the top five customers.

#### Major suppliers of the company

Total purchase amount from the top five vendors (\$)	1,858,192,702.06
Proportion of total annual purchases from the top five vendors overall	33.42 per cent
Proportion of purchases from related parties in purchases from the top five suppliers to total annual purchases	0.00 per cent

#### Information on the company's top 5 suppliers

serial number	Supplier Name	Purchase amount (\$)	Percentage of total annual procurement
1	Supplier I	816,815,325.32	14.69 per cent
2	Supplier II	416,433,734.98	7.49 per cent
3	Supplier III	286,566,063.75	5.16 per cent
4	Supplier IV	193,086,233.66	3.47 per cent
5	Supplier V	145,291,344.35	2.61 per cent
add up the total	—	1,858,192,702.06	33.42 per cent

#### Other information notes for major vendors

☒Applicable ☐Not Applicable

The top five suppliers do not have any relationship with the company, and the company's directors, supervisors, senior management, core technical personnel, shareholders holding more than 5% of the shares, de facto controllers and other related parties do not directly or indirectly have interests in the top five suppliers. Zhangjiagang Junma Steel Cord Co., Ltd. newly entered as the company's fifth supplier, mainly due to the company's annual production capacity of 50,000 tonnes of carbon black project completed and put into operation, part of the carbon black by the subsidiary company to provide, Jiangxi Black Cat Carbon Black Co., Ltd. to reduce the supply of the company's withdrawal from the top five suppliers.

### 3. Costs

Unit: Yuan

	2022	2021	Year-on-year increase/decrease	Description of significant changes
sales expense	312,187,803.85	250,728,847.76	24.51 per cent	
overheads	391,144,211.33	360,333,583.82	8.55 per cent	
financial cost	-47,667,051.00	33,186,633.95	-243.63 per cent	The exchange rate of the US dollar rose, the exchange gain increased; convertible

				bonds to raise funds to account, interest income increased.
R&D costs	263,353,156.41	205,912,473.70	27.90 per cent	

#### 4. Investment in research and development

☒Applicable ☐Not applicable

Name of major R&D projects	Purpose of the project	Project progress	Objectives to be achieved	It is expected to have a significant impact on the company's future and development
Research on the development of high performance agricultural radial tyres	Development of new products	fulfil	Research and development of high-performance agricultural radial tyres that can support large and medium-sized tractors and combine harvesters, etc., and meet the requirements of the European Union's REACH law. Regulatory requirements.	Enhancing market competitiveness

Aerial work platform vehicle wheels Tyre development research	Development of new products	fulfil	Development to meet high environmental requirements and high wear and cut resistance. Able range of tyres for boarding machines.	Enhancing market competitiveness
High-performance glossy wheels for downhole use Tyre development research	Development of new products	fulfil	R&D of long life, high abrasion and puncture resistance for severe working conditions. Za Underground glossy tyre series.	Enhancing market competitiveness
High-performance bias-ply agricultural tyres development research	Development of new products	fulfil	Development of high-performance tyres to address early cracking of pneumatic tyres and bulging to improve the aging resistance of agricultural tyres.	Enhancing market competitiveness
Research on the development of high-performance pneumatic industrial tyres	Development of new products	fulfil	Research and development of pneumatic industrial tyre series products that are adapted to different working conditions, with long life, puncture and tear resistance, and not easy to shoulder empty. Pins.	Enhancing market competitiveness
Development of high-performance solid tyres examine	Development of new products	fulfil	R & D to adapt to the harsh working conditions, high wear-resistant, low birth rate A range of hot, puncture-resistant solid tyres.	Enhancing market competitiveness
High Load High Speed Mining Dump Research on car tyre development	Development of new products	fulfil	R&D of high load and low heat generation products for severe working conditions. Mining dump truck tyre series products.	Enhancing market competitiveness
Research on the development of cost-effective engineering tyres	Development of new products	fulfil	To solve the problem of early damage to engineering tyres by optimising the profile, adjusting the materials and construction design, and to develop the engineered tyres that are A cost-effective range of products that are both economical and durable.	Enhancing market competitiveness
Specialised heavy truck tyre technology Research and Product Development	Development of new products	Ongoing	Study of the contour structure of high-durability tyres; high-wear tyres Research on surface formulation; research on the distribution structure of lightweight and thin materials.	Enhancing market competitiveness
High-performance research and product development of high-speed truck and bus tyres	Development of new products	Ongoing	Adopting new crown belt winding technology to improve the high-speed performance and safety performance of the tyre; adopting low heat generation tread compound to reduce tread heat generation and enhance durability; optimising the crown profile to reduce the average ground pressure of the tyre and enhance the tyre's wear performance; adopting a new low rolling resistance tread compound to reduce the rolling resistance of the tyre and reduce the vehicle's energy consumption; and enhancing the ageing-resistance of the tyre materials to ensure the whole tyre's durability and safety. Safety performance over the life cycle.	Enhancing market competitiveness

Metric Tubeless Tyre Crown Novel Structure Research and Products exploit (a resource)	Development of new products	Ongoing	Improvements to the crown structure and tread compound further reduce the rolling resistance of the tyre, achieving excellent low energy consumption. Performance.	Enhancing market competitiveness
Research and Development of Large Logistics Vehicle Tyre Products	Development of new products	Ongoing	New pattern design to improve tyre wear resistance, grip performance, etc.; tread compound design to improve tyre resistance to puncture, abrasion, cutting, heat dissipation performance, etc.; optimised material distribution design to improve tyre load bearing performance, anti-explosion performance, etc.; the use of steel wire crown belt winding technology to improve the performance of the tyre crown. Can, prevent tyre crown blowout.	Enhancing market competitiveness
Tube tyre durability performance research and product development	Development of new products	Ongoing	Research on new structures for tyre crowns; research on formulations such as tyre crown treads: research on brand new formulations for mining surfaces, etc., which require improved tyre resistance to cuts and tears It is also important to reduce the heat generated in the crown of the tyre.	Enhancing market competitiveness
Research and product development of crown grounding for super low profile single tyre	Development of new products	Ongoing	New contour design and application to improve tyre grounding shape for more even grounding pressure distribution; improved belt ply structure to increase radial stiffness, longitudinal stiffness, and improve Tyre grounding shape. Reduces tyre rolling resistance	Enhancing market competitiveness
Development and research of all-steel high-speed crane tyres	Development of new products	Ongoing	The development of specifications and patterns for the whole range of crane tyres; the upgrading and optimisation of the whole range of products, and the research on speed performance; the upgrading and optimisation of the whole range of products, and the research on the overall performance of the tyres. Research in performance	Enhancing market competitiveness
All-steel giant engineering tyre technology research and product development	Development of new products	Ongoing	The first research on the design of new pattern heat dissipation holes and grooves in the field of engineering tyres; high-strength, high-puncture resistance, high bonding performance of the belt ply, the tread formulation and the application of low-generated heat of the base rubber and shoulder cushion rubber research; a new crown belt bundle Layer structure design research and development.	Enhancing market competitiveness
Technical research and product development of all-steel mining heavy truck tyres	Development of new products	Ongoing	Product development of tyre solutions for different models; product development of tyre solutions for different scenarios; research on crown performance and high service life of the full range of heavy truck tyres, especially in terms of speed performance, low acoustic heat,	Enhancing market competitiveness



			resistance to Cutting, ageing resistance, and overall life expectancy.	
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			top	
Development and research of all-steel series tyres for rigid dump trucks	Development of new products	Ongoing	For different mining conditions, develop different series of tread products to meet the performance requirements of different mines; through the application of new materials and new formulas, improve the tyre's low-generated heat performance, cut resistance and wear resistance under adverse working conditions to enhance the comprehensive service life; through the adjustment of the crown and bead's high-strength structural design, develop high-bearing products to meet the needs of the domestic host manufacturers of high-bearing self-sufficient products; through the adjustment of the crown and bead's high strength structural design, develop high-bearing products to meet the domestic host manufacturers' high-bearing self-sufficient performance. Operational requirements for unloading trucks.	Enhancing market competitiveness
Development and research of all-steel series tyres for loaders	Development of new products	Ongoing	The application of new structures and new formulas improves sidewall splits and shoulder side voids in some specifications; new tread design improves tyre service life and applies to a wide range of applications; optimised construction design improves the tyre's load capacity and puncture resistance; meets the comprehensive performance under different working conditions; optimised tyre profile design reduces the heat generation of the tyre, enhances heat dissipation, and advances the tyre's performance in the market. One step to reduce de-emphasis.	Enhancing market competitiveness
Development studies of high elasticity (IF) and ultra-high elasticity (VF) agricultural radial tyres	Development of new products	Ongoing	Optimise formula design to improve tyre tearing resistance, tread pattern groove bottom cracks and sidewall cracks; redesign the profile and tread pattern to improve tyre traction and reduce vehicle fuel consumption; optimise construction design to improve tyre production efficiency; redesign the appearance of the sidewalls of tyres to improve the appearance of the outside. View.	Enhancing market competitiveness
Development of the R-2 tread series for high-performance agricultural tyres	Development of new products	Ongoing	Improvement of tyre load capacity and durability through optimised construction design; comprehensive performance for different working conditions; optimised tread compound design for enhanced puncture resistance. capacity and fatigue performance.	Enhancing market competitiveness

Research and application of new methods for testing the physicochemical properties of rubber materials	Development of new products	fulfil	Infrared and infrared, TGA test methods; high and low temperature tensile test methods; high and low temperature winding test methods; recycled rubber test methods; standards for sample preparation and methodology.	Enhancing market competitiveness
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## Company's R&amp;D staff

	2022	2021	Percentage of change
Number of R&D staff (persons)	667	680	-1.91 per cent
Number of R&D staff as a percentage	10.48 per cent	10.92 per cent	-0.44 per cent
Educational structure of R&D staff			
undergraduate (adjective)	410	392	4.59 per cent
bachelor's degree	36	36	0.00 per cent
the rest	221	252	-12.30 per cent
Age composition of R&D staff			
Under 30 years of age	67	57	17.54 per cent
30~40 years old	38	21	80.95 per cent
40 years and over	562	602	-6.64 per cent

## Company's investment in research and development

	2022	2021	Percentage of change
Amount invested in research and development (yuan)	263,353,156.41	205,912,473.70	27.90 per cent
R&D investment as a percentage of operating revenue	3.12 per cent	2.81 per cent	0.31 per cent
Amounts capitalised for research and development inputs (\$)	0.00	0.00	
Capitalised R&D investment as a percentage of R&D investment of	0.00 per cent	0.00 per cent	

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

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

## 5. Cash flow

Unit: Yuan

sports event	2022	2021	Year-on-year increase/decrease
Subtotal cash inflow from operating activities	8,956,822,451.75	8,588,160,276.22	4.29 per cent
Subtotal cash outflows from operating activities	9,067,935,136.94	8,302,347,307.53	9.22 per cent
Net cash flows from operating activities	-111,112,685.19	285,812,968.69	-138.88 per cent
Subtotal cash inflow from investing activities	32,180,233.73	410,807,211.98	-92.17 per cent
Subtotal cash outflows from investing activities	1,252,511,886.68	1,197,097,588.98	4.63 per cent
Net cash flows from investing activities	-1,220,331,652.95	-786,290,377.00	-55.20 per cent
Subtotal cash inflow from financing activities	5,666,232,664.13	2,677,315,571.61	111.64 per cent
Subtotal cash outflows from financing activities	3,198,845,658.86	2,031,282,108.65	57.48 per cent
Net cash flows from financing activities	2,467,387,005.27	646,033,462.96	281.93 per cent
Net increase in cash and cash equivalents	1,162,418,991.90	141,157,358.11	723.49 per cent

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

☒ Applicable ☐ Not Applicable

(1) Net cash flow from operating activities decreased by 138.88 per cent compared to the previous year due to increased expenditure as a result of higher raw material and energy prices and higher production by the Company;

(2) Cash inflow from investing activities decreased by 92.17 per cent as compared with the previous year because of the receipt of relocation compensation and the recovery of time deposits in the previous year;

(3) Net cash flows from investing activities decreased by 55.20 per cent compared with the previous year due to the relocation compensation received in the previous year;

(4) The 111.64 per cent increase in cash inflow from financing activities over the previous year was due to the financing

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received from the issuance of convertible bonds during the year;

( 5 ) Cash outflows from financing activities increased by 57.48 per cent compared with the previous year, owing to the increase in the repayment of loans due in the current year compared with the previous year;

( 6 ) Net cash flows from financing activities increased by 281.93 per cent compared with the previous year, owing to the financing received for the issuance of convertible bonds.

( 7 ) The net increase in cash and cash equivalents was 723.49% higher than that of the previous year, which was attributable to the financing received for the issuance of convertible bonds. Explanation of the reasons for the material difference between the net cash flow from operating activities of the Company during the reporting period and the net profit for the current year

☐ Applicable ☒ Not applicable

## V. Analysis of non-primary business

☒Applicable ☐Not Applicable

Unit: Yuan

	sum of money	Percentage of total profit	Explanation of causes	Sustainability
investment income	22,001,550.00	5.06 per cent	Bank equity earnings	be
Impairment of assets	-7,104,468.36	-1.63 per cent	Provision for decline in value of inventories	be
non-operating income	3,729,723.46	0.86 per cent	Gains on disposal of fixed assets	clogged
non-operating expenses	19,412,424.19	4.46%	Loss on disposal of fixed assets	clogged

## VI. Analysis of assets and liabilities

### 1. Significant changes in the composition of assets

Unit: Yuan

	End of 2022		Early 2022		increase or decrease in specific gravity	Description of significant changes
	sum of money	Percentage of total assets	sum of money	Percentage of total assets		
money funds	3,345,836,195.76	21.23 per cent	2,112,878,391.11	16.41 per cent	4.82 per cent	
accounts receivable	1,354,418,996.05	8.59 per cent	972,970,207.89	7.56 per cent	1.03 per cent	
Contractual assets	18,171,682.52	0.12 per cent	15,140,510.54	0.12 per cent	0.00 per cent	
inventory (of material)	1,255,170,349.94	7.96 per cent	952,857,660.71	7.40 per cent	0.56 per cent	
investment property	1,129,172.17	0.01 per cent		0.00 per cent	0.01 per cent	
Long-term equity investments	25,500,000.00	0.16 per cent		0.00 per cent	0.16 per cent	
fixed assets	5,352,007,139.78	33.96 per cent	4,619,084,104.97	35.87 per cent	-1.91 per cent	
construction in progress	509,057,019.71	3.23 per cent	743,472,714.84	5.77 per cent	-2.54 per cent	
usufructuary assets		0.00 per cent		0.00 per cent	0.00 per cent	
short term loan	1,533,245,766.71	9.73 per cent	1,668,957,746.71	12.96 per cent	-3.23 per cent	

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Contractual liabilities	186,682,782.98	1.18 per cent	128,734,570.05	1.00 per cent	0.18 per cent	
long term loan	1,401,509,618.98	8.89 per cent	734,581,729.05	5.71 per cent	3.18 per cent	

Higher proportion of offshore assets

☒Applicable ☐Not Applicable

Specifics of assets	Reasons for formation	asset size	site	operating model	Controls to safeguard the security of assets	earnings position	Ratio of foreign assets to net assets of the company repetition	Whether there is a significant risk of impairment
Forward tyres (Vietnam) Limited Liability firms	offshore investment	1,939,939,709.89	Vietnam	production and business	Unified corporate control, enhanced audit and Supervision.	-9,203,601.63	30.08 per cent	clogged

Other information on notes	<p>Combined with the national “Belt and Road” strategic planning, in order to fundamentally solve the operational drawbacks of the “two-pronged approach” of raw materials and markets for exported products, to promote the strategic adjustment of overseas production and sales, to improve and enhance the operating efficiency of the Company, and to effectively avoid the impact of “double reverse” in the international market, and to enhance the Company's international competitiveness, after the thirty-fourth meeting of the Sixth Board of Directors and the Second Extraordinary General Meeting of 2017, the Company will be able to achieve the following results In order to effectively avoid the influence of “double reverse” in the international market and enhance the company's international competitiveness, the 34th Meeting of the 6th Board of Directors and the 2nd Extraordinary Shareholders' General Meeting of 2017 have been approved by the Board of Directors of the Company.</p> <p>The Company decided to invest US\$214 million to implement the project with an annual capacity of 1.2 million all-steel radial tyres in Long Jiang Industrial Park, Tien Giang Province, Vietnam.</p> <p>On 30 June 2022, after capacity testing, the project had reached its design capacity.</p> <p>The main body of project investment, implementation and operation, Advance Tyre (Vietnam) Co., Ltd. is an export processing enterprise registered in accordance with local laws and regulations.</p> <p>Industry.</p>
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## 2. Assets and liabilities measured at fair value

☒Applicable ☐Not applicable

Unit: Yuan

sports event	beginning of period	Gains and losses on fair value changes during the period	Cumulative fair value changes recognised in equity act	Impairment provided for during the period	Amount purchased during the period	Amount sold during the period	Other changes	closing figure
financial asset								
4. Other equity instruments supply	665,593,126.32		-9,042,304.74					656,550,821.58
accounts receivable financing	369,428,542.13						45,072,762.23	414,501,304.36
Total above	1,035,021,668.45		-9,042,304.74				45,072,762.23	1,071,052,125.94
financial liability	0.00							0.00

Other changes

kind	Opening balance	Increase during the period	Decrease during the period	Closing balance
Receivables financing	369,428,542.13	414,501,304.36	369,428,542.13	414,501,304.36
add up the total	369,428,542.13	414,501,304.36	369,428,542.13	414,501,304.36

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



Yes ☒ No**3. Restricted rights to assets as at the end of the reporting period**

sports event	Closing book value	Reason for restriction
money funds	428,617,536.28	margin (in derivative trading)
notes receivable	608,511,996.20	loan on pledge
Receivables financing	283,669,142.09	loan on pledge
fixed assets	1,126,189,103.54	secured loan
add up the total	2,446,987,778.11	

## VII. Analysis of the investment situation

### 1. General

☒Applicable ☐Not applicable

Amount invested during the reporting period (\$)	Amount invested in the same period of the previous year (\$)	Magnitude of change
1,042,253,065.37	1,403,476,381.54	-25.74 per cent

### 2. Significant equity investments acquired during the reporting period

☐ Applicable ☒ Not applicable

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

☒Applicable ☐Not Applicable

Unit: Yuan

Project name	Investment Approach	Whether investment in fixed assets	Sectors covered by investment projects	Amount invested during the reporting period	Cumulative actual inputs as at the end of the reporting period sum of money	Source of funds	Project progress	Estimated revenue	Cumulative realised gains to the end of the reporting period	Reasons for not meeting planned progress and projected benefits	Date of disclosure (if any)	Disclosure index (if any)
Vietnam Annual Production Capacity of 1.2 Million All-steel Radial Tyres Project	self-built	be	tyres	228,894,091.13	1,372,417,969.74	Self-financing, fund-raising	95.69 per cent	145,210,100.00	-9,203,601.63	Exchange rate fluctuations, resulting in exchange losses.	2017 Year 04 Month 25 date	Resolutions of the Thirty-fourth Meeting of the Sixth Board of Directors bulletin
1# Intelligent Sorting and	self-built	be	tyres	150,894,322.14	152,130,365.71	Self-financing, fund	67.57 per cent			Not applicable, still		

Transfer Centre Project						- raising				under construction Setting up the period.		
Intelligent Manufacturing Project with an Annual Output of 380,000 All-steel Engineered Radial Tyres	self-built	be	tyres	99,120,945.98	100,173,805.72	self-finance	5.16%	233,445,700.00		Not applicable, still under construction.	2022 Year 04 Month 16 date	Intelligent Manufacturing Project on the Implementation of the Annual Output of 380,000 All-steel Engineered Radial Tyres Announcement
Vietnam Annual Production Capacity of 950,000 High Performance All-steel Radial Tyres Project	self-built	be	tyres	21,694,872.56	21,694,872.56	self-finance		202,472,200.00		Not applicable, still under construction.	2021 Year 07 Month 31 date	Announcement on the implementation of a project with an annual production capacity of 950,000 high-performance all-steel radial tyres in Vietnam say

add up the total	--	--	--	500,604,231.81	1,646,417.013.73	--	--	581,128,000.00	-9,203.601.63	--	--	--
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#### 4. Investment in financial assets

##### (1) Investment in securities

☐ Applicable ☒ Not applicable

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

##### (2) Derivatives investments

☐ Applicable ☒ Not applicable

The company had no derivative investments during the reporting period.

#### 5. Use of funds raised

☒ Applicable ☐ Not Applicable

##### (1) Overall Use of Proceeds

☒ Applicable ☐ Not Applicable

Unit: \$ million

Year of collection	Collection Methods	Total funds raised	Total proceeds utilised during the period	Cumulative total amount of proceeds utilised	Change in use of proceeds during the reporting period aggregate amount	Cumulative total amount of proceeds from change of use horizontal tablet or inscribed board	Cumulative total amount of proceeds from change of use approved percentage	Total unused proceeds	Use and destination of unused proceeds toward	Amount of funds raised that have been idle for more than two years
2021	private placement (in share issue) person held for ransom	98,435.78	24,049.37	98,212.63	0	0	0.00 per cent	223.15	For investment projects construct	0

2022	Public offering of convertible company debentures	178,730.42	1,132.86	1,132.86	0	0	0.00 per cent	177,597.56	For the construction of fund-raising projects	0
add up the total	—	277,166.2	25,182.23	99,345.49	0	0	0.00 per cent	177,820.71	—	0

## Explanation of the overall use of the proceeds

## ① Non-public offering of shares in 2021

Pursuant to the "Proposal on the Company's Non-public Offering of Shares" considered and approved at the Company's Second Extraordinary General Meeting of 2020 on 30 September 2020 and 2020

Proposal on the Non-public Offering of Shares by Guizhou Tyre Co.

Ltd. and the Reply on Approval of the Non-public Offering of Shares of Guizhou Tire Co.

Approved by No. [2021]15, the Company issued shares at a price of RMB 6.30 per share on 8 March 2021, with a total of RMB ordinary shares of RMB

158,730,158 shares. The total proceeds raised from the private placement of shares amounted to RMB999,999,995.40, net of listing expenses of RMB1,999,995.40 incurred by the underwriters and other related listing expenses.

After RMB15,642,170.50, the actual funds raised amounted to RMB984,357,824.90. The aforesaid funds were fully available on 9 March 2021 and were approved by Zhonghua Association.

The Capital Verification Report No. 01730 of Zhonghui Zi (2021) of the accounting firm (special general partnership) was verified.

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

The "Resolution on Self-financing Funds for Issue Expenses", agreeing to use the proceeds to replace RMB485,879,800 of self-financing funds invested in the fund-raising projects in advance and paid for the issue expenses, and to replace the RMB485,879,800 of self-financing funds with the proceeds.

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

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

As at 31 December 2022, the Company invested a total of RMB98,212.63 million in the project of annual production capacity of 1.2 million all-steel radial tyres in Vietnam with the proceeds, and the unused proceeds will be paid in accordance with the payment progress of the relevant procurement contracts of the fund-raising project and continue to be used for the fund-raising project.

#### ②2022 Public Offering of Convertible Bonds

According to the "Proposal on the Proposal of Public Issue of Convertible Bonds by the Company" considered and approved at the Second Extraordinary General Meeting of 2021 of the Company held on 25 August 2021

The proposals related to this issue, the "Amendment to the Public Offering of Convertible Bonds" adopted at the 27th meeting of the 7th session of the Board of Directors of the Company on 5 November 2021, and the "Amendment to the Public Offering of Convertible Bonds" adopted at the 27th meeting of the 7th session of the Board of Directors of the Company on 5 November 2021, are all relevant to the issue.

Ltd. and other motions related to this issuance, the motion on amending the public offering of convertible corporate bonds, which was considered and passed at the 31st meeting of the Seventh Session of the Board of Directors of the Company on 4 March 2022, as well as the approval of the China Securities Regulatory Commission for the approval of the public offering of convertible corporate bonds by Guizhou Tyre Company Limited (Securities Regulatory Permit No.

**[ 2022] 665), on 22 April 2022, the Company issued 18,000,000 public convertible corporate bonds, each with a nominal value of RMB100.00, raising total proceeds of RMB1,000,000 yuan.** No. 2022]665), on 22 April 2022, the Company made a public offering of 18,000,000 convertible bonds, each with a nominal value of RMB100.00, raising total proceeds of RMB1,800,000,000.00, after deducting issuance costs of RMB

After RMB12,695,755.24 (excluding VAT amount), the actual net proceeds will be **R M B 1 ,787,304,244.76**. The abovementioned arrival of the proceeds has been

It was verified by Zhonghua Accounting Firm (Special General Partnership) and issued Zhonghui Zi (2022) No. 04356 "Capital Verification Report" on 29 April 2022.

As at 31 December 2022, the Company invested a total of RMB11,328,600,000 in the 1# Intelligent Sorting and Transfer Centre Project with the proceeds, with an annual production capacity of 3 million sets of high quality products.

The performance all-steel radial tyre intelligent manufacturing project has not yet commenced construction. The fund raised this time still has RMB1,775,975, 600 unused, which is deposited in the special account for fund raising.

The account will be subsequently invested in fund-raising projects (as approved at the 10th meeting of the 8th Board of Directors held on 10 January 2023 and the 20th meeting of the Board of Directors held on 30 January 2023).

The First Extraordinary General Meeting of Shareholders and the Second Bondholders' Meeting of 2023 of "Guilin Convertible Bonds" to be held from 3 February to 9 February 2023 under the simplified procedures.

The Meeting approved the termination of the implementation of the intelligent manufacturing project of high-performance all-steel radial tyres with an annual production capacity of 3 million sets, and the use of the proceeds from the project was changed to the intelligent manufacturing project of all-steel engineering radial tyres with an annual production capacity of 0.38 million sets. For details, please refer to "Announcement of Resolutions of the Tenth Meeting of the Eighth Session of the Board of Directors", "Announcement on Termination of Part of the Fund Raising Project and Change in the Use of Proceeds", "Announcement of Resolutions of the First Extraordinary Shareholders' General Meeting of 2023", and "Announcement on the Results of the Second Bondholders' Meeting of 2023 for "Guilun Convertible Bonds".

(the "Announcement")

## (2) Status of fund-raising commitment projects

☒Applicable ☐Not Applicable

Unit: \$ million

Committed investment projects and over-provision of funds toward	Whether the project has been changed (including partial changes)	Total committed investment of proceeds	Total adjusted investments(1)	Amount invested during the reporting period	Cumulative amount invested as at the end of the period(2)	Progress on investments as at the end of the period (3) = (2)/(1)	Date on which the project reaches its intended useable condition period	Benefits realised during the reporting period	Achievement of projected benefits	Whether there has been a significant change in the feasibility of the project make into
Committed investment projects										
Annual production in Viet Nam 120 10,000 all-steel radial tyres sports event	clogged	100,000	98,435.78	24,049.37	98,212.63	99.77 per cent	2022 30 June date	-920.36	clogged	clogged
annual production 3 million Set of high-performance all-steel radial tyre intelligent manufacturing sports event	clogged	160,000	158,730.42	0	0		2025 April 21 date	0	inapplicable	be
1# Intelligent Sorting and Transit Centre Heart of the Matter project	clogged	20,000	20,000	1,132.86	1,132.86	5.66 per cent	2023 April 21 date	0	inapplicable	clogged
committe	--	280,000	277,166.2	25,182.23	99,345.49	--	--	-920.36	--	--

d investme nt funding project										
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Subtotal										
where the over-raised funds are invested										
inapplicable										
add up the total	—	280,000	277,166.2	25,182.23	99,345.49	—	—	-920.36	—	—
Explanation of and reasons for non-achievement of planned progress and projected benefits by project (Includes the option of "whether or not the expected benefits have been achieved") Choose "no". The "applicable" principle (cause)	<p>Affected by the underutilisation of production capacity and the significant appreciation of the US dollar, Advance Tyre (Vietnam) Co., Ltd. achieved a net profit of -9.2036 million in this reporting period (of which \$34,772,700 in exchange losses were incurred on the parent company's US dollar liabilities)</p>									
Information on significant changes in the feasibility	<p>The feasibility of the intelligent manufacturing project of high-performance all-steel radial tyres with an annual output of 3 million sets has undergone significant changes, as detailed in the fund-raising to change the project.</p>									

ity of the project understand	
Amount, purpose and progress of utilisation of over-provisioned funds state of affairs	inapplicable
Changes in the implementation location of fund-raising investment projects moreover	inapplicable
Adjustment of the implementation mode of fund-raising investment projects moreover	inapplicable
Advance Investment and Replacement of	applicability On 12 April 2021, the Twentieth Meeting of the Seventh Board of Directors of the Company considered and passed the "Proposal on the Replacement of Self-financing Funds Pre-invested in Fundraising Projects and Paid for Issue Expenses with Proceeds", agreeing to replace self-financing funds pre-invested in fundraising projects and paid for issue expenses with proceeds in the amount of RMB 485,879,800, with the total amount of funds to be replaced in the amount of RMB 485,879,800. The total amount of replacement funds is RMB485,879,800. Zhonghua Certified Public Accountants (Special Ordinary Partnership) issued the following documents The Assurance Report on the Special Explanation of Guizhou Tyre Company Limited for Pre-investment in the

Proceeds Investment Projects	Fund Raising Project with Self-financing Funds and Payment of Issue Expenses (众會字) [ Ltd. has issued a verification opinion that the Company's fund-raising for the replacement of the pre-financing fund has been approved.) Guosen Securities Co., Ltd., the sponsor, has issued a verification opinion and agreed that the Company should replace the Preliminary Prospectus with the proceeds. Firstly, we have invested in the fund raising project and paid the issue expenses for self-financing.
idle raise funds	inapplicable

Tempo rary reple nishi ment of work ing cap ital state of aff airs	
Amou nt of fund- raising balanc es arising from project imple mentat ion and why	inapplicable
Use of unuse d procee ds and the position of sth.	As at 31 December 2022, the unused proceeds (including the net amount of accumulated interest received on bank deposits less bank charges, etc.) were deposited in the special account for proceeds, which will be subsequently used in full for the construction of the fund raising projects in accordance with the investment plan.
Proble ms in the Use and Disclo sure of Proce eds or Other state of affairs	The disclosure of information on the use of the Company's fund-raising is timely, true, accurate and complete; and there are no irregularities in the deposit, use, management and disclosure of the fund-raising.

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

☒Applicable ☐Not applicable

Unit: \$ million

Changed project	Correspo nding original commitm ent item	Total amount of proceeds to be invested in the	Actual amount invested during the reporting period	Actual cumulati ve amount invested as at the end of	Progress of investme nts as at end of period (3)=(2)/(	Date on which the project reaches its intended useable	Benefits realised during the reporting period	Achieve ment of projected benefits	Whether there is a significan t change in the feasibility of the project
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		project after the change( 1)		the period (2)	1)	condition			after the change make into
Intelligent manufacturing project with an annual output of 380,000 all-steel engineering radial tyres catalogue	Annual output of 3 million sets of high-performance all-steel radial tyres intelligent manufacturing sports event	158,730.42	0	0	0.00 per cent	2025 July 30 date	0	clogged	clogged
add up the total	--	158,730.42	0	0	--	--	0	--	--
Explanation of reasons for changes, decision-making procedures and disclosure of information (by specific items)		<p>① Reason for change:</p> <p>"Annual output of 3 million sets of high-performance all-steel radial tyre intelligent manufacturing project" focuses on high-performance all-steel radial tyres, mainly used in trucks and buses. By the economic downturn, weak demand and other impacts, the truck and bus market industry boom has declined significantly, according to the rubber coordinated research, due to the serious contraction of the domestic market, the domestic all-steel tyre production capacity utilisation rate in 2022 is only 60.8%, a year-on-year decline of 17.7 percentage points. In view of the head of the industry in recent years have increased all-steel radial tyre production capacity, the market competition is becoming more intense, in the demand for weak superimposed on rising costs, the company's all-steel radial tyre product capacity utilization rate is insufficient (72.84% in 2022, down 11.92 percentage points compared with 2021), the gross profit margin is low.</p> <p>China's construction machinery industry since 2017 into a new round of upward cycle, in recent years, the domestic construction machinery market size continues to grow. 2021, China's construction machinery industry to maintain a higher degree of prosperity, "14th Five-Year Plan" during the domestic investment and major projects started one after another, become the main driving force of new demand. According to the China Construction Machinery Industry Association data show that in 2021, the construction machinery industry revenue increased by 17% year-on-year, 12 categories of major construction machinery product sales reached 1,861,200 units, an increase of 26.16%, of which the lifting platforms, forklifts, motor graders have increased year-on-year!</p> <p>More than 30 per cent. With the steady promotion of China's "new infrastructure" and the growth of investment in countries along the "Belt and Road" route.</p>							

Will drive the continuous development of China's construction machinery industry. All-steel engineering radial tyres are supporting products for construction machinery. At the same time infrastructure investment is 2023 "stable growth" an important hand, engineering tyre downstream market outlook is good, with the construction machinery and equipment sales, the number of ownership continues to increase, will drive the all-steel engineering radial tyre market continues to develop. 2021-2022, the company's all-steel engineering radial tyre production capacity utilisation rate to maintain more than 95%. In 2021-2022, the company's all-steel engineering radial tyre product capacity utilization rate to maintain more than 95%, product gross profit margin is higher than all-steel radial tyres, related products are the company's advantageous products.

Gross profit margin and sales volume of all-steel radial tyres and all-steel engineering radial tyres of the company from 2020 to 2022:

Unit: %, tonnes

Product Type	2022		2021		2020	
	gross margin	sales volume	gross margin	sales volume	gross margin	sales volume
All-steel load carrier knobby tyre	11.31 per cent	203,538.42	10.92 per cent	234,825.87	19.78 per cent	251,473.72
All-steel engineering sub knobby tyre	27.69 per cent	92,318.01	30.28 per cent	65,820.80	39.71 per cent	50,837.18

From 2020 to 2022, the company's sales of all-steel engineering radial tyres will increase year by year, and sales of all-steel radial tyres will decline year by year. The company has a better development trend in the construction machinery segment, strong profitability, compared with the truck and bus market has a stronger market competitiveness.

According to the current market demand, in order to improve the efficiency of operation and management and the use of funds raised, and taking into account the company's future development plan and future benefits, the company plans to terminate the original investment project and invest the part of the funds raised in the "annual output of 380,000 all-steel engineering radial tyres intelligent manufacturing project". After the completion of the new investment project, it will enhance the production capacity of the Company's advantageous product, all-steel engineering radial tyres, better meet the market demand, increase the Company's share of such products in the domestic and international markets, and enhance the Company's profitability. Decision-making procedures and information disclosure: On 10 January 2023, the Company held the 10th meeting of the 8th Board of Directors and the 9th meeting of the 8th Supervisory Board, and considered and passed the "Proposal on Termination of Part of the Fund Raising Project and Change in the Use of Proceeds". The Independent Directors expressed their concurring opinions on the proposal, the Supervisory Committee expressed its concurring audit opinion and the sponsor, Guosen Securities Company Limited, issued a special verification opinion.

The Independent Directors are of the view that: the termination of **the "Intelligent Manufacturing Project of High Performance All-steel Radial Tyres with an Annual Output of 3 Million Sets" by the Company and**

**The investment of such part of the proceeds into the "Intelligent Manufacturing Project of All-steel Engineered Radial Tyres with an Annual Output of 380,000 Pieces"** is a change based on the actual situation of the Company, which is conducive to the improvement of the efficiency in the use of the proceeds, and is in line with the needs of the long-term development of the Company and the interests of all shareholders, and there is no case of damaging the interests of the Company and the shareholders. This change has fulfilled the necessary decision-making procedures and is in line with the "Shenzhen Stock Exchange Self-disciplinary Supervision Guideline for Listed Companies No. 1 - Norms for Main Board Listed Companies".

Operation", "Supervisory Guidelines for Listed Companies No. 2 - Supervisory Requirements

for the Management and Use of Proceeds by Listed Companies" and other relevant regulations. We agree to the termination of part of the fund-raising projects and the change of the use of proceeds, and agree to submit the same to the general meeting of shareholders and the meeting of bondholders of the Company for consideration.

The Supervisory Committee is of the view that the deliberation procedures on the termination of part of the fund-raising projects and the change in the use of fund-raising are in compliance with the relevant regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange, and that the results of the deliberation and voting are lawful and valid. The change is a decision made by the Company based on the actual market situation, combined with the Company's advantageous projects and other factors, which is conducive to improving the efficiency of the use of proceeds, enhancing the Company's profitability, safeguarding the interests of all shareholders and meeting the needs of the Company's long-term development, and there is no damage to the interests of the Company and shareholders.

In the opinion of the Sponsor, the termination of part of the fund raising projects and the change of the use of proceeds has fulfilled the necessary decision-making procedures, the relevant motions have been considered and passed by the Board of Directors and the Supervisory Committee of the Company, and the independent directors have expressed their clear agreement, and they are yet to be submitted to the general meeting of the shareholders and the meeting of the bond holders for consideration and approval before they can be implemented. The proceeds have not yet been invested in new investment projects. The termination of part of the fund-raising projects and the change of the use of proceeds has fulfilled the necessary decision-making procedures and is in compliance with the "Shenzhen Stock Exchange Self-disciplinary Supervision Guidelines for Listed Companies No. 1 - Regulating the Operation of Main Board Listed Companies".

The sponsor has no objection to the termination of part of the fund-raising project and the change of the use of proceeds. In view of the above, the Sponsor has no objection to the termination of part of the fund-raising projects and the change of the use of proceeds.

Announcement of Resolutions of the Tenth Meeting of the Eighth Session of the Board of Directors, Announcement of Resolutions of the Ninth Meeting of the Eighth Session of the Supervisory Committee and

Announcement on Termination of Part of the Fund Raising Project and Change in the Use of Proceeds" was published on 11 January 2023 in Securities Times, China Securities Journal, Shanghai Securities News and Jiu Chao Information Website.

(<http://www.cninfo.com.cn>) were disclosed, and the "Independent Opinions of the Independent Directors on Matters Relating to the Tenth Meeting of the Eighth Board of Directors" and the "Verification Opinions of Guoxin Securities Company Limited on the Termination of Part of the Fund Raising Project and Change of the Purpose of the Fund Raising by Guizhou Tyre Company Limited" were published on the same day on the website of Juchao Information Network.

(<http://www.cninfo.com.cn>) was disclosed.

On 30 January 2023, the Company convened the first extraordinary general meeting of 2023 and considered and passed the termination of the

Part of the fund-raising project, change the use of proceeds of the motion", decided to terminate the "on the implementation of an annual output of 3 million sets of high-performance all-steel radial tyre intelligent manufacturing project of the motion", decided to change the "on the company's public offering of convertible bonds programme of the motion" "(17) the use of proceeds of the fund-raising and the implementation of the way", some of the Proceeds

	<p>The purpose was changed from "implementation of the intelligent manufacturing project for 3 million sets of high-performance all-steel radial tyres per year" to "annual production capacity of 38 million sets of high-performance all-steel radial tyres per year" - 10,000 all-steel engineered radial tyre intelligent manufacturing project".</p> <p>The "Announcement of Resolutions of the First Extraordinary General Meeting of 2023" was disclosed on 31 January 2023 in the Securities Times, China Securities Journal, Shanghai Securities News and Juchao Information Website (<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>).</p> <p>From 3 February 2023 to 9 February 2023, the Company convened the Second Bondholders' Meeting of 2023 of "Guilun Convertible Bonds" under the simplified procedures, and considered and passed the "Proposal on the Termination of Part of the Fund Raising Project and Change of the Use of Proceeds".</p> <p>Announcement on the Results of the Second Bondholders' Meeting of 2023 in respect of "Guilun Convertible Bonds" dated 11 February 2023</p> <p>Disclosure was made on the Giant Tide Information Network (<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>) on the same day.</p>
Failure to meet planned progress or projected benefits Status and reasons (by specific project)	inapplicable
Significant change in the feasibility of the changed project of the Convention on the Elimination of All Forms of Discrimination against Women	inapplicable

## VIII. Significant asset and equity sales

### 1. Sale of significant assets

☒Applicable ☐Not applicable

co un ter pa rty	Assets sold	sunri se	tran sacti on pric e (\$ m illion )	Net profi t cont ribut ed by the asse t to the iste d com pan y	Imp act of the sale on the com pan y (note 3)	Prop ortio n of net profi t cont ribut ed by asse t sale s to total net profi t of liste d com pani es	Ass et sale prici ng prin ciple s	Whe ther it is a con nect ed trans actio n	Affili atio ns with cou nter parti es (App licab le to con nect ed tran sacti ons)	Whe ther title to the asse ts invol ved has bee n trans ferre d in full	Whe ther the clai ms and debt s invol ved hav e bee n trans ferre d in full	Whether it has been implement ed as planned and on schedule, and if not, the reasons and the measures taken by the company	D at e of di sc lo su re	Di sc lo su re In de x
				from the begi nnin g of the peri od to										



				the date of disposal (Wan) yuan										
Yunyan District Housing on State-owned Land Acquisition Management Bureau (Renamed)	The Company's old factory site, namely No. 41, Baihua Avenue, Jinguan Road, Yunyan District, Guiyang City, was closed on 3 March 2016. October 2019 All production buildings other than the portion that has been expropriated for the implementation of the construction of Road 1# and all production buildings of the subsidiary Guizhou Hercules Tyre	2019 suriname Nian 10 moon 14 date	121.760.45	0	Based on the source of funds for this expropriation compensation, after preliminary estimation, this housing expropriation compensation will have a positive impact on the Company's performance	0.00 %	Tyre Factory (Compensation Plan for the Expropriation of Houses on State-owned Land for the Land Level Development Project of the Plot (Plant Area))	clogged	inapplicable	clogged	clogged	The first phase of the Housing Expropriation Monetary Compensation Agreement after the adjustment of scope has been fulfilled in 2020 as agreed in the Supplemental Agreement; the Hercules Housing Expropriation Monetary Compensation matter has been confirmed in 2021, with the remaining 6.574 million \$ compensation has not been received. Phase II Agreement on Monetary Compensation for Housing Expropriation	2019 years 09 moon 10 date	With regard to the signing of Monetary Compensation Agreement for Housing Expropriation The Annou

	Compan y Limited. October 2019 14th, Ben				anc e Rattle .							on and Transfer out of Phase I of the Expropriati on Paradigm The part of the enclosure that is not		nc e m en t
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Yunyan District Housing Acquisition Service Centre	The Company and Hercules formally signed a contract with Yunyan District Housing Acquisition on State-owned Land Management Bureau. Agreement on Monetary Compensation for Housing Expropriation (3 in total) for a total amount of 248,552.880,000 (Including the compensation amount of 104,457.0 percent under the "Monetary Compensation Agreement for Housing Expropriation" for the first phase of the Jinguan				The impact on the Company's performance in the following years will be confirmed based on the time of handing over the corresponding houses, the progress of actual collection and the actual relocation costs incurred, etc.,						The main reasons for the performance: First, the progress of the all-steel radial tyre relocation project (i.e. the Zazo III project) is lagging behind, resulting in the plant involved not being able to be completed on 2020 as agreed. 31 December 2009 Delivered a few days ago (For details, see 2020 11 Announcement on the failure to deliver the houses involved in the Phase II housing expropriation and the expropriation of Hercules Company's houses on schedule, disclosed on 12 December 2020). Secondly, significant changes in the macro-control policies from 2021 onwards, which resulted in		
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factory area. 850,000 yuan, and the compensation amount of the second phase of the Agreement on Monetary Compensation for Housing Expropriation is 116,444.4 million yuan. RMB 290,000, and RMB 27,650.7 per cent of the compensation amount in the Housing Expropriation Monetary Compensation Agreement of Hercules. (RMB 40,000) Of which: one phase of the Monetary Compensation Agreement for Housing Expropriation (net of the compensation				and the specific data will be based on the audited annual report.							the progress of the relevant land auction and listing being hindered. During the reporting period, the Company entered into a contract with Yunyan District Housing Acquisition Service Centre in relation to the compensation for Phase II housing acquisition, the compensation for transferring out of the scope of Phase I acquisition and the remaining compensation for Hercules (in aggregate 122,411.19 %). (\$ million) Payment The Company had actively communicated with the Company on this matter, but due to the		
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	payment of 5,316.16 per cent for transferrin g out of the scope of expropriat ion). After \$10,000,00 0 Actual amount of compens ation 99,141.6 (\$90,000) Already in place in 2020 Year of fulfilment overhaul										change in the overall environme nt of the land market and other impacts, the above compensati on payment was not received in 2022. 2022 12 Month, Yunyan District Housing Acquisition Service Centre to organise land-level developme nt Issuing unit Guiyang		
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	<p>The compensation for the expropriation of the housing of the Company was approved in 2021. Recognition (still available) 6.574 million</p> <p>As at the end of 2022, there were still outstanding parts of the Phase II Monetary Compensation Agreement for Housing Expropriation and the transfer out of the Phase I expropriation area (total compensation amount of 121,760.0 RMB). As at the end of 2022, the compensation for the housing expropriation still had the second</p>												<p>Ltd. and the Company reached the understanding that "the compensation agreement will continue to be implemented, and in view of the current land market environment, it has been reported to the government of Yunyan District, Guiyang City to re-adjust the land use planning indexes of the said land, optimise and enhance the development value of the land, and the listing and sale of the said land is expected to be completed within 2023" in respect of the development of the land parcel and the implement</p>		
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phase of the "Monetary Compensation Agreement" for Housing Expropriation" and the part of transferring out of the scope of the first phase of the expropriation not yet fulfilled (total amount of compensation 121,760.0 percent.) - 450,000 (\$)											ation of the compensation agreement. It is expected that the listing of the aforesaid parcel will be completed within 2023. For details, please refer to 2022 30 December Progress Announcement on Remaining Housing Levy Compensation Payments Report		
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## 2. Sale of significant equity interests

☐ Applicable ☒ Not applicable

## IX. Analysis of major holdings and participations

☒ Applicable ☐ Not applicable

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

Unit: Yuan

company identification	Type of company	Main business	registered capital	total assets	net assets	revenue	business profit	net profit
Guizhou Tyre Import & Export Co. company	associated company	Import and export agent	20,000,000.00	495,585,667.52	105,252,566.15	1,295,509,233.81	14,600,742.18	11,965,131.27
Guizhou Advance Tyre Sales Co.	associated company	Tyre sales	20,000,000.00	200,775,144.65	174,951,598.31	1,304,536,320.96	26,280,513.35	19,720,077.91

firms								
Guizhou Advance Tyre Investment Co. responsible company	associated company	Investment Manageme nt	500,000,0 00.00	1,973,553 ,475.78	422,585,8 70.76	781,561,9 52.02	- 1,720,705 .57	3,859,764 .07



Guizhou Hercules Tyre Co. company	associated company	tenancy	240,000,000.00	284,149,996.13	281,903,259.21	0.00	73,333.11	1,331,579.40
Guizhou Advance New Material Co. company	associated company	Sales of chemical products	80,000,000.00	220,489,215.88	110,487,953.71	228,140,793.50	19,037,526.15	14,275,311.58

Acquisition and disposal of subsidiaries during the reporting period

☐ Applicable ☒ Not applicable

Description of major holdings and participations

☐ Applicable ☒ Not applicable

## X. Structured subjects controlled by the company

☐ Applicable ☒ Not applicable

## XI. Prospects for the future development of the Company

Looking forward to 2023, from the macro situation, by the Russia-Ukraine conflict continues to expand and the United States interest rate hike spillover impact, the economic recovery is still insufficient momentum, the global supply chain instability risk increases, coupled with various types of geopolitical risks surging, the overall situation is not optimistic. From the development trend of the tyre industry, the supply-side structural reform to the depth of the merger and integration of the momentum is becoming more and more obvious, the two-tier division intensified, the concentration is getting higher and higher, the transformation and upgrading and to the direction of high-quality development has become more and more urgent.

Of course, we should also see favourable changes in the macro economy. First, the Central Economic Work Conference held in mid-December 2022 made it clear that this year's economic development should adhere to the word "stable" and seek progress amidst stability, continue to implement proactive fiscal policy and prudent monetary policy, increase the intensity of macroeconomic policy regulation and control, and strengthen the coordination of various types of policies; and emphasised that it was necessary to work on the systemic work of expanding domestic demand in the context of a strategic approach to improve social psychological expectations and boost confidence in development. It emphasises the need to start from a strategic overall perspective, from improving the psychological expectations of society and boosting confidence in development, and to do a good job of expanding domestic demand and other systematic work in an outlined manner. Secondly, the optimisation and adjustment of relevant policies, and the superimposed force of stock and incremental policies will bring significant positive impacts on economic recovery and development. Thirdly, Guizhou's "Strong Provincial Council", industrial multiplication

action and the new Guo Fa No. 2 document will continue to provide strong support for enterprises to achieve quality and efficiency, transformation and upgrading, and better, faster and better development.

From the company's internal point of view, after years of unremitting efforts, all aspects of work has made greater progress, with a relatively good momentum of development. Firstly, the leading and driving effect of the fist product strategy is remarkable, and the fist products represented by high-end tubeless tyres, all-steel heavy-duty trucks, all-steel engineering, agricultural tyres and industrial tyres have formed a strong pulling effect on the whole series of the Company's products. Thirdly, the production and operation of the Company in Vietnam has gradually entered the right track, which is a good opportunity for the Company to achieve the goal in 2023.

The operation is expected to have a good start. Fourthly, the circular economy empowers high-quality development. The benefits of the 50,000-tonne carbon black project and the 5,000-tonne recycled rubber project that have been put into operation are becoming more and more obvious, and the second-phase carbon black and recycled rubber projects are also being actively pushed forward, which will play a greater role in reducing costs and stabilising the supply chain, and so on.

#### 1. Corporate development strategy

Deeply implement the spirit of the twentieth CPC National Congress, adhere to the concept of sustainable development, **around the "dual-carbon"** goal, and solidly promote the new industrialisation, high-efficiency optimisation of resource allocation, high-standard implementation of green product design, high-quality deepening of the intelligent manufacturing; consolidate the achievements of lean production, improve production efficiency, reduce production costs; adhere to the direction of product structure adjustment, accelerate the implementation of "380,000 all-steel engineering radial tyre project" and "Vietnam production of 950,000 high-performance all-steel radial tyre project Adhering to the direction of product structure adjustment, accelerate the implementation of **the "annual output of 380,000 all-steel engineering radial tyre project"** and "Vietnam's annual output of 950,000 high-performance all-steel radial tyre project".

The Company is committed to "the goal". We will maintain integrity and innovation, strengthen the three major competitivenesses of our products, costs and services, coordinate safety and development, ensure the achievement of the business targets set for 2023, and drive the internationalisation of our business.

The new development pattern of chemicalisation, intelligence and greening is being pushed forward in depth.

## 2. 2023 Company Business Plan

The plan is to complete the production of 8.2 million tyres, an increase of 13.18% over the previous year; the plan is to complete the sales of 8.2 million tyres, an increase of 15.01% over the previous year.

The above business plan and business objectives do not represent the Company's profit forecast for the year 2023, and whether they can be realised depends on a variety of factors such as changes in the economic environment, changes in the market development, and the degree of effort made by the management team, etc., and there is a great deal of uncertainty, so investors are advised to pay particular attention to them.

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

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

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

### (1) Market competition risk:

There are many domestic tyre enterprises, and the industry is overcapacity; at the same time, the global supply chain is gradually recovering, and the factors supporting the growth of China's tyre foreign trade are weakening. In view of the complex and volatile economic situation at home and abroad and the overall stability of market demand, the tyre industry will continue to face fierce market competition.

### (2) Business operations risk:

Risk of raw material price fluctuations: rubber, carbon black, cord and other major tyre raw materials accounted for a large proportion of the company's costs, in recent years by the trade policy, exchange rate changes, the impact of crude oil prices fluctuations, coupled with the high cost of energy, the company's operations are facing greater cost pressures, and the difficulty of cost control.

Overseas operation risk: further increase the scale of investment in Vietnam and actively promote the construction of the second phase of the project in Vietnam, so as to effectively expand the overseas market, enhance the efficiency and promote the implementation of the Company's internationalisation development strategy. Although the management of the Company has carried out many field visits and full demonstration of the local policies and investment environment, due to the differences between the legal, policy system, political and business environment of overseas countries and that of China, if the Company is unable to effectively respond to the complex environment of overseas investment in a timely manner, or if the overseas investment environment changes, it will bring certain risks to the Company's operation.

### (3) Technology risk:

With the development of new energy vehicle technology, tyre products have entered a critical period of upgrading and improving technology content, and the company faces the risk of technology development and market promotion.

### (4) Financial risk:

The Company has continued to implement technological transformation projects for the purpose of expanding its scale of production and operation, which has resulted in a high demand for capital. As at 31 December 2022, the Company's gearing ratio will be

58.88 per cent, which is still high.

The Company's investment in overseas bases, tyre export business and raw material imports are mainly settled in US dollars, so the fluctuation in the exchange rate between RMB and US dollars will have a direct impact on the Company's revenues and costs, and the Company is exposed to a certain amount of exchange rate fluctuation risk.

5. In order to effectively resolve the above risks and endeavour to improve the quality of its operations, the Company intends to take the following countermeasures:

( 1 ) To establish the strategic thinking of "sales is the main battle, channel is the king", to grow the channel capacity, cultivate high-quality customers as a hand, do everything possible to expand the market capacity for the company's stock of production capacity and the full release of new production capacity to consolidate the market foundation.

( 2 ) Focusing on the development direction of high-end, green and intensive, the company will improve its production capacity and supply chain optimisation projects with higher standards and positioning, so as to consolidate the foundation of the company's "14th Five-Year Plan" strategic development and promote the company's high-quality development.

( 3 ) Enhance the mission to play a leading role in supporting science and technology-based backbone enterprises, focus on the "dual-carbon" goal, strengthen independent innovation, breakthroughs in key core technologies, optimise the price-performance ratio of products, and consolidate and expand the competitive advantage of products.

( 4 ) We will resolutely win the battle of the three-year action plan for "cost reduction and efficiency enhancement", make full use of lean tools, information technology and innovative projects, involve all staff in the whole process, carry out budget integration, system optimisation, classification and breakthroughs on major cost items, and comprehensively enhance cost competitiveness.

( 5 ) Set up quality service is to win the market opportunities and advantages of the idea, starting from the smallest, change the concept of dual-track drive, in the construction of the "hard service" network system, based on the full creation of "soft service" capabilities, to strengthen the competitiveness of the company's services.

( 6 ) Taking intelligence, greenness and refinement as the direction, the company has pushed forward the construction of the intelligent platform, gradually constructed digital manufacturing in the whole process from R&D to manufacturing, ordering to delivery, and endeavoured to move towards the goal of "lighthouse factory" which represents the highest level of global intelligent manufacturing.

( 7 ) Strengthen the foundation, control risks, adhere to the combination of key breakthroughs and comprehensive enhancement, focus on solving outstanding problems, and solidly carry out the work of short board elimination and bottleneck breakthrough system to comprehensively enhance the company's modern management level.

( 8 ) To study and implement the spirit of the twentieth CPC National Congress as an opportunity to enrich the reality of "Party building for development" connotation, comprehensively consolidate the foundation of hard work style, with high-quality party building to lead the company's high-quality development to the depths of the promotion.

( 9 ) Pay close attention to changes in foreign exchange market, improve exchange rate risk management capability, reduce the impact of exchange rate fluctuations on production and operation by adjusting the proportion of foreign exchange assets and liabilities, and promote the stability of the Company's operation. Purchase credit insurance to guard against overseas equity and debt risks.

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

☒Applicable ☐Not applicable

Reception time	Location of reception	Reception	Type of recipient	Target audience	Main points of discussion and information provided fertiliser	Index of basic information of the research
2022 April 23rd	China Securities Journal CSI Online Platform	the rest	persons	Investors participating in the online roadshow of the Company's convertible bonds	Introduction to the Company's operations and convertible bonds	Guizhou Tyre Company Limited Convertible Bonds Online Roadshow Investment Record of Relationships

Guizhou Tyre Company Limited Annual

May 2022 13th	Panorama Roadshow Platform	the rest	persons	Investors participating in the Company's online results presentation	Introduction to the company's operations	000589 Guizhou Tyre Results Presentation Information 20220513
June 2022 23rd	Company meeting room	field research	mechanism	Cinda Australia Fund : Zhang Mingye Guolian Securities: Chai Qinhu	Introduction to the company's operations	Guizhou Tyre Company Limited Investor Relations Activity 23 June 2022 The Record Sheet of Actions
July 2022 20 days	Company meeting room	field research	mechanism	Northeast Securities Co., Ltd: Vic Zhou	Introduction to the company's operations	Guizhou Tyre Company Limited Investor Relations Activity on 20 July 2022 The Record Sheet of Actions

## Section IV. Corporate governance

### I. Basic state of corporate governance

The Company continues to make continuous improvements to its corporate governance structure and internal control status in strict accordance with the requirements of the Company Law, the Securities Law, the Guidelines for the Governance of Listed Companies and the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, etc. As a state-owned holding company, the Company has always adhered to the principle of "unswerving leadership of the Party over state-owned enterprises". As a state-owned holding company, the Company has always **adhered to the principle of "unswerving leadership of the Party over state-owned enterprises"**, and the statutory position of the Party organisation in corporate governance has been established in the Articles of Association, so as to integrate the leadership of the Party into all aspects of corporate governance. We have improved the operational decision-making and management system structured by the General Meeting of Shareholders, the Party Committee, the Board of Directors, the Supervisory Committee and the management, consolidated the results of the special activities on corporate governance, and improved the level of standardised operation of the Company. The perfect corporate governance structure and standardised internal control system provide organisational safeguards for the Company to carry out business activities in accordance with the law, strengthen production and operation management, and promote corporate governance and standardised operation.

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

#### 1. About shareholders and general meetings

The Company strictly follows the provisions and requirements of the Rules for General Meetings of Shareholders of Listed Companies and the Rules of Procedure for General Meetings of Shareholders to regulate the convening, convening and voting procedures of general meetings and treat all shareholders on an equal footing. An online voting platform is provided for shareholders to ensure that all shareholders, especially small and medium-sized shareholders, fully exercise their rights in accordance with their shareholdings.

#### 2. About Directors and the Board of Directors

During the reporting period, all Directors regulated the convening, holding and voting of the Board of Directors in strict accordance with the Company Law and the Articles of Association of the Company and the Rules of Procedure of the Board of Directors; attended the Board of Directors and the General Meeting of Shareholders conscientiously, actively participated in the relevant training, familiarised themselves with the relevant laws and regulations, and diligently performed their duties. In accordance with the requirements of the Code on Governance of Listed Companies, the Company has set up four specialised committees under the Board of Directors, namely, Audit, Nomination, Strategy and Remuneration and Appraisal, which operate in accordance with the rules.

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### 3. About the Supervisors and the Supervisory Board

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

### 4. On performance evaluation and incentive and constraint mechanisms

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

### 5. On relevant stakeholders

The Company is able to fully respect and safeguard the legitimate rights and interests of the relevant stakeholders, actively co-operate with the relevant stakeholders, strengthen the communication and exchange with all parties, and achieve a balance of the interests of shareholders, employees, society and other parties, so as to promote the sustained, stable and healthy development of the Company.

### 6. On information disclosure

The Company has formulated the Information Disclosure Management System, etc. in accordance with the law, clarified the person responsible for information disclosure, fulfilled its information disclosure obligations in a truthful, accurate, complete and timely manner, and disclosed the latest information of the Company in the newspapers and magazines and websites designated by the CSRC, so as to enable all the shareholders to enjoy the equal right to know. The Company has also formulated the "Management System for Registration of Persons Informed of Insider Information" to safeguard the openness, justice and fairness of the Company's information disclosure in accordance with the law. During the reporting period, the Company strictly complied with the provisions of the system in relation to the Company's regular



Reporting and material matters and other insider information know-how has been registered and managed for the record, preventing and eliminating insider trading and other illegal behaviours, increasing the transparency of the Company, and effectively safeguarding the legitimate rights and interests of shareholders.

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

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

Yes ☐ No ☒

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

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

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

### **1. Independence of personnel**

The Company is independent of the controlling shareholder in all aspects of labour, personnel and payroll management. The senior management of the Company are all remunerated by the Company and do not hold any positions in the controlling shareholders or shareholders' affiliated units.

### **2. Asset independence**

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

### **3. Financial independence**

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

### **4. Operational independence**

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

market.

#### 5. Institutional independence

The Company has set up a sound organisational system and operates independently without any subordinate relationship with the controlling shareholder or its functional departments.

### III. Competition in the same industry

☐ Applicable ☒ Not applicable

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

#### 1. General meetings of shareholders during the reporting period

Session of the Conference	Type of meeting	Investor Participation proportions	Date of convening	Date of disclosure	Conference resolution
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2021 Annual General Meeting	annual shareholders' meeting	30.45 per cent	28 March 2022	29 March 2022	For details, see the 2021 Annual Share Announcement of Resolutions of the General Meeting of Shareholders
First Extraordinary General Meeting 2022	extraordinary general meeting (EGM)	29.94 per cent	15 April 2022	16 April 2022	See "Resolutions of the First Extraordinary General Meeting of 2022". The Bulletin
2022 Second Extraordinary General Meeting	extraordinary general meeting (EGM)	29.51 per cent	05 May 2022	06 May 2022	See "Resolution of the Second Extraordinary General Meeting of 2022". The Bulletin
2022 Third Extraordinary General Meeting	extraordinary general meeting (EGM)	29.36 per cent	09 November 2022	10 November 2022	See Resolution of the Third Extraordinary General Meeting 2022 The Bulletin

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

☐ Applicable ☒ Not applicable

## V. Directors, supervisors and senior management personnel

### 1. Basic information

name and surname	duties	tenure status	distinction	(age)	Date of commencement of term of office	Termination date	Number of shares held at the beginning of the period (Unit)	Number of additional shares held during the period (Unit)	Number of shares reduced during the period (Unit)	Other increases/decreases (Unit)	Number of shares held at the end of the period (Unit)	Reasons for increase or decrease in shares
Huang Gege	chairman of the board	hold an office	male	52	2019 03 March 20 date		300,000			60,000	360,000	The Company will implement

mythical monstrous bird, cf Sinbad's roc	Director, General Manager	hold an office	male	50	2022 April 15 date		240,000			48,000	288,000	the equity distribution for the year 2021, and distribute every 10 shares to all shareholders from the capital surplus. Conversion 2 Shares.
Xiong Chaoyang (1907-1989), Mao Zedong's second wife	Vice Chairman, Finance executive director	hold an office	male	55	2005 November 10 date		240,000			48,000	288,000	
Liu Xiandong (1941-), Chinese businessman and politician, prime minister 1990-1998	board member	hold an office	male	57	2019 03 March 20 date							
Pu Xiaobo (1944-), PRC politician	employee director	hold an office	male	51	2019 03 March 20 date		240,000			48,000	288,000	The Company will implement the annual equity distribution for the year 2021, and will pay all shareholders a dividend of 1,000 shares for every 10 shares of capital stock.

												Conversion 2 Shares.
Huang Yuegang (1907-1982), Chinese-American physicist, astronomer and mathematician	independent director	hold an office	male	65	2019 03 March 20 date							
Yang Daiga	independent director	hold an office	male	51	2019 03 March 20 date							
Choi Kok Ching	independent director affair	hold an office	male	47	2022 April 15							

					date							
CHOW YIP CHUN	Chair man of the Super visory Board	hold an office	male	52	2019 03 March 20 date							
Luo Yan (1938-), famous scholar and writer, author of the Harry Potter series of novels	superviso r	hold an office	wom en	53	2019 03 March 20 date							
Xiang Qunying	emplo yee supervi sor	hold an office	wom en	54	2019 03 March 20 date							
Wang Hai (1916- 1997), one of the pioneers of modern Chinese linguistics	chief engine er	hold an office	male	54	2001 Decembe r 13 date		240,0 00			48,00 0	288,0 00	The Company will implemen t the equity d i s t r i b u t i o n f o r the year 2021, and distribute every 10 shares to all sharehold ers from the capital surplus. Conversio n 2 Shares.
Zhou Chichijun	deputy genera l manag er	hold an office	male	50	2019 03 March 20 date		240,0 00			48,00 0	288,0 00	
Jiang Daikun	Deput y Gener al Manag er, Secret ary of the Board	hold an office	male	49	2019 03 March 20 date		240,0 00			48,00 0	288,0 00	

	of Directo rs letter											
Liu Bin (1979-), CCTV sports presenter	deputy genera l manag er	hold an office	male	48	2022 April 15 date		240,0 00			48,00 0	288,0 00	
He Yuping	Forme r Dire ctor, Gener al Manag er manag ers	leave office	male	64	2005 November 10 date	2022 April 15 date	300,0 00			60,00 0	360,0 00	
Shen Shui (1902- 1997), Chinese novelist	former director	leave office	male	61	2021 June 25 date	2022 29 Decembe r date						
Tum KWAI SANG	Forme r Indepe ndent Directo r	leave office	male	65	2015 July 16 date	2022 April 15 date						
Amazing	Forme r Indepe ndent Directo r	leave office	wom en	57	2015 July 16 date	2022 April 15 date						
add up the total	--	--	--	--	--	--	2,280 ,000	0	0	456,0 00	2,736 ,000	--

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

☒Yes ☐No

Shen Rui, Director of the Company, resigned from the position of Director of the Company due to retirement, and the Company held a shareholders' meeting on 30 January 2023 to conduct a by-election of Directors. Changes in Directors, Supervisors and Senior Management of the Company

☒Applicable ☐Not applicable

name and surname	Positions held	typology	dates	rationale
mythical monstrous bird, cf Sinbad's roc	board member	elected	15 April 2022	Board of Directors due for renewal
Choi Kok Ching	ndependent director	elected	15 April 2022	Board of Directors due for renewal
mythical monstrous bird, cf Sinbad's roc	general manager	appoint (to a position)	15 April 2022	Change of management due
Liu Bin (1979-), CCTV sports presenter	deputy general manager	appoint (to a position)	15 April 2022	Change of management due
He Yuping	Director, General Manager	Departure on expiry of term of office	15 April 2022	Board of Directors due for renewal
Tum KWAI SANG	ndependent director	Departure on expiry of term of office	15 April 2022	Board of Directors due for renewal



Amazing	ndependent director	Departure on expiry of term of office	15 April 2022	Board of Directors due for renewal
Shen Shui (1902-1997), Chinese novelist	board member	leave office	29 December 2022	retirement (from work)

## 2. Tenure

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

Huang Gege: graduated from Wuhan University of Technology, majoring in engineering mechanics, bachelor degree, engineering technology application researcher. Huang Gegege: graduated from Wuhan University of Technology with a bachelor's degree in engineering mechanics, and is a researcher in engineering technology application. He has served as the technical management director, chief engineer and general manager of the company's radial tyre branch, as well as the company's deputy general manager and executive deputy general manager. Ltd., a wholly-owned subsidiary of the Company, from April 2018, and the legal representative, chairman (to be re-designated as executive director from July 2022) and general manager of the Company.

Wang Qunbian: graduated from Hangzhou Institute of Electronic Industry, majoring in electronic precision machinery, on-the-job MBA degree, engineer. He used to be the assistant to the director of the former four branch factories, the deputy director and director of the equipment and power department, the director of the storage and transportation department, the director of the production department, the assistant to the general manager of the company, the deputy general manager, etc. Since March 2021, he has also been the legal representative and the executive director of Guizhou Advance New Materials Limited Liability Company, and since 15 April 2022, he has been the director and the general manager of the company.

Xiong Chaoyang: graduated from the North University of Technology, majoring in accounting, bachelor degree, accountant, senior economist. He has served as the manager of the Finance Department, deputy chief accountant, assistant to the general manager, chief accountant and director of Guiyang Rural Commercial Bank, etc. He has been the director and chief financial officer of the Company since 2005, and the vice chairman and chief financial officer of the Company since March 2009, and the chief financial officer of the Company since March 2009.

Xiandong Liu: He graduated from Jilin University of Technology in July 1986 with a Bachelor's degree in Automotive Engineering, graduated from Jilin University of Technology in June 1989 with a Master's degree in Computational Mechanics, and graduated from Beijing University of Aeronautics and Astronautics (BUAA) in July 1999 with a PhD degree in Aeronautical and Astronautical Propulsion Theory and Engineering, and is now a professor and doctoral supervisor. He was the deputy director of the Department of Automotive Engineering, Beijing University of Aeronautics and Astronautics (2003-2007), and the director of the Department of Automotive Engineering, School of Transportation Science and Engineering, Beijing University of Aeronautics and Astronautics (2007-2016), and is now a professor and doctoral supervisor of the Department of Automotive Engineering, School of Transportation Science and

Engineering, Beijing University of Aeronautics and Astronautics. He is also a member of the Expert Committee of Vibration and Noise Branch of Chinese Society of Automotive Engineering, executive director of Beijing Society of Automotive Engineering and director of Beijing Society of Vibration Engineering.

Chen Fei: graduated from East China Jiaotong University with a Bachelor's degree in Electronic Information Engineering, Master of Engineering, Engineer. He used to be the director of the engineering department of Guizhou Hercules Tyre Company Limited, the senior project manager of Guizhou Daigao Transmission Belt Company Limited, the senior supervisor of equipment automatic intelligence of Guizhou Xinxin Industrial Holding Group Company Limited, and the operation and management post of the industrial development department of Guiyang City Industry and Commerce Industrial Investment Group Company Limited. Currently, he is the deputy general manager of Guizhou Huagong Precision Tools Intelligent Manufacturing Company Limited, a subsidiary of Guiyang City Industrial Investment Company Limited, the controlling shareholder, and a director of Guiyang Yongqing Instrumentation and Electricity Technology Company Limited. From January 2023, he has been a director of the Company.

Pu Xiaobo: Graduated from Kunming University, majoring in rubber process, college degree, assistant engineer. He was the assistant director and director of the Quality Inspection Department, the director of the Human Resources Department and the chairman of the Supervisory Committee of the Company (from February 2005 to March 2019), as well as the legal representative and chairman of Guizhou Qianjin Rubber Inner Tube Company and the legal representative of Guizhou Tyre Factory.

He has been appointed as the Deputy Secretary of the Party Committee of the Company since February 2008, and has been appointed as an employee director of the Company since 20 March 2019, among other positions.

Huang Yuegang: graduated from Jilin University of Finance and Economics (former Jilin College of Finance and Trade), majoring in accounting, with a bachelor's degree, senior accountant. He has served as Deputy Director of the Party Committee Propaganda Department of Jilin University of Finance and Economics, Financial Controller of Shenzhen Far East Hotel Company Limited, President of Zhenhua Road Sub-branch of Shenzhen Branch of Guangfa Bank, Vice Chairman and Executive Vice President of Shenzhen Gold Lighting Company Limited, Deputy General Manager of Tianjin Guangsha Fucheng Real Estate Company Limited, Deputy General Manager of Shenzhen Zhongnan Hotel Management Company Limited, and Deputy General Manager of Shenzhen Binji Industry Company Limited.

(Group) Co., Ltd. and other positions, and is currently an independent director of Shenzhen Topband Co., Ltd. and Shenzhen Aoya Design Co., Ltd. and an independent director of the Company from March 2019 onwards.

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

Ltd., Beijing Lixin CPA Firm Co., Ltd. and Zhongqin Wanshin CPA Firm (Special Ordinary Partnership), engaged in auditing and enterprise management consulting work, served as senior manager of Zhonghua Financial Consulting Company, deputy manager of the audit department of Beijing Lixin CPA Firm, independent director of Zhuhai Huijin Science and Technology Co. He is currently the manager of the audit department of Zhongqin Wanshin Accounting Firm (Special Ordinary Partnership), a director of Guangzhou Henglong Intelligent Equipment Company Limited, and an independent director of Guangdong Lingxiao Pump Industry Company Limited, and has been appointed as an independent director of the Company from March 2019 onwards.

Cai Keqing: graduated from Nanjing University in July 1998 with a Bachelor's Degree in Law, Master's Degree in Project Management, Lawyer. He was the deputy director of Guizhou Baker Tilly Law Firm, partner and deputy director of Guizhou Fudi Law Firm, partner, deputy director and full-time lawyer of Guizhou Yuanlang Law Firm. Currently, he is a partner, director and full-time lawyer of Guizhou Runlan Law Firm, and an external director of Guiyang High-Tech Industrial Investment (Group) Co.

Zhou Yejun: Graduated from Guizhou Commercial College, majoring in commercial finance and accounting, he is an accountant with a bachelor's degree. He was the project manager of Guiyang Boyuan Zhongneng Industrial Investment Co., Ltd, the deputy manager of the finance department of Guizhou Haotian Optoelectronics Technology Co. Assistant to the General Manager and Staff Director of Guiyang Industrial and Commercial Investment Group, Chairman and Legal Representative of Guiyang Cross-border E-commerce Platform Operation Company. Currently, he is the deputy general manager and chairman of labour union of Guiyang City Industrial Investment Company Limited, and also a director of Bank of Guiyang Co. Ltd. Since March 2019, he has been the chairman of the supervisory committee of the Company.

Luo Yan: graduated from Guizhou Radio and TV University, majoring in accounting, bachelor degree, accountant. She was the accountant of Guizhou Rubber Industry Company and former Guizhou Tire Factory, the deputy director of sales and finance department of the company and staff supervisor (from 27 December 2012 to 20 March 2019), and the supervisor of Guizhou Advance Tire Investment Co. Current position Deputy Director of the Finance Department of the Company, Director of the Sales and Finance Division and Manager of the Sales and Finance Department of Guizhou Advance Tire Sales Co., Ltd, a wholly-owned subsidiary of the Company. From 20 March 2019, he has been appointed as a Supervisor of the Company.

Xiang Qunying: graduated from Guizhou Industrial Management School, majoring in accounting, college degree, accountant. He was the accountant of the former Guizhou Tyre Factory and the accountant of the Finance Department of the Company, and is currently the director of the Audit Department of the Company, and the supervisor of Guizhou Advance New Materials Limited Liability Company. from March 2019, he has been the employee supervisor of the Company.

Wang Hai: graduated from Qingdao Institute of Chemical Technology, majoring in rubber engineering, bachelor

degree, senior engineer. He has served as an engineer in the Tyre Research Institute of the former Guizhou Tyre Factory, director of the Technical Management Department of the Company, deputy chief engineer and assistant to the general manager, etc. Since December 2001, he has been the chief engineer of the Company.

Zhou Chichijun: graduated from Wuhan Textile Engineering Institute, majoring in industrial automation, on-the-job engineering master degree, engineer. He has served as the assistant factory director, deputy factory director, factory director, general manager of engineering tyre branch and assistant general manager of the Company in the former three factories of the Company. From September 2018, he has also served as legal representative, executive director and general manager of Guizhou Advance Tyre Sales Company Limited, a wholly-owned subsidiary of the Company, and from March 2019, he has served as deputy general manager of the Company.

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

Liu Bin: graduated from Hefei University of Technology, majoring in polymer materials and engineering, on-the-job engineering master, engineer. He has served as director and assistant to general manager of Zone A of the company's load radial tyre branch, deputy general manager (presiding) of load radial tyre 3, general manager of engineering radial tyre branch, general manager of special tyre branch, assistant to general manager of the company and general manager of the rubber refining branch, etc. He will be appointed as director of the production department of the company from April 2019, and deputy general manager of the company from April 2022. He will also serve as director of the production department of the company and deputy general manager of the company.

Employment in shareholders' organisations

☒Applicable ☐Not applicable

Name of incumbent	Name of shareholder unit	Serving as a shareholder in a positions	Date of commencement of term of office	Termination date	Whether or not in the shareholders' unit Remuneration allowance
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CHOW YIP CHUN	Guiyang City Industrial Investment limited company	Deputy General Manager, Trade Union chairperson	28 July 2022 date		be
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## Employment in other units

☒Applicable ☐Not applicable

Name of incumbent	Name of other units	In other units Positions held by the Office of the United Nations High Commissioner for Human Rights	Date of commencement of term of office	Termination date	Whether or not in other units Remuneration allowance
Liu Xiandong (1941-), Chinese businessman and politician, prime minister 1990-1998	Beijing University of Aeronautics and Astronautics	lecture on	30 December 2001		be
Yang Daiga	China Qin Wanshun CPA firm (Special General Partnership)	Manager, Audit Department	10 January 2008		be
	Guangdong Lingxiao Pump Industry Co. firms	independent director	03 December 2019		be
	Guangzhou Henglong Intelligent Equipment Co. limited company	board member	07 November 2018		be
Huang Yuegang (1907-1982), Chinese-American physicist, astronomer and mathematician	Shenzhen Topband Co.	independent director	15 September 2020		be
	Shenzhen Aoya Design Co. firms	independent director	21 July 2021		be
Choi Kok Ching	Guizhou Runlan Law Firm	Partner, Principal Appointments, full-time lawyers	20/03/2019		be
	Guiyang High-tech Industrial Investment (Group) corporation	outside director	23 August 2017		be

CHOW YIP CHUN	Bank of Guiyang Co.	board member	14 October 2022		clogged
Chen Fei (1905-1972), communist party general and politician	Guizhou Huagong Precision Tools Intelligence limited company	deputy general manager	31 May 2022		be
	Guiyang Yongqing Instrumental Technology Co. firms	board member	21 June 2021		clogged
Appointments in other units of the United Nations Office on Drugs and Crime (UNODC)	Mr Zhou Yejun, Chairman of the Supervisory Board, was elected by the First Extraordinary General Meeting of 2022 of Bank of Guiyang Co. He was elected as a director and his qualification was approved by Guizhou Banking and Insurance Supervision Bureau in March 2023 and became effective.				

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

☐ Applicable ☒ Not applicable

### 3. Remuneration of Directors, Supervisors and Senior Managers

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

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

① Internal directors and senior management: with reference to the implementation of the Interim Measures for Business Performance Assessment of Persons in Charge of State-owned and State-controlled Enterprises in Guiyang City.

(ii) Independent Directors: Proposed by the Remuneration and Evaluation Committee of the Board of Directors, considered and approved by the Board of Directors and submitted to the General Meeting of Shareholders for voting, and implemented after being voted on and approved by the General Meeting of Shareholders. At the Eleventh Meeting of the Fifth Session of the Board of Directors on 27 March 2010 and the First Extraordinary General Meeting of 2010 on 15 April 2010, the Independent Directors of the Company were approved by the Board of Directors.

The annual remuneration of the Director is \$60,000 (including tax).

(iii) Supervisors: Proposed by the Remuneration and Evaluation Committee of the Board of Directors, considered and approved by the Board of Directors and submitted to the General Meeting of Shareholders for a vote, and implemented after being voted on and approved by the General Meeting of Shareholders. Upon

At the sixteenth meeting of the third session of the Board of Directors on 28 September 2005 and at the 2005 extraordinary general meeting of shareholders on 10 November 2005, the supervisors of the Company, in addition to those appointed by the Board of Directors in accordance with the terms of their appointment, were approved by the Board of Directors of the Company.

The risk allowance is \$2,000/month in addition to the salary income from the job or position held.

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

Allowances for independent directors are paid on a lump sum basis, and remuneration for internal directors, supervisors and senior management is paid on a monthly basis and settled at the end of the year. Actual payment was made to the

Company's directors during the year,

The remuneration of supervisors and senior managers totalled \$6,422,600.

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

Unit: \$ million

name and surname	duties	distinguishing between the sexes	(a person's age	tenure status	Received from the company Total compensation before tax	Whether in the company off Remuneration of associates
Huang Gege	Chairman, Party Secretary	male	52	hold an office	75.5	clogged
mythical monstrous bird, cf Sinbad's roc	Director, General Manager	male	50	hold an office	64	clogged
Xiong Chaoyang (1907-1989), Mao Zedong's second wife	Vice Chairman, Chief Financial Officer	male	55	hold an office	64	clogged
Pu Xiaobo (1944-), PRC politician	Staff Director, Deputy Party Secretary	male	51	hold an office	64	clogged
Wang Hai (1916-1997), one of the pioneers of modern Chinese linguistics	chief engineer	male	54	hold an office	64	clogged
Zhou Chichijun	deputy general manager	male	50	hold an office	64	clogged
Jiang Daikun	Deputy General Manager, Secretary of the Board of Directors	male	49	hold an office	64	clogged
Liu Bin (1979-), CCTV sports presenter	deputy general manager	male	48	hold an office	29.97	clogged
He Yuping	Former Director and General Manager	male	64	leave office	75.5	clogged
Liu Xiandong (1941-), Chinese businessman and	board member	male	57	hold an office	6	clogged



politician, prime minister 1990-1998						
Huang Yuegang (1907-1982), Chinese- American physicist, astronomer and mathematici an	independent director	male	65	hold an office	6	clogged
Yang Daiga	independent director	male	51	hold an office	6	clogged
Choi Kok Ching	independent director	male	47	hold an office	4.5	clogged
Tum KWAI SANG	Former Independent Director	male	65	leave office	2	clogged
Amazing	Former Independent Director	women	57	leave office	2	clogged
Shen Shui (1902-1997), Chinese novelist	former director	male	61	leave office	0	clogged
CHOW YIP CHUN	Chairman of the Supervisory Board	male	52	hold an office	0	be
Luo Yan (1938-), famous scholar and writer, author of the Harry Potter series of novels	Supervisor, Deputy Minister of Finance	women	53	hold an office	33.73	clogged
Xiang Qunying	Staff Supervisor, Director of Audit	women	54	hold an office	17.06	clogged
add up the total	--	--	--	--	642.26	--

## VI. Fulfilment of duties by directors during the reporting period

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

Session of the Conferen ce	Date of convening	Date of disclosure	Conferen ce resolutio n
Thirtieth meeting of the Seventh	24 January 2022	25 January 2022	See "Resolutions of the 30th Meeting of the 7th Board of Directors".

Board of Directors			Notice of Motion
Thirty-first meeting of the Seventh Board of Directors	04 March 2022	08 March 2022	See "Thirty-first Meeting of the Seventh Board of Directors". Announcement of Resolutions
Thirty-second meeting of the Seventh Board of Directors	30 March 2022	31 March 2022	See the 32nd Meeting of the Seventh Board of Directors. Announcement of Resolutions
First meeting of the eighth session of the Board of Trustees	15 April 2022	16 April 2022	See Resolution of the First Meeting of the Eighth Board of Directors The Bulletin
Second meeting of the eighth session of the Board of Trustees	19 April 2022	20 April 2022	See Resolution of the Second Meeting of the Eighth Board of Directors The Bulletin
Third meeting of the eighth session of the Board of Trustees	29 April 2022		Consideration and adoption of the 2022 First Quarter Report
Fourth meeting of the eighth session of the Board of Trustees	29 July 2022	30 July 2022	See Resolution of the Fourth Meeting of the Eighth Board of Directors The Bulletin
Fifth meeting of the eighth session of the Board of Trustees	29 August 2022	31 August 2022	See the Resolution of the Fifth Meeting of the Eighth Board of Directors. The Bulletin

Sixth meeting of the eighth session of the Board of Trustees	24 October 2022	25 October 2022	See the Resolution of the Sixth Meeting of the Eighth Board of Directors. The Bulletin
Seventh meeting of the Eighth Board of Directors	28 October 2022		Consideration and adoption of the Third Quarterly Report 2022
Eighth meeting of the Eighth Board of Directors	16 November 2022	17 November 2022	See the Resolution of the Eighth Meeting of the Eighth Board of Directors. The Bulletin
Ninth meeting of the eighth session of the Board of Trustees	21 November 2022	22 November 2022	See the Resolution of the Ninth Meeting of the Eighth Board of Directors. The Bulletin

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

Attendance of Directors at Board and General Meetings							
Name of Director	Number of Board meetings to be attended during the reporting period	Number of board meetings attended on site	Participation in the Board of Trustees by correspondence	Number of proxy attendances at the Board of Directors	Number of absences from the Board	Failure to attend two consecutive Board meetings in person comment on	Attendance at general meetings
Huang Gege	12	12	0	0	0	clogged	4
Xiong Chaoyang (1907-1989), Mao Zedong's second wife	12	12	0	0	0	clogged	4
mythical monstrous bird, cf Sinbad's roc	9	9	0	0	0	clogged	4
Pu Xiaobo (1944-), PRC politician	12	12	0	0	0	clogged	4
Liu Xiandong (1941-), Chinese businessman and politician, prime minister 1990-1998	12	0	12	0	0	clogged	4
Shen Shui (1902-1997), Chinese novelist	12	0	12	0	0	clogged	4
Yang Daiga	12	0	12	0	0	clogged	4
Huang	12	0	12	0	0	clogged	4

Yuegang (1907-1982), Chinese- American physicist, astronomer and mathematicia n							
Choi Kok Ching	9	9	0	0	0	clogged	3
He Yuping	3	3	0	0	0	clogged	2
Tum KWAI SANG	3	0	3	0	0	clogged	2
Amazing	3	0	3	0	0	clogged	2

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

☐ Applicable ☒ Not applicable

### 3. Directors' objections to matters relating to the Company

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

Yes ☒ No

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

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

Whether the Directors' recommendations to the Company are adopted

☒ Yes ☐ No

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

During the reporting period, all directors of the Company strictly complied with the Company Law, the Securities Law, the Code of Governance for Listed Companies and other laws and regulations, as well as the Articles of Association of the Company.

The Rules of Procedure of the Board of Directors were carried out with diligence. During the reporting period, the Directors carefully reviewed the motions and relevant documents of the meetings and made independent, objective and impartial judgments, put forward relevant opinions on the Company's major governance and operational decisions in the light of the actual situation of the Company, formed unanimous opinions after full communication and discussion, and resolutely supervised and promoted the implementation of the resolutions of the Board of Directors to ensure that the decision-making was scientific, timely and efficient, and safeguarded the legitimate rights and interests of the Company and all shareholders. Ensuring scientific, timely and efficient decision-making and safeguarding the legitimate rights and interests of the Company and all shareholders. During the reporting period, the Directors of the Company did not raise any objection to the resolutions of the Board of Directors and other matters of the Company for the current year.

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

Name of the Committee	Memberships	Number of meetings held	Date of convening	Content of the meeting	Important observations and recommendations made	Other performance of duties	Specifics of the objection (e.g. (Yes))
Board of Auditors	Bi Yan, Qin Guisheng, Yang Dahe, Huang Yuegang, Huang Gege Ge, Xiong Chaoyang (7th) Yang	5	2022 01 28th of March	With regard to the consideration of Motion on "Preview of the Company's 2021 Annual Results"; Motion on "Consideration of the Company's 2021 Annual Results Update"; Motion on "Consideration of the Company's 2021 Annual Results Update". Motion.	Motion passed unanimously		not have

	Dahe, Huang Yuegang, Cai Keqing, Huang Ge Ge, Xiong Chaoyang (eighth session)		2022 03 04th of April	Annual Report of the Company for the year 2021 and Abstracts, The Company's 2021 Internal Control Evaluation Report,"The Company's 2021 Profit Distribution Proposal', 'Summary R e p o r t o f t h e Audit Committee of the Board of Directors on the 2021 Audit Work Performed by Zhonghua Accounting Firm (Special Ordinary Partnership ),"The Company's Daily Connected Transaction s for the Year 2022", "TheRenewal of the Appointmen t of Zhonghua Accounting Firm",and"The Company's 2021 Annual Audit Work Performed by Zhonghua Accounting Firm". (Special	Motion passed unanimousl	According to the audit plan of the Company's 2021 annual report, timely communicat ion with the certified public accountant for the audit of the annual report on the arrangemen t of the audit work, the progress and problems, etc.	not have
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				Common) (Partnershi p) as the Company's auditor for the year 2022 and the payment of remunerati on", About the Company <2021 years Fundraising Storage and use			
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				The motion to amend the proposal for the public offering of convertible corporate bonds, About the Company <Report on the Use of Previously Raised Funds> and Summary of the Audit Office for 2021 and work for 2022 Report			
			2022 04 29th of January	The Company's First Quarter 2022 The Report	Motion passed unanimously		
			2022 08 29th of January	The Company's Half-Yearly Report 2022 and Summary; Special Report on the Deposit and Utilisation of Proceeds for the Half Year 2022; Internal audit report for the first half of 2022 and internal audit for the second half of the year The Plan	Motion passed unanimously		not have



			2022 10 28th of March	Third Quarterly Report of the Corporation 2022; Internal Audit Report for the third quarter of 2022 and Internal Audit for the fourth quarter of 2022 The Plan	Motion passed unanimousl		not have
nominating committee	Qin Guisheng, Bi Yan, Huang Yuegang, Yang Dahe, Huang Gege Ge, He Yuping (7th) Cai Keqing, Huang Yuegang, Yang Dahe, Huang Ge Ge, Wang Qiqun (eighth session)	2	2022 03 30th day of the month	Report on the Nomination of Candidates for the Eighth Session of the Board of Directors of the Company Announceme nt	Motion passed unanimousl		not have
			2022 04 15 March	Report on the Nomination of the Managing Director of the Company; Report on the Nomination of the Secretary of the Board of Directors; Nomination of other senior executives of the Company Report of the Secretary- General on the implementation of the Programme of Action for the Sustainable Development of Small Island	Motion passed unanimousl		not have

				Developing States (SIDS).			
Commission on Strategy and Development	Huang Gege, Wang Kun, Xiong Chao Yang, Liu Xian	1	2022 04 15 March	Implementation of the Programme of Action for the Annual Production Capacity of 380,000 All-steel engineering	Motion passed unanimously		not have

	Tong, Huang Yuegang, Yang Dahe, Cai Keping (eighth session)			Motion on Intelligent Manufactur ing Project for Radial Tyres			
Remunerat ion and Appraisal Committee	Huang Yuegang, Qin Guisheng, Bi Yan, Liu Xianyong, Yang Daga (7th session) Huang Yuegang, Yang Dahe, Cai Keping, Liu Xianyong, Shen Rui (eighth session)	3	2022 01 24th of March	Proposal on the fulfillment of the conditions for the release of restrictions during the first release period of the 2019 Restricted Share Incentive Plan; "In the Matter of the Repurchas e and Cancellat ion of Certain Restricted Shares under the 2019 Restricted Stock Incentive Plan and Adjustment to the Repurchas e Price Motion	Motion passed unanimousl		not have
			2022 11 16th of March	About the company Draft 2022 Restricted Stock Incentive Plan and its Summary; About the company Resolution on the Manageme nt Measures	Motion passed unanimousl		not have

				for the Implementa tion and Assessmen t of the 2022 Restricted Share Incentive Plan Case.			
			2022 11 21st of January	About the company 2022 Restricted Share Incentive Plan (Draft Amendment ) (Draft) > and its Summary table	Motion passed unanimousl		

## VIII. Work of the Supervisory Board

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

Yes ☐ No ☒

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

## IX. Employees of the Company

### 1. Number of employees, professional composition and education level

Number of employees employed by the parent company at the end of the reporting period (persons)	5,592
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Number of employees on board of major subsidiaries at the end of the reporting period (persons)	770
Total number of employees on board at the end of the reporting period (persons)	6,362
Total number of employees receiving remuneration during the period (persons)	6,362
Number of retired employees of the parent company and major subsidiaries required to bear the costs (persons)	2,739
Professional composition	
Professional composition category	Number of professional components (persons)
production staff	4,900
sales person	221
technical staff	667
treasurer	46
administrative staff	528
add up the total	6,362
educational attainment	
Type of educational attainment	Number (persons)
Master's degree or above	51
undergraduate (adjective)	761
three-year college	1,015
vocational secondary school	1,713
congrats! (on passing an exam)	1,035
the rest	1,787
add up the total	6,362

## 2. Remuneration policy

The Company adheres to the principles of distribution based on labour, priority of efficiency and fairness, and the growth of employees' wages is in line with the Company's business development and efficiency improvement, and establishes a mechanism for the Company and its employees to reasonably share the fruits of the Company's development, and the improvement of productivity and efficiency promotes the realisation of the Company's strategic objectives.

Standardise the company's Wage Payment Regulations, reasonable salary budget, total salary control, standardised management of various salary subjects, etc., all kinds of social security, welfare, etc. are paid in accordance with national policies and regulations in accordance with the law, and the total salary is subject to budgetary management, process control, and collective decision-making, while the salary is skewed towards the front-line employees in the production line, and attention is paid to the special groups of employees in due course.

Salary and income distribution has been tilted towards core technical positions and key positions, reflecting the

company's strategic advantage in talent competition. The company continues to implement innovative mechanisms, engineering and technical personnel and sales of field positions to implement key job performance and sales commission incentives and other distribution policies.

### **3. Training programmes**

The company's training work is comprehensive in coverage and focused, and in the actual training work, it constantly enriches the training content, expands the training form, optimises the training process, clarifies the training purpose and improves the training effect.

For the company's field management personnel's management level, leadership and other needs to carry out "lean production training", "TPM training", plans to drive internal training outside the training, adhere to the training content to the general management theory, adhere to the training purpose to improve the management skills, adhere to the training mode to strengthen the interactive exchange of the main, in order to continue to improve the quality and effectiveness of the training.

Promote the management and leadership skills of site managers.

For new employees, the effective implementation of induction training, training content including safety (three levels), company profile, company rules and regulations, staff daily code of conduct

etc., so that new employees can quickly integrate into the company's environment and help them get through the adaptation period.

Continuously improve the training system and training process, establish a training feedback and effect evaluation mechanism, and improve the training management and implementation system.

#### 4. Outsourcing of labour services

☒Applicable ☐Not Applicable

Total number of man-hours of labour outsourcing (hours)	1,282,000
Total remuneration paid for labour outsourcing (\$)	54,566,359.00

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

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

☒Applicable ☐Not applicable

根据中国证监会《关于进一步落实上市公司现金分红有关事项的通知》《上市公司监管指引第3号——上市公司现金分红（2022年修订）》等相关制度的相关要求，《公司章程》《独立董事工作制度》和《公司未来三年（2021年- The Articles of Association, the Working System of Independent Directors and the Shareholders' Return Plan of the Company for the next three years (2021-2023) set out detailed provisions on the principles of profit distribution, forms of profit distribution, conditions and ratios of profit distribution, decision-making procedures and mechanisms of profit distribution, intervals of profit distribution, conditions for adjusting the dividend policy, decision-making mechanisms of adjusting the dividend policy and protection of shareholders' interests, etc., and specify the conditions and ratios of the cash distribution of the Company as well as conditions and decision-making mechanisms of the adjustment of the dividend policy, and relevant decision-making mechanisms. The conditions and proportion of cash distribution as well as the conditions and decision-making mechanism for adjusting the dividend policy of the Company have been clarified, and the relevant decision-making procedures and mechanisms have been made more complete, providing conditions for the Independent Directors to fulfil their duties and responsibilities and play their due roles, as well as providing an opportunity and platform for the small and medium-sized shareholders to fully express their opinions and demands, and fully safeguarding the legitimate rights and interests of the small and medium-sized shareholders.

On 12 April 2022, the Company implemented the profit distribution plan for 2021, which was approved at the 2021 Annual General Meeting of Shareholders held on 28 March 2022

"On the basis of the total share capital of 956,240,462 shares after deduction of the repurchase and cancellation of part of the restricted shares under the 2019 Restricted Share Incentive Plan, for every 10 shares of all shareholders Cash dividend of RMB1.00 (tax included), bonus shares of 0 (tax included), and the conversion of 2 shares for every 10 shares to all shareholders from capital reserve."

Special note on cash dividend policy

Whether it complies with the provisions of the Articles of Association or the requirements of the resolutions of the general meeting of shareholders:	be
Whether the criteria and percentage of dividends are clear and unambiguous:	be
The adequacy of relevant decision-making procedures and mechanisms:	be
Whether the independent directors have fulfilled their duties and responsibilities and played their roles properly:	be
Whether small and medium-sized shareholders have adequate opportunities to express their views and aspirations, and whether their legitimate rights and interests are adequately protected:	be
If the cash dividend policy is adjusted or changed, whether the conditions and procedures are compliant and transparent:	be

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

☐ Applicable ☒ Not applicable

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

☒ Applicable ☐ Not Applicable



Number of bonus shares per 10 shares (shares)	0
Dividend per 10 shares (RMB) (tax included)	2.00
Share capital base for the distribution proposal (shares)	1,147,150,612
Cash dividend amount (RMB) (including tax)	229,430,122.40
Amount of cash dividends in other ways (e.g. share buybacks) (\$)	52,378,388.60
Total cash dividends (including other means) (\$)	281,808,511.00
Distributable profit (\$)	1,911,222,138.78
Total cash dividends (including other methods) as a percentage of total profit distribution	100%
The current cash dividend	
If the company's development stage belongs to the growth period and there is a major capital expenditure arrangement, when profit distribution is made, the proportion of cash dividends in the profit distribution should at least reach 20 per cent	
Detailed description of the proposed distribution of profits or capitalisation of capital reserves	
<p>Audited by Zhonghua Accounting Firm (Special General Partnership), the net profit attributable to owners of the parent company in the consolidated statement of the Company for the year 2022 will be 428,788,029.37</p> <p>The net profit of the parent company was RMB 372,808,754.63, plus the undistributed profit of RMB 1,671,266,968.80 at the beginning of the period, of which RMB 1,671,266,968.80 was distributed to the parent company during the current year in accordance with the provisions of the Articles of Association of the Company.</p> <p>The Parent Company has decided to withdraw \$37,280,875.46 from the surplus reserve, pay dividends of \$95,572,709.19 by implementing the previous year's profit distribution plan, and the Parent Company will be available for shareholders' equity at the end of 2022.</p> <p>The profit distributed by the Company was RMB 1,911,222,138.78.</p> <p>The total share capital of 1,147,150,612.00 shares after deduction of the shares in the special securities account for repurchase (63,900 shares), which is the number of shares to be held after the completion of the restriction on the repurchase of shares on 11 April 2023, will be used as the basis of the provisional share capital of 1,147,150,612.00 shares.</p> <p>The total dividend to be paid to shareholders will be RMB 2.00 (including tax) for every 10 shares of the Company's common stock, based on the number of shares of the Company's common stock repurchased and cancelled, and the total dividend to be paid to shareholders will be RMB 2.00 (including tax) for every 10 shares of the Company's common stock.</p> <p>229,430,122.40 Yuan; no bonus shares; no capitalisation from provident fund.</p> <p>As the convertible bonds of the Company are in the conversion period, if the total share capital of the Company changes due to the conversion of the convertible bonds after the announcement of the distribution plan and before its implementation, it will be adjusted accordingly under the principle of "no change in the distribution ratio".</p> <p>The distribution proposal is in compliance with the relevant provisions on profit distribution in the Notice on Further Implementation of Matters Relating to Cash Dividends of Listed Companies of China Securities Regulatory Commission, the Supervisory Guideline for Listed Companies No. 3 - Cash Dividends of Listed Companies, and the Shareholders' Return Plan for the Next Three Years (2021-2023) of the Articles of Association of the Company, and has given due consideration to the comprehensive factors such as the profit situation of the Company in 2022, the capital demand for future development and the investment return of shareholders. The profit distribution is in line with the interests of the Company and all shareholders, taking into full consideration the profitability of the Company for the year 2022, the capital requirements for future development and the return on shareholders' investment.</p> <p>This distribution proposal is yet to be submitted to the general meeting of the Company for consideration.</p>	

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

☒Applicable ☐Not Applicable

## 1. Equity incentives

### (1) 2019 Restricted Stock Incentive Plan:

After consideration by the Ninth Meeting of the Seventh Session of the Board of Directors and the Sixth Meeting of the Seventh Session of the Supervisory Committee of the Company, approval by Guiyang SASAC and the Fourth Extraordinary General Meeting of 2019

The vote was approved and the Company implemented the 2019 Restricted Stock Plan. In February 2020, the Company completed the registration of grants of 22,125,000 shares to 444 incentive recipients.

For details, please refer to the "Announcement on the Completion of Registration for the Grant of 2019 Restricted Share Incentive Scheme" published in the Securities Times, China Securities Journal, Shanghai Securities News and Juchao Information Network on 10 February 2020.

On 24 January 2022, the Company held the 30th meeting of the 7th session of the Board of Directors and the 23rd meeting of the 7th session of the Supervisory Board to consider and approve the 2019

The "Resolution on the Achievement of the Conditions for the Release of Restricted Shares for the First Release Period of the 2019 Restricted Stock Incentive Plan" and the "Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the 2019 Restricted Stock Incentive Plan and Adjustment of the Repurchase Price" and other motions. According to the relevant provisions of the Company's 2019 Restricted Share Incentive Plan and the Administrative Measures for the Implementation and Assessment of the 2019 Restricted Share Incentive Plan, the conditions for the release of restricted shares during the first release period of the 2019 Restricted Share Incentive Plan of the Company have been fulfilled, and the Company

The total number of 444 incentive recipients who are eligible for release of restricted shares is 443, and the number of restricted shares that can be released from restriction is 7.3520 million shares. The company's first release of restricted

The 7,352,000 shares released from the selling period were listed and circulated on 11 February 2022. For details, please refer to the Company's disclosure on 8 February 2022 of the "Announcement on the 2019

Tip-off Announcement on the Listing and Circulation of Shares Released from Restricted Shares during the First Release Period of the Restricted Share Incentive Scheme.

On 30 March 2022, the Company completed the process of releasing the shares held by the original incentive recipients that had been granted but not approved for release this time, and the shares held by the persons who no longer meet the incentive conditions have not been released from the restriction.

The repurchase and cancellation of a total of 7.9 million restricted shares of restricted stock. For details, please refer to the "Announcement on the Completion of Repurchase and Cancellation of Certain Restricted Shares under the 2019 Restricted Stock Incentive Plan" disclosed on 1 April 2022 by the Company.

(2) 2022 Restricted Stock Incentive Plan:

2022 年 11 月 16 日，公司召开第八届董事会第八次会议，审议通过了《关于公司〈2022 年限制性股票激励计划（草案）〉及其摘要的议案》《关于公司〈2022 年限制性股票激励计划实施考核管理办法〉的议案》《关于提请股东大会授权董事会全权办理公司 2022 年限制性股票 Proposal on Requesting the General Meeting of Shareholders to Authorise the Board of Directors to Fully Handle Matters Related to the 2022 Restricted Share Incentive Scheme of the Company The Independent Directors expressed their independent opinions in favour of the aforesaid motions. On the same day, the Company convened the Seventh Meeting of the Eighth Session of the Board of Supervisors, which considered and passed the "Motion on the Company's "2022 Restricted Share Incentive Plan (Draft)" and its summary, the "Motion on the Company's "Measures for the Administration of the Examination of the Implementation of the 2022 Restricted Share Incentive Plan", and the "Motion on the Company's "List of Incentive Participants under the 2022 Restricted Share Incentive Plan".

On 21 November 2022, the Company convened the Ninth Meeting of the Eighth Session of the Board of Directors and considered and passed the "Proposal on the Company's "2022 Restricted Share Incentive Plan (Draft Revision)" and its Summary". The Independent Directors expressed their independent opinions in favour of the aforesaid proposals. On the same day, the Eighth Meeting of the Eighth Session of the Board of Supervisors of the Company was held to consider and pass the "Proposal on the Company's "2022 Restricted Share Incentive Plan (Draft Revision)" and its Summary" and the "Proposal on the Company's "2022 Restricted Share Incentive Plan Incentive Recipients List (After Adjustment)".

On 16 January 2023, Guiyang State-owned Assets Supervision and Administration Commission issued the "Review Opinion of the Municipal State-owned Assets Supervision and Administration Commission on the "2022 Restricted Share Incentive Plan (Draft Revised Draft) of Guizhou Tyre Company Limited" (筑国资复[2023]4号), which gave consent to the Company to implement the 2022 Restricted Share Incentive Plan.

During the period from 21 November 2022 to 1 December 2022, the Company made public the list of incentive recipients through its internal bulletin board. During the period of public announcement, the Supervisory Committee of the Company did not

Objections to the publicly announced incentive targets were received.2023 On 2 February, the Company disclosed the "Explanation and Verification Opinion of the Supervisory Committee on the Public Announcement of the List of Incentive

Targets under the Company's 2022 Restricted Share Incentive Plan".

On 10 February 2023, the Company held the second extraordinary shareholders' meeting of 2023, which considered and approved the "Regulations on the Company's 2022 Restricted Stock Incentive Plan".

(Revised Draft)" and its summary "Proposal on the Company's "Administrative Measures for the Implementation and Evaluation of the 2022 Restricted Share Incentive Plan" and "Proposal to propose to the Shareholders' General Meeting to authorise the Board of Directors to fully handle all matters in relation to the Company's 2022 Restricted Share Incentive Plan". The implementation of the Incentive Plan by the Company was approved, and the Board of Directors was authorised to exercise full powers to handle all matters relating to the implementation of the Incentive Plan, including the determination of the Restricted Share Grant Date and the granting of Restricted Shares to the Incentive Participants when the Incentive Participants are eligible. And on 11 February 2023, the "Self-inspection Report on the Trading of the Company's Shares by Persons Informed of the Company's 2022 Restricted Share Incentive Plan and Incentive Participants" was disclosed.

On 17 February 2023, the Company held the twelfth meeting of the eighth session of the Board of Directors and the eleventh meeting of the eighth session of the Supervisory Committee.

The "Proposal on the List of Incentive Recipients and the Number of Rights and Interests to be Granted under the 2022 Restricted Share Incentive Scheme of the Company" and "Proposal on the Granting of Restricted Shares to the Incentive Recipients under the 2022 Restricted Share Incentive Scheme". The Independent Directors of the Company have expressed their independent opinions in agreement; the Supervisory Committee has expressed its verification opinion that the conditions for the grant of restricted shares have been fulfilled, the qualifications of the incentive recipients are lawful and valid, and the date of grant has been determined in compliance with the relevant regulations.

The Restricted Share Incentive Scheme was registered on 9 March 2023, and 23,778,800 A-share restricted shares were actually granted to 535 incentive recipients.

Shares. For details, please refer to the "Announcement on the Completion of the Registration of Grants under the 2022 Restricted Share Incentive Plan" disclosed by the Company on 10 March 2023. Share incentives granted to directors and senior management of the Company

☒Applicable ☐Not Applicable

Unit: shares

name and surname	duties	Number of stock options held at the beginning of the year	Number of new stock options granted during the reporting period	Number of shares exercisable during the reporting period	Number of shares exercised during the reporting period	Number of shares exercised during the reporting period Exercise price (yuan) / (Unit)	Number of stock options held at the end of the period	Market value at the end of the reporting period (yuan) / (Unit)	Number of restricted shares held at the beginning of the period	Number of shares unlocked during the period	Number of new restricted shares granted during the reporting period	Restricted stock grant price (\$/share)	Number of restricted shares held at the end of the period
Huang Gege	chairman of the board							4.79	300,000	100,000			240,000
He Yuping	Outgoing Directors, General managers							4.79	300,000	100,000			240,000
mythical monstrous bird, cf Sinbad's roc	Director, general manager							4.79	240,000	80,000			192,000
Xiong Chaoyang (1907-1989), Mao Zedong's second wife	Vice Chairman, Finance executive director							4.79	240,000	80,000			192,000
Pu	employee director							4.79	240,000	80,000			192,000

Xiaobo (1944-), PRC politician	affair												
Wang Hai (1916- 1997), one of the pioneers of modern Chinese linguistics	general engineeri ng army division							4.79	240,0 00	80,00 0			192,0 00
Liu Bin (1979-), CCTV sports presenter	deputy general manager grain (of wood)							4.79	240,0 00	80,00 0			192,0 00
Zhou Chichijun	deputy general manager grain (of wood)							4.79	240,0 00	80,00 0			192,0 00
Jiang Daikun	Deputy General Manager, Secretary of the Board of Directors letter							4.79	240,0 00	80,00 0			192,0 00
add up the total	--	0	0	0	0	--	0	--	2,280 ,000	760,0 00	0	--	1,824 ,000
Remarks (if any)	During the reporting period, one-third of the restricted shares held by the share incentive recipients were released and the remaining two-thirds were not released. As a result of the Company's equity distribution for the year 2021, the number of shares held by the share incentive recipients was changed accordingly by the conversion of 10 shares into 2 shares from capital reserve. movement, the number of restricted shares held at the end of the period is the number of shares after the conversion.												

## Appraisal mechanisms and incentives for senior managers

The appraisal of the Company's senior management personnel is carried out with reference to the Interim Measures

for Business Performance Appraisal of Persons in Charge of State-owned and State-controlled Enterprises in Guiyang City. The Company has established a performance appraisal system and remuneration system for senior management personnel, and the remuneration of senior management personnel is closely linked to the operational performance. After the end of the operating year, appraisals are conducted based on the completion of the Company's annual operating objectives and the performance of senior management. At the same time, the Company's Restricted Stock Incentive Plan sets up individual performance assessment indicators for incentive recipients, including senior management, and makes a more comprehensive evaluation of the work performance of incentive recipients. Based on the assessment results of the incentive targets, the Company determines whether the individual incentive targets meet the conditions for the release of restricted shares.

## **2. Implementation of the Employee Share Ownership Plan**

☐ Applicable ☒ Not applicable

### 3. Other staff incentives

☐ Applicable ☒ Not applicable

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

### 1. Construction and implementation of internal controls

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

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

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

Yes ☒ No

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

company identification	Integration plan	Progress on integration	Encountered in integration issues	Solutions adopted initiative	Progress towards a solution	Follow-up settlement plan
The subsidiaries within the scope of the Company's consolidated financial statements are all owned by the Company. The Division has unified control.	inapplicable	inapplicable	inapplicable	inapplicable	inapplicable	inapplicable



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

### 1. Internal control self-evaluation report

Date of disclosure of full internal control evaluation report	25 April 2023	
Index of full text disclosure of internal control evaluation reports	Juchao Information Network ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )	
Total assets of the units included in the scope of the evaluation as a percentage of the company's total of total assets of the consolidated financial statements	100.00 per cent	
Operating income of the units included in the evaluation scope as a percentage of the company's total Proportion of operating income from consolidated financial statements	100.00 per cent	
Criteria for determining deficiencies		
form	financial report	Non-financial reporting
Qualitative standards	A deficiency with the following characteristics shall be considered a significant deficiency: a combination of one or more control deficiencies that could cause the enterprise to deviate significantly from the control objectives, have a material adverse effect on the The corporate hierarchy creates flaws that affect risk. With	Deficiencies with the following characteristics shall be considered as major deficiencies: (1) Lack of democratic decision-making procedures, such as lack of decision-making on major issues, appointment of personnel to important positions and termination of employment, investment decisions on major projects, large sums of money

	<p>Defects that are characterised by the following shall be considered as significant defects: defects that generate risk at the business unit or framework process level. Defects below the level of risk arising from significant defects are considered to be general defects.</p>	<p>(three major decisions) decision-making procedures; (2) unscientific decision-making procedures, such as major decision-making errors, causing significant property losses to the Company; (3) serious violations of national laws and regulations; (4) significant loss of key management personnel or important talents; (5) frequent negative media news; (6) significant deficiencies in the evaluation of internal control have not been rectified; and (7) the lack of systematic control of important operations or systematic systemic failure, causing significant losses to the Company as determined by the quantitative criteria below. A significant deficiency in internal control over non-financial reporting shall be deemed to exist if any of the following deficiencies are identified:</p> <p>(1) The Company incurs a material loss of property due to a management error that is deemed to be significant based on the above quantitative criteria, and the control activities have failed to prevent the error;</p> <p>(2) The property damage, while not meeting and exceeding the weight of the level of importance, but by its very nature, it should still give rise to a Board and management attention.</p>
quantitative standard	<p>In terms of quantitative criteria, the company is an enterprise with stable growth in earnings, and using pre-tax profit as a quantitative indicator, if the amount of misstatement in financial reporting that may result from the deficiency, either alone or together with other deficiencies, is less than 3 per cent of pre-tax profit, the deficiency is deemed to be immaterial; if it is more than 3 per cent, it is deemed to be less than 5 per cent, and is deemed to be material; if it exceeds 5 per cent, the deficiency is deemed to be significant. A deficiency in internal control over financial reporting shall be deemed to be material if the deficiency identified meets any of the following: (1) There is a material misstatement in the current period's financial reporting based on the above determinations, and the control activity fails to identify the misstatement. (2) A misstatement that, although not at and</p>	<p>In terms of quantitative criteria, a deficiency is considered to be immaterial if, alone or in combination with other deficiencies, it could result in the loss of property of the company in an amount of less than 1 per cent of pre-tax profit; if it exceeds 1 per cent, it is considered to be a material property loss if it is less than 3 per cent; and if it exceeds 3 per cent it is considered to be a significant property loss. Non-financial reporting internal control deficiencies other than significant deficiencies and material deficiencies should be identified as general deficiencies.</p>

	above that level of materiality, is nevertheless of such a nature as to warrant the attention of the Board of Directors and management. Deficiencies in internal control over financial reporting other than material weaknesses, significant deficiencies It should be recognised as a general defect.	
Number of significant deficiencies in financial reporting (number)		0
Number of non-financial reporting material weaknesses (number)		0
Number of significant deficiencies in financial reporting (number)		0
Number of non-financial reporting material weaknesses (number)		0

## 2. Internal control audit reports

☒Applicable ☐Not Applicable

Consideration paragraph in internal control audit reports	
In our opinion, Guizhou Tyre has maintained, in all material respects, effective financial control as at 31 December 2022 in accordance with the "Basic Standard for Enterprise Internal Control" and related regulations. Internal control over business reporting.	
Disclosure of internal control audit reports	disclosures
Date of disclosure of full internal control audit report	25 April 2023
Index of full disclosure of internal control audit reports	Juchao Information Network ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )
Type of opinion on internal control audit reports	Standard unqualified opinion
Whether there are significant deficiencies in non-financial reporting	clogged

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

Yes ☒No

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

☒Yes ☐No

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

☐ Applicable ☒ Not applicable

## Section V. Environmental and social responsibility

### I. Significant environmental issues

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

☒Yes ☐No

Environmental protection related policies and industry standards

《中华人民共和国环境保护法》、《中华人民共和国大气污染防治法》、《中华人民共和国水污染防治法》、《中华人民共和国环境噪声污染防治法》、《中华人民共和国固体废物污染环境防治法》、《中华人民共和国环境影响评价法》、《锅炉大气污染物排放标准 (GB13271-2014)》, Comprehensive Emission Standard for Air Pollutants (GB16297-1996), Emission Standard for Pollutants in Rubber Products Industry (GB27632-2011), Environmental Noise Emission Standard for Industrial Enterprises at Factory Boundary (GB12348-2008), and Guizhou Provincial Standard for Environmental Pollutant Emission (DB52/864-2022).

Administrative licences for environmental protection

The Zazo site has been issued with a new effluent licence in accordance with the new technical specifications for the application and issuance of effluent licences, which will be valid from 25 February 2021 to 2026

The present report is submitted to the General Assembly at its sixty-sixth session.

Guizhou Advance New Materials Co., Ltd. has received a sewage licence in accordance with the technical specifications for the application and issuance of sewage licences, which is valid since 22 December 2021

The present report is submitted to the General Assembly at its sixty-fourth session, in accordance with the relevant provisions of the Charter of the United Nations.

Industry emission standards and specifics of pollutant emissions involved in production and business activities

Name of company or subsidiary	of major pollutants and characteristic pollutants kind	of major pollutants and characteristic pollutants name (of a thing)	Emission method	Number of outlets	Distribution of emission outlets	Emission concentration/intensity	Pollutant emission standards implemented	Total emissions	Total approved emissions	Excessive emissions

Guizhou Tyre Co.	Waste water, boiler exhaust gas, process exhaust gas	drain water (COD, NH <sub>3</sub> -N, boiler exhaust (Sulphur dioxide, nitrogen oxides, particulates particulate matter) process exhaust (Non-methane hydrocarbons, particulate matter, odour concentration (degrees)	Waste water is discharged intermittently; boiler exhaust and process exhaust are discharged continuously	1 waste water outlet, 2 boiler exhaust gas outlets, process waste gas Exhaust port 42 classifier for individual things or people, general, catch-all classifier	The waste water outfall is located at the waste water treatment station, the boiler exhaust vent is located in the boiler room of the plant, and the process exhaust vents are distributed in each production workshop.	Concentration of major pollutants discharged in wastewater COD: 3.4-12.63 mg/litre, NH <sub>3</sub> -N: 0.074-0.315 mg/litre; concentration of main pollutants emitted from boiler exhaust: sulphur dioxide 55.51-309.53 mg/m <sup>3</sup> . nitrogen oxide 21.75-	Emission Standards for Air Pollutants from Boilers GB13271-2014, Pollutant Emission Standards for Rubber Products Industry GB27632-2011 et al. (and other authors)	2022 Annual emissions: Sulphur dioxide: 268.446 tonnes; NO <sub>x</sub> : 105.961 tonnes; particulate matter 35.939 ton (loanword)	Sulphur dioxide: 1443.9569 tonnes/year; NO <sub>x</sub> : 1104.9045 tonnes/year; particulate matter: 201.3649 tonnes/year	not have
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						152.76 mg/cubic metre metres, particulate matter 12.37-54.48 mg cubic metre; concentrati on of major pollutants emitted in process exhaust gases Degree:: Non-methane total hydrocarbons 0.59-8.69 mg/m3. particulate matter 1.5-4.1 mg/m3, odour concentrati on 131-724				
Guizhou Qianjin New Material Co.	process exhaust	Process emissions (non-methane hydrocarbons, particulate matter)	Waste water is entrusted to Guizhou Tyre Company Limited for treatment at the sewage treatment station, and no waste water outlet is set up;	Process exhaust gas outlet 3 pcs	Process emissions are distributed in the carbon black production line and oil tank area	particulate matter 1.5-8.8 mg/m3, NMH 27.2-67.1 mg/m3	Comprehensive Emission Standards for Air Pollutants GB16297-1996	/	It is a general emission outlet, which does not require a permit for the total amount of emissions, but only for the concentration of the	not have

			process exhaust gas is continuously discharged let go						emissions	
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#### Treatment of contaminants

Various pollution prevention and control facilities in the Zazo plant operate stably and effectively, and most of the wastewater is reused after treatment by the wastewater treatment system in the plant, and a small amount is discharged to the outside. Coal-fired boiler flue gas is treated by dust removal and desulphurisation facilities and then discharged. Carbon black tail gas boiler flue gas is treated by dust removal and desulphurisation facilities and then discharged to the standard. The process flue gas is treated by thermal storage combustion furnace or injected plasma or UV photocatalytic oxidation system and then discharged to the standard. Recycled rubber waste gas is treated by cloth bag dust removal, thermal combustion + alkali spray, cloth bag dust removal + activated carbon adsorption and then discharged to the standard. The total wastewater discharge, coal-fired boiler discharge, and RTO discharge of rubber refining A area are installed with online monitoring system and networked with environmental protection department, and the data are uploaded in real time. Carbon black tail gas boiler outlet, recycled rubber production line outlet are installed with online monitoring system, and have applied for networking with environmental protection department.

Guizhou Advance New Materials Co., Ltd. annual output of 50,000 tons of carbon black production project wastewater commissioned to Guizhou Tyre Co., Ltd. sewage treatment station, process exhaust gas by the bag filter treatment to meet the standards of external discharge. The waste gas of oil tank area is treated by oil washing spray tower + activated carbon adsorption and then discharged to the standard.

#### Emergency Response Plan for Environmental Emergencies

Zazuo plant in accordance with environmental protection requirements to amend the "emergency response plan for environmental emergencies", through the expert review and reported to the Guiyang City Environmental Emergencies Emergency Response Centre for the record, and strictly comply with the implementation.

Guizhou Advance New Materials Co., Ltd. in accordance with environmental protection requirements to amend the "emergency response plan for environmental emergencies", through the expert review and reported to the Guiyang City Environmental Emergencies Emergency Response Centre for the record, and strictly comply with the implementation.



## Environmental self-monitoring programme

The Zazo plant prepares a self-monitoring programme in accordance with the requirements of the EIA and the discharge permit, and implements the self-monitoring programme in strict accordance with the self-monitoring programme.

Guizhou Advance New Materials Co., Ltd. prepares self-monitoring programmes in accordance with the requirements of the EIA and the discharge permit, and implements them in strict accordance with the self-monitoring programme.

The company regularly commissions qualified monitoring units to carry out self-monitoring of pollutants in accordance with the self-monitoring programme, and the basic situation of the plant, self-monitoring programme, self-monitoring results and annual reports on self-monitoring are published on the company's official website.

## Investments in environmental governance and protection and payment of environmental protection taxes

Strengthening investment in environmental governance and protection and paying environmental protection tax on time. Measures taken to reduce its carbon emissions during the reporting period and their effects

☒Applicable ☐Not applicable

1, the company built "recycled rubber recycling" project, the use of recycled tyres to achieve the recycling of waste tyres again processing.

2, the company builds "Guizhou Advance New Material Co., Ltd. annual output of 50,000 tonnes of carbon black" project, in the production of carbon black at the same time, the tail gas can be used for boiler fuel to produce steam, reduce the use of raw coal, but also reduce the amount of CO2 emissions.

2022 The Company was awarded the titles of Guizhou Energy Conservation and Emission Reduction Demonstration Unit and Guizhou Carbon Peak Carbon Neutral Leader by Guizhou Energy Conservation and Emission Reduction Research Association. In the future, the Company will continue the path of green development and continue to reduce carbon emissions.

## Administrative penalties imposed on environmental issues during the reporting period

Company or subsidiary name steelyard	Reasons for penalties	Circumstances of non-compliance	Penalty results	Production for listed companies Impact of operations	Corrective measures by the company
not have	not have	not have	not have	not have	not have

## Other environmental information that should be made public

The Zazo plant regularly commissions qualified monitoring units to carry out self-monitoring of pollutants in accordance with the self-monitoring programme, and the basic situation of the plant, self-monitoring programme, self-monitoring results, annual reports on self-monitoring carried out, etc. are published on the company's official website.

Guizhou Advance New Materials Co., Ltd. regularly commissions qualified monitoring units to carry out self-monitoring of pollutants in accordance with the self-monitoring programme, and the basic situation of the plant, self-monitoring programme and self-monitoring results are published on the official website of Guizhou Tyre Co.

#### Other environmental related information

In order to continuously improve the environmental management ability and performance, our company continuously improves the environmental management system in accordance with ISO 14001 standard and the requirements of the Environmental Protection Law of the People's Republic of China, the Air Pollution Prevention and Control Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, the Environmental Pollution Prevention and Control Law of the People's Republic of China, and the Noise Pollution Prevention and Control Law of the People's Republic of China. management system, formulate the environmental management manual, make the environmental management system and on-site production, and strive to create a green tyre production enterprise.

The Company is required to comply with the disclosure requirements of the chemical industry in the "No.

3 Self-disciplinary Supervision Guidelines for Listed Companies of the Shenzhen Stock Exchange -

Disclosure of Industry Information" in relation to the occurrence of environmental accidents by listed

companies

not have

## II. Situation of social responsibility

The company has always been adhering to the "undertake to maintain the main business and state-owned assets value-added tasks, back to shareholders; adhere to the quality and efficiency as the centre, to provide consumers with green, safe, high-quality products and excellent service; adhere to the protection of the environment, safe production, and to promote the harmony between man and nature; adhere to the people-oriented, safeguard the legitimate rights and interests of employees, and promote the common development of employees and enterprises; adhere to the lawful operation, good faith management, and contribute to the community" responsibility concept. Adhere to the responsibility concept of "operating in accordance with the law, operating in good faith, and contributing to society". Adhere to scientific development, increase scientific and technological research and innovation, enhance competitiveness; strengthen internal management, improve product quality; standardise financial management, pay taxes in accordance with the law; carry out energy saving and emission reduction, effectively protect the environment and achieve sustainable and healthy development; improve and perfect the system of production safety and strengthen the management of production safety; strict contract management, to protect the interests of the relevant parties; and actively carry out the revitalisation of the countryside, and conscientiously carry out the social responsibility. social responsibilities.

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

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

The company has established and perfected the production safety responsibility system and production safety management system, and formulated and revised the production safety operation procedures for relevant production positions. From the general manager, deputy general manager to department leaders, from safety officers, team leaders to post operators, we have formulated the production safety responsibility system and the list of safety responsibilities at all levels, so that everyone has responsibilities and post regulations. At the same time of establishing and improving the rules and regulations, we seriously organise the personnel of each unit of the company to study and implement them resolutely, pay close attention to the implementation of the system, and strive to form a kind of long-term safety mechanism.

### 1. Responsibility for production safety

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

## 2. Security management system

The company has formulated the "Compilation of Safety Management System", which includes the establishment of safety management institutions, safety team construction, safety management network diagram, safety production responsibility system, safety committee responsibilities at all levels of personnel, the development of the commitment to safety production responsibility, safety responsibility system for personnel at all levels and the assessment of the management approach, the management of the investigation and management of hidden dangers. There are 47 regulations, safety education and training management methods, regulations on reporting of hidden dangers, management system for identifying and evaluating dangerous and harmful factors, management system for assessing the dual-control system, and safety management system for the "four new" safety management systems, etc., thus forming a relatively perfect management system system.

## 3. Post operation rules

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

## 4. Security education

According to the company's "annual training plan", special operators are trained and certified to ensure that 100% of them are certified. For new employees who join the factory or transfer to new jobs, the company conducts three-level safety training, and signs labour contracts only after they pass the exams; it commissions qualified units to conduct safety management personnel qualification training, occupational health management, and occupational health management. The company also organises and carries out personnel qualification training, health training and certification for workers, and safety and vocational skills training for workers, as well as various forms of safety training for each branch department.

#### 5. Emergency response plan for security incidents

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

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

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

- ( 1 ) The company has established pressure gauges, liquid level meters and other measurement accounts; lifting equipment, pressure vessels and other special equipment accounts; and commissioned a qualified unit to regularly test.
- ( 2 ) All kinds of safety devices have a person in charge, frequent inspection tours, maintenance and management;
- ( 3 ) A safety device equipment ledger was established, compiled into an equipment overhaul plan, and overhauled and maintained;
- ( 4 ) Regularly check the integrity of the fire-fighting system, electrical system and other safety devices and facilities, and report or deal with any problems promptly.
- ( 5 ) Lightning and anti-static facilities are regularly monitored annually to ensure that the grounding resistance meets the requirements of the standard specifications;
- ( 6 ) Routine maintenance and repair of surveillance facilities to ensure normal and effective use;
- ( 7 ) Work safety standardisation

The Company has again obtained the Certificate of Work Safety Standardisation Level 2 Enterprise, which is valid until December 2024.

#### ( 8 ) Administrative penalties for work safety accidents

During the reporting period, the Company's Rubber Refining Branch was involved in an accident caused by a mechanical injury resulting in one person's death due to unauthorised operation, which was a general safety accident. 2023, the Company was subjected to an administrative penalty of RMB500,000 by the local emergency administrative department. After the accident, in order to further improve the rectification and prevention of production safety accidents, the company carried out a company-wide self-inspection and self-correction of potential safety hazards, and carried out rectification and improvement of accidents. At the same time, the company carried out the risk matrix method and the

JHA method to re-examine the sources of danger.

Identify, formulate control measures for hazardous sources, upgrade management and other measures to prevent production safety accidents.

### **III. Consolidation and expansion of poverty eradication and rural revitalisation**

2022 is the key year for comprehensively promoting rural revitalisation. in order to actively respond to the national call to further consolidate and expand the results of poverty alleviation, and to successively promote the development of poverty-eradication areas and comprehensive rural revitalisation, the Company actively fulfilled its social responsibility and continued to send a middle-level cadre to help carry out rural revitalisation work in Shuitou Village of Shidou Township, Xifeng County, Guiyang City. In addition, the Company also selected and dispatched a staff member to Qiu Li Village, Xi Jiang Town, Congjiang County, to help with rural revitalisation work.2022 The Company invested a total of more than RMB 110,000 in rural revitalisation funds.

The company continuously explores the long-term mechanism to help rural revitalisation, coordinates experts to research and formulate the conceptual development plan for rural revitalisation in Shuitou Village, and continues to carry out rural revitalisation work in the diversified directions of employment promotion, industrial revitalisation and education revitalisation.

In June 2022, the Company was awarded the title of "Guizhou Province Five-star Enterprise for Fulfilling Social Responsibility" by Guizhou Federation of Industry and Knowledge Economy. The Company will further optimise its helping actions, effectively consolidate the results of poverty alleviation, solidly promote rural revitalisation, and contribute to the realisation of common prosperity.

## Section VI. Important matters

### I. Implementation of commitments

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

☒Applicable ☐Not applicable

Subject matter of the commitment	committed party	Type of commitment	Content of the commitment	Commitment time	Commitment period	Fulfilment
Initial public offering or refinancing Commitments made at the time	Directors and senior management of the Company member	Other commitments	<p>1. I undertake not to provide, without compensation or on unfair terms, to his or her other organisations or individuals, and does not use other way to the detriment of the company's interests. 2. To the elimination of my office Fee behaviour is restrained. 3. Not to use the company's assets from the Investments and consumption activities not related to the performance of my duties. The Board of Directors or its Remuneration and Evaluation Committee shall be responsible for the management and administration of the programme of work of the Board of Directors. When developing a remuneration system, propose (if entitled to) and support the remuneration system. Compensation system in relation to the implementation of the company's measures to fill in returns linked and voted at the Board of Directors, General Meeting of Shareholders (if any) (Voting rights) In favour of the remuneration system and the company's return-filling measures The relevant motion linked to the implementation of the facility. 5. If the The Company's future implementation of its equity incentive programme commits it to future share</p> <p>The exercise conditions of the right incentive programme will be linked to the implementation of the Company's measures to fill the return. 6. Since the issuance of this undertaking Specific date to the completion of the Company's public offering of convertible</p>	2021 July 30 date		Under normal fulfilment

			<p>bonds</p> <p>Before that, if the CSRC makes a decision on the measures to fill the return and other new regulatory requirements of its undertakings, and the said</p> <p>In the event that the commitment fails to satisfy such provisions of the CSRC, the then</p> <p>In accordance with the latest regulations of the China Securities Regulatory Commission, the Company will issue a supplemental notice to the Company.</p> <p>Commitment.7. As the responsible owner of the relevant measures to fill the return</p> <p>In the event of a breach of the above undertakings or a refusal to fulfil the above commitments, one of the parties shall be deemed to be a party to the agreement.</p> <p>Commitment, I agree to accept the China Securities Regulatory Commission and Shenzhen Stock Exchange</p> <p>Securities regulators, such as stock exchanges, in accordance with their rules or regulations.</p> <p>I will be subjected to the relevant provisions and rules of the Public Prosecution Service of the People's Republic of China, and I will be punished accordingly.</p> <p>penalties or related management measures to the Company or the investment</p> <p>I am willing to bear the losses caused by the company according to the law.</p> <p>or the corresponding legal liability of the investor.</p>			
Commitments made at the time of initial public offering or refinancing	<p>Guiyang City Industry</p> <p>Ltd.</p> <p>(formerly Guiyang City Industry and Commerce Industry</p> <p>The investment group has</p>	Other commitments	<p>1. In accordance with relevant laws and regulations and the Articles of Association of the Company.</p> <p>Exercise the rights under the relevant regulations and do not intervene in the management of the Company beyond the scope of their authority.</p> <p>management activities, and not to encroach on the interests of the company.</p> <p>2. Effectively perform the</p> <p>Relevant measures established by the Company regarding the filling of returns and the</p> <p>Any measures taken by the Company in relation to the filling of returns in this regard of the Company's undertakings, and if the Company breaches such undertakings and causes the Company to</p> <p>If any loss is caused by the Company or investors, the Company is willing to bear the responsibility of compensating the Company or investors in accordance with the law. 3. From the date of issuance of this commitment letter to the completion of the implementation of this public offering of convertible bonds.</p> <p>If the CSRC makes a decision on the measures to fill the return</p>	2021 July 30 date		Under normal fulfilment



	(Limited)		<p>The new regulatory requirements for the implementation of this commitment and its undertakings, and this commitment</p> <p>The relevant contents of the Letter of Undertaking do not satisfy such requirements of the CSRC.</p> <p>When the time comes, the Company undertakes that it will then act in accordance with the China Securities Regulatory Commission</p> <p>The latest regulations provide for the issuance of supplementary undertakings.</p> <p>4.</p> <p>In the event of a breach of the above commitments, one of the parties responsible for the reporting measures will be liable to pay a fine of up to \$100,000 per month.</p> <p>promise or refuses to fulfil the above promise, the Company agrees to accept the</p>			
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			<p>The CSRC, the Shenzhen Stock Exchange and other securities regulators have imposed relevant penalties or taken relevant measures against the Company in accordance with the relevant regulations and rules formulated or issued by them.</p> <p>(c) Measures of management.</p>			
Commitments made at the time of initial public offering or refinancing	<p>Guiyang City Industrial Investment Company Limited (formerly Guiyang City Industrial and Commercial Investment Group Company Limited)</p>	Subscription commitment	<p>(hereinafter referred to as "the Company"), the specific subscription amount will be determined in accordance with the market situation of convertible bonds, the specific plan of the issue of convertible bonds, the capital status of the Company and the Securities Law, the Administrative Measures for Convertible Bonds and other relevant regulations. 2. Within 6 months prior to the date of issuance of the commitment letter (inclusive) the Company will not reduce its holdings of the Company's shares or other securities of equity nature. 3. Within 6 months from the date of issuance of the commitment letter to the date of subscription, the Company will not reduce its holdings of shares or other securities of equity nature. Within 6 months prior to the issuance date of this commitment letter (inclusive) the Company will not reduce its holdings of the Company's shares or other securities of an equity nature, and there is no plan or arrangement for the reduction of its holdings. 3. Within 6 months from the issuance date of this commitment letter to the subscription of the Convertible Bonds (inclusive) the Company will not reduce its holdings of the Company's shares or other securities of an equity nature, and there is no plan for the reduction of its holdings of the Company's shares or other securities of an equity nature. 4. The Company voluntarily makes the aforesaid commitments and voluntarily accepts to be bound by the provisions of this commitment letter. In the event that the Enterprise violates the above undertakings in the event of a reduction of its shareholding in the Company, all proceeds received by the Enterprise as a result of the reduction of its shareholding in the Company shall belong to the Company and it shall bear the resulting legal liabilities in accordance with the law. If any loss is caused to the Company and other investors, the Company shall</p>	2021 December 14 date		run out

			bear the liability for compensation in accordance with the law. 5. In the event of any change in the relevant laws, regulations, standardised documents, policies and requirements of the securities regulatory authorities applicable after the issuance of this Undertaking, the Company undertakes to automatically apply the changed relevant laws, regulations, standardised documents, policies and requirements of the securities regulatory authorities, the Company undertakes to apply the changed relevant laws, regulations, standardised documents, policies and requirements of the securities regulatory authorities automatically. Requirements of the regulator.			
Commitments made at the time of initial public offering or refinancing	Directors, senior management involved as appropriate	Other commitments	1. If Guizhou Tyre Company Limited (hereinafter referred to as the "Company") issues convertible bonds, I will decide whether to participate in the subscription of the convertible bonds at that time, depending on the circumstances. If the Company launches this convertible bond issue with the date on which I and my spouse, parents, children and other close relatives last reduced their holdings of the Company's shares at an interval of less than six months (inclusive), I and my spouse, parents, children and other close relatives will not participate in subscribing for the convertible bonds issued by the Company. 2. If I participate in subscribing for the convertible bonds issued by the Company, I undertake that I and my spouse, parents, children and other close relatives will Strictly comply with the Securities Law, Administrative Measures for Convertible Bonds and other relevant laws and regulations on stock trading, and will not reduce their holdings of the Company's shares or other securities of equity nature within six months before and after the subscription of the convertible bonds. 3. I voluntarily make the above commitment and voluntarily accept the constraints of the present commitment letter. In the event that I and my spouse, parents, children and other close relatives violate the above undertaking and reduce their holdings of the Company's shares or other securities of equity nature, all proceeds from the	2021 December 14 date		run out

			<p>reduction of holdings of the Company's shares or other securities of equity nature by me and my spouse, parents, children and other close relatives shall belong to the Company and I shall bear the legal liabilities arising therefrom in accordance with the law. If any loss is caused to the Company and other investors, I will bear the compensation responsibility in accordance with the law. 4. If the relevant laws, regulations, standardised documents, policies and requirements of the securities regulatory bodies applicable after the issuance of this commitment letter are changed, I undertake to apply the changed relevant laws, regulations, standardised documents, policies and requirements of the securities regulatory bodies automatically.</p> <p>documents, policies and requirements of securities regulators.</p>			
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Commitments made at the time of initial public offering or refinancing	Directors and supervisors of the Company not participating in the subscription of convertible bonds	Other commitments	(hereinafter referred to as the "Company") will not participate in the subscription of convertible bonds, and will not entrust other subjects to participate in the subscription of convertible bonds.2 I promise that I and my spouse, parents, children and other close relatives will strictly abide by the relevant provisions of the short-term trading, and will bear the legal responsibility arising therefrom in accordance with the law. 3, I promise to strictly abide by the Securities Law, the Administrative Measures for Convertible Bonds and other relevant laws and regulations, if I violate the relevant provisions or this commitment to the company and other investors caused by the loss, I will bear the legal liability The resulting legal liability.	2021 December 14 date		run out
Commitments made at the time of initial public offering or refinancing	Guiyang City Industrial Investment Company Limited (formerly Guiyang City Industrial and Commercial Industrial Investment Group Company Limited)	Subscription commitment	(1) Participate in the subscription of shares in this non-public offering with legitimate own or self-financed funds, with the subscription ratio not less than 43.50% of the finalised number of shares to be issued in this non-public offering, and the cumulative shareholding ratio of Party B and its concert parties in Party A after the completion of the offering shall not be more than 30%.2 (2) Not to transfer the shares subscribed for in this non-public offering within 18 months from the date of its closure. 3. Not to participate in the quotation process of this non-public offering, but undertake to accept the bidding results of other issue subjects and subscribe for the shares of this non-public offering at the same price with other issue subjects. In the event that there are no subscription quotations or no valid quotations for this issue, Guiyang AIC will subscribe for the shares of this non-public offering at the reserve price of this issue. Tickets.	2020 September 05 date		run out

Commitments made at the time of initial public offering or refinancing	Guiyang City Industrial Investment Company Limited (formerly Guiyang City Industrial and Commercial Investment Group Company Limited)	Other commitments	Exercise the rights in accordance with the relevant laws, regulations and the relevant provisions of the Articles of Association of the Company, and do not intervene in the Company's operation and management activities beyond its authority and do not encroach upon the interests of the Company. 2. Effectively perform the relevant measures formulated by the Company in relation to the filling of returns as well as any undertakings on the filling of returns made by the Company in this regard, and in case of any breach of such undertakings by the Company and any loss caused to the Company or the investors, the Company is willing to bear the compensation responsibility to the Company or the investors in accordance with the law. If the Company violates such undertakings and causes losses to the Company or investors, the Company is willing to bear the compensation responsibility to the Company or investors in accordance with the law.3. If the CSRC makes other new regulatory provisions on the measures to fill in the returns and its undertakings between the issuance of this undertaking and the completion of the implementation of the current non-public issue of shares and if the relevant contents of this undertaking do not satisfy the relevant provisions of the CSRC, the Company undertakes that it will then issue supplementary undertakings in accordance with the latest provisions of the CSRC. As one of the main parties, if the Company violates the above undertakings or refuses to fulfil the above undertakings, the Company agrees to accept the relevant penalties or take relevant control measures against the Company in accordance with the relevant regulations and rules formulated or issued by the CSRC and the Shenzhen Stock Exchange and other securities regulatory authorities. (c) Measures of management.	2020 September 05 date		Under normal fulfilment
Commitments made at the time of initial public offering or refinancing	Directors and senior management of the Company	Other commitments	I undertake not to transfer benefits to other units or individuals without compensation or on unfair terms, or to use other means to harm the interests of the Company.2 I shall impose restrictions on the consumption behaviour of Directors and senior management, including myself, in their official capacity.3 I shall not use the Company's assets to engage in investment or consumption activities unrelated to the performance of my duties.4 I shall, when the Board of Directors or its Remuneration and	2020 September 05 date		Under normal fulfilment

			<p>Evaluation Committee formulates the remuneration system, propose (if entitled) and support the linkage between the remuneration system and the implementation of the Company's measures to fill in the returns, and vote (if entitled) in favour of the relevant motion linking the remuneration system and the implementation of the Company's measures to fill in the returns at the Board of Directors' and Shareholders' Meetings.5. In the event that the Company achieves the following in the future</p> <p>Implementation of equity incentive programmes, commitment to future equity incentive programmes</p>			
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			<p>The exercise conditions of the right will be linked to the implementation of the Company's measures to fill the return. 6. From the issuance of this undertaking to the completion of the implementation of the Company's non-public offering of A shares, if the China Securities Regulatory Commission (CSRC) has made any other new regulatory provisions regarding the measures to fill the return and its undertakings and the above undertakings fail to satisfy such provisions of the CSRC, additional undertakings will be issued in accordance with the latest provisions of the CSRC at that time. 7. 7. As one of the parties responsible for the measures to fill the return, if I violate the above commitment or refuse to fulfil the above commitment, I agree to accept the CSRC and the Shenzhen Stock Exchange and other securities regulatory bodies in accordance with the relevant regulations and rules formulated or issued by them, and I will be subject to the relevant sanctions. or take relevant management measures.</p>			
Commitments made at the time of initial public offering or refinancing	<p>Guiyang City Industrial Investment Company Limited (formerly Guiyang City Industrial and Commercial Investment Group Company Limited)</p> <p>Guiyang Industrial Development Holding Group Co.</p>	Commitment to avoid competition in the same industry	<p>1. The Company and the enterprises controlled by the Company will not produce or develop any products that compete or may compete with the products produced by the Issuer and its subsidiaries, and will not directly or indirectly operate any business that competes or may compete with the business operated by the Issuer and its subsidiaries, and will not participate in investing in any other business that competes or may compete with the products produced or the business operated by the Issuer and its subsidiaries. The Company and the enterprises controlled by the Company will not manufacture or develop any products that compete or may compete with the products manufactured by the Issuer and its subsidiaries, nor will they directly or indirectly operate any business that competes or may compete with the business operated by the Issuer and its subsidiaries, nor will they participate in investing in any business that competes or may compete with the products manufactured by or the business operated by the Issuer and its subsidiaries. business of the Issuer and its subsidiaries, nor participate in any investment in any other enterprise that competes or may compete with the products produced or business operated by the Issuer and its</p>	2020 28 September date		Under normal fulfilment



			<p>subsidiaries. 3. If the Issuer and its subsidiaries further expand the scope of their products and business, the Company and enterprises controlled by the Company will not compete with the products or business of the Issuer and its subsidiaries after the expansion; if competition arises from the products or business of the Issuer and its subsidiaries after the expansion, the Company and enterprises controlled by the Company will take measures to stop production or operation of the competing business or product, or by incorporating the competing business into the issuer's operation, or by transferring the competing business to an unrelated third party to avoid competition.</p> <p>4. This commitment letter shall be valid during the period in which the Company and the enterprises controlled by the Company are in a connected relationship with the issuer. The undertakings and commitments made by the Company in this commitment letter represent the undertakings of the Company. The Company and other enterprises controlled by the Company.</p>			
Commitments made at the time of initial public offering or refinancing	<p>Guiyang City Industrial Investment Company Limited (formerly Guiyang City Industrial and Commercial Industrial Investment Group Company Limited)</p> <p>Guiyang Industrial Development Holding Group Co.</p>	Commitment to Regulate Connected Transactions	<p>During the period in which the Company is the (indirect) controlling shareholder of the Issuer, the Company and other enterprises controlled by the Company will endeavour to minimise and avoid connected transactions with the Issuer. If it is difficult to avoid connected transactions due to objective circumstances, the Company and other enterprises under the Company's control will proceed in strict accordance with normal commercial norms, enter into standardised connected transaction agreements with the issuer in accordance with the law, determine the prices of connected transactions in accordance with the prices at which they would have been determined if they had entered into the same or similar transactions with independent third parties with whom they have no connection, and perform approval procedures in accordance with the relevant provisions of the laws, regulations and standardised documents as well as the Articles of Association of the Company in order to ensure the fairness of the prices and conditions of connected transactions. procedures to ensure the fairness of the prices and terms of connected transactions. During the period in which</p>	2020 28 September date		Under normal fulfilment

			<p>the Company is the (indirect) controlling shareholder of the Issuer, the Company undertakes not to seek any special benefits through the connected transactions with the Issuer and not to carry out any</p> <p>What may prejudice the legitimate rights and interests of the issuer and other shareholders?</p>			
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			Connected transactions.			
Other commitments to small and medium-sized shareholders of the company	Guiyang City Industrial Investment Company Limited (formerly Guiyang City Industrial and Commercial Industrial Investment Group Company Limited)	Other commitments	<p>In the future, if it plans to reduce its shareholdings through centralised bidding transactions on the stock exchange, it will strictly comply with the CSRC's "Certain Provisions on Reduction of Shareholdings by Substantial Shareholders, Directors, Supervisors and Senior Management of Listed Companies" (Announcement of the CSRC [2016] No. 1) and the SZSE.</p> <p>As required by the Notice on Matters Relating to the Implementation of Certain Provisions on Certain Undertakings for Reduction of Shareholdings by Major Shareholders, Directors and Supervisors of Listed Companies within 15 trading days of the first sale.</p> <p>Pre-disclosure of the plan to reduce holding within 3 months before the date of the reduction</p> <p>The total number of shares shall not exceed 1% of the total number of shares of Qian Tire.</p>	2017 April 14 date		Under normal fulfilment
Whether the commitment is made in accordance with timely fulfilment	be					
If a commitment has not been fulfilled beyond the due date, it should detail the specific reasons for the incomplete fulfilment and the next steps to be taken.	inapplicable					

**2. If there is a profit forecast for the company's assets or projects, and the reporting period is still in the profit forecast period, the company will explain that the assets or projects have reached the original profit forecast and the reasons for it.**

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

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

## **III. Violations of external guarantees**

☐ Applicable ☒ Not applicable

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

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

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

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

☒Applicable ☐Not applicable

What and why changes in accounting policies	Approval process	Remarks (significantly affected statement items) (Name and amount)
The Ministry of Finance (MOF) issued the "Interpretation of Accounting Standards for Business Enterprises (ASBE) No. 15" on 30 December 2021 (Caixin). (No. [2021] 35), "Accounting Treatment for External Sales of Products or By-products Produced by Enterprises Before Fixed Assets Reach Their Intended Useable State or in the Process of Research and Development", "Judgement on Loss-making Contracts" The content is effective from 1 January 2022 onwards.	inapplicable	The application of the relevant business accounting interpretations had no material impact on the Company's financial statements.
The Ministry of Finance issued ASBE Interpretation No. 16 on 30 November 2022 (Caixin). No. [2022] 31), "Accounting for the Income Tax Effects of Dividends Related to Financial Instruments Classified as Equity Instruments by the Issuer", "Accounting for the Revision of Cash-Settled Share-Based Payment by an Enterprise to Equity-Settled The contents of "Accounting for Share-based Payment" are effective from the date of publication.	inapplicable	The application of the relevant business accounting interpretations had no material impact on the Company's financial statements.

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

☐ Applicable ☒ Not applicable

There were no changes in the scope of the Company's consolidated statements during the reporting period.

## VIII. Appointment and dismissal of accounting firms

Accounting firm currently engaged

Name of domestic accounting firm	Zhonghua Accounting Firm (Special General Partnership)
Domestic accounting firm remuneration (\$ million)	150
Number of consecutive years of audit services by domestic accounting firms	11
Name of Certified Public Accountant of Domestic Accounting Firm	Gong Xiaohan, Guo Weina
Number of consecutive years of auditing services by certified public accountants of domestic accounting firms	1 year (Gong Xiaohan) 3 years (Guo Weina)

Whether or not the accounting firm was reappointed during the period

Yes ☒No

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

☒Applicable ☐Not applicable

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

During the year, the Company engaged Guosen Securities Co., Ltd. as the sponsor for the public offering of convertible bonds, with a sponsorship fee of \$2 million, as agreed.

The balance of the sponsorship fee of \$1 million was deducted from the proceeds.

**IX. Facing delisting after disclosure of the annual report**

☐ Applicable ☒ Not applicable

## X. Matters relating to insolvency reorganisation

☐ Applicable ☒ Not applicable

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

## XI. Significant litigation and arbitration matters

☒ Applicable ☐ Not Applicable

Litigation (Arbitration) Fund present situation	sum involved (in a case) (\$ million)	Whether or not to form a pre accrued liability	action make headway	pendente lite (arbitration) Results and Implications	award Implementation of the outcome of the World Summit on Sustainable Development	Date of disclosure	Disclosure Index
Summary of litigation matters filed by companies that do not meet the criteria for disclosure of material litigation	510.35	clogged	under trial	Of this amount, \$870,000 was upheld by the court in the first instance. 1.306 million was upheld by the court in the first instance and in the second instance. Remaining No judgement.	870,000 has been requested for execution and the remainder is outstanding or pending judgement.		
Failure to meet disclosure standards for material litigation Matters against which the company is being sued	283.06	clogged	under trial	No judgement	No judgement		

## XII. Penalties and rectification

☐ Applicable ☒ Not applicable

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

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

☒ Applicable ☐ Not Applicable

During the reporting period, there were no significant outstanding court judgements by the Company's controlling shareholders and de facto controllers, nor were there any instances in which debts of a substantial amount incurred by the Company were due and unpaid.

## XIV. Significant connected transactions

### 1. Connected transactions related to daily operations

☒Applicable ☐Not Applicable

Related parties	affiliated relationship	Type of connected transaction	Contents of connected transactions	Pricing Principles for Connected Transactions	Related Transaction Prices	Amount of connected transactions (\$ million)	Percentage of value of similar transactions	Amount of transactions approved (Wan) (yuan)	Whether the approved amount is exceeded	Settlement of Connected Transactions	Market value of comparable transactions available	Date of disclosure	Disclosure Index
Guizhou Forward rubber and plastic	controlling shareholder underlying	To associated persons procure (for an enterprise etc)	Purchase of inner tube flap	reference market protocols	12.71 Yuan/metre catty	5,626.29	31.98 %	6,500	clogged	Each month the two analogy	14.41 Yuan/metre catty	2022 Year 03 Month 08	2022 years scratch out a difficult, meager existence



tech nology com pany (Gui zho u Adv anc e Rub ber Tub e Co mpa ny) Divisio n)	asso ciate d com pany	com ple men tary prod uct		fix a price						Bala nce paid after hed ging of tran sacti on amo unts		date	Ann oun cem ent of Stan ding Con nect ed Tran sacti on
Guiz hou Adv anc e Rub ber & Plas tic Tec hno logy Co. (Gui zho u Adv anc e Rub ber Tub e Co mpa ny) Divisio n)	Sub sidia ries of cont rollin g shar ehol ders	Sale s of semi - finis hed prod ucts and wast e mat erial s to relat ed parti es	Sale s of hybri d rubber	Prici ng by refer enc e to cost agre eme nts	8.30 Yuan /kg	3,434 .82	100.0 0 per cent	3,600	clogge d	Bala nce to be paid mon thly by hed ging the amo unts of the two type s of tran sacti ons	8.30 Yuan /kg	2022 Year 03 Month 08 date	202 Ann oun cem ent of Dail y Con nect ed Tran sacti ons for FY2
Guiz hou Adv anc e Rub ber & Plas tic	Sub sidia ries of cont rollin g shar	Sale s of semi - finis hed prod ucts and	Sale s of wast e mat erial s, scrap ma	Prici ng by refer enc e to mar	2.62 Yuan /kg	286.6 5	10.04 %	300	clogge d	Mon thly reco ncili atio ns	inap plica ble	2022 Year 03 Month 08 date	202 Ann oun cem ent of Dail y Con

Tec h n o l o g y C o. (G u i z h o u T y r e (F a c t o r y)	ehol ders	wast e mat erial s to relat ed parti es	t e r i a l s , leasi ng and other s	ket agre eme nts									nect ed Tran sacti ons for FY2
Guiz hou Adv anc e Rub ber & Plas tic Tec h n o l o g y C o. (Tyr es in Guiz hou) (Factor y)	Sec ond- tier subs idiari es of cont rollin g share holders	Acc epta nce of labo ur from relat ed parti es	Acc epta nce of carg o tran spor t and hand ling servi ces	Prici ng by refer enc e to mar ket agre eme nts	560 Yuan/d ay (sho rt-dis tance tran spor t)	1,855 .98	6.42 per cent	2,000	clogge d	Mon thly reco ncili atio ns	inap plica ble	2022 Year 03 Month 08 date	202 Ann oun cem ent of Dail y Con nect ed Tran sacti ons for FY2
Guiz hou Adv anc e Rub ber & Plas tic Tec h n o l o g y C o. (G u i z h o u T y r e P l a n t)	Sec ond- tier subs idiari es of cont rollin g share holders	Acc epta nce of labo ur from relat ed parti es	Acc epta nce of matti ng se rvi ces and proc ure men t of ancil lary mate rials such as plast ic bag s and matti ng	Prici ng by refer enc e to mar ket agre eme nts	Prote ctive tape 23.28 Yuan /strip, plasti c matti ng 15.19 Yua n/kg, bags 1.16 Yua n/pc, cut and proc esse d waste ful	1,091 .27	19.60 %	1,500	clogge d	Mon thly reco ncili atio ns	inap plica ble	2022 Year 03 Month 08 date	202 Ann oun cem ent of Dail y Con nect ed Tran sacti ons for FY2

					1.96 Yuan/ metre Pound s.								
Guizhou Advance Rubber & Plastic Technology Co. (Tyres in Guizhou) (Factory)	Second-tier subsidiaries of controlling shareholders	Acceptance of labor from related parties	Acceptance of passenger services	Pricing by reference to market agreements	400 Yuan/trip	307.71	100.00 per cent	350	clogged	Monthly reconciliations	inapplicable	2022 Year 03 Month 08 date	202 Announcement of Daily Connected Transactions for FY2
Guizhou Advance Rubber & Plastic Technology Co. (Tyres in Guizhou) (Factory)	Second-tier subsidiaries of controlling shareholders	Acceptance of labor from related parties	Acceptance of logistical services such as hostel management	Pricing by reference to market agreements	207.6 Million yuan/year	213.64	100.00 per cent	207.6	be	Monthly reconciliations	inapplicable	2022 Year 03 Month 08 date	202 Announcement of Daily Connected Transactions for FY2
Guiyang Dangrou Peak Logistics Co.	Second-tier subsidiaries of controlling shareholders	Acceptance of labor from related parties	Acceptance of cargo transport services	Pricing by reference to market agreements	0.35 Yuan/ tonne. Kilometre	225.13	0.94 per cent	500	clogged	Monthly reconciliations	0.35 Yuan/ tonne. Kilometre	2023 Year 03 Month 08 date	202 2 Daily connected transactions for the year Announcement

													nt
Ban k of Guiy ang Co.	Chai rma n of the Sup ervis ory Boar d of the Com pan y and Dep uty Gen eral Man ager of the Cont rollin g Shar ehol der as Dire ctor	Acc ess to finan cial servi ces	Inter est on dep osits and han dling char ges on the issu ance of pro miss ory note s	mar ket pric e	mar ket pric e	4,454 .93	58.01 %	4,454 .93	be	Inter est is settl ed quar terly and han dling fees are settl ed in a timel y man ner	inap plica ble	2023 Year 04 Month 08 date	The "Co dific ation of Con nect ed Tran sacti ons and the Incr eas e of 2023 Publ ic Ann oun cem ent of Esti mat ed Dail y Con nect ed Tran sacti ons for the Year Annou nceme nt
add up the total				--	--	17,49 6.42	--	19,41 2.53	--	--	--	--	--
Details of large sales returns				There were no significant sales returns during the reporting period.									

<p>Actual performance during the reporting period, if any, of daily connected transactions expected to occur during the period in total amount by category</p>	<p>In FY2022, the Company estimated that the total amount of daily connected transactions with the controlling shareholder Guiyang City Industrial Investment Company Limited under Guizhou Advance Rubber &amp; Plastic Technology Company Limited (former Guizhou Tyre Factory) Guizhou Advance Rubber &amp; Plastic Technology Company Limited (former Guizhou Advance Rubber Inner Tube Company) and Guiyang Dangerous Peak Logistics Company Limited would be RMB149.576 million, and the actual amount would be RMB130.414 million, which is 12.81% less than the estimated amount. The actual amount was RMB130,414,900, which was 12.81% less than the estimated amount. For details, please refer to the above table and the "Announcement on the Estimation of Daily Connected Transactions for the Year 2023" disclosed by the Company on 2 February 2023.</p> <p>Mr Zhou Yejun, Chairman of the Supervisory Committee of the Company and Deputy General Manager of Guiyang Industrial Investment Company Limited, the controlling shareholder of the Company, was elected as a Director at the first extraordinary general meeting of 2022 of Bank of Guiyang Limited ("Bank of Guiyang") on 14 October 2022, and his qualification for appointment was approved and became effective at the end of March 2023 by Guizhou Banking and Insurance Supervision Bureau. Approved by the Guizhou Banking and Insurance Supervision Bureau at the end of March 2023 In accordance with the Shenzhen Pursuant to Rule 6.3.3 of the Rules Governing the Listing of Stocks on the Stock Exchange (the "Listing Rules", Guiyang</p> <p>The Bank is a related party of the Company, and on 7 April 2023, the Company held the 14th meeting of the 8th Board of Directors of the</p>
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	In 2022, the Company carried out a total of RMB44,549,300 in handling fees with Guiyang Bank for deposits and bill issuance. Retroactively recognised. For details, please refer to the Company's disclosure on 8 April 2023 on the "Recall of Connected Transactions and Increase in 2023". Announcement on the Estimation of Annual Daily Connected Transactions.
The difference between the transaction price and the market reference price is high Reasons for large (if applicable)	inapplicable

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

☐ Applicable ☒ Not applicable

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

## 3. Connected transactions for joint foreign investment

☐ Applicable ☒ Not applicable

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

## 4. Related debt transactions

☒ Applicable ☐ Not applicable

Whether there are non-operating related credit and debt transactions

Yes ☒ No

The Company did not have any non-operating related debt and debt transactions during the reporting period.

## 5. Transactions with finance companies with which a relationship exists

☐ Applicable ☒ Not applicable

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

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

☐ Applicable ☒ Not applicable

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

## 7. Other significant connected transactions

☐ Applicable ☒ Not applicable

The Company had no other material connected transactions during the reporting period.

## **XV. Significant contracts and their performance**

### **1. Status of trusteeship, contracting and leasing matters**

#### **(1) Hosting situation**

☐ Applicable ☒ Not applicable

The company was not in escrow during the reporting period.

#### **(2) Contractual situation**

☐ Applicable ☒ Not applicable

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

#### **(3) Rental situation**

☐ Applicable ☒ Not applicable

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

### **2. Significant guarantees**

☐ Applicable ☒ Not applicable

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

### **3. Delegation of cash asset management**

#### **(1) Entrusted financial management**

☐ Applicable ☒ Not applicable

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

#### **(2) Status of entrusted loans**

☐ Applicable ☒ Not applicable

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

### **4. Other major contracts**

☐ Applicable ☒ Not applicable

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

## XVI. Description of other significant matters

☒Applicable ☐Not applicable

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

According to the "Decision of the People's Government of Yunyan District on the Expropriation of Houses on State-owned Land within the Planning Red Line of the Land Level Development Project of the Tyre Factory (Factory) Lot", the houses within the construction planning land area need to be expropriated due to the implementation of the land level development project of the land of the lot of Yunshu-2019N-02, which involves all production houses and the subsidiary company Guizhou Hercules Tire Co. All the production houses and the subsidiary Guizhou Hercules Tyre Co. ("Hercules Company") for all production premises. On 14 October 2019, the Company and Hercules Company entered into an agreement with the Yunyan District Housing on State-owned Land Acquisition Administration (now the (hereinafter referred to as "Yunyan District Levy Centre") formally entered into the "Agreement on Monetary Compensation for Housing Levy" (3 copies in total), which has been renamed as Yunyan District Housing Levy Service Centre (hereinafter referred to as "Yunyan District Levy Centre").

The total amount of compensation is RMB 2,485,528,815.79, of which RMB 1,044,578,557.60 is compensated by the "Agreement on Monetary Compensation for Housing Expropriation in Phase I of the Jin Guan Factory Area".

Compensation amount of RMB1,164,442,862.09 under the "Agreement on Monetary Compensation for Housing Expropriation in Jin Guan Factory Phase II" and compensation amount of RMB1,164,442,862.09 under the "Agreement on Monetary Compensation for Housing Expropriation" of Hercules Corporation.

276,507,396.10. In 2020, the first phase of the Monetary Compensation Agreement for Housing Expropriation (after deducting the compensation involved in transferring out of the scope of expropriation of \$53,161,657.00).

The actual compensation amount is RMB 991,416,900.60) has been fulfilled. For details of the above, please refer to 10 September 2019, 15 October 2019, 2020

Announcement on the Signing of the Agreement on Monetary Compensation for Housing Expropriation, Announcement on the Progress of Monetary Compensation for Housing Expropriation, Announcement on the Adjustment of the Scope of Phase I Housing Expropriation and Receipt of Part of the Remaining Payment and Announcement on the Receipt of All the Remaining Compensation for Phase I Housing Expropriation, which were disclosed on 28 November and 1 December 2020, respectively.

In 2021, the Company received two housing expropriation compensation payments from Hercules Company, with a total amount of RMB270,000,000.00. For details, please refer to the "Announcement on Receipt of Housing Expropriation Compensation from Hercules Company" disclosed on 1 January 2022.

During the reporting period, the Company did not receive the relevant compensation payment. As at the end of the reporting period, RMB1,224,111,915.19 of the compensation payment for the housing expropriation had not yet been received (of which RMB1,224,111,915.19 had not yet been received).

The compensation for transferring out of the scope of Phase I of the expropriation in the amount of \$53,161,657.00, and all the compensation for Phase II of the Monetary Compensation Agreement for Housing Expropriation in the amount of \$1,164,442,862.09, and the large amount of



(Remaining compensation from Rex Corporation: \$ 6 ,507 ,396 .10).

In December 2022, the Yunyan District Acquisition Centre organised a joint consultation and discussion between Guiyang City Investment Land Development Company Limited, the primary land development unit, and the Company and reached a consensus in relation to the development of the land parcel and the execution of the compensation agreement that "the compensation agreement will continue to be executed, and in view of the prevailing land market environment, it has been reported to the government of Guiyang City, Yunyan District, to re-adjust the land use planning index of the parcel to optimise and enhance the development value of the land parcel". In view of the current land market environment, a report has been submitted to the government of Yunyan District, Guiyang City to readjust the land use planning index of the land to optimise and enhance the development value of the land, and it is expected that the listing of the aforesaid land will be completed within 2023. For details, please refer to

2022 Progress Announcement on Remaining Housing Levy Compensation Payments disclosed on 30 December.

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

## **XVII. Material matters of the Company's subsidiaries**

☒Applicable ☐Not Applicable

1. Progress of the participation of wholly-owned subsidiaries in the investment and establishment of industrial funds:

During the reporting period, Guizhou Advance Tyre Investment Limited Liability Company, a wholly-owned subsidiary of the Company, contributed RMB25.5 million from its own funds to establish Qingdao Win-Win Equity Investment Partnership (Limited Partnership) together with Shanghai Huayu Investment Management Company Limited and Weifang Yue Long Management Consulting Company Limited. The total contribution of the partnership is RMB36.0 million, with the purpose of making equity investment in Qingdao Taikaiying Special Tyre Company Limited (hereinafter referred to as "Qingdao Taikaiying"). For details, please refer to the "Announcement on the Participation of Wholly-owned Subsidiary in the Investment and Establishment of Industrial Fund".

On 14 December 2022, the Partnership completed the filing procedures with China Securities Investment Funds Association and obtained the Certificate of Filing of Private Investment Funds with filing code SXX043. On 20 December 2022, the Partnership completed the special equity investment in Qingdao Taikaiying by way of capital increase in accordance with the Partnership Agreement, with an amount of RMB35,297,175,000, accounting for 3.5297% of the equity interest of Qingdao Taikaiying after the investment. The investment amount is RMB35,297,175,000, accounting for 3.5297% of the post-investment equity interest of Qingdao Techking. Qingdao Techking has completed the registration of industrial and commercial changes. For details, please refer to the "Progress Announcement on the Participation of Wholly-owned Subsidiary in the Investment and Establishment of Industrial Fund".

## 2. Progress of the project with an annual capacity of 1.2 million all-steel radial tyres in Vietnam:

The 1.2 million all-steel radial tyres per annum project in Vietnam reached its design capacity on 30 June 2022 based on capacity tests. The project has been affected by capacity underutilisation and

As a result of the significant appreciation of the US dollar, during the reporting period, Advance Tyre (Vietnam) Co., Ltd. produced 644,500 tyres and sold 563,300 tyres, achieving operating income of

54,406.74 million yuan, realising a net profit of -9,203.6 million yuan (of which 34,772.7 million yuan was an exchange loss on the parent company's US dollar liabilities).

## Section VII. Changes in shares and shareholders

### I. Changes in shares

#### 1. Changes in shares

Unit: shares

	Before this change		Increase/decrease (+, -) in current changes					After this change	
	quantities	proportions	issue new shares	a share grant	conversion of provident fund	the rest	Subtotal	quantities	proportions
I. Restricted shares	91,172,619	9.53 per cent			16,782,324	-90,124,143	-73,341,819	17,830,800	1.55 per cent
1. State shareholding					0				
2. Shareholding by State-owned legal persons	69,047,619	7.22 per cent			13,809,524	-82,857,143	-69,047,619		
3. Other domestic holdings	22,125,000	2.31 per cent			2,972,800	-7,267,000	-4,294,200	17,830,800	1.55 per cent
Of which: shares held by domestic legal persons									
Domestic natural person shareholding	22,125,000	2.31 per cent			2,972,800	-7,267,000	-4,294,200	17,830,800	1.55 per cent
4. Foreign shareholding									
Of which: Overseas legal entities holding shares									
Overseas natural person									

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shareholdin g									
II. Unlimited shares	865,146.843	90.47 per cent			174,465.768	90,063,824	264,529.592	1,129,676,435	98.45 per cent
1. RMB ordinary shares	865,146.843	90.47 per cent			174,465.768	90,063,824	264,529.592	1,129,676,435	98.45 per cent
2. Domestically listed foreign shares									
3. Foreign shares listed abroad									
4. Other									
III. Total number of shares	956,319.462	100.00 per cent			191,248.092	-60,319	191,187.773	1,147,507,235	100.00 per cent

Reasons for share changes

☒Applicable ☐Not Applicable

(1) Pursuant to the "Notice of the Thirtieth Meeting of the Seventh Session of the Board of Directors and the Twenty-Third Meeting of the Seventh Session of the Supervisory Board of the Company" dated 24 January 2022

Resolution on the Achievement of the Conditions for the Release of Restricted Shares during the First Release Period of the 2019 Restricted Stock Incentive Plan" and "Resolution on the Repurchase and Cancellation of the 2019 Restricted Stock Incentive Plan".

The Resolution on the allocation of part of the restricted shares and adjustment of the repurchase price". The Company has handled the release of 7,352,200 restricted shares which can be released from restricted sale in accordance with the conditions of unlocking.

The remaining 7,180,200 shares will be listed and put on the market on 11 February 2022, except for 170,000 shares held by directors and executives, which will be locked up in accordance with the regulations.

On 30 March 2022, the Company completed the procedures for the release of shares held by the original incentive recipients that had been granted but were not permitted to be released from restriction this time, and those who were no longer eligible for incentives, in accordance with the procedures.

The total share capital of the Company was reduced from 95,631.9462 million shares to 95,624.0462 million shares upon the cancellation of the repurchase of 79,000 restricted shares which had not been released from restricted sale.

(2) Pursuant to the resolution of the thirty-first meeting of the seventh session of the Board of Directors of the Company on 4 March 2022 and the resolution of the 2021 Annual General Meeting of Shareholders of the Company on 28 March 2022, the following resolutions were passed

On 12 April 2022, the Company issued the "2021 Profit Distribution Proposal", which, in addition to the cash dividend, also transferred 2 shares for every 10 shares to all shareholders from the capital reserve.

Capitalisation of capital surplus was carried out, after which the total share capital of the Company increased from 95,624.0462 million shares to 114,748.8554 million shares.

(3) On 15 April 2022, the Company held the first extraordinary general meeting of 2022 and the first meeting of the eighth session of the Board of Directors, and conducted a meeting of the Board of Directors and managers.

The replacement and appointment of the senior management, because the former director and general manager He Yuping left the office, his shares held in accordance with the provisions of all the lock-up, an increase of 90,000 shares of senior management lock-up shares, Liu Bin due to be

Appointed as Deputy General Manager of the Company, his shares were locked up for 240,000 shares in accordance with the regulations, increasing the total number of shares locked up for executives by 114,000 shares.

(4) On 30 September 2022, 82,857,143 shares held by Guiyang City Industrial Investment Company Limited, the controlling shareholder, as a result of its participation in the Company's non-public offering of shares, were limited to See the "Prompt Announcement on the Unwinding of Restricted Shares from Non-public Offering for Listing and Circulation" disclosed by the Company on 28 September 2022 for the unwinding of restricted shares for listing and circulation at the expiry of the selling period.

(5) On 14 October 2022, He Yuping, the former director and general manager of the Company, left the Company for half a year, and the 120,000 shares held by him to be released from lock-up were released from lock-up, which reduced the number of senior executives.

Locked up 120,000 shares.

(6) The period from 28 October 2022 to 21 April 2028 was the conversion period for the convertible bonds issued by the

Company. As of the close of business on 30 December 2022, the number of shares increased by 18,681 shares as a result of the conversion of the Guilun Convertible Bonds during the reporting period, and the total share capital of the Company increased from 1,147,488,554 shares to 1,147,507,235 shares. The total share capital of the Company increased from 1,147,488,554 shares to 1,147,507,235 shares.

#### Approval of share changes

☒Applicable ☐Not Applicable

(1) Changes in shares arising from the release of restricted shares in the first tranche of restricted shares and the repurchase and cancellation of certain restricted shares in 2019: Authorised by the Fourth Extraordinary General Meeting of 2019 and considered and approved at the Thirtieth Meeting of the Seventh Session of the Board of Directors and the Twenty-third Meeting of the Seventh Session of the Supervisory Committee.

(2) Changes in shares arising from the capitalisation of capital surplus pursuant to the "2021 Profit Distribution Plan": Approved at the 31st Meeting of the 7th Board of Directors and the 2021 Annual General Meeting, respectively.

#### Transfers of share changes

☒Applicable ☐Not applicable

(1) Of the 7,352,000 shares released from lock-up during the first release period of the 2019 Restricted Stock Incentive Plan, 7,182,000 shares were listed and circulated on 11 February 2022, except for 170,000 shares held by directors and executives which were locked up in accordance with the regulations.

- (2) A portion of the restricted stock repurchased for cancellation of 7.9 million shares was completed on March 30, 2022, for cancellation.
- (3) The increase of 191,248,092 shares by the conversion of capital reserve into share capital was recorded on 12 April 2022
- (4) Guiyang City Industrial Investment Company Limited, the controlling shareholder, held 82,857,143 shares as a result of its participation in the non-public offering of shares of the Company, and the expiry of the restriction period on 9 September 2022

The company was listed on the 30th of January.

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

☒Applicable ☐Not Applicable

Project name	After share changes	Before share changes	Amount of impact
2022 Earnings per share (\$/share)	0.38	0.46	-0.08
2022 Diluted EPS (\$/share)	0.33	0.38	-0.05
Net assets per share attributable to the Company's ordinary shareholders at the end of 2022 (RMB/share)	5.62	6.74	-1.12

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

☐ Applicable ☒ Not applicable

## 2. Changes in restricted shares

☒Applicable ☐Not Applicable

Unit: shares

Name of Shareholder	Number of restricted shares at the beginning of the period	Increase in restricted sales during the period number of shares	Release of restrictions during the period number of shares	Number of restricted shares at the end of the period	Reason for selling restriction	Release Date
Huang Gege	300,000	70,000	100,000	270,000	Restricted Stock Incentive Plan Restricted and Executive Lockup Shares (As at 12 April 2022, the Public The Company will implement the annual equity distribution for 2021, which will be paid out from the capital reserve to all shareholders for every 10 per cent of the total share capital of the Company. shares by 2 shares,	After 24 months from the date of registration of the grant, if the conditions for unlocking are met, the incentive recipients may unlock their shares in three instalments in the next 36 months in the proportion of 1/3, 1/3 and 1/3. Excluding Restrictions.
He Yuping	300,000	70,000	120,000	240,000		
Xiong Chaoyang (1907-1989), Mao Zedong's second wife	240,000	56,000	80,000	216,000		
Pu Xiaobo (1944-), PRC politician	240,000	56,000	80,000	216,000		
Wang Hai (1916-1997), one of the pioneers of modern Chinese linguistics	240,000	56,000	80,000	216,000		
Jiang Daikun	240,000	56,000	56,000	216,000		
mythical monstrous bird, cf	240,000	56,000	56,000	216,000		

Sinbad's roc					resulting in the relevant shares being (Change)	
Zhou Chichijun	240,000	56,000	56,000	216,000		
Liu Bin (1979-), CCTV sports presenter	240,000	56,000	80,000	216,000		
buyback cancellation limit restricted stock  (Total 9)  of whom, due to the  2020,  2021 from  No longer meets  incentive-based (3 persons)	79,000	-79,000			30 March 2022  On 31 December 2009, the Company repurchased the Note cancellation of original incentive holdings Some have been awarded but not Permitted to release from restriction and No longer eligible for incentives Pieces of personnel have not yet been released restricted shares The total number of shares is 7.9 million.	
Middle managers  Other nuclear weapons, other nuclear weapons, and other nuclear weapons Backbone (total) 432 persons)	19,766,000	2,634,800	13,809,524	15,808,800	Restricted Share Incentive Planned Restricted Sale. (2022 Date and place of birth: 12 April 2009 Division implementation 2021 The distribution of equity for the year ended 31 December 2009, its Capital reserves  For every 10 per cent of the share capital of all shareholders shares by 2 shares, leading	After 24 months from the date of registration of the grant, if the conditions for unlocking are met, the incentive recipients may unlock their shares in three instalments in the next 36 months in the proportion of 1/3, 1/3 and 1/3. Excluding Restrictions.



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					to to the occurrence of the relevant share (Change)	
Guiyang City Industry	69,047,619	13,809,524	82,857,143	0	Subscription to the company's non-public	From the closing date of the issue

investment company					Issue of shares. (On 12 April 2022, the public The Company will implement the annual equity distribution for 2021, which will be paid out from the capital reserve to all shareholders for every 10 per cent of the total share capital of the Company. shares by 2 shares, resulting in the relevant shares being (Change)	18 months from the date of the lock-up period, which was completed on 9 September 2022. The company was listed for circulation on the 30th of January.
add up the total	91,172,619	16,897,324	97,374,667	17,830,800	—	—

## II. Issuance and listing of securities

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

☒Applicable ☐Not Applicable

Equities and their derivative securities name (of a thing)	Issue date	issue price (or profit) (Rate)	Number of issues	Launch date	Number of Approvals for Listing and Trading	Transaction termination date	Disclosure Index	Date of disclosure
share class								
Convertible corporate bonds, separately traded convertible corporate bonds, corporate bond class								
convertible bond	2022 04 22nd of January	First year 0.30 per cent, para. second year 0.50 per cent, para. third year 1.00 per cent, para. four-year 1.50 per cent, para. five-year	18,000,000	2022 05 30th day of the month	18,000,000	2028 04 21st of January	Public Release Convertible bonds Listing Announcement The Book	2022 05 27th of March

		1.80 per cent, para. Six years 2.00 per cent						
Other derivative securities category								

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

Approved by the China Securities Regulatory Commission's Approval of the Public Offering of Convertible Corporate Bonds by Guizhou Tyre Company Limited (Securities Regulatory Permit [2022] No. 665), the Company made a public offering of 18,000,000 convertible corporate bonds with a nominal value of RMB100 each and a total issuance amount of RMB180,000,000 on 22 April 2022.<sup>3</sup> The Company has issued a total of RMB1,800,000,000 of convertible bonds.

Short name of convertible bonds

For: Guilan Convertible Bond (English abbreviation: GZT-CB); Code: 127063; Listing date: 30 May 2022 The conversion date is from 28 October 2022 to 31 December 2022.

21 April 2028.

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

☒Applicable ☐Not Applicable

(1) Pursuant to the "Notice of the Thirtieth Meeting of the Seventh Session of the Board of Directors and the Twenty-Third Meeting of the Seventh Session of the Supervisory Board of the Company" dated 24 January 2022 Resolution on the Achievement of the Conditions for the Release of Restricted Shares during the First Release Period of the 2019 Restricted Stock Incentive Plan" and "Resolution on the Repurchase and Cancellation of the 2019 Restricted Stock Incentive Plan".

The motion of "Designating some restricted shares and adjusting the repurchase price". The Company handled the procedures for the release of restrictions for 7,352,200 restricted shares eligible for unlocking, except for the directors,

In addition to the 170,000 shares held by executives that are locked up in accordance with the regulations, the remaining 7,180,200 shares will be listed and put on the market on 11 February 2022.

On 30 March 2022, the Company completed the procedures for the release of shares held by the original incentive recipients that had been granted but were not permitted to be released from the restriction this time, and those who were no longer eligible for incentives, in accordance with the procedures.

The total share capital of the Company was reduced from 95,631.9462 million shares to 95,624.0462 million shares upon the cancellation of the repurchase of 79,000 restricted shares which had not been released from restricted sale.

- (2) Pursuant to the resolution of the thirty-first meeting of the seventh session of the Board of Directors of the Company on 4 March 2022 and the resolution of the 2021 Annual General Meeting of Shareholders of the Company on 28 March 2022, the following resolutions were passed

On 12 April 2022, the Company issued the "2021 Profit Distribution Proposal", which, in addition to the cash dividend, also transferred 2 shares for every 10 shares to all shareholders from the capital reserve.

Capitalisation of capital surplus was carried out, after which the total share capital of the Company increased from 95,624.0462 million shares to 114,748.8554 million shares.

- (3) On 15 April 2022, the Company held the first extraordinary general meeting of 2022 and the first meeting of the eighth session of the Board of Directors, and conducted a meeting of the Board of Directors and managers.

The replacement and appointment of senior management, due to the departure of Mr He Yuping, former director and general manager, whose shares are all locked up in accordance with the regulations, increased the number of shares locked up by senior management by 90,000 shares, Liu Bin

The shares held by Mr. Kenneth K. Kennedy, who was appointed as the deputy general manager of the Company, were locked up in accordance with the regulations for 240,000 shares, resulting in a total increase of 114,000 shares locked up by the executives.

- (4) On 30 September 2022, Guiyang City Industrial Investment Company Limited, the controlling shareholder, was restricted from subscribing for 82,857,143 shares in the Company's private offering due to its participation in the offering.

The shares will be released from restricted sale for listing and circulation upon expiry of the sale period. For details, please refer to the "Prompt Announcement on the Unwinding of Restricted Sale and Listing and Circulation of Non-publicly Issued Shares" dated 28 September 2022 disclosed by the Company.

- (5) On 14 October 2022, Mr. He Yuping, former director and general manager of the Company, left the Company for half a year, and the 120,000 lock-up shares held by him were released from lock-up, reducing the number of shares held by the executives.

Locked up 120,000 shares.

- (6) On 28 October 2022, the convertible bonds issued by the Company began to enter into the conversion period, and as of the close of business on 30 December 2022, the last trading day, it was reported as follows

During the reporting period, the number of shares increased by 18,681 shares as a result of the conversion of "Guilin Convertible Bonds", and the total share capital of the Company increased from 1,147,488,554 shares to 1,147,507,235 shares.

- (7) As at the end of the reporting period, the total number of shares of the Company was 1,147,507,235 shares, of which 198,000 shares were locked-up for executives and 198,000 shares were restricted shares for share incentives.

17,632,800 shares and 1,129,676,435 shares were outstanding without limitations.

( 8 ) During the reporting period, the Company repurchased and cancelled part of its restricted shares, implemented capitalisation of its provident fund, issued convertible bonds and converted part of its convertible bonds to shares, and as at 31 December 2022, the gearing ratio of the Company was 58.88%.

### 3. Existing internal employee shares

☐ Applicable ☒ Not applicable

## III. Shareholders and de facto controllers

### 1. Number of shareholders and shareholdings of the Company

Unit: shares

Total number of ordinary shareholders at the end of the reporting period	48,367	Ordinary shares at the end of the previous month before the annual report disclosure date East Total	46,136	End of reporting period Total number of preference shareholders with voting rights restored (if any) (See note 8)	0	Total number of preference shareholders with voting rights restored at the end of the previous month prior to the annual report disclosure date, if any (refer to Note 8)	0
Shareholders holding more than 5 per cent of the shares or the top 10 shareholders							
Name of Shareholder	Nature of shareholders	percentage of shareholding	End of reporting period	Reporting period	possess limited	Held unlimited	Pledged, marked or frozen

			sharehold ing	Increase/d ecrease/ch ange state of affairs	conditional Number of shares	conditional Number of shares	sharehold ing	quantitie s
Guiyang City Industrial Investme nt has limited company	nations	27.76 per cent	318,591,0 25	53,098,50 4	0	318,591,0 25	pledges	149,916,0 00
Industrial and Commer cial Bank of China Limited HFT Reform- Driven Flexible Allocatio n Mixed Securitie s Investme nt Fund generic term for lustrous and ductile metals	the rest	1.69 per cent	19,385,98 0	19,385,98 0	0	19,385,98 0		
Beijing Fenghui Investme nt Manage ment Co. -Fung Hwee Choice Private Equity Investme nt Fund generic term for lustrous and ductile metals	the rest	0.98 per cent	11,251,02 4	- 2,717,229	0	11,251,02 4		
Yuan Jianliang (1971-), senior PRC politician	Nature in the territory man	0.79 per cent	9,090,000	4,210,000	0	9,090,000		

Guangfa Fund -Postal Reserve Bank - Guangfa Fund China Post Golden Tripod No. 1 Pooled Assets management plan	the rest	0.68 percent	7,854,740	7,854,740	0	7,854,740.00		
Agricultural Bank of China Limited -China Post Core Advantage Flexible Allocation Mixed Securities Investment funds	the rest	0.68 percent	7,751,940	7,751,940	0	7,751,940.00		
Liu Chang (1938-), second governor of Hainan	Nature in the territory man	0.57 percent	6,499,039	1,509,210	0	6,499,039.00		
Xin Qiaoxia (1973-), Chinese diving champion	Nature in the territory man	0.56 percent	6,406,548	6,406,548	0	6,406,548.00		
Industrial and Commercial Bank of China Limited Fortune Hi-Tech Industry Mixed Securities Investment fund	the rest	0.53 percent	6,070,580	6,070,580	0	6,070,580.00		

Suzhou Tiankai Huiyun Industrial Investme nt Partners hip (Limited Partnership) (group)	Domestic non-state legal persons	0.51 percent	5,895,238	815,873	0	5,895,238		
Strategic investors or general legal persons		not have						



Top 10 shareholders as a result of placing of new shares (if any) (refer (see note 3)			
The above shareholders are related or a Notes to the action	The Company is not aware of any connection between the above shareholders or any concerted action under the Administrative Measures for Takeovers of Listed Companies. The human condition.		
The above shareholders are involved in proxy/trustee voting and waiver of voting rights. Note on the status of implementation of the recommendations of the Advisory Committee on Administrative and Budgetary Questions	inapplicable		
Special note on the existence of repurchase accounts among the top 10 shareholders (if any) (see note 10)	As at the end of the reporting period, the Company had repurchased a total of 10,620,200 shares by way of centralised bidding through the special securities account for repurchases. shares, representing 0.93 per cent. of the total issued share capital of the Company at the end of the reporting period.		
Shareholdings of the top 10 shareholders with unlimited sales conditions			
Name of Shareholder	Number of unlimited shares held at the end of the reporting period	Type of shares	
		Type of shares	quantities
Guiyang City Industrial Investment Co. department (under a ministry)	318,591,025	universal currency generic generic term for shares in a company	318,591,025
Industrial and Commercial Bank of China Limited - Haitong Reform-Driven Flexible Allocation Mixed Securities Investment funding fund	19,385,980	Renminbi ordinary shares	19,385,980
Beijing Fenghui Investment Management Company Limited - Fenghui Choice Private Placement Certificates voucher investment fund	11,251,024	Renminbi ordinary shares	11,251,024
Yuan Jianliang (1919-), senior PRC politician	9,090,000	universal currency generic generic term for shares in a company	9,090,000

GuangDa Fund-Postal Reserve Bank-GuangDa Fund ZhongPo Gold Tripod No.1 pooled asset management scheme	7,854,740	Renminbi ordinary shares	7,854,740
Agricultural Bank of China Limited - China Post Core Advantage Flexible Allocation Mixed Stock Investment fund	7,751,940	Renminbi ordinary shares	7,751,940
Liu Chang (1938-), second governor of Hainan	6,499,039	universal currency generic term for shares in a company	6,499,039
Xin Qiaoxia (1973-), Chinese diving champion	6,406,548	universal currency generic term for shares in a company	6,406,548
Industrial and Commercial Bank of China Limited - Wells Fargo High-Tech Products Industry Mixed Securities Investment Fund	6,070,580	Renminbi ordinary shares	6,070,580
Suzhou Tiankai Huiyun Industrial Investment Partnership (Limited) (group)	5,895,238	Renminbi ordinary shares	5,895,238
Top 10 unlimited shares outstanding and the top 10 without Shareholders with restricted shares outstanding and top 10 Affiliations between shareholders or Notes on concerted action	The Company is not aware of any cases where the above shareholders are related to each other or are parties acting in concert as stipulated in the Administrative Measures for Takeovers of Listed Companies.		
Participation of the top 10 ordinary shareholders in the financing and securities financing business (if any) (see note 4)	In addition to holding 624,779 shares through an ordinary securities account, Liu Chang, a shareholder, also holds 624,779 shares through a customer credit trading account of Founder Securities Co. The Company held 5,874,260 Shares in its securities account, resulting in a total of 6,499,039 Shares in the Company's hands.		

Whether the Company's top 10 ordinary shareholders and top 10 ordinary shareholders with unlimited conditions for sale engaged in agreed repurchase transactions during the reporting period

Yes ☒ No

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

## 2. Controlling shareholders of the Company

Nature of controlling

shareholders: local state-

Name of controlling shareholder	Legal representative/unit responsible man	Date of Establishment	Organisation Code	Main business operations
controlling shareholders: legal persons				
Guiyang City Industrial Investment Co. firms	Mauron (name)	15 May 2009	915201006884093482	Industrial Investment and Financing, Sponsorship Establishment of funds, capital operations, Asset Management and Equity Management management, mergers and reorganisations of enterprises. Asset management, housing rental Leasing, property management, domestic International trade services, consultancy service

Equity interests in other domestic and overseas listed companies held and participated in by the controlling shareholder during the reporting period	<p>Controlling shareholders' shareholdings in listed companies at the end of the reporting period:</p> <p>(1) Holding 8,834,200 shares of Guizhou Guihang Automobile Parts Co.</p> <p>2. 18 per cent of the total number of shares of the Company;</p> <p>(2) (stock code: 601997), accounting for 4.21 per cent of the total number of shares of the company;</p> <p>(3) (stock code: 600903), accounting for 35.94% of the total number of shares of the company;</p> <p>(4) Holding 47 million shares of Bank of Guizhou Co.</p> <p>the controlling shareholder of the Company during the reporting period.</p> <p><b>Shareholders of the Company and their concert parties</b></p> <p>(5) Holding 4,073,500 shares of MediTech Limited (stock code: 02158.HK), representing the total number of shares of the company.</p>			
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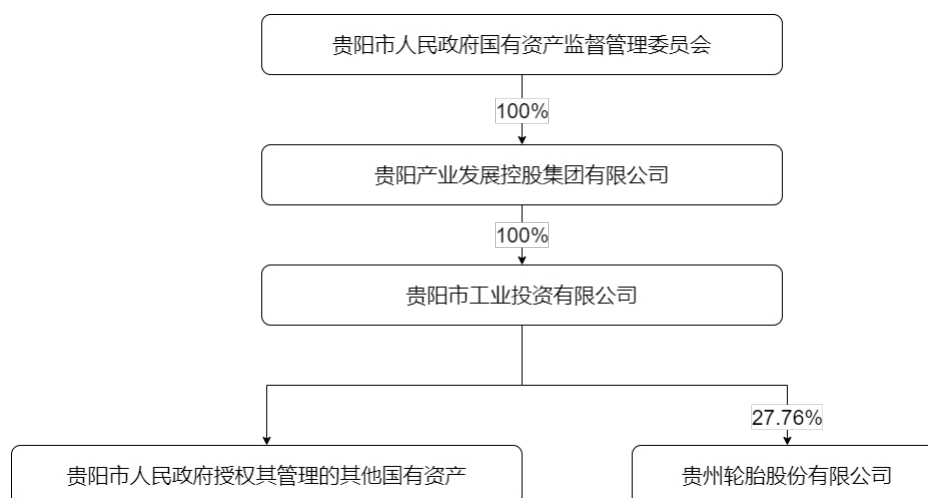
Name of actual controller	Legal representative/unit responsible man	Date of Establishment	Organisation Code	Main business operations
State-owned Guiyang Municipal People's Government Assets Supervision and Administration Commission	Raymond Wong (1955-), Hong Kong film director		11520100761383050D	Local state management 179
Other domestic and overseas listed companies	Not applicable			

Change in beneficial owner during the reporting period

☐ Applicable ☒ Not applicable

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

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



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

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

### IV. Specific implementation of share repurchases during the reporting period

Progress of implementation of share buybacks

☒ Applicable ☐ Not applicable

Programme disclosure time	Number of shares to be repurchased (shares)	Percentage of total share capital	Amount to be repurchased (\$ million)	Period to be repurchased	Purpose of repurchase	Number of repurchases made (Unit)	Number of shares repurchased as a percentage of the underlying shares covered by the share

Guizhou Tyre Company Limited Annual

							incentive scheme (e.g. (Yes)
2022 01 25th of January	79000	0.0083 per cent	15.484		buyback cancellation	79,000	0.36 per cent
2022 11 17th of January			6000-12000	Not more than 30 days from the date of the Company's Board of Directors' considerati on and approval of the repurchase programme 12 months	share ncentive scheme	10,620,200	44.54 per cent

				2022 11 16th to 16th of March 2023 11 15 March			
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Progress of the implementation of the reduction of repurchased shares by means of centralised bidding transactions

☐ Applicable ☒ Not applicable

## Section VIII. Information on preferred shares

☐ Applicable ☒ Not applicable

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



## Section IX. Bond-related information

☒Applicable ☐Not applicable

### I. Corporate bonds

☐ Applicable ☒ Not applicable

The company did not have corporate bonds during the reporting period.

### II. Corporate bonds

☐ Applicable ☒ Not applicable

The company did not have corporate bonds during the reporting period.

### III. Debt financing instruments for non-financial corporations

☐ Applicable ☒ Not applicable

The Company did not have any non-financial corporate debt financing instruments during the reporting period.

### IV. Convertible corporate bonds

☒Applicable ☐Not applicable

#### 1. Previous adjustments to the conversion price

Since the listing of the Company's convertible bonds on 30 May 2022, there has been no adjustment or amendment to the conversion price.

#### 2. Cumulative conversions

☒Applicable ☐Not applicable

Convertible Bond Abbreviation	Conversion start and end dates	total number of issues (Sheets)	total amount issued	Cumulative conversion amount (\$)	Cumulative number of shares converted (Unit)	Number of shares converted as a percentage of the total number of shares issued by the company before the	Amount not yet converted (\$)	Unconverted amount as a percentage of total amount issued
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						commen cement date of conversi on of		
Guilin Convertible Bond	2022 10 28th to 2028 4 21st of January	18,000,00 0	1,800,000 ,000.00	86,000.00	18,681	0.00 per cent	1,799,914 ,000.00	100.00 per cent

### 3. Top ten convertible bond holders

Unit: shares

serial number	Name of convertible bond holder	Nature of convertible bond holders	Number of convertible bonds held at the end of the reporting period (sheets)	Amount of convertible bonds held at the end of the reporting period (yuan)	Percentage of convertible bonds held at the end of the reporting period
1	Guiyang City Industrial Investment Co.	State-owned legal person	4,997,419	499,741,900.00	27.76 per cent
2	China Minsheng Banking Corporation Limited -Everbright Prudential Credit Plus Bonds Securities Investment Fund	the rest	1,032,411	103,241,100.00	5.74 per cent
3	Agricultural Bank of China Limited -Penghua Convertible Bond Securities Investment funding fund	the rest	596,145	59,614,500.00	3.31 per cent
4	Bank of China - Efatar Stable Income Bond Securities Investment Fund	the rest	584,623	58,462,300.00	3.25 per cent
5	Agricultural Bank of China Limited -Fortune Convertible Bond Securities Investment fund	the rest	464,913	46,491,300.00	2.58 per cent
6	Northwest Investment Management (Hong Kong) Limited - Northwest Flying Dragon Fund Limited department (under a ministry)	Overseas legal persons	450,000	45,000,000.00	2.50 per cent
7	Huaxia Fund Life Extension No.7 Fixed Income Pension Product - CITIC Bank Bank of China Limited	the rest	441,437	44,143,700.00	2.45 per cent
8	Huaxia Fund Life Extension No.5 Pure Bond Fixed Income Pension Product-China Agricultural Bank of China Limited	(sth. or sb) else	406,024	40,602,400.00	2.26 per cent
9	Shanghai Pudong Development Bank Co., Ltd - Taiping Feng Ying One-Year Term Open Bond Initiating Securities Investment Fund generic term for lustrous and ductile metals	the rest	317,699	31,769,900.00	1.77 per cent
10	Great Wall Asset-Pudong Development Bank-Great Wall Asset Houkun No. 5 Pooled Asset Management	the rest	302,932	30,293,200.00	1.68 per cent

	offerings				
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#### 4. Significant changes in the guarantor's profitability, asset position and credit standing

☐ Applicable ☒ Not applicable

#### 5. The Company's indebtedness at the end of the reporting period, changes in creditworthiness and cash arrangements for debt repayment in future years

(1) Changes in relevant financial indicators of the Company: As of the end of the reporting period, the Company had total assets of RMB15,761,578,500, total liabilities of RMB9,279,839,000, and an asset-liability ratio of 58.88%, and there was no overdue or rollover of borrowings.

(2) Credit rating situation: During the reporting period, China Chengxin International Credit Rating Co., Ltd, as the credit rating agency of the Company, conducted follow-up rating of the Company after the disclosure of the annual report of the Company for the year 2021, and there was no change in the rating situation. According to the latest follow-up rating report issued by the credit rating agency of the Company, it was clearly determined to maintain the Company's main body's long-term credit rating at AA, and the rating outlook of the "Guilun Bonds" at "Stable". "According to the latest follow-up rating report issued by the credit rating agency, it is clearly determined that the long-term credit rating of the main body of the Company is AA, and the credit rating of "Guilun Convertible Bonds" is AA, and the outlook of the rating is stable.

(3) Overall operation of the Company: The Company has stable operation and good credit standing, and all debt financing instruments have paid interest on time, with no outstanding or overdue payment. In addition, the Company has good profitability and smooth financing channels. In the event of meeting the redemption terms, resale terms and repayment of principal and interest when due as disclosed in the prospectus of the convertible corporate bonds, the Company can pay the principal and interest to bondholders on time through its own funds or financing.

## V. Losses in the scope of the consolidated statements for the reporting period exceeding 10 per cent of net assets as at the end of the previous year

☐ Applicable ☒ Not applicable

## VI. Interest-bearing debt other than bonds overdue at the end of the reporting period

☐ Applicable ☒ Not applicable

## VII. Any violation of rules and regulations during the reporting period

Yes ☒ No

## VIII. Major accounting data and financial indicators of the Company for the past two years as at the end of the reporting period

Unit: \$ million

sports event	End of the reporting period	end of previous year	Increase/decrease at the end of the reporting period over the end of the previous year
current ratio	1.31	0.98	33.67 per cent
gearing	58.88 per cent	53.86 per cent	5.02 per cent
quick ratio	1.11	0.82	35.37 per cent
	Current reporting period	same period last year	Increase/decrease in the current reporting period over the same period of the previous year
Net profit after extraordinary gains and losses	40,709.33	26,340.39	54.55 per cent
EBITDA All debt ratio	9.40 per cent	9.09 per cent	0.31 per cent
Interest coverage multiples	4.46	6.71	-33.53 per cent
Cash interest coverage multiple	-0.88	4.19	-121.00 per cent
EBITDA Interest cover multiple	7.85	11.17	-29.72 per cent
Loan repayment rate	100.00 per cent	100.00 per cent	0.00 per cent
Interest repayment rate	28.93 per cent	17.53 per cent	11.40 per cent

## Section X. Financial reporting

### I. Audit reports

Type of audit opinion	Standard unqualified opinion
Date of signature of the audit report	21 April 2023
Name of auditing body	Zhonghua Accounting Firm (Special General Partnership)
Audit report symbol	House of Representatives (2023) No. 05492
Name of Certified Public Accountant	Gong Xiaohan, Guo Weina

Body of the audit report

#### All shareholders of Guizhou Tyre Co:

##### (i) Audit opinion

We have audited the financial statements of Guizhou Tire Company Limited ("Guizhou Tire"), which comprise the consolidated and company balance sheets as at 31 December 2022, the consolidated and company income statements, the consolidated and company cash flow statements, the consolidated and company statements of changes in shareholders' equity for the year ended 31 December 2022, and the related notes to the financial statements. .

In our opinion, the accompanying financial statements have been prepared, in all material respects, in accordance with the provisions of the Accounting Standards for Business Enterprises and present fairly the financial position of Guizhou Tyre as at 31 December 2022, and the results of its operations for the year then ended.

and the Company's financial position and the consolidated and Company's results of operations and cash flows for fiscal year 2022.

##### (ii) Basis for forming an audit opinion

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

##### (iii) Key audit matters

Key audit matters are those matters that, in our professional judgement, are of most significance to the audit of the current financial statements. These matters are addressed in the context of the audit of the financial statements as

Key audit matters	Audit response
a whole and in forming our opinion, and we do not express an opinion on them individually	
1. Revenue recognition	
The relevant disclosures are detailed in note 3.33 to the financial statements. Revenue Recognition and Notes 5.40 Operating Revenues and Operating Costs.	(1) Understand key internal controls related to revenue recognition, evaluate the design of those controls, determine whether they have been implemented, and test the operating effectiveness of related internal controls; (2) Examine major sales contracts for key contractual terms or conditions and evaluate the appropriateness of revenue recognition

**(iv) Other information**

Guizhou Tyre's management (hereinafter referred to as management) is responsible for the other information.

Other information includes the information covered in Guizhou Tyre's 2022 Annual Report, but excludes the financial statements and our audit report.

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

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

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

**(v) Management and governance responsibilities for the financial statements**

The management of Guizhou Tyre (hereinafter referred to as the management) is responsible for the preparation of the financial statements in accordance with the provisions of the Accounting Standards for Business Enterprises, for giving a fair view thereof and for designing, implementing and maintaining internal control necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Guizhou Tyre's ability to continue as a going concern, disclosing the matters that relate to going concern and applying the going concern assumptions unless management plans to liquidate Guizhou Tyre, terminate its operations or has no realistic alternative.

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

**(vi) Responsibilities of certified public accountants for audits 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 sufficient appropriate audit evidence on which to base an 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 collusion, forgery, intentional omissions, misrepresentation or o v e r r i d e of internal controls.

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

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

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

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

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

We communicate with governance on matters such as the scope, timing and significant findings of the planned audit, including communicating the value-added of our audit findings that we have identified in our audit



Internal control deficiencies of concern.

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

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

## II. Financial statements

The statements in the notes to the financial statements are expressed in United States dollars.

### 1. Consolidated balance sheet

Prepared by: Guizhou Tyre Co.

Unit: Yuan

sports event	31 December 2022	1 January 2022
Liquid assets:		
money funds	3,345,836,195.76	2,112,878,391.11
Provision for settlement		
invested sum that can be cashed		
Financial assets held for trading		
derivative financial asset		
notes receivable	984,414,598.62	877,657,473.40
accounts receivable	1,354,418,996.05	972,970,207.89
Receivables financing	414,501,304.36	369,428,542.13
Prepayments	184,573,338.87	168,015,769.70
Premiums receivable		
Receivables from reinsurance		
Reserve for reinsurance contracts receivable		
Other receivables	19,911,557.56	40,002,280.08
Of which: Interest receivable		
Dividends receivable		
Bought and sold financial assets		
inventory (of material)	1,255,170,349.94	952,857,660.71
Contractual assets	18,171,682.52	15,140,510.54
Assets held for sale	197,877,212.92	197,877,212.92
Non-current assets due within one year		193
Other current assets	202,353,806.85	239,266,676.67
Total current assets	7,977,229,043.45	5,946,094,725.15
Non-current assets:		

Release of loans and advances		
debenture investment		
Other debt investments		
Long-term receivables		
Long-term equity investments	25,500,000.00	
Investments in other equity instruments	656,550,821.58	665,593,126.32
Other non-current financial assets		
investment property	1,129,172.17	
fixed assets	5,352,007,139.78	4,619,084,104.97
construction in progress	509,057,019.71	743,472,714.84
Productive biological assets		
oil and gas assets		
usufructuary assets		
intangible asset	414,264,923.09	365,613,398.31
development expenditure		
reputation of a firm's product		
Long-term amortised expenses	92,585,547.49	76,366,402.89
Deferred tax assets	172,102,802.41	124,365,092.01
Other non-current assets	561,152,052.86	335,142,032.43
Total non-current assets	7,784,349,479.09	6,929,636,871.77
Total assets	15,761,578,522.54	12,875,731,596.92
Current liabilities:		
short term loan	1,533,245,766.71	1,668,957,746.71
Borrowing from the Central Bank		
funds on call		
Trading financial liabilities		
Derivative financial liabilities		
note payable	2,118,677,174.88	2,286,364,308.12
accounts payable	1,445,575,071.37	1,480,555,325.31
Advance receipts		
Contractual liabilities	186,682,782.98	128,734,570.05
Sales of repurchased financial assets		
Deposit-taking and interbank deposits		
Securities brokerage		
Underwriting of securities		
Employee remuneration payable	135,500,564.19	150,783,768.84
Taxes payable	107,328,939.52	130,233,899.46
Other accounts payable	47,807,207.46	72,138,693.27
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	381,916,551.35	
Other current liabilities	120,509,060.93	149,900,700.68
Total current liabilities	6,077,243,119.39	6,067,669,012.44
Non-current liabilities:		
Reserves for insurance contracts		
long term loan	1,401,509,618.98	734,581,729.05
bonds payable	1,610,409,614.07	
Of which: preference shares		
perpetual bond		
leasehold liability		
Long-term accounts payable		
Long-term employee compensation payable		
projected liability	26,017,084.52	4,775,054.52
Deferred income	100,398,078.23	103,150,838.16
Deferred income tax liabilities	64,226,420.90	24,603,507.06
Other non-current liabilities		
Total non-current liabilities	3,202,560,816.70	867,111,128.79
Total liabilities	9,279,803,936.09	6,934,780,141.23
Ownership Interests:		
share capital	1,147,507,235.00	956,319,462.00
Other equity instruments	213,533,132.56	
Of which: preference shares		
perpetual bond		
capital surplus	2,533,418,628.13	2,717,444,428.25
Less: Treasury stock	81,190,113.19	43,365,000.00
Other comprehensive income	120,609,516.16	103,505,495.93
earmark		
surplus surplus	391,169,748.90	353,888,873.44
General risk provision		
unallocated profit	2,125,028,848.15	1,829,094,403.43
Total equity attributable to owners of the parent company	6,450,076,995.71	5,916,887,663.05
Minority interests	31,697,590.74	24,063,792.64
Total owners' equity	6,481,774,586.45	5,940,951,455.69
Total liabilities and owners' equity	15,761,578,522.54	12,875,731,596.92

Legal Representative: Huang Gegege

Person in charge of accounting work: Xiong Chaoyang

Head of accounting

organisation: Zhang Yanjun

## 2. Parent company balance sheet

Unit: Yuan

sports event	31 December 2022	1 January 2022
Liquid assets:		
money funds	3,043,426,986.43	1,795,926,419.27
Financial assets held for trading		
derivative financial asset		196
notes receivable	957,680,669.86	877,657,473.40

accounts receivable	1,171,680,451.58	902,557,322.58
Receivables financing	414,501,304.36	369,428,542.13
Prepayments	181,441,590.14	160,445,741.46
Other receivables	18,957,023.16	37,774,123.07
Of which: Interest receivable		
Dividends receivable		
inventory (of material)	1,011,261,304.80	885,172,616.72
Contractual assets	17,614,875.60	14,451,570.54
Assets held for sale	197,877,212.92	197,877,212.92
Non-current assets due within one year		
Other current assets	193,384,004.74	211,948,346.12
Total current assets	7,207,825,423.59	5,453,239,368.21
Non-current assets:		
debenture investment		
Other debt investments		
Long-term receivables	1,172,986,309.50	756,594,347.00
Long-term equity investments	902,671,665.23	717,286,872.00
Investments in other equity instruments	656,550,821.58	665,593,126.32
Other non-current financial assets		
investment property	5,932,606.88	
fixed assets	4,304,645,813.76	3,960,303,112.15
construction in progress	154,913,498.07	288,326,921.64
Productive biological assets		
oil and gas assets		
usufructuary assets		
intangible asset	311,479,200.61	253,498,577.66
development expenditure		
reputation of a firm's product		
Long-term amortised expenses	92,202,413.63	76,366,402.89
Deferred tax assets	134,118,383.29	81,907,713.99
Other non-current assets	533,664,972.13	335,142,032.43
Total non-current assets	8,269,165,684.68	7,135,019,106.08
Total assets	15,476,991,108.27	12,588,258,474.29
Current liabilities:		
short term loan	1,483,202,016.71	1,668,957,746.71
Trading financial liabilities		
Derivative financial liabilities		
note payable	2,118,677,174.88	2,277,574,662.52
accounts payable	1,493,505,440.45	1,198,239,323.19
Advance receipts		
Contractual liabilities	172,449,398.26	341,967,505.36
Employee remuneration payable	131,416,159.86	143,616,692.91

Taxes payable	87,439,850.54	124,309,469.22
Other accounts payable	46,980,464.15	60,991,005.79
Of which: Interest payable		
dividend payable		
Liabilities held for sale		
Non-current liabilities due within one year	381,916,551.35	
Other current liabilities	91,729,273.63	136,181,561.86
Total current liabilities	6,007,316,329.83	5,951,837,967.56
Non-current liabilities:		
long term loan	1,401,509,618.98	734,581,729.05
bonds payable	1,610,409,614.07	
Of which: preference shares		
perpetual bond		
leasehold liability		
Long-term accounts payable		
Long-term employee compensation payable		
projected liability	4,775,054.52	4,775,054.52
Deferred income	100,398,078.23	103,055,596.25
Deferred income tax liabilities	64,226,420.90	24,603,507.06
Other non-current liabilities		
Total non-current liabilities	3,181,318,786.70	867,015,886.88
Total liabilities	9,188,635,116.53	6,818,853,854.44
Ownership Interests:		
share capital	1,147,507,235.00	956,319,462.00
Other equity instruments	213,533,132.56	
Of which: preference shares		
perpetual bond		
capital surplus	2,600,736,289.58	2,718,230,796.47
Less: Treasury stock	81,190,113.19	43,365,000.00
Other comprehensive income	118,083,208.34	125,769,167.37
earmark		
surplus surplus	378,464,100.67	341,183,225.21
unallocated profit	1,911,222,138.78	1,671,266,968.80
Total owners' equity	6,288,355,991.74	5,769,404,619.85
Total liabilities and owners' equity	15,476,991,108.27	12,588,258,474.29

### 3. Consolidated income statement

Unit: Yuan

sports event	2022	2021
I. Gross operating income	8,439,860,381.14	7,339,279,211.48
Of which: Operating income	8,439,860,381.14	7,339,279,211.48
Interest income		
Earned premiums		
Fee and commission income		

II. Total operating costs	7,987,870,292.03	7,072,770,465.39
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Of which: Operating costs	7,028,648,917.30	6,184,851,696.40
interest expense		
Handling fee and commission expenses		
surrender charge		
Net claims expenditure		
Net drawdown of contractual reserves for insurance liabilities		
horizontal tablet or inscribed board		
Policy dividend expenses		
Reinsurance costs		
Taxes and surcharges	40,203,254.14	37,757,229.76
sales expense	312,187,803.85	250,728,847.76
overheads	391,144,211.33	360,333,583.82
R&D costs	263,353,156.41	205,912,473.70
financial cost	-47,667,051.00	33,186,633.95
Of which: interest costs	125,890,406.57	68,293,215.03
Interest income	80,450,053.61	47,815,864.86
Add: other gains	21,597,502.80	31,072,618.93
Investment income (losses are marked with a "-") (columns)	22,001,550.00	12,826,649.49
Of which: to associates and joint ventures		
Investment income from enterprises		
Amortised cost		
Gain on derecognition of financial assets		
Exchange gains (losses are marked with a "-") (columns)		
Net exposure to hedging gains (losses on "-" sign)		
Gain (loss) on change in fair value at "-" sign)		
Credit impairment losses (losses marked with a "-") (fill in the blanks)	-37,579,954.10	-10,850,063.90
Impairment losses on assets (losses are marked with a "-") (fill in the blanks)	-7,104,468.36	-3,022,534.90
Gain (loss marked with a "-") on disposal of assets (fill in the blanks)		96,685,243.77
III. Operating profit (Loss is filled in with a "-" sign)	450,904,719.45	393,220,659.48



(columns)		
Add: Non-operating income	3,729,723.46	5,694,156.60
Less: Non-operating expenses	19,412,424.19	9,237,583.09
IV. Total profit (total loss is marked with a "-") (fill in the blanks)	435,222,018.72	389,677,232.99
Less: Income tax expense	3,600,191.25	19,878,849.18
V. Net profit (net loss is marked with a "-") (columns)	431,621,827.47	369,798,383.81
(i) Classification by continuity of operations		
1. Net profit from continuing operations (net loss to "-") sign)	431,621,827.47	369,798,383.81

2. Net profit from discontinued operations (net loss to -- sign)		
(ii) Classification by ownership		
1. Net profit attributable to shareholders of the parent company	428,788,029.37	369,734,591.17
2. Minority gains and losses	2,833,798.10	63,792.64
VI. Other comprehensive income, net of tax	17,104,020.23	-174,506,026.14
Other comprehensive income attributable to owners of the parent company net of tax	17,104,020.23	-174,506,026.14
(i) Other items that cannot be reclassified to profit or loss Comprehensive income	-7,685,959.03	-169,783,784.82
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		
3. Fair value of investments in other equity instruments flux	-7,685,959.03	-169,783,784.82
4. Fair value of an enterprise's own credit risk flux		
5. Other		
(ii) Other comprehensive income to be reclassified to profit or loss combined income	24,789,979.26	-4,722,241.32
1. Other consolidated transferable gains and losses under the equity method combined income		
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	24,789,979.26	-4,722,241.32
7. Other		
of other comprehensive income attributable to minority shareholders net profit after tax		
VII. Total comprehensive income	448,725,847.70	195,292,357.67
Total comprehensive income attributable to owners of the parent company horizontal tablet or inscribed board	445,892,049.60	195,228,565.03

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Total comprehensive income attributable to minority shareholders	2,833,798.10	63,792.64
VIII. Earnings per share		
(i) Basic earnings per share	0.38	0.40
(ii) Diluted earnings per share	0.33	0.39

In the event of a business combination under the same control during the current period, the net profit realised by the party to be combined before the combination was: \$0.00, and the net profit realised by the party to be combined during the previous period was: \$0.00. Legal representative: Huang Gegege Person in charge of accounting work: Xiong Chaoyang Head of accounting organisation: Zhang Yanjun

#### 4. Parent company income statement

Unit: Yuan

sports event	2022	2021
I. Operating income	7,642,170,338.28	6,973,161,123.91
Less: Operating costs	6,428,866,783.29	5,948,317,308.28
Taxes and surcharges	37,821,986.93	32,967,109.26
sales expense	285,433,597.94	192,334,654.84
overheads	323,470,449.49	277,432,735.54
R&D costs	263,195,898.32	205,912,473.70

financial cost	-73,974,968.15	42,176,072.98
Of which: interest costs	131,246,163.54	68,293,215.03
Interest income	79,294,507.96	44,635,175.36
Add: other gains	18,160,388.64	28,704,104.93
Investment income (losses are marked with a "-") (columns)	22,001,550.00	12,957,000.00
Of which: for associates and joint ventures Returns on investments in the industry		
Derecognition gain (loss marked with a "-") on financial assets measured at amortised cost (fill in the blanks)		
Net exposure to hedging gains (losses on "-" sign)		
Gain (loss) on change in fair value at "-" sign)		
Credit impairment losses (losses marked with a "-") (fill in the blanks)	-26,842,817.62	-7,825,615.71
Impairment losses on assets (losses are marked with a "-") (fill in the blanks)	-7,108,170.88	-3,038,738.49
Gain (loss marked with a "-") on disposal of assets (fill in the blanks)		
II. Operating Profit (Loss is filled in with a "-") (columns)	383,567,540.60	304,817,520.04
Add: Non-operating income	1,498,493.92	3,661,401.13
Less: Non-operating expenses	18,846,121.70	9,193,857.81
III. Total profit (total loss is marked with a "-") (fill in the blanks)	366,219,912.82	299,285,063.36
Less: Income tax expense	-6,588,841.81	12,095,843.12
IV. Net profit (net loss is marked with a "-") (columns)	372,808,754.63	287,189,220.24
(i) Net profit (net loss) from continuing operations (net loss of less than "-" sign)	372,808,754.63	287,189,220.24
(ii) Net profit (net loss) from discontinued operations (net loss of less than "-" sign)		
V. Other comprehensive income, net of	-7,685,959.03	-169,783,784.82

tax		
(i) Other items that cannot be reclassified to profit or loss Comprehensive income	-7,685,959.03	-169,783,784.82
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		
3. Fair value of investments in other equity instruments flux	-7,685,959.03	-169,783,784.82
4. Fair value of an enterprise's own credit risk flux		
5. Other		
(ii) Other comprehensive income to be reclassified to profit or loss combined income		
1. Other consolidated transferable gains and losses under the equity method combined income		
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		
VI. Total comprehensive income	365,122,795.60	117,405,435.42
VII. Earnings per share		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

## 5. Consolidated statement of cash flows

Unit: Yuan

sports event	2022	2021
i. Cash flows from operating activities:		
Cash received from sales of goods and services	8,723,066,833.54	8,480,473,656.03
Net increase in customer deposits and interbank deposits		
Net increase in borrowing from central banks		
Net increase in remittances to other financial institutions		
Cash received from premiums on original insurance contracts		
Net cash received from reinsurance operations		
Net increase in policyholder deposits and investments		
Cash received for interest, fees and commissions		
Net increase in inward remittances		
Net increase in funding for repurchase operations		
Net cash received from agency trading of securities		
Tax refunds received	151,081,594.22	
Other cash received in relation to operating activities	82,674,023.99	107,686,620.19
Subtotal cash inflow from operating activities	8,956,822,451.75	8,588,160,276.22
Cash paid for goods and services	7,600,510,911.65	6,863,175,958.65
Net increase in loans and advances to customers		
Net increase in deposits with central banks and interbanks		
Cash payments for original		

insurance contract claims		
Net increase in funds disbursed		
Cash paid for interest, fees and commissions		
Cash for payment of policy dividends		
Cash paid to and for employees	818,450,449.47	801,375,477.00
Taxes paid	90,848,986.23	157,726,325.37
Payments of other cash related to operating activities	558,124,789.59	480,069,546.51
Subtotal cash outflows from operating activities	9,067,935,136.94	8,302,347,307.53
Net cash flows from operating activities	-111,112,685.19	285,812,968.69
II. Cash flows from investing activities:		
Cash received from recovery of investments		130,704,142.64
Cash received from investment income	37,863,988.52	12,957,000.00
Disposal of fixed assets, intangible assets and other long-lived assets	-5,683,754.79	267,146,069.34
Net cash recovered from assets during the period		
Disposal of subsidiaries and other operating units received		
Net cash		
Other cash received related to investing activities		
Subtotal cash inflow from investing activities	32,180,233.73	410,807,211.98

Acquisition and construction of fixed assets, intangible assets and other long-lived assets	1,022,718,553.36	1,197,097,588.98
Cash paid for period assets		
Cash paid for investments	229,793,333.32	
Net increase in pledged loans		
Acquisition of payments from subsidiaries and other operating units		
Net cash		
Payments of other cash related to investing activities		
Subtotal cash outflows from investing activities	1,252,511,886.68	1,197,097,588.98
Net cash flows from investing activities	-1,220,331,652.95	-786,290,377.00
III. Cash flows from financing activities:		
Cash received from absorption of investments	5,100,000.00	1,008,357,824.90
Of which: Receipts from minority investments in subsidiaries cash received	4,800,000.00	24,000,000.00
Cash received for borrowings	5,661,132,664.13	1,668,957,746.71
Other cash received related to financing activities		
Subtotal cash inflow from financing activities	5,666,232,664.13	2,677,315,571.61
Cash paid for debt service	3,001,059,867.66	1,794,040,956.30
Distribution of dividends, profits or repayment of interest paid in cash	131,938,687.46	214,441,152.35
Of which: Shares paid by subsidiaries to minority shareholders		
Profit, profit		
Other cash payments related to financing activities	65,847,103.74	22,800,000.00
Subtotal cash outflows from financing activities	3,198,845,658.86	2,031,282,108.65
Net cash flows from financing activities	2,467,387,005.27	646,033,462.96
iv. effects of exchange rate changes on cash and cash equivalents affect (usually adversely)	26,476,324.77	-4,398,696.54
V. Net increase in cash and cash equivalents	1,162,418,991.90	141,157,358.11
Add: Cash and cash equivalents balance at beginning of period	1,754,799,667.58	1,613,642,309.47
VI. Cash and cash equivalents balance at end of period	2,917,218,659.48	1,754,799,667.58

## 6. Parent company statement of cash flows

Unit: Yuan

sports event	2022	2021
i. Cash flows from operating activities:		
Cash received from sales of goods and services	7,578,920,981.70	8,049,631,454.52
Tax refunds received	151,081,594.22	
Other cash received in relation to operating activities	77,736,234.01	100,390,375.22
Subtotal cash inflow from operating activities	7,807,738,809.93	8,150,021,829.74
Cash paid for goods and services	6,428,496,015.07	6,080,913,402.45
Cash paid to and for employees	730,046,298.55	694,317,238.22
Taxes paid	95,534,353.61	120,235,523.73
Payments of other cash related to	526,089,212.10	468,350,528.46



Cash paid for period assets		
Cash paid for investments	323,146,833.32	
Acquisition of payments from subsidiaries and other operating units		78,800,000.00
Net cash		
Payments of other cash related to investing activities	317,192,272.91	554,567,209.01
Subtotal cash outflows from investing activities	1,286,777,860.85	1,377,233,955.61
Net cash flows from investing activities	-1,256,388,484.58	-1,360,348,781.10
III. Cash flows from financing activities:		
Cash received from absorption of investments	300,000.00	984,357,824.90
Cash received for borrowings	5,199,557,176.71	1,668,957,746.71
Other cash received related to financing activities		
Subtotal cash inflow from financing activities	5,199,857,176.71	2,653,315,571.61
Cash paid for debt service	2,578,428,305.43	1,794,040,956.30
Distribution of dividends, profits or repayment of interest paid in cash	190,354,109.24	211,741,152.35
Other cash payments related to financing activities	65,847,103.74	
Subtotal cash outflows from financing activities	2,834,629,518.41	2,005,782,108.65
Net cash flows from financing activities	2,365,227,658.30	647,533,462.96
iv. effects of exchange rate changes on cash and cash equivalents affect (usually adversely)	42,170,365.33	-10,969,001.98
V. Net increase in cash and cash equivalents	1,178,582,469.65	62,420,816.76
Add: Cash and cash equivalents balance at beginning of period	1,480,254,331.54	1,417,833,514.78
VI. Cash and cash equivalents balance at end of period	2,658,836,801.19	1,480,254,331.54

## 7. Consolidated statement of changes in equity

Amount for the period

Unit: Yuan

sports event	2022														
	Equity attributable to owners of the parent company											Min ority inter ests	Total own ers' equit y		
	share capita l	Other equity instruments			capit al surpl us	Less : Treas ury stoc k	Oth er com preh ensi ve inco me	ear mar k	surpl us surpl us	Gen eral risk prov ision	unall ocat ed profit			the rest	Subto tal
		priori tise thigh	sust aina bility debt	the rest											

I. End of prior year balan ces	956, 319. 462. 00				2,71 7,44 4,42 8.25	43,3 65,0 00.0 0	103. 505, 495. 93		353. 888, 873. 44		1,82 9,09 4,40 3.43		5,91 6,88 7,66 3.05	24,0 63,7 92.6 4	5,94 0,95 1,45 5.69
plus : Cha nge in acco untin g polic y chan ge or repla ce															
pre mise sth. that is not corr ect great er than zero															
One cont rolle d ente rpris e conso lidatio n															

(used for either sex when the sex is unknown or unimportant)															
II. Beginning of the year balances	956,319.462.00				2,717,444.25	43,365,000.00	103,505,495.93		353,888,873.44		1,829,094,403.43		5,916,887,663.05	24,063,792.64	5,940,951,455.69
III. Changes during the period (Reduced by "-")	191,187,773.00			213,533.132.56	-184,025.800.12	37,825,113.19	17,104,020.23		37,280,875.46		295,934,444.72		533,189,332.66	7,633,798.10	540,823,130.76
(i) Total comprehensive income horizontal tablet or inscribed board							17,104,020.23				428,788,029.37		445,892,049.60	2,833,798.10	448,725,847.70

(ii) ) Own ers' input s and redu ction s in fund ing roots or stems of plants				213, 533. 132. 56	7,41 4,71 1.26								220. 947. 843. 82	4,80 0,00 0.00	225. 747. 843. 82
1. Ordinary input s from own ers thigh					300. 000. 00								300. 000. 00	4,80 0,00 0.00	5,10 0,00 0.00
2. Inpu ts from hold ers of othe r equit y instr ume nts roots or stems of plants				213, 533. 132. 56									213, 533. 132. 56		213, 533. 132. 56
3. Shar e- bas ed pay men ts credi ted to own ers' equi ty					7,11 4,71 1.26								7,11 4,71 1.26		7,11 4,71 1.26

sum of mone y															
4. the rest															
(iii) (in the) interes t									37,2 80,8 75.4		- 132. 853,		- 95,5 72,7		- 95,5 72,7

share of profits make up (a prescription)								6		584.65		09.19		09.19
1. With drawal of surplus reserves								37,280,875.46		-37,280,875.46				
2. Extr action n of gen eral risks intend														
3. For own ers (or sh a r e h o l d e r s) make up (a presc r i p t i o n)										-95,572,709.19		-95,572,709.19		-95,572,709.19
4. the rest														
(iv) ) withi n own er's equit y carry forwar d	191.248,092.00				-191.248,092.00									

1. Capi talis ation of capit al surpl us (or Unit) (this)	191. 248, 092. 00				- 191. 248, 092. 00										
2. Tran sfer of surpl us to capit al (or Unit) (this)															
3. Cov erag e of surpl us rese rves (finan cial) loss															
4. Cha nge s in defin ed ben efit plan s cash depos it															

transfer of retained earnings all the more															
5. Other comprehensive income carried forward for retention proceeded															
6. the rest															
(V) (e) Earmarked reserves provide or equip															
1. Current period withdrawal (from a bank or warehouse)															
2. Current period															



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od make use of															
(VI) ) Othe r	- 60,3 19.0 0				- 192. 419. 38	37,8 25,1 13.1 9							- 38,0 77,8 51.5 7		- 38,0 77,8 51.5 7
IV. End of the peri od balan ces	1,14 7,50 7,23 5.00			213, 533. 132. 56	2,53 3,41 8,62 8.13	81,1 90,1 13.1 9	120. 609, 516. 16		391. 169, 748. 90		2,12 5,02 8,84 8.15	6,45 0,07 6,99 5.71	31,6 97,5 90.7 4	6,48 1,77 4,58 6.45	

Prior period amount

Unit: Yuan

sports event	2021														
	Equity attributable to owners of the parent company												Min ority inter ests	Total own ers' equit y	
	share capita l	Other equity instruments			capit al surp lus	Less : Trea sury stoc k	Oth er com preh ensi ve inco me	ear mar k	surpl us surp lus	Gen eral risk prov ision	unall ocat ed profit	the rest			Subto tal
I. End of prior year balan ces	797. 589. 304. 00				1,88 1,81 1,93 2.86	46,6 83,7 50.0 0	278. 011. 522. 07		325, 169. 951. 42		1,63 4,22 6,67 1.60		4,87 0,12 5,63 1.95	12,0 00,0 00.0 0	4,88 2,12 5,63 1.95
plus : Cha nge in acco untin g polic y chan ge or repla ce															
pre mise sth. that															

is not corr ect great er than zero															
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One cont rolle d ente rpris e conso lidatio n															
(used for either sex when the sex is unkn own or unim porta nt)															
II. Begi nnin g of the year balan ces	797. 589. 304. 00				1,88 1,81 1,93 2.86	46,6 83,7 50.0 0	278. 011. 522. 07		325, 169, 951. 42		1,63 4,22 6,67 1.60		4,87 0,12 5,63 1.95	12,0 00,0 00.0 0	4,88 2,12 5,63 1.95
III. Cha nge s duri ng the peri od (Re duc ed by "- ") ***N umb er (colu mns)	158, 730. 158. 00				835. 632. 495. 39	- 3,31 8,75 0.00	- 174, 506, 026. 14		28,7 18,9 22.0 2		194, 867. 731. 83		1,04 6,76 2,03 1.10	12,0 63,7 92.6 4	1,05 8,82 5,82 3.74

(i) ) Total comprehensive income horizontal tablet or inscribed board							- 174, 506, 026. 14				369. 734. 591. 17		195, 228, 565. 03	63,7 92.6 4	195, 292. 357. 67
(ii) ) Owners' inputs and reductions in funding roots or stems of plants	158, 730. 158. 00				846. 432. 495. 39								1,00 5,16 2,65 3.39	12,0 00,0 00.0 0	1,01 7,16 2,65 3.39
1. Ordinary inputs from owners thigh	158, 730. 158. 00				825. 627. 666. 90								984. 357. 824. 90	12,0 00,0 00.0 0	996. 357. 824. 90
2. Inputs from holders of other equity instruments roots or stems															

of plants															
3. Share-based payments credited to owners' equity beneficial					20,804,828.49								20,804,828.49		20,804,828.49

sum of mone y															
4. the rest															
(iii) ) Profi t shari ng									28,7 18,9 22.0 2		- 174, 866, 859. 34		- 146, 147. 937. 32		- 146, 147. 937. 32
1. With dra wal of surpl us rese rves									28,7 18,9 22.0 2		- 28,7 18,9 22.0 2				
2. Extr actio n of gen eral risks intend															
3. For own ers (or sh ar eh old er s) make up (a presc riptio n)											- 146, 147. 937. 32		- 146, 147. 937. 32		- 146, 147. 937. 32
4. the rest															
(iv) ) withi n own er's equit															

y carry forward															
1. Capi talis ation of capit al surpl us (or Unit) (this)															
2. Tran sfer of surpl us to capit al (or Unit) (this)															
3. Repl ace men t of surpl us rese rves (finan cial) loss															

4. Tran sfer of cha nge s in defin ed ben efit plan s to retai ned earn ings all the more															
5. Oth er com preh ensi ve inco me carri ed forw ard for rete ntio n proce ed															
6. the rest															
(V) (e) Ear mar ked rese rves provi de or equip															
1. Curr ent peri od withdr aw															



(from a bank or warehouse)															
2. Current period make use of															
(VI) ) Other					- 10,800.00 0.00	- 3,318.75 0.00							- 7,481.25 0.00		- 7,481.25 0.00
IV. End of the period balances	956,319.462.00				2,717.444.25	43,365.000.00	103.505,495.93		353.888,873.44		1,829.094.403.43		5,916.887.663.05	24,063.792.64	5,940.951.455.69

## 8. Statement of changes in equity of the parent company

Amount for the period

Unit: Yuan

sports event	2022											
	share capital	Other equity instruments			capit al surp lus	Less : Trea sury stoc k	Oth er com preh ensi ve inco me	ear mar k	surpl us surp lus	unall ocat ed profit	the rest	own ers' equi ty ruse
		pref err ed sha re	perp etu al bon d	the rest								
I. End of prior year balance s	956,3 19,46 2.00				2,718 ,230. 796.4 7	43,36 5,000 .00	125,7 69,16 7.37		341,1 83,22 5.21	1,671 ,266. 968.8 0		5,769 ,404. 619.8 5
plu s												

: Change in accounting policy change or replace												
pre mise sth. that is not correct greater than zero												
(used for either sex when the sex is unknown or unimportant)												
II. Beginning of the year balances	956,319,462.00				2,718,230.796.47	43,365,000.00	125,769,167.37		341,183,225.21	1,671,266.968.80		5,769,404.619.85
III. Changes during the period (Reduced)	191,187,773.00			213,533,132.56	-117,494,506.89	37,825,113.19	-7,685,959.03		37,280,875.46	239,955,169.98		518,951,371.89

by "-") Number (columns)												
(i) ) Total comprehensive income horizontal tablet or inscribed board							- 7,685 ,959. 03			372,8 08,75 4.63		365,1 22,79 5.60
(ii) ) Owners' inputs and reductions in funding roots or stems of plants				213,5 33,13 2.56	73,94 6,004 .49							287,4 79,13 7.05
1. Owners' inputs generic generic term for shares in a company					300,0 00.00							300,0 00.00

2. Input s from holde rs of other equity instru ment s principal				213,5 33,13 2.56								2,133 ,533. 132.5 6
3. Share - base d paym ents are recor ded in the accou nts of the Institu te. some people					7,114 ,711. 26							7,114 ,711. 26

cash equi vale nt of equit y horizon tal tablet or inscribe d board												
4. Other					66,53 1,293 .23							66,53 1,293 .23
(iii) ) Profi t shar e make up (a prescri ption)									37,28 0,875 .46	- 132,8 53,58 4.65		- 95,57 2,709 .19
1. Withd rawal of surpl us measur ed quantit y (such as area of volume )									37,28 0,875 .46	- 37,28 0,875 .46		
2. To the owner (or sh ar eh old ers) make up (a prescri ption)										- 95,57 2,709 .19		- 95,57 2,709 .19
3. Its (used for either sex												

when the sex is unknown or unimportant)												
(iv) ) withi n own er's equit y carry forward	191,2 48,09 2.00				- 191,2 48,09 2.00							
1. Capit alisati on of capital surpl us (or Unit) (this)	191,2 48,09 2.00				- 191,2 48,09 2.00							
2. Trans fer of surpl us to capital (or Unit) (this)												
3. Surpl us surpl uses to cover losse s deride												
4. Settin g up of the affect ed benefici al plan												

Carr y- over of cha nge s in tran sfers to rete ntio n proceed												
5. Other comp rehen sive incom e carrie d forwa rd from retain ed earn ings all the more												
6. Its (used for either sex when the sex is unknow n or unimpo rtant)												
(V) (e) Ear mar ked rese rves provide or equip												
1. Curre nt												

period's draw down get												
2. Current period expense or outlay												
(VI) Other	- 60,319.00				- 192,419.38	37,825,113.19						- 38,077,851.57
IV. End of the period balances	1,147,507.235.00			213,533,132.56	2,600,736,289.58	81,190,113.19	118,083,208.34		378,464,100.67	1,911,222.138.78		6,288,355.991.74

Prior period amount

Unit: Yuan

sports event	2021											
	share capital	Other equity instruments			capital surplus	Less : Treasury stock	Other comprehensive income	earnings reserve	surplus	unallocated profit	the rest	owners' equity
		preferred share	perpetual bond	the rest								
I. End of prior year balances	797,589,304.00				1,871,798,301.08	46,683,750.00	295,552,952.19		312,464,303.19	1,556,244,607.90		4,786,965,718.36
plus : Change in accounting policy change or												



replace												
pre mise sth. that is not corr ect greater than zero												

(used for either sex when the sex is unknown or unimportant)												
II. Beginning of the year balances	797,589,304.00				1,871,798.301.08	46,683,750.00	295,552,952.19		312,464,303.19	1,556,244.607.90		4,786,965.718.36
III. Changes during the period (Reduced by "-") **Number (columns)	158,730,158.00				846,432,495.39	-3,318,750.00	-169,783,784.82		28,718,922.02	115,022,360.90		982,438,901.49
(i) Total comprehensive income horizontal tablet or inscribed board							-169,783,784.82			287,189,220.24		117,405,435.42

(ii) ) Own ers' input s and redu ction s in fund ing roots or stems of plants	158,7 30,15 8.00				846,4 32,49 5.39							1,005 ,162. 653.3 9
1. Owne rs' inputs generic generic term for shares in a compan y	158,7 30,15 8.00				825,6 27,66 6.90							984,3 57,82 4.90
2. Input s from holde rs of other equity instru ment s principal												
3. Share - base d paym ents credit ed to owne rs' equity horizon tal tablet or inscribe d board					20,80 4,828 .49							20,80 4,828 .49
4. Its (used for												

either sex when the sex is unknown or unimportant)												
(iii) (in the interest share of profits)									28,718,922.02	-172,166.85		-143,447.93

make up (a prescription)										9.34		7.32
1. Withdrawal of surplus measured quantity (such as area of volume)									28,718,922.02	- 28,718,922.02		
2. For owners (or shareholders) make up (a prescription)										- 143,447,937.32		- 143,447,937.32
3. Its (used for either sex when the sex is unknown or unimportant)												
(iv) within owner's equity carry forward												

1. Capit alisati on of capital surpl us (or Unit) (this)												
2. Trans fer of surpl us to capital (or Unit) (this)												
3. Surpl us surpl uses to cover losse s deride												
4. Carry -over of chan ges in defin ed- benef it plans proceed												
5. Other comp rehen sive incom e benefit from												

transfer of retained earnings all the more												
6. Its (used for either sex when the sex is unknown or unimportant)												
(V) (e) Ear marked reserves provide or equip												
1. Current period's draw down get												
2. Current period expense or outlay												
(VI) ) Other						- 3,318 ,750. 00						3,318 ,750. 00
IV. End of the period	956,3 19,46 2.00				2,718 ,230. 796.4 7	43,36 5,000 .00	125,7 69,16 7.37		341,1 83,22 5.21	1,671 ,266. 968.8 0		5,769 ,404. 619.8 5

balance s												
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### III. Basic company information

1、Enterprise registered address, registered capital,

legal representative and business scope Registered

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

Guiyang City, Guizhou Province

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

Registered capital: R M B 1 ,147 ,488 ,554.00

Unified Social Credit Code:

915200002144305326 Legal

Representative: Huang Gege

The Company's business scope: prohibited by laws, regulations and decisions of the State Council; where laws, regulations and decisions of the State Council stipulate that permission (approval) should be granted, the business shall be operated on the basis of the permission (approval) document after approval by the approval authority; where no permission (approval) is required by laws, regulations and decisions of the State Council, the market entity shall operate at its own choice. (Manufacture and sale of tyres; retreading and sale of tyres; manufacture and sale of rubber products; manufacture and sale of water, electricity, steam, rubber mixing and other accessories; import and export business of all kinds of commodities and technologies (except for those prohibited by the state), foreign cooperative production and "three to one" business; warehousing; logistics and transportation.)

Our company's industry: tyre manufacturing in the rubber manufacturing industry

#### 2. History

Guizhou Tyre Company Limited (hereinafter referred to as **the "Company"**) was established as a joint stock limited company by reorganising the assets of the former Guizhou Tyre Factory and restructuring its main production lines and supply and marketing system as the main body of the Company as approved by the People's Government of Guizhou Province under the letter of Guizhou Provincial People's Government in Circular No. [1995] 148. On 22 December 1995, the Company was approved by the China Securities Regulatory Commission (中國證券管理局委員會證監發審字[1995]85號文件), and was established by Guizhou Tyre Factory as the sole promoter, and issued ordinary shares of RMB to the domestic society in the form of fund-raising.



40 million shares, of which 4 million are internal shares of employees. On 8 March 1996, the Company's shares were listed on the Shenzhen Stock Exchange. The registered office and head office are located in Guiyang City, Guizhou Province.

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

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

12,970.68 million shares, accounting for 51.00% of the total number of shares of the Company.

On 6 March 2006, the Company's equity distribution reform plan was approved by the State-owned Assets Supervision and Administration Commission of the Guizhou Provincial People's Government.

The shareholders' meeting related to the shareholding distribution reform was held on 24th April 2010 to consider and approve the shareholding distribution reform plan, and the only non-circulating shareholder of the Company, Guiyang City State-owned Assets Investment Management Company Limited, was appointed as the sole shareholder of the Company.

PolyMirae arranged for a consideration of 3.6 shares for every 10 shares held by PolyMirae to the shareholders of the Company registered on the share register on 5 April 2006, in consideration of the shares held by PolyMirae.

The total number of consideration shares given by the non-circulating shareholders was 44,863,300 shares. The total consideration given by the non-circulating shareholders was 44,863,300 shares. After the completion of the shareholding reform, the total share capital of the Company remained unchanged, with Guiyang State-owned Assets Investment Management Company holding 84,843,500 shares of the Company, accounting for 33.36% of the total number of shares of the Company.

Approved by the China Securities Regulatory Commission under Circular No. 1864 of the Securities and Futures Commission [2010], the Company has submitted the following documents to the Shenzhen Stock Exchange in the afternoon of 10 January 2011 (the date of registration of shareholdings)

All shareholders registered with China Securities Depository & Clearing Corporation, Shenzhen Branch after the close of trading on the Shenzhen Stock Exchange, in the proportion of 3 shares for every 10 shares.

The total number of shares to be placed was 71,691,000 shares, of which Guiyang City State-owned Assets Investment Management Company, the controlling shareholder, subscribed for 25,453,100 shares to be placed. After the completion of the placing, Guiyang City State-owned Assets Investment Management Company held 110,296,600 shares of the Company, accounting for 33.84% of the total number of shares of the Company.

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

Pursuant to the approval received from the Securities and Futures Commission on 3 December 2013 under Document No. [2013] 1518 of the Securities and Futures Commission, the Company made a private issue of ordinary shares in March 2014

286,560,000 shares at an issue price of RMB4.48 per share, raising gross proceeds of RMB1,283,788,800, after deducting RMB34,539,834.95 in issue costs.

The net proceeds were RMB1,249,248,965.05, of which RMB286,560,000.00 was additional registered capital and RMB962,688,965.05 was additional capital surplus. Issue

Upon Completion, the share capital of the Company increased to 775,464,304.00 shares.

On 21 May 2019, the Company received a notice from its controlling shareholder, Guiyang City Industrial Investment (Group) Co. According to the Notice of the General Office of the People's Government of Guiyang Municipality on the Issuance of the Formation Programme of Guiyang City Industrial and Commercial Industrial Investment Group Co.

( Ltd. changed its name to Guiyang City Industry and Commerce Industrial Investment Group Co.

On 16 January 2020, the Tenth Meeting of the Seventh Session of the Board of Directors of the Company considered and passed the "Proposal on the Grant of Restricted Shares to Incentive Recipients" and agreed to the following

On 16 January 2020 as the grant date, 22,420,200 restricted shares will be granted to 448 incentive recipients who meet the grant conditions at a grant price of RMB2.15 per share.

Shares. As of 20 January 2020, the actual number of restricted shares granted was 22,125,500,000 shares, and the Company had received new contributions from 444 incentive recipients.

47,568,750.00 yuan, increase registered capital by 22,125,000.00 yuan, increase capital surplus by 25,443,750.00 yuan. As of 31 December 2020, the Company

The registered capital of the Company is RMB 797,589,304.00 and its share capital is 797,589,304 shares.

Considered and adopted by the resolution of the sixteenth meeting of the seventh session of the Board of Directors on 4 September 2020 and the resolution of the second extraordinary general meeting of 2020 on 30 September 2020

The "Proposal on the Company's plan for non-public offering of shares" and the "Proposal on the issuance of shares in Guizhou" adopted by the resolution of the 18th meeting of the 7th session of the Board of Directors on 18 November 2020

Ltd. Non-public Offering of Shares (Revised Draft)", and the "Proposals of the China Securities Regulatory Commission issued on 5 January 2021

Ltd. on Approving the Approval of Guizhou Tyre Company Limited's Non-public Offering of Shares" (Securities and Regulatory Commission License [2021] No. 15), approving the Company's non-public offering of up to

200 million new shares. The number of RMB ordinary shares (A shares) to be issued by the Company in this non-public offering is 158,730,158 shares (par value of RMB1 per share), and the Company applies for additional shares to be injected into the capital of the Company.

The registered capital is RMB158,730,158.00, and the registered capital after the change is RMB956,319,462.00.

On 24 January 2022, the "Repurchase and Cancellation of Certain Restrictions under the 2019 Restricted Stock Incentive Plan" considered and approved at the 30th meeting of the 7th Board of Directors was approved.

On 30 March 2022, the Company completed, in accordance with the prescribed procedures, the repurchase of shares held by the original incentive recipients that had been granted but not yet repurchased this time.

The repurchase and cancellation of 7.9 million restricted shares which were approved to be released from restricted sale and those which had not been released from restricted sale for those who were no longer eligible for the incentives, and the total share capital of the Company increased from 95,631,946,000 to 1,020,000,000,000,000,000 shares.

The number of shares was reduced to 95,624,046,000 shares, and the registered capital was RMB956,240,462.00 after the change.

Resolution of the 31st Meeting of the 7th Board of Directors on 4 March 2022, Resolution of the 2021 General Meeting of Shareholders on 28 March 2022 to consider and adopt the Company

The "Proposed Profit Distribution Plan for the Year 2021" will increase the number of ordinary shares by 2 shares for every 10 shares to all shareholders by capitalisation of capital reserves, increasing the number of ordinary shares by a total of 191,248,092 shares, and the number of shares will be increased by 1,020,000,000 shares.

The registered capital of the Company was increased to RMB191,248,092.00, and the registered capital of the Company after the change was RMB1,147,488,554.00.

On 14 October 2022, the Company received a letter from its controlling shareholder, Guiyang City Industry and Commerce Industry Investment Group Company Limited, informing that according to the "Notice on Matters Relating to the Change of Name of Guiyang City Industry and Commerce Industry Investment Group Company Limited" issued by Guiyang Industry Development Holding Group Co. Ltd." to "Guiyang City Industrial Investment Co.

As at 31 December 2022, the registered capital of the Company was RMB1,147,488,554.00 and the paid-up capital was RMB1,147,507,235.00. Paid-up capital is RMB1,147,507,235.00.

The paid-in capital is greater than the registered capital of RMB 18,681.00, which is partially converted by the Company's issuance of Guilan convertible bonds and has not yet been subject to industrial and commercial changes.

This financial report will be approved by the Board of Directors of the Company on 21 April 2023 for reporting.

The scope of consolidation of the Company includes Guizhou Tyre Company Limited (the Head Office), Guizhou Tyre Import/Export Co., Ltd., Advance Holdings (Group) International Limited, Guizhou Advance Tyre Investment Limited Liability Company, ADVANCE TYRE (VIETNAM) COMPANY LIMITED, Guizhou Advance New Material Limited Liability Company, Guizhou Advance Tyre Sales Company Limited, Guizhou Hercules Tyre

Limited Liability Company. Name of Subsidiary	Principal place of business	register ed office	Nature of business
Guizhou Tyre Import & Export Co.	Guiyang prefecture level city in Guangxi	Guiyan g prefect ure level city in Guang xi	Import and export agent
gtc northern america llc.	United States of	United States	Tyre sales

## **IV. Basis of preparation of the financial statements**

### **1. Basis of preparation**

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

### **2. Continuous operation**

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

## **v. significant accounting policies and accounting estimates**

Specific Accounting Policies and Accounting Estimates Reminder:

The Company is principally engaged in the production and sale of tyres. The Company has formulated certain specific accounting policies and accounting estimates for significant transactions or events in accordance with the actual operating characteristics and the relevant accounting standards of the Company, which are described in detail in "10.5.10 Financial instruments, 10.5.12 Accounts receivable, 10.5.14 Other receivables" in this note, 10.5.15 Inventories, 10.5.16 Contract assets, 10.5.31 Impairment of long-lived assets, 10.5.39 Revenue".

### **1. Statement of compliance with enterprise accounting standards**

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

### **2. Accounting period**

The accounting period is from 1 January to 31 December of the Gregorian calendar.

### **3. Business cycle**

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

### **4. Currency of account**

The local currency of account is RMB.

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

( 1 ) Business combinations under the same control

A business combination is considered to be a business combination under the same control if the enterprises participating in the combination are under the ultimate control of the same party or parties both before and after the combination and the control is not of a temporary nature.

And.

If the consolidating party pays cash, transfers non-cash assets or assumes liabilities as consideration for a consolidation, the initial investment cost of a long-term equity investment is based on the share of the carrying value of the equity in the consolidated financial statements of the party being consolidated in the consolidated financial statements of the party ultimately controlling the consolidated entity at the date of consolidation. The difference between the initial investment cost of a long-term equity investment and the carrying value of cash paid, non-cash assets transferred and liabilities assumed is adjusted to capital surplus; if capital surplus is insufficient to cover the difference, it is adjusted to retained earnings.

If the consolidating party issues equity securities as consideration for the consolidation, the initial investment cost of the long-term equity investment is based on the share of the book value of the equity interests of the consolidated party in the consolidated financial statements of the party ultimately controlling the consolidated entity at the date of consolidation. The difference between the initial investment cost of the long-term equity investment and the aggregate nominal value of the shares issued is adjusted to capital surplus if the difference is not sufficient to offset the difference; retained earnings are adjusted if capital surplus is insufficient to offset the difference.

Intermediary fees such as auditing, legal services, appraisal and consulting fees, and other related administrative expenses incurred by the consolidated party for the business combination are charged to current profit or loss as incurred.

## (2) Business combinations not under common control

If the parties involved in a merger are not under the ultimate control of the same party or the same number of parties before and after the merger, the merger is deemed to be a business combination not under the same control.

For a business combination achieved by the purchaser through an exchange transaction, the cost of the combination is the fair value of assets given, liabilities incurred or assumed, and equity securities issued by the purchaser at the date of purchase for the purpose of obtaining control over the acquiree. Intermediary fees incurred by the purchaser for the business combination, such as auditing, legal services, appraisal and consulting fees, and other related administrative expenses, are charged to profit or loss when incurred; transaction costs of equity securities or debt securities issued by the purchaser as consideration for the combination are included in the amount of initial recognition of the equity securities or debt securities.

The purchaser's cost of consolidation and the purchaser's share of the identifiable net assets acquired in the consolidation are measured at fair value at the date of purchase. The difference between the cost of consolidation and the fair value of the purchaser's share of the identifiable net assets acquired in the consolidation at the date of purchase is recognised as goodwill; the difference between the cost of consolidation and the fair value of the purchaser's share of the identifiable net assets acquired in the consolidation is recognised in profit or loss for the period.

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

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

In the consolidated financial statements, the equity interest in the acquiree held prior to the date of purchase is remeasured at the fair value of the equity interest at the date of purchase, with fair

The difference between the value and the book value of the equity in the acquiree held prior to the date of purchase is credited to investment income; if the equity in the acquiree held prior to the date of purchase is related to other comprehensive income under the equity method of accounting, other comprehensive income related to the equity in the acquiree should be transferred to current income at the date of purchase.

## **6. Methodology for the preparation of consolidated financial statements**

- ( 1 ) Scope of consolidation

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

- ( 2 ) Basis of control

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

## ( 3 ) Policymakers and agents

The agent exercises decision-making authority only on behalf of the principals and does not control the investee. An investor that delegates to an agent decision-making authority over the investee's relevant activities treats that decision-making authority as directly held by itself.

In determining whether a decision maker is an agent, the company considers the relationship between that decision maker and the investee as well as the other investors.

- 1 ) A decision-maker is an agent if there is a separate party with substantive rights to remove the decision-maker unconditionally.
- 2 ) In cases other than 1), the judgement is made by taking into account relevant factors such as the extent of the decision-making power of the decision maker over the investee, the substantive rights enjoyed by other parties, the level of the decision maker's remuneration, and the decision maker's exposure to the risk of variable returns arising from the holding of other interests in the investee.

## ( 4 ) investment property

When the following conditions are simultaneously met, it is considered an investment subject:

- 1 ) It is a company that obtains funds from one or more investors for the purpose of providing investment management services to investors;
- 2 ) The sole purpose of the company's operations is to provide a return to investors through capital appreciation, investment income, or both;
- 3 ) The company considers and evaluates the performance of substantially all of its investments at fair value. If it is an investment entity, it normally meets all of the following characteristics: 1) It owns more than one investment;
- 2 ) Have more than one investor;
- 3 ) The investor is not a related party to the subject;
- 4 ) Their ownership interests are in the form of equity or similar interests.

If the parent company is an investment entity, the parent company includes in the scope of consolidation and prepares consolidated financial statements only those subsidiaries, if any, that provide services related to its investment activities; other subsidiaries are not consolidated, and the parent company's investments in other subsidiaries are measured at fair value with changes in fair value recognised in profit or loss for the current period.

The parent company of an investment entity, which is not itself an investment entity, includes in the scope of the consolidated financial statements all the entities it controls, including those it indirectly controls through the investment entity.

## ( 5 ) Consolidation procedure

If the accounting policies or accounting periods adopted by the subsidiaries are not consistent with those of the



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

The consolidated balance sheet, the consolidated income statement, the consolidated statement of cash flows and the consolidated statement of changes in owners' (shareholders') equity are based on the Company's and subsidiaries' balance sheet, income statement, statement of cash flows and statement of changes in owners' (shareholders') equity, respectively, and are presented after elimination of the Company's internal conflicts of interest with its subsidiaries and subsidiaries and with each other.

The consolidated balance sheet, the consolidated income statement, the consolidated statement of cash flows and the consolidated statement of changes in owners' (stockholders') equity are prepared by the Company after the effects of the transactions on the consolidated balance sheet, consolidated income statement, consolidated statement of cash flows and consolidated statement of changes in owners' (stockholders') equity. Unrealised gains or losses on sales of assets from the Company to its subsidiaries are eliminated in full against "Net income attributable to owners of the parent company". Gains and losses on sales of assets from subsidiaries to the Company

Unrealised internal transaction gains or losses arising from the sale of assets by the Company shall be offset against "net profit attributable to owners of the parent company" and "minority interests" in accordance with the Company's proportionate share of the distribution of such assets to the subsidiary. Unrealised internal transaction gains or losses arising from the sale of assets between subsidiaries shall be allocated and eliminated between "net profit attributable to owners of the parent company" and "minority interests" in proportion to the Company's share of the seller's subsidiaries.

The share of ownership interest of subsidiaries that does not belong to the Company is presented as minority interest under the item of ownership interest in the consolidated balance sheet under the item of "Minority interest". Minority interests in the net profit or loss of subsidiaries for the period are shown as "Minority interests" in the consolidated income statement under the item of net profit.

Items are presented in the consolidated income statement. The share of current comprehensive income of subsidiaries attributable to minority interests is presented in the consolidated income statement under the item of total comprehensive income as "total comprehensive income attributable to minority interests". If there are minority shareholders, the column of "Minority interests" is added to the consolidated statement of changes in equity to reflect the changes in minority interests. If the minority shareholders' share of a subsidiary's loss for the period exceeds the minority shareholders' share of the subsidiary's equity at the beginning of the period, the balance should still be offset against minority interests.

For subsidiaries and businesses added as a result of a business combination under the same control of the Company during the reporting period, the opening balance of the consolidated balance sheet is adjusted when the consolidated balance sheet is prepared; when the consolidated income statement is prepared, the revenues, expenses, and profits of the subsidiaries and businesses from the beginning of the period to the end of the reporting period of the business combination are included in the consolidated income statement; when the consolidated statement of cash flows is prepared, the subsidiaries and businesses from the beginning of the period to the end of the reporting period of the business combination are included in the consolidated statement of cash flows; and adjustments are also made to the relevant items in the comparative statements as if the consolidated reporting entity had been in existence since the point when the ultimate controlling party began control. When preparing the cash flow statement, the cash flow of the subsidiary and the business combination from the beginning to the end of the reporting period shall be included in the consolidated cash flow statement; at the same time, adjustments shall be made to the relevant items in the comparative statement, and the consolidated reporting entity shall be deemed to have existed since the point in time when the party ultimately controlling the entity began to control it.

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

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

## (6) Accounting for extraordinary transactions

## 1) Purchase of equity interests in subsidiaries owned by minority shareholders of the subsidiaries

In the consolidated financial statements, the difference between the newly acquired long-term equity investment as a result of the purchase of a minority interest and the share of the subsidiary's net assets calculated on the basis of the newly acquired shareholding in the subsidiary on an ongoing basis from the date of purchase or the date of consolidation is adjusted to capital surplus (capital premium or equity premium), and if capital surplus is not sufficient to be eliminated, it is adjusted to retained earnings.

## 2) Disposal of long-term equity investments in subsidiaries without loss of control

On partial disposal of long-term equity investments in subsidiaries without loss of control, in the consolidated financial statements, the disposal price is equal to the amount of long-term equity investments disposed of.

The difference between the share of net assets attributable to subsidiaries calculated on a continuous basis from the date of purchase or the date of consolidation shall be adjusted to capital surplus (capital premium or equity premium), or retained earnings if capital surplus is insufficient for elimination.

## 3) Treatment of the remaining equity interest when control over an investee is lost due to disposal of part of the equity investment, etc.

In preparing the consolidated financial statements, the remaining equity interest is remeasured at its fair value at the date of loss of control. The difference between the sum of the consideration received for the disposal of the equity interest and the fair value of the remaining equity interest, less the share of the original subsidiary's net assets continuously measured from the date of purchase or the date of consolidation based on the original shareholding ratio, is included in investment income for the period in which the loss of control occurs, and goodwill is eliminated. Other comprehensive income, such as other comprehensive income related to equity investments in the original subsidiaries, is transferred to investment income in the current period when control is lost.

## 4) Disposal of an enterprise's equity investment in a subsidiary in stages through multiple transactions until it loses control, where the multiple transactions are part of a package deal

If each transaction of disposal of equity investment in a subsidiary until the loss of control is a package transaction, each transaction shall be accounted for as one transaction of disposal of a subsidiary and loss of control; however, the difference between the disposal price and the corresponding share of the net assets of the subsidiary corresponding to the investment disposed of in each case before the loss of control is recognised in the consolidated financial statements as other comprehensive income and transferred to profit or loss for the period of the loss of control at the time of the loss of control. and transferred to profit or loss in the period in which control is lost.

The principles for determining whether each transaction in the step-by-step process of disposing of an equity interest to loss of control is a package deal are as follows:

The terms, conditions and economic effects of each transaction to dispose of an equity investment in a subsidiary meet one or more of the following conditions, which generally indicate that multiple transactions are a package deal:

- a. The transactions are entered into simultaneously or with consideration of the effects of each other; b. The transactions as a whole achieve a complete business result;
- c. The occurrence of one transaction is dependent on the occurrence of at least one other transaction;
- d. A transaction is uneconomical when viewed in isolation, but economical when considered in conjunction with other transactions.

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

### (1) Classification of joint venture arrangements

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

### (2) Accounting for joint operating participants

The joint venturers recognise the following items related to their share of interest in a joint operation and account for them in accordance with the provisions of the relevant corporate accounting standards:

- 1) Recognition of individually held assets and, in their share, jointly held assets;
- 2) Recognition of individually assumed liabilities and of jointly assumed liabilities in proportion to their share;
- 3) Recognise revenue arising from the sale of its share of joint operating outputs;
- 4) Revenue from joint operations arising from the sale of output is recognised in proportion to their share;
- 5) Recognition of expenses incurred separately and, in their share, expenses incurred in joint operations.

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

When a joint venture party purchases an asset, etc., from a joint operation (except when the asset constitutes a business), only the portion of the gain or loss arising from the transaction attributable to the other participants in the joint operation is recognised until the asset, etc., is sold to a third party. In the event of an impairment loss on assets acquired that meets the requirements of "Accounting Standard for Business Enterprises (ASBE) No. 8 - Impairment of Assets," etc., the joint venturer recognises the portion of the loss attributable to the other participants in the joint operation in accordance with its share of the loss.

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

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

Cash, as shown in the statement of cash flows, represents cash on hand and readily available for payment, and cash equivalents represent investments that are held for a short period of time (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**

( 1 ) Foreign currency operations

Foreign currency operations are recorded in the accounts by translating foreign currency amounts into Renminbi at the spot exchange rate at the date of the operation.

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

## (2) Translation of foreign currency financial statements

Assets and liabilities items in the balance sheet presented in currencies other than the local currency of the accounts are translated into the local currency of the accounts using the spot exchange rate at the balance sheet date, and owners' equity items, except for unappropriated earnings items, are translated using the spot exchange rate at the time of occurrence. Income and expense items in the income statement prepared in a currency other than the local currency of the accounts are translated into the local currency of the accounts using the spot exchange rate at the date of the transaction. Translation differences arising from the above translations are accounted for in other comprehensive income. Translation of income and expenses in currencies other than those in which the accounts are maintained Cash flows for items in the statement of cash flows prepared in the local currency are translated into the local currency of the accounts using the spot exchange rate at the date of the cash flows. The effect of exchange rate changes on cash is shown separately in the statement of cash flows.

## 10. Financial instruments

### (1) Recognition and derecognition of financial instruments

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

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

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

- 1) The contractual right to receive cash flows from the financial asset is terminated;
- 2) The financial asset has been transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial asset;
- 3) The financial asset has been transferred and the Company has neither transferred nor retained substantially all of the risks and rewards of ownership of the financial asset; however, the Company has not retained control of the financial asset.

The Company derecognises a financial liability (or a portion of a financial liability) when the present obligation of the

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financial liability (or the portion of the financial liability) has been discharged.

(2) Classification of financial assets

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

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

① Financial assets measured at amortised cost

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

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

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

Financial assets are classified as financial assets at fair value through other comprehensive income if they simultaneously meet the following criteria

The Company's business model for managing this financial asset is based on both the objective of collecting the contractual cash flows and the objective of selling the financial asset.

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

### ③ Financial assets at fair value through profit or loss

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

On initial recognition, the Company may designate investments in non-trading equity instruments as financial assets at fair value through other comprehensive income

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

### (3) Classification of financial liabilities

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

- 1) Financial liabilities at fair value through profit or loss include financial liabilities held for trading (including derivatives that are financial liabilities) and financial liabilities designated as at fair value through profit or loss.
- 2) A transfer of a financial asset does not qualify for derecognition or for continued involvement in the financial liability arising from the transferred financial asset.
- 3) Contracts for financial guarantees that do not fall under subparagraphs 1) or 2) of this Article, and loan commitments to lend at below-market interest rates that do not fall under subparagraph 1) of this Article.

In a business combination not under the same control, if the contingent consideration recognised by the Company as the purchaser creates a financial liability, the financial liability is accounted for at fair value through profit or loss.

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

- 1) Ability to eliminate or significantly reduce accounting mismatches.
- 2) The management and performance of a portfolio of financial liabilities or a portfolio of financial assets and financial liabilities is evaluated on a fair value basis in accordance with an enterprise risk management or investment strategy as set out in a formal written document and reported on this basis within the Company to key management personnel.

The designation, once made, cannot be revoked.



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#### (4) Embedded derivatives

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

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

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

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

## (5) Reclassification of financial instruments

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

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

## (6) Measurement

of financial

instruments 1)

Initial measurement

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

## 2) Subsequent measurement

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

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

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

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

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

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

2) For financial assets acquired or originated without credit impairment that become credit-impaired in a subsequent period, the Company determines interest income on the basis of the amortised cost of the financial assets and the effective interest rate in the subsequent period. If the Company applies the effective interest rate method to the amortised cost of a financial asset in accordance with the above policy, and the financial instrument is no longer

impaired in a subsequent period due to an improvement in the credit risk of the financial instrument, and such improvement can be objectively related to an event occurring after the application of the above policy (e.g., an upgrading of the debtor's credit rating), the Company switches to the effective interest rate multiplied by the carrying amount of the financial asset to determine interest income. to determine interest income.

( 7 ) Impairment of financial instruments

1 ) Impairment items

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

- ① Financial assets classified as at amortised cost and financial assets classified as at fair value through other comprehensive income.
- ② Lease receivables.
- (iii) Contracts for loan commitments and financial guarantees.

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

## 2) Recognition and measurement of impairment provisions

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

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

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

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

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

If the Company has measured the allowance for losses in the previous accounting period at an amount equal to the expected credit losses over the entire life of the financial instrument, but at the current balance sheet date the financial instrument is no longer classified as a significant increase in credit risk since initial recognition, the Company measures the allowance for losses on the financial instrument at an amount equal to the expected credit losses over the next 12

months at the current balance sheet date. The reversal amount of the resulting loss provision shall be recognised as an impairment gain in profit or loss for the current period.

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

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

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

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

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

④ For financial guarantee contracts, the credit loss shall be the present value of the difference between the projected amount of payments to be made by the Company to the holder of the contract in respect of credit losses incurred by the holder of the contract, less the amount that the Company expects to receive from the holder of the contract, the debtor or any other party.

For financial assets that are impaired at the balance sheet date but not purchased or originated, credit losses are recognised on the carrying amount of the financial assets.

The difference between the balance and the present value of estimated future cash flows discounted at the original effective interest rate.

### 3 ) Significant increase in credit risk

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

If the Company determines that a financial instrument has only a low credit risk at the balance sheet date, it can assume that the credit risk of the financial instrument has not increased significantly since initial recognition. Generally, the Company considers that the credit risk of a financial instrument has increased significantly when the instrument is past due for more than 30 days, unless there is conclusive evidence that the credit risk of the financial instrument has not increased significantly since initial recognition.

### 4 ) Impairment of notes and accounts receivable

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

When information about expected credit losses cannot be assessed at a reasonable cost for individual notes and accounts receivable, the Company divides notes and accounts receivable into portfolios based on credit risk characteristics and calculates expected credit losses on a portfolio basis. If there is objective evidence that a note and account receivable has incurred a credit

If the notes and accounts receivable are impaired, the Company establishes a separate bad debt provision and recognises expected credit losses on the notes and accounts receivable. For notes and accounts receivable classified as portfolios, the Company makes reference to historical credit loss experience, current conditions and forecasts of future economic conditions, and recognises a bad allowance and recognises expected credit losses on the notes and accounts receivable individually for default risk exposures and expected credit losses over the entire life of the notes and accounts receivable. loss rate to calculate expected credit losses.

Notes and accounts receivable portfolio:

Portfolio Name	Determination of the basis for the portfolio
Notes receivable portfolio 1	Low-risk portfolio
Notes receivable portfolio 2	General risk portfolio

Accounts receivable portfolio 3	Consolidated statement of assets, liabilities and reserves and fund balances
Accounts receivable portfolio 4	Sales to other customers - ageing credit risk matrix analysis methodology

## 5 ) Impairment of other receivables

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

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

## 6 ) Impairment of contract assets

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

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

Portfolio Name	Determination of the basis for the portfolio
Contractual assets	Unexpired warranty deposits

## ( 8 ) Gains and losses

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

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

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

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

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

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

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

If the treatment of the effects of changes in the financial liability's own credit risk in accordance with the provisions of paragraph 1 of this Article would cause or enlarge an accounting mismatch in profit or loss, the



Company recognises all gains or losses on the financial liability (including the amount of the effects of changes in the Company's own credit risk) in profit or loss for the current period. When the financial liability is derecognised, the cumulative gain or loss previously recognized in other comprehensive income shall be transferred out of other comprehensive income and recognized in retained earnings.

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

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

or loss reversal, the fair value of the financial asset at the date of reclassification is adjusted and the adjusted amount is used as the new carrying amount.

#### ( 9 ) Statement presentation

Financial assets classified as at fair value through profit or loss are presented in the "Financial assets held for trading" account. Non-current financial assets at fair value through profit or loss that have a maturity of more than one year from the balance sheet date and are expected to be held for more than one year are presented in the "other non-current financial assets" account.

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

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

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

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

#### ( 10 ) equity instrument

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

## 11. Notes receivable

For details of the method of determining expected credit losses on notes receivable and the accounting treatment, see 10.5.10 Financial instruments

## 12. Accounts receivable

For details of the method of determining expected credit losses on receivables and the accounting treatment, see 10.5.10 Financial instruments

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### 13. Receivables financing

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

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

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

## 14. Other receivables

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

For details of the method of determining the expected credit losses on other receivables and the accounting treatment, see 10.5.10 Financial instruments

## 15. Inventory

### ( 1 ) Category of inventory

Inventories are classified into six categories: raw materials, commissioned materials, working capital materials, semi-finished products, products in process, and finished goods.

### ( 2 ) Method of valuation of inventories issued

All types of inventories are valued at actual cost when purchased and warehoused, and weighted-average method when issued; working capital materials are amortised using the lump-sum amortisation method at the time of their adoption.

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

The net realisable value of inventories is based on the estimated selling price of inventories, less costs estimated to be incurred to completion, estimated selling expenses and related taxes.

### ( 4 ) Inventory system

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

### ( 5 ) Amortisation method for low value consumables and packaging

Low-value consumables and packaging are accounted for using the lump-sum method of accounting for costs at the time of adoption.

## 16. Contractual assets

Methods and criteria for recognition of contract assets

The Company presents as receivables the rights it has, unconditionally (i.e. depending only on the passage of time), to receive consideration from its customers.

The right to receive consideration for goods that have been transferred to a customer and for which the right depends on something other than the passage of time is presented as a contract asset. The method of determining expected credit losses on contract assets and the accounting treatment are described in 10.5.10 Financial instruments.

## 17. Contract costs

### ( 1 ) Method of determining the amount of the asset relating to the cost of the contract

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

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

conditions are simultaneously met:

1 ) This cost is directly related to a current or anticipated contract that has been acquired and includes direct labour, direct materials, manufacturing overhead (or similar costs), costs explicitly attributable to the customer and other costs incurred solely as a result of that contract;

2 ) This cost increases the resources available to the Company to meet its performance obligations in the future;

3 ) The cost is expected to be recovered.

Contract acquisition costs, i.e., the 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; the asset

If the amortisation period does not exceed one year, it is charged to profit or loss as incurred. Incremental costs are costs that would not have been incurred by the Company if the contract had not been awarded (e.g., sales commissions, etc.). Expenditures incurred by the Company to acquire a contract, other than incremental costs that are expected to be recovered (such as rate differentials that would have been incurred regardless of whether a contract is acquired), are charged to profit or loss as incurred, except for those that are explicitly borne by the customer.

( 2 ) Amortisation of assets relating to contract costs

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

( 3 ) Impairment of assets relating to contract costs

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

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

## 18. Assets held for sale

( 1 ) Conditions for classification as assets held for sale

Non-current assets or disposal groups that simultaneously meet the following conditions are recognised as assets held for sale:

- 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 ) A sale is highly probable, 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 relevant authority or regulatory body of the company before the sale can take place, such approval has been obtained.

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

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

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

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

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

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

If the fair value of non-current assets held for sale increases at a subsequent balance sheet date, net of costs to sell, the amount previously written down should be restored and reversed within the amount of impairment loss recognised on the asset after classification as held for sale, with the amount of the reversal recognised in profit or loss for the current period. Assets recognised before classification as held for sale

Impairment losses on products may not be reversed.

If the fair value of a disposal group held for sale increases at a subsequent balance sheet date, net of costs to sell, the amount previously written down is restored and reversed within the amount of the asset impairment loss recognised for non-current assets after classification as held for sale for the purposes of applying the measurement provisions of the Guidelines, and the amount of the reversal is recognised in profit or loss for the period. The carrying amount of goodwill that has been reversed, as well as the impairment loss on assets recognised prior to the classification of the non-current asset under the measurement provisions of the applicable standard as held for sale, is not reversed.

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

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

When a non-current asset or disposal group no longer continues to be classified as held for sale because it no longer meets the conditions for classification as such or when a non-current asset is removed from a disposal group held for sale, it is measured at the lower of:

- 1 ) Carrying value before classification as held for sale, adjusted for depreciation, amortisation or impairment that would have been recognised had it not been classified as held for sale;
- 2 ) Recoverable amount.

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

## 19. Debt investments

☐ Applicable ☒ Not applicable

## 20. Other debt investments

☐ Applicable ☒ Not applicable

## 21. Long-term receivables

☐ Applicable ☒ Not applicable

## 22. Long-term equity investments

( 1 ) Criteria for determining joint control, significant influence

Control over an arrangement that is shared in accordance with the relevant agreement and where the relevant



activities of the arrangement require the unanimous agreement of the participants sharing control before decisions can be made is considered to be common control. An arrangement is not considered to be jointly controlled if there is a combination of two or more participants capable of collectively controlling the arrangement.

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

( 2 ) Determination of initial investment cost

Long-term equity investments resulting from a business combination shall be recognised at initial investment cost in accordance with the relevant contents of "10.5.5 Accounting treatment for business combinations under common control and non-common control" in this note; long-term equity investments acquired by other means other than a business combination shall be recognised at initial investment cost in accordance with the following methods

Initial investment costs:

1) Long-term equity investments acquired by cash payment shall be regarded as the initial investment cost based on the actual purchase price paid. The initial investment cost includes fees, taxes and other necessary expenses directly related to the acquisition of the long-term equity investment.

2) Long-term equity investments acquired through the issuance of equity securities shall be recognised at the fair value of the equity securities issued as the initial investment cost. Costs directly related to the issuance of equity securities shall be determined in accordance with the relevant provisions of ASBE No. 37, "Presentation of Financial Instruments".

3) 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 is determined on the basis of the fair value of the exchanged assets, 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 are determined on the basis of the book value of the exchanged assets and related taxes and fees payable as the initial investment cost. 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.

4) 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 gain/loss recognition methods

1) Cost method subsequent measurement

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

2) Equity method subsequent measurement

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

When adopting the equity method of accounting, after the investor acquires the long-term equity investment, the investor recognises investment income and other comprehensive income according to the share of net profit or loss and

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

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

When calculating the investor's entitlement to, or share in, the net profit or loss of the investee, unrealised internal transaction losses or gains incurred with associates or joint ventures attributable to the investor in proportion to the investor's entitlement to such gains or losses shall be eliminated, and investment income shall be recognised on this basis. Unrealised losses on internal transactions between the investor and the investee are recognised in full if they are classified as asset impairment losses in accordance with the relevant provisions of ASBE No. 8 - Impairment of Assets.

Where a portion of an investor's equity investment in an associate is held indirectly through a venture capital organisation, mutual fund, trust company or similar entity including an investment-linked insurance fund, whether or not the above entity has significant influence over this portion of the investment, the investor, in accordance with the relevant provisions of the Financial Instruments Policy, is liable for the indirect holding of the equity investment.

Where available, this portion of the investment has been elected to be measured at fair value through profit or loss and the equity method of accounting has been applied to the remaining portion.

- 3 ) Treatment of investees over which significant influence or joint control can be exercised, including as a result of additional investments, but which do not constitute control

The sum of the fair value of the previously held equity investment plus the cost of the additional investment determined in accordance with "ASBE 22 - Recognition and Measurement of Financial Instruments" is used as the initial investment cost for reclassification to the equity method of accounting. If the equity investment previously held is classified as an available-for-sale financial asset, the difference between the fair value and the carrying value is recognised as the difference between the fair value and the carrying value.

and cumulative changes in fair value previously recognised in other comprehensive income are transferred to profit or loss for the period in which the change to the equity method of accounting occurs.

- 4 ) Treatment of disposals of partial equity interests

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

If control over an investee is lost due to, for example, the disposal of part of an equity investment, the remaining equity interest after disposal is capable of exercising control over the investee at the time of preparing the individual financial statements.

If the investment unit exercises joint control or significant influence over the investee, the equity method of accounting shall be used instead, and the remaining equity interest shall be adjusted as if it had been accounted for by the equity method from the time of acquisition; if the remaining equity interest after disposal does not enable the investee to exercise joint control or significant influence over the investee, the equity interest shall be accounted for in accordance with the policies set out in "10.5.10 Financial instruments" of this note. Policies

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

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

Equity investments in associates or joint ventures that are classified as assets held for sale are stated at the lower of carrying value or fair value less costs of disposal, and any amount by which the fair value less costs of disposal is less than the original carrying value is recognised as an asset impairment loss. For the remaining equity investments that are not classified as assets held for sale, the

The equity method of accounting is used. If an equity investment in an associate or a joint venture that has been classified as held for sale no longer meets the conditions for classification as an asset held for sale, it is retrospectively adjusted using the equity method from the date it is classified as an asset held for sale. The financial statements for the period in which it is classified as held for sale are adjusted accordingly.

6 ) Treatment of disposal of long-term equity investments

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

## 23. Investment property

Investment property

measurement model

Cost method of

measurement

Method of depreciation or amortisation

Investment properties, which include land use rights that are held under lease and are intended to be transferred after appreciation in value, and buildings that are leased out, are initially measured at their actual costs. Subsequent expenditures relating to investment properties are included in the cost of investment properties when it is probable that the related economic benefits will flow to the Company and the cost can be measured reliably; otherwise, they are charged to current profit or loss as incurred.

The Company uses the cost model for subsequent measurement of all investment properties, and depreciates or amortises buildings and land use rights over their estimated useful lives and net salvage value rates. The estimated useful lives, net salvage rates and annual depreciation (amortisation) rates of investment properties are set out below:

form	Estimated useful life (years)	Projected net residual value ratio (%)	Annual depreciation (amortisation) rate (%)
building	25-40	5.00	2.38-3.80
land use right	Amortised evenly over contractual agreements or estimated useful lives	-	-

When the use of investment property changes to self-use, the investment property is converted to fixed assets or intangible assets from the date of change. When the use of an owner-occupied property changes to earn rentals or for capital appreciation, the fixed asset or intangible asset is converted to an investment property from the date of change. When conversion occurs, the book value before conversion is used as the recorded value after conversion.

The estimated useful lives, estimated net residual values and depreciation (amortisation) methods of investment properties are reviewed and appropriately adjusted at the end of each year.

An investment property is derecognised when it is disposed of, or permanently withdrawn from use, and no economic benefits are expected from its disposal. Disposal proceeds from the sale, transfer, retirement or destruction of investment property, net of its carrying amount and related taxes, are included in profit or loss for the current period.

When the recoverable amount of an investment property is less than its carrying amount, the carrying amount is written down to the recoverable amount.

## 24. Fixed assets

### (1) Confirmation conditions

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

- 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

form	Depreciation method	depreciable life	salvage rate	Annual depreciation rate
Houses and buildings	ife-cycle averaging LCA)	25-40	5.00	2.38-3.80
machinery and equipment	ife-cycle averaging LCA)	14	5.00	6.79
carrier	ife-cycle averaging	10	5.00	9.50

	LCA)			
Electronic and other equipment	ife-cycle averaging LCA)	5	5.00	19.00

The estimated useful lives, estimated net residual values and depreciation methods of fixed assets are reviewed and appropriately adjusted at the end of each year.

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

See 10.7.21 Fixed Assets for details

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

☐ Applicable ☒ Not applicable

## 25. Construction in progress

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

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

See 10.7.22. Construction in progress for details.

## 26. Borrowing costs

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

During the capitalisation period, specialised borrowings (i.e. money borrowed specifically for the purpose of purchasing, constructing or producing assets eligible for capitalisation) shall be capitalised on the basis of the interest expenses actually incurred in the period of specialised borrowings, less interest income earned on the unused borrowed funds deposited in the bank or investment income earned on temporary investments.

The amount of interest to be capitalised on general borrowings is calculated based on the weighted average amount of accumulated asset expenditure in excess of the portion of specialised borrowings multiplied by the capitalisation rate of general borrowings taken up. The capitalisation rate is based on the weighted average interest rate on general borrowings.

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

## 27. Biological assets

☐ Applicable ☒ Not applicable

## 28. Oil and gas assets

☐ Applicable ☒ Not applicable

## 29. Right-to-use assets



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

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

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

- 1 ) The amount of the initial measurement of the lease liability;
- 2 ) 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;
- 3 ) Initial direct costs incurred by the lessee;
- 4 ) the costs that the lessee expects to incur to dismantle and remove the leased asset, to reinstate the site on which the leased asset is located or to restore the leased asset to the condition agreed under the terms of the lease.

Except when it is incurred for the production of inventory.

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

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

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

(3) Depreciation of right-of-use assets

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

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

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

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

## 30. Intangible assets

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

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

Intangible assets are amortised equally over their estimated useful lives, specifically: 1) purchased patents are amortised equally over the contractual period and the statutory period; 2) self-developed patents are amortised equally over the period of time over which the economic benefits are expected to flow in, and the statutory period; 3) copyrights are amortised equally over the period of time over which the economic benefits are expected to flow in, and the statutory period. (c) Copyrights are amortised equally over the period of the expected inflow of economic benefits and the statutory period.

The estimated useful lives and amortisation methods for intangible assets with finite useful lives are reviewed and appropriately adjusted at the end of each year.

## **(2) Accounting policy for internal research and development expenditure**

Internal research and development project expenditures are classified as research-phase expenditures and development-phase expenditures based on the nature of the expenditures and whether the ultimate formation of an intangible asset from the research and development activities is subject to a high degree of uncertainty.

Research-phase expenditures are recognised in profit or loss when incurred; development-phase expenditures are recognised as intangible assets when the following conditions are met:

- 1 ) It is technically feasible to complete the intangible asset so that it can be used or sold;
- 2 ) Management has the intent to complete the intangible asset and use or sell it;
- 3 ) Be able to demonstrate how the intangible asset will generate economic benefits;
- 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 above conditions is recognised in profit or loss when incurred. Development expenditures that have been charged to profit or loss in previous periods are not recognised as assets in subsequent periods. Development expenditures that have been capitalised are presented as development expenditures on the balance sheet and are transferred to intangible assets from the date when the project reaches its intended state of use.

When the recoverable amount of development expenditure is less than its carrying amount, the carrying amount is written down to the recoverable amount.

### **31. Impairment of long-lived assets**

Goodwill and intangible assets with an indefinite useful life that are presented separately in the financial statements are tested for impairment at least annually, regardless of whether there is any indication of impairment. Property, plant and equipment, intangible assets, investment properties measured using the cost model and long-term equity investments are tested for impairment if any indication of impairment exists at the balance sheet date. If the result of the impairment test indicates that the recoverable amount of an asset is less than its carrying amount, a provision for impairment is made and an impairment loss is recognised for the difference. The recoverable amount is the higher of the asset's fair value less costs of disposal and the present value of the asset's estimated future cash flows. Provision for asset impairment is calculated and recognised on an individual asset basis. If it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group is determined using the asset group to which the asset belongs. An asset group is the smallest group of assets that can generate cash inflows independently.

Impairment losses on the aforementioned assets, once recognised, are not reversed if the value recovers in subsequent periods.

### **32. Long-term amortisation**

Long-term amortised expenses are expenses that have been incurred but are to be borne in the current and future periods and are spread over a period of more than one year. Long-term amortised expenses are amortised on a straight-line basis over the expected period of benefit.

### **33. Contractual liabilities**

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

### **34. Employee remuneration**

#### **(1) Accounting treatment of short-term remuneration**

In the accounting period in which employees provide services to the Company, short-term compensation actually incurred is recognised as a liability and charged to current profit or loss or the cost of related assets. Employee benefit expenses incurred are recognised in profit or loss for the period or in the cost of related assets based on the actual amount incurred when the expenses are actually incurred. Employee benefit expenses are measured at fair value if they are non-monetary benefits. Social insurance premiums such as medical insurance premiums, industrial injury insurance premiums, maternity insurance premiums and housing provident fund, as well as trade union funds and employee education funds drawn down in accordance with the regulations, are calculated in accordance with the prescribed basis of accrual and the accrual rate to determine the corresponding amount of employee remuneration in accordance with the accounting period in which the employees provide services to the Company, and the corresponding liabilities are recognised and included in the current period's profit or loss or in the cost of the relevant assets.

Employee compensation related to accrued compensated absences is recognised when the employee has rendered services that increase his or her future entitlement to compensated absences and is measured at the amount of the increase in expected payments due to the cumulative unexercised entitlement. Employee compensation related to non-cumulative compensated absences is recognised in the accounting period in which the employee's absences actually occur.

The Company recognises the related employee compensation payable when the profit-sharing plan meets the following conditions at the same time:

- 1 ) There is a present legal or constructive obligation to pay employee remuneration as a result of past events;

- 2) The amount of employee compensation payable obligations arising from profit-sharing plans can be reliably estimated.

## **(2) Accounting treatment of post-employment benefits**

### **1) Setting up a withdrawal plan**

The company recognises a liability for the amount of contributions payable calculated in accordance with the defined contribution plan in the accounting period in which the employee renders services to the company, which is included in profit or loss or in the cost of the relevant asset. If, according to the defined contribution plan, the full amount of contributions payable is not expected to be paid within twelve months after the end of the annual reporting period in which the employees render the related services, the company measures the remuneration payable to the employees at the discounted amount of the full amount of contributions payable.

### **2) Setting up a benefit plan**

The company's accounting for defined benefit plans includes the following four steps:

(i) The obligation arising from the defined benefit plan is measured and the vesting period of the obligation is determined based on the projected unit credit method using unbiased and consistent actuarial assumptions to estimate the relevant demographic and financial variables. The Company discounts the obligations arising from the defined benefit plans to determine the present value of the defined benefit plan obligations and the current service cost.

(ii) Where there are assets in a defined benefit plan, the company recognises the deficit or surplus resulting from the present value of the obligation of the defined benefit plan less the fair value of the assets of the defined benefit plan as a net liability or net asset of the defined benefit plan. If the defined benefit plan has a surplus, the company measures the net assets of the defined benefit plan as the lower of the surplus of the defined benefit plan or the asset limit.

(iii) Determine the amount to be recognised in profit or loss for the period.

④ Determine the amount that should be included in other comprehensive income.

The company attributes the benefit obligation arising from the defined benefit plan to the period in which the employee provides the service based on a formula determined by the projected unit of accumulated benefits method and is included in profit or loss or in the cost of the related asset for the current period. When an employee's service in subsequent years will result in a significantly higher level of defined benefit plan benefits than in previous years, the cumulative defined benefit plan obligation is recognised, on a straight-line basis, by apportioning the accumulated defined benefit plan obligation over the period between the time when the company first incurs a defined benefit plan benefit obligation as a result of the employee's service and the time when the employee's service ceases to result in a significant increase in that benefit obligation.

At the end of the reporting period, the company recognises employee compensation costs arising from defined benefit plans as: service costs, net interest on net liabilities or net assets of defined benefit plans, and changes arising from the remeasurement of net liabilities or net assets of defined benefit plans.

Under a defined benefit plan, the company recognises the cost of past services as a current expense at the earlier of the following dates:

- ① When modifying a defined benefit plan.
- ② When an enterprise recognises related restructuring costs or termination benefits.

The company recognises a settlement gain or loss when the defined benefit plan is settled.

### **(3) Accounting for termination benefits**

Where the Company provides termination benefits to employees, the Company recognises an employee compensation liability arising from the termination benefits at the earlier of the following and recognises the liability in profit or loss for the period:

- 1 ) When the company cannot unilaterally withdraw the severance benefits provided as a result of a plan to terminate the labour relationship or a proposal for redundancy.
- 2 ) When the company recognises costs or expenses related to a restructuring involving the payment of termination benefits.

The Company reasonably anticipates and recognises employee compensation payable arising from termination benefits in accordance with the terms of the termination plan.

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

Other long-term employee benefits provided by the company to its employees that are eligible for defined benefit plans are dealt with in accordance with the relevant policy on defined benefit plans. Except for the above cases, the company recognises and measures the net liability or net asset for other long-term employee benefits in accordance with the relevant policy on defined benefit plans. During the reporting period

At the end of the year, employee compensation costs arising from other long-term employee benefits are recognised as the following components:

- 1 ) Cost of services.
- 2 ) Net interest on other long-term employee benefits net liabilities or net assets.
- 3 ) Changes arising from the remeasurement of the net liability or net asset for other long-term employee benefits.

In order to simplify the related accounting treatment, the total net amount of the above items should be recognised in profit or loss for the period or in the cost of the related assets.

If the level of long-term disability benefits depends on the length of service provided by the employee, the company recognises the obligation for long-term disability benefits payable in the period in which the employee provides service; if the long-term disability benefits are not related to the length of service provided by the employee, the company recognises the obligation for long-term disability benefits payable in the period in which the event leading to the employee's long-term disability occurs.

### 35. Lease liabilities

#### (1) Initial measurement of lease liabilities

The Company initially measures the lease liability at the present value of the lease payments outstanding at the commencement date of the lease term.

##### 1 ) Lease payments

Lease payments, which are payments made by the Company to the lessor in connection with the right to use the leased asset during the lease term, include:

- (i) Fixed payments and substantive fixed payments, net of amounts related to lease incentives if lease incentives exist;
- (ii) Variable lease payments that depend on an index or ratio, which is determined at initial measurement based on the index or ratio at the lease commencement date;
- (iii) The Company reasonably determines the exercise price of the purchase option when the purchase option will be exercised;
- ④ The lease term reflects the amount that would be payable upon exercise of the termination option if the Company were to exercise the option to terminate the lease;
- ⑤ Amounts expected to be paid based on the residual value of guarantees provided by the Company.

##### 2) discount rate

In calculating the present value of lease payments, the Company uses the lease implicit rate as the discount rate,



which is the rate that would cause the sum of the present value of the lessor's lease receipts and the present value of the unguaranteed residual value to equal the sum of the fair value of the leased asset and the lessor's initial direct costs. The Company uses the incremental borrowing rate as the discount rate if the Company is unable to determine the interest rate embedded in the lease. This incremental borrowing rate is the interest rate that the Company would have to pay to borrow funds under similar collateral terms for a similar period of time in a similar economic environment in order to obtain an asset that approximates the value of the right-of-use asset. This interest rate relates to the following:

(i) The Company's own situation, i.e. the solvency and creditworthiness of the Group;

||term of the "loan", i.e., the term of the lease;

||The amount of funds "**borrowed**", i.e. the amount of the lease liability;

||"**Collateral conditions**" i.e. the nature and quality of the underlying assets;

⑤ The economic environment, including the jurisdiction in which the lessee is located, the currency of valuation, and the time of signing the contract.

The Company arrived at this incremental borrowing rate based on bank lending rates adjusted to take into account the above factors.

#### Subsequent measurement of lease liabilities

(2) Subsequent to the commencement date of the lease term, the

Company subsequently measures the lease liability on the following

basis: (1) The carrying amount of the lease liability is increased when

interest on the lease liability is recognised;

2) The carrying amount of the lease liability is reduced when lease payments are made;

3) The carrying amount of the lease liability is remeasured when there is a change in the lease payments as a result of, for example, a revaluation or lease modification.

Interest expense on a lease liability is calculated at a constant periodic rate over the lease term and is charged to current profit or loss, except when it should be capitalised. The periodic interest rate is the discount rate used by the Company to initially measure the lease liability, or to remeasure the lease liability at a revised rate if there is a change in the lease payments or a modification of the lease that requires the lease to be remeasured at a revised rate.

#### (3) Remeasurement of lease liabilities

After the commencement date of the lease term, the Company re-measures the lease liability based on the present value of the lease payments after the change and the revised discount rate, and adjusts the carrying amount of the right-of-use asset accordingly. If the carrying amount of the right-of-use asset has been reduced to zero, but the lease liability is still subject to further reduction, the Company recognises the remaining amount in profit or loss for the current period.

1) Changes in substantive fixed payments;

2) Change in the projected amount payable for the residual value of the guarantee;

3) Changes in the indices or ratios used to determine lease payments;

4) Changes in the valuation of purchase options;

5) Changes in appraisal results or actual driving conditions for lease renewal options or lease termination options.

## 36. Projected liabilities

For present obligations arising from pending litigation, loss contracts, etc., the performance of which is probable to result in an outflow of economic benefits, a projected liability is recognised when the amount of the obligation can be measured reliably. For future operating losses, no projected liability is recognised.

Projected liabilities are measured initially on the basis of the best estimate of the expenditure required to settle the related present obligation, taking into account 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 amount of the increase in the carrying amount of the projected liability attributable to discount reductions made over time is recognised as interest expense.

At the balance sheet date, the carrying value of the projected liabilities is reviewed and adjusted appropriately to reflect the current best estimate.

### 37. Share-based payment

#### (1) Types of share-based payments

Share-based payments involving employees that are equity-settled and share-based payments involving employees that are cash-settled are classified according to the method of settlement

#### (2) Methods of determining the fair value of equity instruments

The closing price on the grant date is used as the fair value of the restricted stock.

#### (3) Basis for recognising the best estimate of a viable equity instrument

At each balance sheet date during the waiting period, the best estimate is made based on the latest available subsequent information, such as changes in the number of employees with a restricted period, to amend the restricted period equity instruments

Quantity.

(4) Accounting treatment related to the implementation, modification and termination of share-based payment plans

Equity-settled share-based payments involving employees that are immediately exercisable after grant are charged to cost and expense and capital surplus based on the fair value of the equity instruments at the date of grant; if the grant is subject to the completion of services within a waiting period or the fulfilment of specified performance conditions before exercisable after grant, the fair value of the equity instruments at the date of grant of the equity instruments is based on the best estimate of the number of equity instruments that will become exercisable, at each balance sheet date within the waiting period. The services acquired during the period are recognised in the relevant cost or expense and capital surplus.

For cash-settled share-based payments involving employees, if the rights are exercisable immediately after the grant, the related costs or expenses and corresponding liabilities are recognised at the fair value of the liabilities assumed by the Company on the date of the grant; if the rights are exercisable after the grant, subject to the completion of services within a waiting period or the fulfilment of performance conditions, the services acquired during the period are recognised at the amount of the fair value of the liabilities assumed by the Company on the basis of the best estimation of the circumstances under which the rights will be exercisable, at each balance sheet date during the waiting period. On each balance sheet date during the waiting period, based on the best estimate of the feasibility of the option, the services acquired during the period are recognised in the relevant cost or expense and the corresponding liability, in accordance with the fair value of the liability assumed by the Company.

### 38. Preference shares, perpetual bonds and other financial instruments

☐ Applicable ☒ Not applicable

### 39. Income

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

(1) Accounting policies used for revenue recognition and measurement

1) Revenue recognition principles

On the commencement date of the contract, the Company evaluates the contract, identifies each individual performance obligation included in the contract and determines whether each individual performance obligation is to be performed within a certain time period or at a certain point in time.

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

(i) The customer acquires and consumes the economic benefits arising from the Company's performance at the same time as the Company's performance.

② The customer is able to control the goods or services under construction in the course of the Company's performance.

(iii) The goods or services produced in the course of the Company's performance have a non-substitutable use, and the Company is entitled to receive payment for the portion of the performance that has been completed to date, cumulatively, throughout the term of the contract.

For performance obligations that are to be fulfilled within a certain period of time, the Company recognises revenue over that period of time based on the progress of performance. When the progress of performance is not reasonably determinable, revenue is recognised at the amount of costs incurred until the progress of performance is reasonably determinable, provided that the costs incurred are expected to be reimbursed.

Revenue is recognised at the point at which the customer obtains control of the relevant goods or services for performance obligations that are fulfilled at a point in time. The Company considers the following indications in determining whether a customer has obtained control of goods:

(i) The Company has a present right to receive payment for the merchandise, which means that the customer has a present obligation to pay for the merchandise.

② The Company has transferred the legal ownership of the goods to the customer, i.e., the customer has the legal ownership of the goods.

(iii) The Company has physically transferred the goods to the customer, i.e. the customer has taken physical possession of the goods.

④ The Company has transferred the main risks and rewards of ownership of the goods to the customer, i.e. the customer has acquired the main risks and rewards of ownership of the goods.

⑤ The customer has accepted the item.

(vi) Other indications that the customer has gained control of the commodity.

## 2) Principles of income measurement

The Company measures revenue based on the transaction price allocated to each individual performance obligation.

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

Where variable consideration exists in a contract, the Company determines the best estimate of the variable consideration on the basis of the expected or most probable amount to be incurred, provided that the price of the transaction incorporating the variable consideration does not exceed the amount by which it is highly probable that the cumulative revenue recognised will not materially reverse when the related uncertainty is removed.

Where there is a significant financing element in a contract, the Company determines the transaction price based on the amount payable that would have been paid in cash had the customer assumed control of the goods or services at the time of acquisition. The difference between this transaction price and the contract consideration is amortised over the contract period using the effective interest method. If, at the inception date of the contract, the Company expects that the interval between the customer's acquisition of control over goods or services and the customer's payment of the price will not exceed one year, the Company does not take into account the existence of a significant financing component in the contract.

If the customer pays non-cash consideration, the Company determines the transaction price based on the fair value of the non-cash consideration. If the fair value of the non-cash consideration cannot be reasonably estimated, the transaction price is indirectly determined by reference to the separate selling price of the merchandise that the Company undertakes to transfer to the customer. Changes in the fair value of non-cash consideration due to reasons other than the form of consideration

Those that move are treated as variable consideration.

Where the Company has a consideration payable to a customer (or a third party that purchases the Company's goods from a customer), the consideration payable is written off against the transaction price and is charged to current revenue at the point in time when the later of the recognition of the related revenue or the payment (or promise to pay) of the customer's consideration occurs, unless the consideration payable to the customer is for the purpose of obtaining other clearly distinguishable goods from the customer.

Where a contract contains two or more performance obligations, the company apportions the transaction price to each individual performance obligation in the relative proportion of the individual selling price of the goods committed to in each individual performance obligation at the commencement date of the contract.

For sales with sales return clauses, the Company recognises revenue at the amount of consideration to which it expects to be entitled as a result of transferring the merchandise to the customer when the customer obtains control of

the related merchandise, and recognises a projected liability at the amount it expects to refund as a result of the sales return; and at the same time, recognises an asset at the carrying value of the merchandise expected to be returned at the time the merchandise is transferred, net of costs expected to be incurred in recovering the merchandise, including impairment of the value of the merchandise being returned. At the same time, an asset is recognised as an asset, i.e. cost of goods returned receivable, at the carrying value at the time of transfer of the goods expected to be returned, less the costs expected to be incurred to recover the goods (including the impairment of the value of the goods returned).

The carrying value of the merchandise at the time of transfer, net of the cost of the above assets, is carried at cost. At each balance sheet date, the Company re-estimates future sales returns and re-measures the above assets and liabilities.

The Company provides quality assurance for goods sold or assets constructed, etc., based on contractual agreements, legal requirements, etc. The Company accounts for warranties that guarantee that goods sold will meet established standards in accordance with Accounting Standard No. 13, "Contingencies". For service-type quality assurance where a separate service is provided in addition to the assurance to the customer that the merchandise sold meets the established standards, the Company treats the service-type quality assurance as a single performance obligation and apportions a portion of the transaction price to the service-type quality assurance based on the relative proportions of the separate selling prices of the merchandise provided and the service-type quality assurance and recognises revenue when the customer obtains control of the service. In assessing whether a quality assurance provides a separate service beyond assuring the customer that the goods sold meet established standards, the Company considers factors such as whether the quality assurance is a statutory requirement, the duration of the quality assurance and the nature of the Company's commitment to perform the task.

If the Company has the right to determine the price of the goods traded on its own, i.e., if the Company is able to control the goods and other products before transferring them to the customer, the Company is the primary responsible party and recognises revenue on the basis of the total consideration received or receivable. Otherwise, the Company is the agent and recognises revenue based on the amount of commission or fee to which it expects to be entitled, which shall be recognised as the net amount of the total consideration received or receivable, less the price payable to other related parties, or based on the amount or percentage of the commission established, etc.

### 3) Specific methods of revenue recognition

The sale of tyre products by the Company is a performance obligation fulfilled at a point in time.

Revenue recognition for domestic sales is subject to the following conditions

The Company has delivered the product to the customer and the customer has accepted the merchandise in accordance with the contract, the payment has been received or a collection document has been obtained and it is probable that the related economic benefits will flow in, the principal risks and rewards of ownership of the merchandise have been transferred, and the legal title to the merchandise has been transferred.

② Revenue recognition for exported products is subject to the following conditions

The Company has declared the products for customs clearance in accordance with the contractual agreements, obtained bills of lading, has received payment for the goods or obtained proof of receipt and it is probable that the related economic benefits will flow in, the principal risks and rewards of ownership of the goods have been transferred, and the legal title to the goods has been transferred.

#### **40. Government grants**

(1) Basis of judgement and accounting treatment of government grants related to assets

Government grants related to assets are either offset against the carrying amount of the related assets or recognised as deferred income. Government grants related to assets that are recognised as deferred income are phased into profit or loss over the useful lives of the related assets in a rational and systematic manner. Government grants that are measured at a nominal amount are recognised directly in profit or loss.

If the relevant assets are sold, transferred, retired or destroyed before the end of their useful lives, the balance of the related deferred income that has not yet been allocated shall be transferred to profit or loss in the period in which the assets are disposed of.

(2) Basis of judgement and accounting treatment of government grants related to revenue

Deferred income is recognised if it is used to compensate the enterprise for the relevant costs or losses in a future period and is charged to current profit or loss or eliminated against relevant costs in the period in which the relevant costs or losses are recognised; if it is used to compensate the enterprise for the relevant costs or losses that have already been incurred, it is charged directly to current profit or loss or eliminated against relevant costs.

(3) Government grants with both asset-related and revenue-related components

For government grants that contain both asset-related and revenue-related components, the accounting treatment should be differentiated between the different components; if it is difficult to differentiate between them, they should be categorised as revenue-related government grants as a whole.

(4) Accounting for government grants in the income statement

Government grants related to the daily activities of an enterprise shall be credited to other income or deducted from relevant costs and expenses in accordance with the substance of the economic operations. Government grants that are



not related to the daily activities of an enterprise shall be included in non-operating income and expenditure.

(5) Treatment of returns of government grants

If a government grant that has been recognised needs to be returned, it is accounted for in accordance with the following provisions in the period in which it needs to be returned: if the initial recognition reduces the carrying amount of the related assets, the carrying amount of the assets is adjusted;

If deferred income exists, the carrying amount of the deferred income is reduced and the excess is recognised in profit or loss for the current period; in other cases, it is recognised directly in profit or loss for the current period.

(6) Treatment of policy favourable loan discounts

Where the treasury allocates the subsidised interest rate funds to a lending bank, and the lending bank provides the loan to the enterprise at a policy preferential interest rate, the accounting treatment shall be based on the following method: The Company may take the actual amount of the borrowing received as the recorded value of the borrowing according to the actual situation, and calculate the relevant borrowing in accordance with the principal amount of the borrowing and the interest rate of such policy preferential interest rate

(c) The cost of payments.

The fair value of the borrowing can also be used as the entry value of the borrowing and calculate the borrowing costs in accordance with the effective interest rate method, the difference between the actual amount received and the fair value of the borrowing

Deferred income is recognised for the difference. Deferred income is amortised using the effective interest rate method over the life of the borrowing and is offset against the related borrowing costs. If the financial institutions allocate the subsidised interest rate funds directly to the enterprises, the enterprises should offset the corresponding subsidised interest rate against the relevant borrowing costs.

#### **41. Deferred income tax assets/deferred income tax liabilities**

Deferred tax assets and deferred tax liabilities are determined on the basis of the differences between the tax bases of assets and liabilities and their carrying amounts, including taxable temporary differences and deductible temporary differences.

Deductible temporary differences are calculated and recognised. Deductible losses that can be offset against taxable income in future years in accordance with the tax law are treated as deductible temporary differences. Deferred tax liabilities are not recognised for temporary differences arising from the initial recognition of goodwill. Deferred tax liabilities are not recognised for temporary differences arising from the initial recognition of goodwill that affect neither accounting profit nor taxable income.

( Deferred tax assets and deferred tax liabilities are not recognised for temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination (or a deductible loss). At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled.

Deferred tax assets are recognised to the extent that it is probable that the Company will be able to obtain taxable income against which deductible temporary differences, deductible losses and tax credits can be utilised.

Limits.

Deferred tax assets and deferred tax liabilities arising from temporary differences associated with investments in subsidiaries, associates and joint ventures are recognised. However, temporary differences are not recognised if the Company can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

#### **42. Leasing**

##### **(1) Accounting for operating leases**

###### **1) Identification of leases**

A lease is a contract in which the lessor cedes the right to use an asset to the lessee for a certain period of time for consideration.

At the inception date of a contract, the Company assesses whether the contract is a lease or contains a lease. A contract is a lease or contains a lease if one of the parties to the contract grants the right to control the use of one or

more identified assets for a specified period of time in exchange for consideration.

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

## 2) The Company as Lessee

### ① Initial confirmation

The Company recognises right-of-use assets and lease liabilities for leases where the Company is the lessee. For details of the accounting treatment of right-of-use assets and lease liabilities, see "3.24 Right-of-use assets" and "3.30 Lease liabilities".

### ② Change of lease

A lease modification is a change in the scope of the lease, the lease consideration, or the lease term other than the original contractual terms, including the addition or termination of the right to use one or more leased assets, or the extension or shortening of the lease term specified in the contract. The effective date of a lease modification is the date on which the parties agree on the lease modification.

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

- 1) This lease modification expands the scope of the lease by adding the right to use one or more of the leased assets;

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

If the lease modification is not accounted for as a separate lease, on the effective date of the lease modification, the Company apportions the consideration for the modified contract in accordance with the provisions of the leasing standards relating to lease splits to re-determine the lease term after the modification; and discounts the lease payments after the modification using a revised discount rate to re-measure the lease liability. In calculating the present value of the changed lease payments, the Company uses the lease implicit rate for the remaining lease term as the discount rate; if the lease implicit rate for the remaining lease term cannot be determined, the Company uses the lessee's incremental borrowing rate on the effective date of the lease change as the discount rate. With respect to the impact of the above lease liability adjustments, the Company distinguishes between the following scenarios for accounting purposes:

- 1) If a lease modification results in a reduction in the scope of the lease or a shortening of the lease term, the lessee shall reduce the carrying amount of the right-of-use asset and record the gain or loss related to partial or complete termination of the lease in profit or loss for the current period.
- 2) Where other lease modifications result in a remeasurement of the lease liability, the lessee adjusts the carrying value of the right-of-use asset accordingly.

① Leases of other and low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases with a lease term of less than 12 months and for low-value asset leases where the individual leased asset has a lower value when the leased asset is new. The Company records lease payments under short-term leases and leases of low-value assets as part of the cost of the related assets or as part of profit or loss on a straight-line basis, or on a systematic and reasonable basis, for each period during the lease term.

② The Company as lessor

At the lease commencement date, the Company classifies leases as finance leases and operating leases.

A lessor classifies a lease as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the leased asset, and a lease other than a finance lease as an operating lease.

③ Accounting for operating leases

At various times during the lease term, the Company recognises lease receipts under operating leases as rental income using the straight-line method or other systematic and reasonable methods.

If a rent-free period is provided, the Company allocates the total amount of rent on a straight-line basis over the entire lease term without deducting the rent-free period, and rental income should be recognised during the rent-free period.

Income. If the Company bears certain expenses of the lessee, such expenses shall be deducted from the gross rental income and the balance of the rental income after deduction shall be allocated over the lease term. Initial direct costs incurred by the Company in connection with an operating lease shall be capitalised to the cost of the asset subject to the lease and allocated over the lease term on the same basis as rental income.

The recognition basis of the current year's financial statements is determined on a periodic basis and is included in the current year's profit or loss.

For fixed assets under operating leases, the Company depreciates them using the depreciation policy for similar assets; for other assets under operating leases, the Company amortises them using a systematic and reasonable method.

Variable lease payments acquired by the Company in connection with operating leases that are not included in the lease receipts are recognised in profit or loss when they are actually incurred. When an operating lease is changed, the Company accounts for it as a new lease from the effective date of the change, and the lease receipts received in advance or receivable relating to the lease prior to the change are considered to be receipts under the new lease.

## **(2) Accounting for finance leases**

### **1) 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 represents the unguaranteed residual value and the amount of unearned revenue not yet received at the commencement date of the lease term.

The sum of the present values of the lease receipts discounted at the interest rate embedded in the lease.

The Company calculates and recognises interest income at a fixed periodic rate for each period during the lease term. Variable lease payments acquired by the Company that are not included in the measurement of the net investment in the lease are charged to current profit or loss when they are actually incurred.

## 2) subletting

The Company, as a sublease lessor, accounts for the original lease and the sublease contract as two separate contracts. The Company classifies subleases based on the right-of-use asset arising from the original lease, rather than the leased asset.

## 3) sale-and-leaseback

The Company assesses whether the transfer of assets in sale and leaseback transactions is a sale in accordance with the principles described in "3.33 Revenue".

### ① The Company as lessee

If the transfer of an asset in a sale and leaseback transaction is a sale, the Company, as the lessee, measures the right-of-use asset resulting from the sale and leaseback at the portion of the carrying value of the original asset that relates to the right of use acquired by leasing it back and recognises the related gain or loss only for the right transferred to the lessor; if the transfer of an asset in a sale and leaseback transaction is not a sale, the Company, as the lessee, continues to recognise the transferred asset and at the same time recognises The Company, as the lessee, continues to recognise the transferred asset and at the same time recognises a financial liability equal to the transfer proceeds. For details of the accounting treatment of financial liabilities, please refer to "3.10 Financial Instruments".

### ② The Company as lessor

If the transfer of assets in a sale and leaseback transaction is a sale, the Company, as the lessor, accounts for the purchase of the assets and accounts for the lease of the assets in accordance with the policy of "3.36.3 The Company as Lessor" mentioned above; if the transfer of assets in a sale and leaseback transaction is not a sale, the Company, as the lessor, does not recognise the transferred assets but recognises a financial asset equal to the proceeds of the transfer. If the transfer of assets in a sale and leaseback transaction is not a sale, the Company, as the lessor, does not recognise the transferred assets but recognises a financial asset equal to the transfer proceeds. For details of the accounting treatment of financial assets, please refer to "3.10 Financial Instruments".

## 43. Other significant accounting policies and accounting estimates

☐ Applicable ☒ Not applicable

## 44. Significant accounting policies and changes in accounting estimates

### (1) Changes in significant accounting policies

☒ Applicable ☐ Not applicable

What and why changes in accounting policies	Approval process	note
The Ministry of Finance (MOF) issued the "Interpretation of Accounting Standards for Business Enterprises (ASBE) No.15" on 30 December 2021 (Caixin). (〔2021〕 No. 35) "Accounting Treatment for External Sales of Products or By-products Produced by Enterprises Before Fixed Assets Reach the Intended Useable State or in the Process of Research and Development", "Accounting Treatment for Loss-making Contracts Judgement" is effective from 1 January 2022 onwards.	inapplicable	The application of the relevant business accounting interpretations had no material impact on the Company's financial statements.
The Ministry of Finance issued ASBE Interpretation No.16 on 30 November 2022 (Caixin). (No. [2022] 31) "Accounting for the Income Tax Effects of Dividends Related to Financial Instruments Classified as Equity Instruments by the Issuer", "Accounting for the Revision of Cash-Settled Share-Based Payment by Enterprises into Cash-Settled Accounting for equity-settled share-based payments" is effective from the date of publication.	inapplicable	The application of the relevant business accounting interpretations had no material impact on the Company's financial statements.

## (2) Significant changes in accounting estimates

☐ Applicable ☒ Not applicable

## 45. Other

☐ Applicable ☒ Not applicable

## VI. Taxes

### 1. Major tax types and rates

tax types	taxable basis	duty rate
value-added tax (VAT)	Taxable value-added (taxable amount is calculated by multiplying the taxable sales by the applicable tax rate, less the amount of credits allowed for the period) Calculation of balance after input tax)	6.00 per cent, 13.00 per cent
Urban maintenance and construction tax	Amount of VAT and excise tax payable	7.00 per cent, 5.00 per cent
corporate income tax	taxable income	See table below for details
Education surcharge	Amount of VAT and excise tax payable	3.00 per cent
Local education surcharge	Amount of VAT and excise tax payable	2.00 per cent

Disclosure of information where there are taxable entities with different corporate income tax rates

Name of taxable entity	Income tax rate
Guizhou Tyre Co.	15.00 per cent
Guizhou Tyre Import & Export Co.	25.00 per cent
gtc northern america llc.	15.00 per cent - 38.00 per cent
northern american commercial tire resources llc.	15.00 per cent - 38.00 per cent
branch of guizhou tyre import/export co.	20.00 per cent
Advance Holdings (Group) International Limited	16.50 per cent
Guizhou Advance Tyre Investment Co.	25.00 per cent
advances tyre (vietnam) company limited	0.00 per cent
Guizhou Advance New Material Co.	25.00 per cent
Guizhou Advance Tyre Sales Co.	25.00 per cent
Guizhou Hercules Tyre Co.	25.00 per cent

### 2. Tax incentives

Guizhou Tyre Company Limited has obtained the certificate of High and New Technology Enterprise jointly approved and issued by Guizhou Science and Technology Department, Guizhou Finance Department and Guizhou Tax Bureau of the State Administration of Taxation, Certificate No. GR202152000185, which is valid for three years (2021-2023), and the enterprise income tax rate for the year 2022 is 15.00%.

### 3. Other



## VII. Notes to the consolidated financial statements

### 1. Currency funds

Unit: Yuan

sports event	Closing balance	Opening balance
(accountancy)	48,121.29	86,804.72
a bank account	2,917,170,538.19	1,754,712,862.86
Other monetary funds	428,617,536.28	358,078,723.53
add up the total	3,345,836,195.76	2,112,878,391.11
Of which: total deposits abroad	250,735,089.99	143,216,035.53
Total amount with restrictions on use due to mortgages, pledges or freezes, etc.	428,617,536.28	358,078,723.53

Other notes:

(1) Other monetary funds represent the amounts of performance bonds, letter of credit deposits and note deposits, of which performance bonds, letter of credit deposits and note deposits are subject to restriction on the right of use, and the total amount of restricted monetary funds at the end of the period was 428,617,536.28 yuan.

(2) The increase of 58.35 per cent in the balance of currency funds compared with the previous period was mainly due to the increase in currency funds resulting from the issuance of the Guiyuan convertible bonds.

### 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

sports event	Closing balance	Opening balance
banker's acceptance	720,834,416.77	721,320,190.35
commercial promissory note	263,580,181.85	156,337,283.05
add up the total	984,414,598.62	877,657,473.40

Unit: Yuan

form	Closing balance			Opening balance		
	Carrying amount	provision for bad debts	book	Carrying amount	provision for bad debts	book

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	sum of money	proport ions	sum of money	Percen tage of accr uals	valu e	sum of money	proportio ns	sum of money	Percen tage of accr uals	valu e
A mon g the m:										
by portfolio	993,098 ,270.03	100.00 per cent	8,683,6 71.41	0.87 per cent	984,414 ,598.62	884,764 ,381.94	100.00 per cent	7,106,9 08.54	0.80 per cent	877,657 ,473.40

Receivables with provision for bad debts bill										
it (refer to preceding item) Middle:										
combinatorial 1: Low wind insurance portfolio	327,242,565.00	32.95 per cent			327,242,565.00	461,733,443.01	52.19 per cent			461,733,443.01
Of which: bank commitments cashier's check	327,242,565.00	100.00 per cent			327,242,565.00	461,733,443.01	100.00 per cent			461,733,443.01
Portfolio 2: General risk group close	665,855,705.03	67.05 per cent	8,683,671.41	1.30 per cent	657,172,033.62	423,030,938.93	47.81 per cent	7,106,908.54	1.68 per cent	415,924,030.39
Of which: commercial commitments cashier's check	267,063,050.22	40.11 per cent	3,482,868.37	1.30 per cent	263,580,181.85	159,008,628.00	37.59 per cent	2,671,344.95	1.68 per cent	156,337,283.05
banking contract cashier's check	398,792,654.81	59.89 per cent	5,200,803.04	1.30 per cent	393,591,851.77	264,022,310.93	62.41 per cent	4,435,563.59	1.68 per cent	259,586,747.34
add up the total	993,098,270.03	100.00 per cent	8,683,671.41	0.87 per cent	984,414,598.62	884,764,381.94	100.00 per cent	7,106,908.54	0.80 per cent	877,657,473.40

Provision for bad debts is made on a portfolio basis:

Unit: Yuan

name (of a thing)	Closing balance		
	Carrying amount	provision for bad debts	Percentage of accruals
Within 1 year	665,855,705.03	8,683,671.41	1.30 per cent

add up the total	665,855,705.03	8,683,671.41	
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A description of the basis for determining the portfolio:

According to the ageing of the originally formed accounts receivable, some of the customers who receive commercial promissory notes have advance receipts.

If the bad debt provision for notes receivable is based on the general model of expected credit losses, please disclose information about the bad debt provision by referring to the disclosure for other receivables:

☐ Applicable ☒ Not applicable

## (2) Provision for bad debts made, recovered or reversed during the period

Provision for bad debts in the current period:

Unit: Yuan

form	Opening balance	Amount of change during the period				Closing balance
		make provision for (capital requirements)	Recovery or reversal	audit and write off	the rest	
General risk portfolio	7,106,908.54	1,576,762.87				8,683,671.41
add up the total	7,106,908.54	1,576,762.87				8,683,671.41

of which the amount of bad debt provisions recovered or reversed during the period is significant:

☐ Applicable ☒ Not applicable

**(3) Notes receivable pledged by the Company at the end of the period**

Unit: Yuan

sports event	Amount pledged at the end of the period
banker's acceptance	574,724,884.63
add up the total	574,724,884.63

**(4) Notes receivable end of period end endorsed or discounted by the company and not yet due at the balance sheet date**

Unit: Yuan

sports event	Amounts derecognised at the end of the period	Amounts not derecognised at the end of the period
banker's acceptance		33,787,111.57
commercial promissory note		47,251,131.64
add up the total		81,038,243.21

**(5) Notes converted to accounts receivable by the company at the end of the period due to the failure of the drawer to perform**☐ Applicable ☒ Not applicable

At the end of the period, the Company did not have any notes that were converted to accounts receivable due to the failure of the issuer to perform.

**(6) Actual write-off of notes receivable during the period**☐ Applicable ☒ Not applicable

There were no actual write-offs of notes receivable during the period.

**5. Accounts receivable****(1) Accounts receivable classification disclosure**

Unit: Yuan

form	Closing balance					Opening balance				
	Carrying amount		provision for bad debts		book valu e	Carrying amount		provision for bad debts		book valu e
	sum of money	proporti ons	sum of money	Percen tage of accr uals		sum of money	proporti ons	sum of money	Percen tage of accr uals	

Accounts receivable for which bad debt provision is made on an individual basis	71,490.044.17	4.94 per cent	71,490.044.17	100.00 per cent		56,416.672.41	5.35 per cent	56,416.672.41	100.00 per cent	
Among them:										
Accounts receivable with provision for bad debts by portfolio	1,375,263,354.28	95.06 per cent	20,844.358.23	1.52 per cent	1,354,418,996.05	997,836,413.24	94.65 per cent	24,866.205.35	2.49 per cent	972,970,207.89

it (refer s sth. prece ding it) Middl e:										
Ageing portfoli o	1,375,2 63,354. 28	100.00 per cent	20,844. 358.23	1.52 per cent	1,354,4 18,996. 05	997,836 ,413.24	100.00 per cent	24,866. 205.35	2.49 per cent	972,970 ,207.89
add up the total	1,446,7 53,398. 45	100.00 per cent	92,334. 402.40	6.38 per cent	1,354,4 18,996. 05	1,054,2 53,085. 65	100.00 per cent	81,282. 877.76	7.71 per cent	972,970 ,207.89

Provision for bad debts by individual item: 71,490,044.17

Unit: Yuan

nam e (of a thing )	Closing balance			
	Carrying amount	provision for bad debts	Percentage of accruals	Reasons for the provision
M/S Malik Trading Co. Pakistan	1,844,791.81	1,844,791.81	100.00 per cent	Not expected to be recovered
PAPA	457,144.16	457,144.16	100.00 per cent	Not expected to be recovered
Indonesia SENTOSA JAYA	368,748.06	368,748.06	100.00 per cent	Not expected to be recovered
COVA GOMME Italy	239,900.11	239,900.11	100.00 per cent	Not expected to be recovered
Laos YHY	152,851.24	152,851.24	100.00 per cent	Not expected to be recovered
Shanghai Yinghong Import & Export Co.	114,561.47	114,561.47	100.00 per cent	Not expected to be recovered
Wosong <b>international</b> trade co; Ltd	42,957.65	42,957.65	100.00 per cent	Not expected to be recovered
<b>JIANGXI</b> NONFERROUS	8,879.87	8,879.87	100.00 per cent	Not expected to be recovered
beiben motors davao PHILIPPINES NC	7,006.39	7,006.39	100.00 per cent	Not expected to be recovered
Bijie Lifan Junma Zhenxing Vehicle limited company	2,038,436.34	2,038,436.34	100.00 per cent	Not expected to be recovered
Yunnan Shenli Rubber Products Co. department (under a ministry)	4,109,544.37	4,109,544.37	100.00 per cent	Not expected to be recovered
Hengyang Hengtou Agricultural Machinery Manufacturing Co. department (under a	2,929,916.21	2,929,916.21	100.00 per cent	Not expected to be recovered

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ministry)				
Xi'an Kemi Storage Equipment Co. department (under a ministry)	347,016.21	347,016.21	100.00 per cent	Not expected to be recovered
Chengdu Hongfangya Science and Trade Co.	19,965,368.34	19,965,368.34	100.00 per cent	Not expected to be recovered
Shuangliu County Jiachuang Tyre Business Department	10,588,701.34	10,588,701.34	100.00 per cent	Not expected to be recovered
Chengdu Shuangcheng Tyre Co.	6,877,443.75	6,877,443.75	100.00 per cent	Not expected to be recovered
Guizhou Fanjingshan Industrial Co.	6,558,737.13	6,558,737.13	100.00 per cent	Not expected to be recovered
Linyi Quannuo Tyre Co.	4,332,849.86	4,332,849.86	100.00 per cent	Not expected to be recovered
Chengdu Yuntong World Trade Co. department (under a ministry)	4,096,701.40	4,096,701.40	100.00 per cent	Not expected to be recovered
Hohhot Huimin District double positive wheel Tyre Distribution Department	3,138,743.36	3,138,743.36	100.00 per cent	Not expected to be recovered
Inner Mongolia Fengyu Trading Co.	1,368,034.99	1,368,034.99	100.00 per cent	Not expected to be recovered
Beijing Wanqiao Xingye Machinery Co. Tongzhou Branch	740,500.60	740,500.60	100.00 per cent	Not expected to be recovered
Haikou Xiuying Guangfeng Tyre Sales Department	646,340.70	646,340.70	100.00 per cent	Not expected to be recovered
Jinhua Youth Automobile Manufacturing Co. department (under a ministry)	192,529.00	192,529.00	100.00 per cent	Not expected to be recovered
Linyi Lunda Trading Co.	179,580.75	179,580.75	100.00 per cent	Not expected to be recovered
Nanning Guanglun Trading Co.	142,759.06	142,759.06	100.00 per cent	Not expected to be recovered
add up the total	71,490,044.17	71,490,044.17		

Provision for bad debts by portfolio: 20,844,358.23

Unit: Yuan



name (of a thing)	Closing balance		
	Carrying amount	provision for bad debts	Percentage of accruals
Ageing portfolio	1,375,263,354.28	20,844,358.23	1.52 percent
add up the total	1,375,263,354.28	20,844,358.23	

Description of the basis for determining the portfolio: None

If the bad debt provision for accounts receivable is based on the general model of expected credit losses, please disclose information about the bad debt provision by referring to the disclosure for other receivables:

☐ Applicable ☒

Not applicable

Disclosure by

ageing

Unit: Yuan

age of accounts	Carrying amount
Up to and including 1 year	1,371,324,811.79
1 to 2 years	13,210,498.75
2 to 3 years	12,565,915.07
More than 3 years	49,652,172.84
3 to 4 years	2,233,853.26
4 to 5 years	8,325,064.13
More than 5 years	39,093,255.45
add up the total	1,446,753,398.45

## (2) Provision for bad debts made, recovered or reversed during the period

Provision for bad debts in the current period:

Unit: Yuan

form	Opening balance	Amount of change during the period				Closing balance
		make provision for (capital requirements)	Recovery or reversal	audit and write off	the rest	
single-item	56,416,672.41	16,396,455.87	4,622,092.65	145,329.50		71,490,044.17
Ageing portfolio	24,866,205.35		4,021,847.12			20,844,358.23
add up the total	81,282,877.76	16,396,455.87	8,643,939.77	145,329.50		92,334,402.40

of which the amount of bad debt provisions recovered or reversed during the period is significant:

Unit: Yuan

Name of unit	Amount recovered or reversed	Recovery method
Hebei Big Dipper Automobile Manufacturing Co.	1,085,861.00	a bank account
add up the total	1,085,861.00	

**(3) Actual accounts receivable written off during the period**

Unit: Yuan

sports event	Amount written off
Shenli Tyre Technology Service Centre, Steamboat District, Hengyang, China	90,000.00

Nanning Hongchang Motorcycle Parts Shop	54,726.12
Linyi Songtai Auto Parts Co.	603.38

of which significant accounts receivable write-offs:

☐ Applicable ☒ Not applicable

#### (4) Top five accounts receivable by party owed at the end of the period

Unit: Yuan

Name of unit	Closing balance of accounts receivable	Percentage of total closing balance of accounts receivable	Closing balance of provision for bad debts
Client 1	103,923,632.73	7.18 per cent	1,355,306.67
Client 2	47,596,292.32	3.29 per cent	620,720.92
Client 3	36,539,271.33	2.52 per cent	476,522.20
Client IV	36,391,960.19	2.51 per cent	474,601.06
Client 5	30,674,568.15	2.12 per cent	400,038.43
add up the total	255,125,724.72	17.62 per cent	

#### (5) Amounts of assets and liabilities resulting from the transfer of accounts receivable with continuing involvement

☐ Applicable ☒ Not applicable

During the reporting period, the Company did not transfer accounts receivable and continued to be involved in the amount of assets and liabilities formed.

#### (6) Receivables derecognised as a result of a transfer of a financial asset

☐ Applicable ☒ Not applicable

During the reporting period, the Company did not have any receivables derecognised due to the transfer of financial assets.

### 6. Receivables financing

Unit: Yuan

sports event	Closing balance	Opening balance
banker's acceptance	414,501,304.36	369,428,542.13
add up the total	414,501,304.36	369,428,542.13

Changes in receivables financing during the period and changes in fair value

☐ Applicable ☒ Not applicable

If the provision for impairment of receivables financing is made in accordance with the general model of expected credit losses, disclose the information about the provision for impairment with reference to the disclosure for other receivables:

☐ Applicable ☒ Not applicable

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**7. Advances****(1) Prepayments by age**

Unit: Yuan

age of accounts	Closing balance		Opening balance	
	sum of money	proportions	sum of money	proportions
Within 1 year	182,393,838.60	98.82 per cent	166,304,075.23	98.98 per cent
1 to 2 years	2,179,500.27	1.18 per cent	988,363.16	0.59 per cent
2 to 3 years			723,331.31	0.43 per cent
add up the total	184,573,338.87		168,015,769.70	

Explanation of the reasons why prepayments aged more than one year and with significant amounts were not settled in a timely manner:

## (2) Top five prepayments with closing balances, grouped by object of prepayment

Name of unit	Relationship with the Company	sum of money	age of accounts	Percentage of total advances (%)
Supplier I	Unrelated parties	50,411,417.84	Within 1 year	27.31
Supplier II	Unrelated parties	32,559,231.62	Within 1 year	17.64
Supplier III	Unrelated parties	27,153,522.39	Within 1 year	14.71
Supplier IV	Unrelated parties	22,331,367.63	Within 1 year	12.1
Supplier V	Unrelated parties	13,528,150.46	Within 1 year	7.33
add up the total		145,983,689.94		79.09

## 8. Other receivables

Unit: Yuan

sports event	Closing balance	Opening balance
Other receivables	19,911,557.56	40,002,280.08
add up the total	19,911,557.56	40,002,280.08

### (1) Interest receivable

#### 1) Classification of interest receivable

☐ Applicable ☒ Not applicable

#### 2) Significant overdue interest

☐ Applicable ☒ Not applicable

#### 3) Provision for bad debts

☐ Applicable ☒ Not applicable

**(2) Dividends receivable**

**1) Classification of dividends receivable**

☐ Applicable ☒ Not applicable

**2) Significant dividend receivables aged over 1 year**

☐ Applicable ☒ Not applicable

**3) Provision for bad debts**

☐ Applicable ☒ Not applicable

**(3) Other receivables****1) Breakdown of other receivables by nature of payment**

Unit: Yuan

Nature of payment	Closing book balance	Opening balance
export tax rebate	7,531,144.24	
margin (in derivative trading)	29,922,935.97	25,000,000.00
current account	35,106,532.86	36,656,582.48
reserve fund	876,116.22	6,998,298.87
provisional	2,196,183.62	406,501.79
the rest	576,991.28	710,737.46
add up the total	76,209,904.19	69,772,120.60

**2) Provision for bad debts**

Unit: Yuan

provision for bad debts	Phase I	Phase II	Phase III	add up the total
	Expected credit losses for the next 12 months	Expected credit losses (no credit impairment) over lifetime	Expected credit losses over lifetime (credit impairment incurred)	
Balance as at 1 January 2022	2,667,014.50		27,102,826.02	29,769,840.52
Balance as at 1 January 2022 in the current period				
--Transferred to phase III	1,250,000.00			1,250,000.00
Provision for the current period	469,087.59		26,059,418.52	26,528,506.11
Other changes			1,250,000.00	1,250,000.00
Balance at 31 December 2022	1,886,102.09		54,412,244.54	56,298,346.63

Changes in the carrying amount of the provision for losses that are significant in amount during the period

☒ Applicable ☐ Not Applicable

	Closing balance
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Other receivables (by unit)	Carrying amount	provision for bad debts	Percentage of accruals	Reasons for the provision
Xiuwen County Urban Construction Investment and Development Co. responsible company	25,000,000.00	25,000,000.00	100	Not expected to be recovered
add up the total	25,000,000.00	25,000,000.00	100	



## Disclosure by age

Unit: Yuan

age of accounts	Carrying amount
Up to and including 1 year	15,923,550.94
1 to 2 years	912,867.19
2 to 3 years	28,004,474.66
More than 3 years	31,369,011.40
3 to 4 years	5,576,103.30
4 to 5 years	313,217.92
More than 5 years	25,479,690.18
add up the total	76,209,904.19

## 3) Provision for bad debts made, recovered or reversed during the period

Provision for bad debts in the current period:

Unit: Yuan

form	Opening balance	Amount of change during the period				Closing balance
		make provision for (capital requirements)	Recovery or reversal	audit and write off	the rest	
single-item	27,102,826.02	26,059,418.52			1,250,000.00	54,412,244.54
Ageing portfolio	2,667,014.50	469,087.59			1,250,000.00	1,886,102.09
add up the total	29,769,840.52	26,528,506.11				56,298,346.63

of which the amount of bad debt provision reversed or recovered during the period is significant:

☐ Applicable ☒ Not applicable

## 4) Other receivables actually written off during the period

☐ Applicable ☒ Not applicable

There were no other accounts receivable actually written off during the period.

## 5) Top five other receivables with closing balances, by party owed to them

Unit: Yuan

Name of unit	Nature of payments	Closing balance	age of accounts	Percentage of total closing balance of other receivables	Closing balance of provision for bad debts
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Correspondent I	go back and forth	26,809,306.08	2-3 years	35.18 per cent	26,809,306.08
Correspondence unit II	margin (in derivative trading)	25,000,000.00	More than 5 years	32.80 per cent	25,000,000.00
Correspondence unit III	go back and forth	3,982,500.00	3-4 years	5.23 per cent	398,250.00
Correspondence unit IV	margin (in derivative trading)	1,000,000.00	Within 1 year	1.31 per cent	50,000.00
Correspondence unit V	go back and forth	691,787.00	3-4 years	0.91 per cent	691,787.00

add up the total		57,483,593.08		75.43 per cent	52,949,343.08
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## 6) Receivables relating to government grants

☐ Applicable ☒ Not applicable

During the reporting period, the Company did not have other receivables involving government grants.

## 7) Derecognition of other receivables due to transfer of financial assets

☐ Applicable ☒ Not applicable

During the reporting period, the Company did not have any other receivables derecognised as a result of the transfer of financial assets.

## 8) Amounts of assets and liabilities resulting from the transfer of other receivables with continuing involvement

☐ Applicable ☒ Not applicable

During the reporting period, the Company did not transfer other receivables and continue to be involved in the formation of assets and liabilities.

## 9. Inventory

Whether the company is required to

comply with disclosure requirements in

the real estate sector No

### (1) Inventory classification

Unit: Yuan

sports event	Closing balance			Opening balance		
	Carrying amount	Provision for decline in value of inventories or impairment of contractual performance costs	book value	Carrying amount	Provision for decline in value of inventories or impairment of contractual performance costs	book value
raw materials	266,333,933.03	793,216.70	265,540,716.33	153,748,672.56	3,045,183.49	150,703,489.07
in product	21,241,254.88		21,241,254.88	14,399,859.94		14,399,859.94
merchandise in stock	830,608,556.57	5,553,097.19	825,055,459.38	634,922,821.68	7,474,042.06	627,448,779.62

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swing space	1,941,926.62		1,941,926.62	362,058.33		362,058.33
Expendable biological assets	383,197.00	383,197.00		383,197.00		383,197.00
Issuance of goods	80,852,336.0 3		80,852,336.0 3	104,443,022. 57		104,443,022. 57
semi- manufactured	60,916,559.5 0	377,902.80	60,538,656.7 0	55,781,722.1 0	664,467.92	55,117,254.1 8
add up the total	1,262,277,76 3.63	7,107,413.69	1,255,170,34 9.94	964,041,354. 18	11,183,693.4 7	952,857,660. 71

**(2) Provision for decline in value of inventories and impairment of contractual performance costs**

Unit: Yuan

sports event	Opening balance	Increase during the period		Decrease during the period		Closing balance
		make provision for (capital requirements)	the rest	Reversal or cancellation	(sth. or sb) else	
raw materials	3,045,183.49	793,216.70		3,045,183.49		793,216.70
merchandise in stock	7,474,042.06	5,553,097.19		7,474,042.06		5,553,097.19
Expendable biological assets		383,197.00				383,197.00
semi-manufactured	664,467.92	377,902.80		664,467.92		377,902.80
add up the total	11,183,693.47	7,107,413.69		11,183,693.47		7,107,413.69

**(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

**10. Contractual assets**

Unit: Yuan

sports event	Closing balance			Opening balance		
	Carrying amount	provision for impairment	book value	Carrying amount	provision for impairment	book value
Contractual assets	18,411,797.61	240,115.09	18,171,682.52	15,383,570.96	243,060.42	15,140,510.54
add up the total	18,411,797.61	240,115.09	18,171,682.52	15,383,570.96	243,060.42	15,140,510.54

Amount of and reasons for significant changes in the carrying value of contract assets during the period:

☐ Applicable ☒ Not applicable

If the bad debt provision for contract assets is based on the general model of expected credit losses, disclose information about the bad debt provision by referring to the disclosure for other receivables:

☐ Applicable ☒ Not applicable

Provision for impairment of contract assets during the period:

Unit: Yuan

sports event	Provision for the current period	Reversal during the period	Write-offs/cancellations during the period	rationale
Ageing portfolio		2,945.33		Contractual funding based on balances Impairment losses on production
add up the total		2,945.33		—

**11. Assets held for sale**

Unit: Yuan

sports event	Closing book balance	provision for impairment	Closing book value	fair value	Projected disposal costs	Estimated disposal time
Guizhou Tyre Jin Guan factory	197,877,212.92		197,877,212.92			December 2023 31st
add up the total	197,877,212.92		197,877,212.92			

**12. Non-current assets due within one year**☐ Applicable ☒ Not applicable**13. Other current assets**

Unit: Yuan

sports event	Closing balance	Opening balance
overpayment of taxes and fees	41,337.88	19,318,129.18
Input tax to be offset	8,928,464.23	26,564,542.75
Relocation costs	193,384,004.74	193,384,004.74
add up the total	202,353,806.85	239,266,676.67

**14. Debt investments**☐ Applicable ☒ Not applicable

Changes in the carrying amount of the provision for losses that are material during the period

☐ Applicable ☒ Not applicable**15. Other debt investments**☐ Applicable ☒ Not applicable

Changes in the carrying amount of the provision for losses that are material during the period

☐ Applicable ☒ Not applicable**16. Long-term receivables****(1) Long-term receivables**☐ Applicable ☒ Not applicable

Changes in the carrying amount of the provision for losses that are significant in amount during the period

☐ Applicable ☒ Not applicable

**(2) Long-term receivables derecognised as a result of a transfer of a financial asset**

☐ Applicable ☒ Not applicable

**(3) Amounts of assets and liabilities resulting from the transfer of long-term receivables with continuing involvement**

☐ Applicable ☒ Not applicable

**17. Long-term equity investments**

Unit: Yuan

investee (in finance)	Opening balance (book value)	Increase/decrease during the period								Closing balance (book value)	Closing balance of provision for impairment
		Additional investments	Reduced investment	Gains and losses on investments recognised under the equity method	Adjustments to other comprehensive income	Other changes in equity	Declaration of cash dividends or profits	provision for impairment	the rest		
I. Joint ventures											
Qingdao Win-Win Equity Investment Partnership (Limited) partnership		25,500,000.00								25,500,000.00	
Subtotal		25,500,000.00								25,500,000.00	
II. Associated enterprises											
add up the total		25,500,000.00								25,500,000.00	

**18. Investments in other equity instruments**



Unit: Yuan

sports event	Closing balance	Opening balance
Bank of Guiyang Co.	44,963,100.00	53,316,900.00
Bank of Guizhou Co.	351,055,110.00	322,500,000.00
Guiyang Rural Commercial Bank Co.	260,532,611.58	289,776,226.32
add up the total	656,550,821.58	665,593,126.32

Itemised disclosure of investments in non-trading equity instruments for the period

Unit: Yuan

Project name	Dividend income recogni sed	Cumulative gains	Cumulative losses	Transfer of other comprehensi ve income to retained earnings amounts	Designated as fair value at Measured at value with changes recognised in other Original comprehensive income reason	Transfer of other comprehensi ve income to retained earnings underlying causes
Bank of Guiyang Shares	2,457,000.00	19,392,400.0			Not for sale	inapplicable

limited company		0			(used form a nominal expression)	
Bank of Guizhou Shares limited company	9,000,000.00	81,000,000.00			Not for sale (used form a nominal expression)	inapplicable
Guiyang Rural Commercial Bank Co. firms	10,544,550.00	75,786,254.18			Not for sale	inapplicable

## 19. Other non-current financial assets

☐ Applicable ☒ Not applicable

## 20. Investment property

### (1) Investment property using the cost measurement model

☒ Applicable ☐ Not applicable

Unit: Yuan

sports event	Houses, buildings	land use right	construction in progress	add up the total
I. Original book value				
1. Opening balance				
2. Increase during the period	2,925,929.00			2,925,929.00
(1) Outsourcing				
(2) Transfer of inventories\fixed assets\construction in progress confirm or agree with	2,925,929.00			2,925,929.00
(3) Business combination furthermore				
3. Decrease during the period				
(1) Disposal				
(2) Other transfers go out				
4. Closing balance	2,925,929.00			2,925,929.00
II. Accumulated depreciation and				

accumulated depreciation				
1. Opening balances				
2. Increase during the period	1,796,756.83			1,796,756.83
(1) Accrual or depreciation	111,185.30			111,185.30
Additions during the period	1,685,571.53			1,685,571.53
3. Decrease during the period				
(1) Disposal				
(2) Other transfers go out				

4. Closing balance	1,796,756.83			1,796,756.83
III. Provision for impairment				
1. Opening balances				
2. Increase during the period				
(1) Provision				
3. Decrease during the period				
(1) Disposal				
(2) Other transfers go out				
4. Closing balance				
IV. Carrying value				
1. Closing book value	1,129,172.17			1,129,172.17
2. Opening book value				

## (2) Investment property using the fair value measurement model

☐ Applicable ☒ Not applicable

## (3) Status of investment properties with outstanding title deeds

☐ Applicable ☒ Not applicable

## 21. Fixed assets

Unit: Yuan

sports event	Closing balance	Opening balance
fixed assets	5,352,007,139.78	4,619,084,104.97
add up the total	5,352,007,139.78	4,619,084,104.97

## (1) Fixed assets

Unit: Yuan

sports event	building	machinery and equipment	Transport equipment	Electronic and other equipment	add up the total
i. Original book value:					
1. Opening balance	2,320,515,584.34	4,458,794,584.43	116,670,526.07	121,392,364.84	7,017,373,059.68

2. Increase during the period	178,065,392.27	887,229,153.94	48,355,845.04	4,061,603.11	1,117,711,994.36
(1) Purchase install	48,413,766.56	206,235,957.40	35,203,049.33	2,711,255.19	292,564,028.48
(2) Transfer from construction in progress	129,651,625.71	646,729,861.21	13,152,795.71	1,341,784.38	790,876,067.01
(3) Increase in business combinations					

(4) its (used for either sex when the sex is unknown or unimportant)		34,263,335.33		8,563.54	34,271,898.87
3. Decrease during the period sum of money	8,740,377.78	48,571,319.25	1,222,192.43	1,239,787.23	59,773,676.69
(1) Branch Replacement or obsolescence	5,814,448.78	48,571,319.25	1,222,192.43	1,239,787.23	56,847,747.69
(2) Turn Into investment properties	2,925,929.00				2,925,929.00
4. Closing balance	2,489,840,598.8 3	5,297,452,419.1 2	163,804,178.68	124,214,180.72	8,075,311,377.3 5
II. Accumulated depreciation					
1. Opening balances	266,999,621.78	2,034,612,377.4 1	29,881,792.53	63,368,768.98	2,394,862,560.7 0
2. Increase during the period sum of money	57,363,568.42	292,179,740.53	10,652,691.63	7,791,658.32	367,987,658.90
(1) Count carry (hanging down from the hand)	57,363,568.42	292,175,940.09	10,652,691.63	7,786,169.25	367,978,369.39
(2) This New for the period		3,800.44		5,489.07	9,289.51
3. Decrease during the period sum of money	2,920,437.84	37,258,374.04	1,420,013.35	1,048,549.44	42,647,374.67
(1) Branch Replacement or obsolescence	1,139,422.17	37,258,374.04	1,420,013.35	1,048,549.44	40,866,359.00
(2) Turn Into investment properties	1,685,571.53				1,685,571.53
(3) Other reductions	95,444.14				95,444.14
4. Closing balance	321,442,752.36	2,289,533,743.9 0	39,114,470.81	70,111,877.86	2,720,202,844.9 3
III. Provision for impairment					
1. Opening balances		2,368,192.09	9,899.85	1,048,302.07	3,426,394.01
2. Increase during the period					

sum of money					
(1) Count carry (hanging down from the hand)					
3. Decrease during the period sum of money		160,585.52	799.92	163,615.93	325,001.37
(1) Branch Replacement or obsolescence		160,585.52	799.92	163,615.93	325,001.37
4. Closing balance		2,207,606.57	9,099.93	884,686.14	3,101,392.64
IV. Carrying value					
1. Closing balance fig. values (ethical, cultural etc)	2,168,397,846.4 7	3,005,711,068.6 5	124,680,607.94	53,217,616.72	5,352,007,139.7 8
2. Opening balance fig. values (ethical, cultural etc)	2,053,515,962.5 6	2,421,814,014.9 3	86,778,833.69	56,975,293.79	4,619,084,104.9 7

**(2) Status of temporarily idle fixed assets**

☐ Applicable ☒ Not applicable

**(3) Fixed assets leased out through operating leases**

☐ Applicable ☒ Not applicable

**(4) Status of fixed assets for which certificates of title have not been issued**

Unit: Yuan

sports event	book value	Reasons for non-completion of title deeds
Zazo factory buildings	52,074,611.69	in progress

Other notes:

**(5) Fixed assets liquidation**

☐ Applicable ☒ Not applicable

**22. Construction in progress**

Unit: Yuan

sports event	Closing balance	Opening balance
construction in progress	509,057,019.71	743,472,714.84
add up the total	509,057,019.71	743,472,714.84

**(1) Status of construction in progress**

Unit: Yuan

sports event	Closing balance			Opening balance		
	Carrying amount	provision for impairment	book value	Carrying amount	provision for impairment	book value
All-steel radial wheels Relocation project of 3 million tyres (i.e. Zazo all-steel) (Phase III)				65,867,504.38		65,867,504.38
Annual production in Viet Nam 120 10,000 all-steel radial Wire tyre project	353,323,710.31		353,323,710.31	400,840,204.68		400,840,204.68



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Green Tyre Engineering Technology Centre and General Ministry of Construction Project	1,794,237.07		1,794,237.07	53,862,754.63		53,862,754.63
Annual production capacity of 380,000 strips All-steel engineering meridian Intelligent Manufacturing of Wire Tyres manufacturing project	100,173,805.72		100,173,805.72	1,052,859.74		1,052,859.74
the rest	53,765,266.61		53,765,266.61	221,849,391.41		221,849,391.41

add up the total	509,057,019. 71		509,057,019. 71	743,472,714. 84		743,472,714. 84
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## (2) Changes in significant construction-in-progress projects during the period

Unit: Yuan

Project name	budgeted number	Opening balance	Increase during the period	Amounts transferred to fixed assets during the period	Other decreases during the period	Closing balance	Cumulative investment in works as a percentage of budget	project progress	Accumulated amount of interest capitalised	Of which: Amount of interest capitalised during the period	Current interest capitalisation rate	Source of funds
All-steel radial tyre relocation project (i.e. Zazao All-Steel I Phase III) (Cheng)	1,544,722,500.00	65,867,504.38	48,753,867.57	42,901,318.81	71,720,053.14		100.00 per cent	100.00 per cent	7,060,890.78			the rest
Green tyre engineering technology centre and headquarter	210,000.00	53,862,754.63	1,233,200.50	53,301,718.06		1,794,237.07	26.24 %	26.24 %				the rest

s cons tructi on proj ect catalog ue												
Vietna m has an annua l produ ction capaci ty of 1.2 million All- steel radi al tyre s sports event	1,434 ,160. 800.0 0	400,8 40,20 4.68	228,8 94,09 1.13	276,4 10,58 5.50		353,3 23,71 0.31	95.69 %	95.69 %				equi ty raisi ng
Annu al outp ut of 380,0 00 all- steel engin eerin g radial tyres intelli gent man ufact uring sports event	1,940 ,347. 900.0 0	1,052 ,859. 74	99,12 0,945 .98			100,1 73,80 5.72	5.16 per cent	5.16 per cent				the rest
add up the total	7,019 ,231. 200.0	521,6 23,32 3.43	378,0 02,10 5.18	372,6 13,62 2.37	71,72 0,053 .14	455,2 91,75 3.10			7,060 ,890. 78			

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**(3) Provision for impairment of construction in progress during the period**

☐ Applicable ☒ Not applicable

**(4) Engineering materials**

☐ Applicable ☒ Not applicable

**23. Productive biological assets**

**(1) Produced biological assets using the cost-measurement model**

☐ Applicable ☒ Not applicable

**(2) Produced biological assets using the fair value measurement model**

☐ Applicable ☒ Not applicable

**24. Oil and gas assets**

☐ Applicable ☒ Not applicable

**25. Right-to-use assets**

Unit: Yuan

sports event		add up the total
I. Original book value		
1. Opening balance		
2. Increase during the period		
3. Decrease during the period		
4. Closing balance		
II. Accumulated depreciation		
1. Opening balances		
2. Increase during the period		
(1) Provision		
3. Decrease during the period		
(1) Disposal		
4. Closing balance		
III. Provision for impairment		

1. Opening balance		
2. Increase during the period		
(1) Provision		
3. Decrease during the period		
(1) Disposal		
4. Closing balance		
IV. Carrying value		
1. Closing book value		
2. Opening book value		

## 26. Intangible assets

### (1) Intangible assets

Unit: Yuan

sports event	land use right	franchises	Non-patented technology	hardware	add up the total
I. Original book value					
1. Opening balance	363,771,967.19			59,574,032.74	423,345,999.93
2. Increase during the period	59,459,149.27			18,837,229.81	78,296,379.08
(1) Purchase install	6,157,431.21			1,808,231.76	7,965,662.97
(2) Within Research and Development					
(3) Increase in business combinations					
(4) In Transfer from construction	53,301,718.06			17,028,998.05	70,330,716.11
3. Decrease during the period	7,451,095.49			2,569,823.43	10,020,918.92
(1) Branch install					
(2) its (used for either sex when the sex	7,451,095.49			2,569,823.43	10,020,918.92

is unknown or unimportant)					
4. Closing balance	415,780,020.97			75,841,439.12	491,621,460.09
II. Accumulated amortisation					
1. Opening balance	40,256,091.56			17,476,510.06	57,732,601.62
2. Increase during the period	14,755,577.05			4,868,358.33	19,623,935.38
(1) Count carry (hanging down from the hand)	14,755,577.05			4,868,358.33	19,623,935.38
3. Decrease during the period					
(1) Branch					

install					
4. Closing balance	55,011,668.61			22,344,868.39	77,356,537.00
III. Provision for impairment					
1. Opening balance					
2. Increase during the period sum of money					
(1) Count carry (hanging down from the hand)					
3. Decrease during the period sum of money					
(1) Branch install					
4. Closing balance					
IV. Carrying value					
1. Closing balance fig. values (ethical, cultural etc)	360,768,352.36			53,496,570.73	414,264,923.09
2. Opening balance fig. values (ethical, cultural etc)	323,515,875.63			42,097,522.68	365,613,398.31

Intangible assets formed through in-house research and development at the end of the period as a percentage of the balance of intangible assets.

## (2) Status of land use rights for which title deeds have not been issued

☐ Applicable ☒ Not applicable

During the reporting period, there were no instances of land use rights for which the Company did not have a title certificate.

## 27. Development expenditure

☐ Applicable ☒ Not applicable

## 28. Goodwill

**(1) Original carrying amount of goodwill**

☐ Applicable ☒ Not applicable

**(2) Provision for impairment of goodwill**

☐ Applicable ☒ Not applicable

**29. Long-term amortisation**

Unit: Yuan

sports event	Opening balance	Increase during the period	Amortisation for the period	Other decreases	Closing balance
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mould	68,266,402.89	53,288,846.12	38,568,311.04		82,986,937.97
fire-fighting equipment	8,100,000.00		225,000.00		7,875,000.00
the rest		1,871,540.94	147,931.42		1,723,609.52
add up the total	76,366,402.89	55,160,387.06	38,941,242.46		92,585,547.49

### 30. Deferred income tax assets/deferred income tax liabilities

#### (1) Deferred tax assets not offset

Unit: Yuan

sports event	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment of assets	164,589,230.31	33,609,715.60	130,650,864.87	27,376,901.68
Unrealised profit on internal transactions			8,784,203.46	1,317,630.52
Deductible losses	373,067,563.54	61,972,989.42	60,565,132.68	15,228,313.38
project proposal	331,952,278.72	50,052,403.41	353,491,427.70	55,599,491.65
share-based payment	52,014,265.72	7,802,139.86	62,404,032.36	9,360,604.86
Deferred income	100,398,078.23	15,059,711.73	103,150,838.16	15,482,149.92
Bond interest payable	24,038,949.27	3,605,842.39		
add up the total	1,046,060,365.79	172,102,802.41	719,046,499.23	124,365,092.01

#### (2) Deferred tax liabilities not offset

Unit: Yuan

sports event	Closing balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Changes in fair value of investments in other equity instruments	138,921,421.60	20,838,213.24	147,963,726.33	22,194,558.95
Fixed Assets Tax Differential	273,195,063.67	40,979,259.55		
the rest	16,059,654.07	2,408,948.11	16,059,654.07	2,408,948.11
add up the total	428,176,139.34	64,226,420.90	164,023,380.40	24,603,507.06

#### (3) Deferred income tax assets or liabilities, net of eliminations

Unit: Yuan

sports event	Amounts of deferred tax assets and liabilities offset at	Closing balance of deferred tax assets or liabilities after	Deferred income tax assets and liabilities offset at	Opening balance of deferred tax assets or liabilities after
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	the end of the period	offsetting	the beginning of the period	offsetting
Deferred tax assets		172,102,802.41		124,365,092.01
Deferred income tax liabilities		64,226,420.90		24,603,507.06

**(4) Breakdown of unrecognised deferred tax assets**

☐ Applicable ☒ Not applicable

**(5) The deductible losses for which no deferred tax assets have been recognised will expire in the following years**

☐ Applicable ☒

Not applicable

Other notes:

Other explanations: The balance of deferred income tax liabilities increased by 161.05% compared with the previous period, mainly due to the fact that according to the Announcement of the Ministry of Finance, the State Administration of Taxation and the Ministry of Science and Technology on Increasing the Support for Pre-tax Deduction for Scientific and Technological Innovations (Announcement of the Ministry of Finance, the State Administration of Taxation and the Ministry of Science and Technology No. 28 of 2022), the period of the high and new-tech enterprises from 1 October 2022 to 2022 was from 1 October to 2022 to 2022

For newly acquired equipment and apparatus during the period from 31 December 2010 to 31 December 2011, a full one-time deduction is allowed in the calculation of taxable income for that year, and a 100 per cent pre-tax credit is allowed.

Deduction. The policy is applicable to all enterprises with high-tech enterprise status within the fourth quarter of 2022.

The Company recognises the deferral of such assets as a result of this policy.

During the reporting period, there was no breakdown of unrecognised deferred income tax assets.

During the reporting period, the Company did not have any unrecognised deferred income tax assets for which deductible losses will expire in the following years.

### 31. Other non-current assets

Unit: Yuan

sports event	Closing balance			Opening balance		
	Carrying amount	provision for impairment	book value	Carrying amount	provision for impairment	book value
Prepaid long-term assets a sum of money	53,663,639.5 3		53,663,639.5 3	33,746,826.9 5		33,746,826.9 5
fixed deposit	507,488,413. 33		507,488,413. 33	301,395,205. 48		301,395,205. 48
add up the total	561,152,052. 86		561,152,052. 86	335,142,032. 43		335,142,032. 43

Other notes:

The balance of other non-current assets increased by 67.44 per cent compared with the previous period, mainly as a result of the increase in time deposits.

### 32. Short-term borrowing

#### (1) Classification of short-term loans

Unit: Yuan

sports event	Closing balance	Opening balance
loan on pledge		550,000,000.00
secured loan		199,000,000.00
Guaranteed Borrowing	350,336,875.00	
credit loan	1,149,121,780.14	914,957,746.71
promissory note discounting	33,787,111.57	5,000,000.00
add up the total	1,533,245,766.71	1,668,957,746.71

A note on the classification of short-term borrowings:

If multiple security conditions exist at the same time, the disclosure is made in the order of priority of the security conditions: pledge, mortgage, guarantee, credit.

**(2) Status of overdue short-term loans**

☐ Applicable ☒

Not applicable

Other notes:

There were no overdue short-term loans at the end of the reporting period.

**33. Financial liabilities held for trading**

☐ Applicable ☒ Not applicable

**34. Derivative financial liabilities**

☐ Applicable ☒ Not applicable

**35. Notes payable**

Unit: Yuan

kind	Closing balance	Opening balance
banker's acceptance	2,118,677,174.88	2,286,364,308.12
add up the total	2,118,677,174.88	2,286,364,308.12

Notes payable that were due and unpaid at the end of the period totalled \$0.00.

**36. Accounts payable****(1) Presentation of accounts payable**

Unit: Yuan

sports event	Closing balance	Opening balance
Within 1 year	1,356,448,526.84	1,422,332,879.75
1 to 2 years	75,625,860.91	40,547,560.48
2 to 3 years	4,188,318.57	11,881,561.01
3 to 4 years	3,817,621.26	964,216.03
4 to 5 years	741,612.00	1,125,098.37
More than 5 years	4,753,131.79	3,704,009.67
add up the total	1,445,575,071.37	1,480,555,325.31

**(2) Significant accounts payable aged over 1 year**

Unit: Yuan

sports event	Closing balance	Reasons for non- reimbursement or carry-over
Tianjin Saixiang Technology Co.	40,485,703.29	Not yet settled

Suzhou Edgeway Robotics Co.	7,078,115.00	Not yet settled
Shanghai Lanbao Environmental Protection Technology Co.	2,388,215.59	Not yet settled
Linyi Lingong Intelligent Information Technology Co.	2,072,050.00	Not yet settled

Jiangxi Shunlu Logistics Co.	1,978,945.05	Not yet settled
Guangzhou Shijinyuan Mechanical & Electrical Equipment Co.	1,314,000.00	Not yet settled
Guizhou Construction Group Second Construction Engineering Co. firms	1,177,545.57	Not yet settled
Lianya Intelligent Technology (Suzhou) Co.	1,144,086.88	Not yet settled
add up the total	57,638,661.38	

### 37. Advance receipts

#### (1) Presentation of receipts in advance

☐ Applicable ☒ Not applicable

#### (2) Significant receipts in advance aged over 1 year

☐ Applicable ☒ Not applicable

### 38. Contractual liabilities

Unit: Yuan

sports event	Closing balance	Opening balance
Within 1 year	171,965,070.71	91,021,357.34
1 to 2 years	2,379,757.75	34,759,967.80
2 to 3 years	9,826,453.36	861,198.91
3 to 4 years	574,292.40	1,008,117.32
4 to 5 years	902,240.93	521,874.27
More than 5 years	1,034,967.83	562,054.41
add up the total	186,682,782.98	128,734,570.05

Amounts and reasons for significant changes in book value during the reporting period

☐ Applicable ☒ Not applicable

### 39. Employee remuneration payable

#### (1) Presentation of employee compensation payable

Unit: Yuan

sports event	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Short-term remuneration	46,762,224.56	736,813,324.32	731,745,650.35	51,829,898.53
II. Post-employment benefits -- defined contribution plans		77,655,527.33	77,655,527.33	
III. Termination	104,021,544.28		20,350,878.62	83,670,665.66

benefits				
add up the total	150,783,768.84	814,468,851.65	829,752,056.30	135,500,564.19



**(2) Presentation of short-term remuneration**

Unit: Yuan

sports event	Opening balance	Increase during the period	Decrease during the period	Closing balance
1. Wages, bonuses, allowances and subsidies	46,762,224.56	597,320,819.91	592,253,145.94	51,829,898.53
2. Employee benefit costs		55,555,043.13	55,555,043.13	
3. Social security contributions		46,784,262.59	46,784,262.59	
Of which: medical insurance wasteful		41,749,251.43	41,749,251.43	
industrial injury insurance wasteful		5,035,011.16	5,035,011.16	
4. Housing Provident Fund		24,427,624.00	24,427,624.00	
5. Funds for trade unions and staff education		12,725,574.69	12,725,574.69	
add up the total	46,762,224.56	736,813,324.32	731,745,650.35	51,829,898.53

**(3) Presentation of the defined benefit plan**

Unit: Yuan

sports event	Opening balance	Increase during the period	Decrease during the period	Closing balance
1. Basic pension insurance		75,547,656.30	75,547,656.30	
2. Unemployment insurance premiums		2,107,871.03	2,107,871.03	
add up the total		77,655,527.33	77,655,527.33	

Other notes:

**40. Taxes payable**

Unit: Yuan

sports event	Closing balance	Opening balance
value-added tax (VAT)	4,263,782.01	8,579,041.79
sales tax	5,138,701.61	4,085,214.90
corporate income tax	80,568,752.96	108,556,683.58
personal income tax	4,252,560.39	5,662,580.60
Urban maintenance and construction	2,612,717.22	1,065.45

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tax		
Education surcharge and local education surcharge	2,583,258.27	1,908,486.37
vehicle usage tax (VUT)	4,138.00	4,138.00
non-residential property	1,406,397.90	1,372,053.28
tariffs	6,028,688.97	
the rest	469,942.19	64,635.49
add up the total	107,328,939.52	130,233,899.46

Other notes:

**41. Other accounts payable**

Unit: Yuan

sports event	Closing balance	Opening balance
Other accounts payable	47,807,207.46	72,138,693.27
add up the total	47,807,207.46	72,138,693.27

**(1) interest due**☐ Applicable ☒ Not applicable**(2) dividend payable**☐ Applicable ☒ Not applicable**(3) Other accounts payable****1) Other accounts payable by nature of payment**

Unit: Yuan

sports event	Closing balance	Opening balance
advance funds to sb for later repayment	565,497.83	1,679,492.13
Deposits and bonds	8,018,000.00	4,958,607.68
Costs in advance	3,258,632.62	11,694,228.55
suspense (in finance)	2,328,183.54	518,912.65
Restricted stock repurchase obligations	28,800,240.00	43,365,000.00
the rest	4,836,653.47	9,922,452.26
add up the total	47,807,207.46	72,138,693.27

**2) Significant other accounts payable aged over 1 year**☐ Applicable ☒ Not applicable**42. Liabilities held for sale**☐ Applicable ☒ Not applicable**43. Non-current liabilities due within one year**

Unit: Yuan

sports event	Closing balance	Opening balance
Long-term borrowings due within one year	381,916,551.35	
add up the total	381,916,551.35	

Other notes:

The increase in the current period is mainly due to the reclassification of long-term loans due within one year.

#### 44. Other current liabilities

Unit: Yuan

sports event	Closing balance	Opening balance
Demolition compensation received	9,841,858.41	
Turnkey costs	19,377,689.72	10,233,885.34
Payments and labour taxes received in advance	17,311,562.40	54,541,631.89
Endorsement of instruments with recourse	73,977,950.40	85,125,183.45
add up the total	120,509,060.93	149,900,700.68

Increase or decrease in short-term bonds payable:

☐ Applicable ☒ Not applicable

#### 45. Long-term loans

##### (1) Classification of long-term loans

Unit: Yuan

sports event	Closing balance	Opening balance
secured loan	1,240,000,000.00	400,000,000.00
Guaranteed Borrowing		191,271,000.00
credit loan	161,509,618.98	143,310,729.05
add up the total	1,401,509,618.98	734,581,729.05

A note on the classification of long-term borrowings:

If multiple security conditions exist at the same time, the disclosure is in the order of priority of the security conditions as disclosed: pledge, mortgage, guarantee, credit. Other descriptions, including interest rate ranges:

The balance of long-term loans increased by 90.79% compared with the previous period, mainly due to the adjustment of the borrowing structure of the Company and the increase of long-term loans.

#### 46. Bonds payable

##### (1) bonds payable

Unit: Yuan

sports event	Closing balance	Opening balance
Guilin Convertible Bond	1,610,409,614.07	

add up the total	1,610,409,614.07	
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**(2) Increase or decrease in bonds payable (excluding other financial instruments such as preference shares and perpetual bonds classified as financial liabilities)**

Unit: Yuan

bond name	nominal value	release date	bond period	cash in issue	opening balance	Current Issue	at par	premiums and discounts	Current period of reimbursement	Current Transfers	ending balance
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steely ard		period	set a limit (on)	horizontal tablet or inscribed board	horizontal tablet or inscribed board	classifier for objects in rows such as words	accrue benefit s resting	depreci ation	still in progress	thigh	horizontal tablet or inscribed board
Guilin Conve rtible Bond	100.00	2022.0 4.22	6 years	180,00 0,000. 00		1,800. 000,00 0.00	3,599. 983.53	193,10 4,369. 46		86,000 .00	1,610. 409,61 4.07
add up the total	—			1,800. 000,00 0.00		1,800. 000,00 0.00	3,599. 983.53	193,10 4,369. 46		86,000 .00	1,610. 409,61 4.07

### (3) Description of conversion conditions and conversion time of convertible bonds

After the China Securities Regulatory Commission "on the approval of Guizhou Tyre Company Limited public issuance of convertible corporate bonds approved by the approval of the reply" (Securities Supervision and Administration Permission)

Approved by No. [2022]665, the Company publicly issued convertible corporate bonds with a total nominal value of RMB 1.8 billion, each with a nominal value of RMB 100.00, and the number of bonds issued was as follows

18,000,000.00 sheets. Convertible bonds are referred to as "Guilun Convertible Bonds" (the bond code is "127063").

The term of the convertible bonds issued is six years from the date of issue, i.e. from 22 April 2022 to 21 April 2028, with a coupon rate of 0.30% for the first year and 0.50% for the second year. The coupon rate of the convertible bonds is 0.30% in the first year, 0.50% in the second year, 1.00% in the third year, 1.50% in the fourth year, 1.80% in the fifth year and 2.00% in the sixth year. The convertible bonds issued herein adopt the method of interest payment once a year, and the principal amount of all convertible bonds not converted into the Company's shares and the interest of the last year will be returned at maturity. Within five trading days after the expiry date of the convertible bonds, the Company will redeem the unconverted convertible bonds at 110% of the face value of the bonds (including the interest of the last instalment).

The conversion period of the convertible bonds issued herein commences on the first trading day after the expiry of six months from the date of closure of the issue of the convertible bonds and ends on the maturity date of the convertible bonds. The initial conversion price of the convertible bonds is RMB4.60 per share.

When the convertible bonds issued by the Company are initially measured, the fair value of the corresponding liability component, net of the share of issuance costs, is

1,573,760,909.57 is included in bonds payable; the fair value of the equity portion, net of the share of issuance costs, is \$213,543,335.19.

Included in other equity instruments. During the period, a total of 18,681 shares of the Company were converted from 86,000.00 yuan of "Precious Wheel Convertible Bonds", and the conversion was recognised as capital surplus.

77,521.63 and the corresponding amount of \$10,202.63 was carried forward for other equity instruments. The amortised cost of

the portion of the adjustment liability based on the effective interest rate method for the current period was \$10,202.63, corresponding to the carryforward of other equity instruments.

193,104,369.46.

#### **(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 for classification of other financial instruments as financial liabilities

☐ Applicable ☒ Not applicable

#### **47. Lease liabilities**

☐ Applicable ☒ Not applicable



**48. Long-term accounts payable**

☐ Applicable ☒ Not applicable

**(1) Long-term accounts payable by nature of payment**

☐ Applicable ☒ Not applicable

**(2) Dedicated accounts payable**

☐ Applicable ☒ Not applicable

**49. Long-term employee compensation payable****(1) Statement of long-term employee compensation payable**

☐ Applicable ☒ Not applicable

**(2) Changes in defined benefit plans**

☐ Applicable ☒ Not applicable

**50. Projected liabilities**

Unit: Yuan

sports event	Closing balance	Opening balance	Reasons for formation
Reserve for withholding	26,017,084.52	4,775,054.52	
add up the total	26,017,084.52	4,775,054.52	

**51. Deferred income**

Unit: Yuan

sports event	Opening balance	Increase during the period	Decrease during the period	Closing balance	Reasons for formation
government grant	103,150,838.16	2,000,000.00	4,752,759.93	100,398,078.23	government grant
add up the total	103,150,838.16	2,000,000.00	4,752,759.93	100,398,078.23	—

Projects involving government grants:

Unit: Yuan

Liability items	Opening balance	Amount of new grants for the period	Amount included in non-operating income for the period	Amounts charged to other gains for the period	Elimination of costs during the period	Other changes	Closing balance	Asset-related/revenue-related

Science and Technology Bureau Smart Manufacturing Big Data Project paragraph	624,000.10			104,000.04			520,000.06	Asset-related
400,000 items/year High Performance Carrier	95,241.91			95,241.91				asset-related mountain pass

Heavy Radial Tyre Technology Reform Investment grants								
Qian tyre off-site technological transformation project standard factory housing construction	804,166.98			24,999.96			779,167.02	Asset-related
Subsidised Research and Development Centre of Xiwu County Development and Reform Commission Construction projects	200,000.00						200,000.00	Asset-related
energy system Optimisation projects	47,008.52			12,820.56			34,187.96	asset-related mountain pass
Vietnam 1.2 million all-steel radial tyres project catalogue	2,000,000.00			18,494.06			1,981,505.94	Asset-related
All-steel Small and Medium-sized Engineering Intelligent Manufacturing Project catalogue	12,170,833.37			949,999.92			11,220,833.45	Asset-related

Intelligent Retrofit Project Supplement help	35,000,000.00						35,000,000.00	Asset-related
Zazo III relocation and renovation sports event	33,557,142.84			2,485,714.32			31,071,428.52	Asset-related
AGV project	1,899,999.98			200,000.04			1,699,999.94	asset-related mountain pass
Public Rental Housing II stage	16,752,444.46			790,060.56			15,962,383.90	asset-related mountain pass
Zazo III relocation and renovation sports event		2,000,000.00		71,428.56			1,928,571.44	Asset-related

## 52. Other non-current liabilities

☐ Applicable ☒ Not applicable

## 53. Share capital

Unit: Yuan

	Opening balance	Increase/decrease (+, -) in current changes					Closing balance
		issue new shares	a share grant	conversion of provident fund	the rest	Subtotal	
Total number of shares	956,319,462.00			191,248,092.00	-60,319.00	191, 187, 773.00	1,147,507.235.00

## 54. Other equity instruments

(1) For details of the **basic information of other financial**

**instruments such as preferred shares and perpetual**

**bonds issued and outstanding at the end of the period,**

please refer to Note X.46.

(2) Statement of changes in preferred shares, perpetual bonds and other financial instruments issued and outstanding at the end of the period

Unit: Yuan

Issued financial instruments	beginning of a period		Increase during the period		Decrease during the period		end of term	
	quantities	book value	quantities	book value	quantities	book value	quantities	book value
Guilin Convertible Bond				213,543,335.19		10,202.63		213,533,132.56
add up the total				213,543,335.19		10,202.63		213,533,132.56

Changes in other equity instruments during the period, explanation of the reasons for such changes, and the basis for the related accounting treatment:

Other explanations: Mainly as a result of the Company's issuance of Guilin Convertible Bonds.

## 55. Capital surplus

Unit: Yuan

sports event	Opening balance	Increase during the period	Decrease during the period	Closing balance
Capital premium (equity premium)	2,501,152,787.84	11,605,158.57	192,873,537.47	2,319,884,408.94
Other capital surplus	216,291,640.41	300,000.00	3,057,421.22	213,534,219.19
add up the total	2,717,444,428.25	11,905,158.57	195,930,958.69	2,533,418,628.13

Other explanations, including increases, decreases and changes during the period, and explanations of the reasons for the changes:

## 56. Inventory Unit

Unit: Yuan

sports event	Opening balance	Increase during the period	Decrease during the period	Closing balance
buyback	43,365,000.00	56,014,263.19	18,189,150.00	81,190,113.19
add up the total	43,365,000.00	56,014,263.19	18,189,150.00	81,190,113.19

Other explanations, including increases or decreases during the period and explanations of the reasons for the changes:

The balance of treasury shares increased by 87.22% as compared to the previous period, mainly due to the repurchase of

secondary market shares as a result of the implementation of the Company's share incentive scheme.

## 57. Other comprehensive income

Unit: Yuan

sports event	Opening balance	Current period's incidence						Closing balance
		Incurred before income tax for the period horizontal tablet or inscribed board	Less: Preliminary Charged to other comprehensive income Transferred during the period increase and decrease	Less: Preliminary Charged to other comprehensive income Transferred during the period retained earnings	Less: Income tax expense	Attributable to parent company after tax	Attributable to minority shareholders after tax landlord	
I. Cannot reclassified to profit or loss His combined income all the more	125,769,167.37	- 9,042,304.74			- 1,356,345.71	- 7,685,959.03		118,083,208.34
the rest	125,769,1	-			-	-		118,083,2

Fair value of investments in equity instruments change in value	67.37	9,042,304.74			1,356,345.71	7,685,959.03		08.34
ii. other to be reclassified to profit or loss Comprehensive income	- 22,263,671.44	24,789,979.26				24,789,979.26		2,526,307.82
Foreign currency financial statements conversion difference	- 22,263,671.44	24,789,979.26				24,789,979.26		2,526,307.82
Total other comprehensive income	103,505,495.93	15,747,674.52			- 1,356,345.71	17,104,020.23		120,609,516.16

Other notes, including adjustments to the effective portion of cash flow hedge gains and losses transferred to the initial recognition amount of the hedged item:

## 58. Earmarked reserves

☐ Applicable ☒ Not applicable

Other explanations, including increases, decreases and changes during the period, and explanations of the reasons for the changes:

☐ Applicable ☒ Not applicable

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

## 59. Surplus reserves

Unit: Yuan

sports event	Opening balance	Increase during the period	Decrease during the period	Closing balance
Statutory surplus surplus	353,888,873.44	37,280,875.46		391,169,748.90
add up the total	353,888,873.44	37,280,875.46		391,169,748.90

A description of surplus surplus, including any increase or decrease during the period and the reasons for the change:

## 60. Undistributed profits

Unit: Yuan

sports event	the current period	previous period
Undistributed profit at the end of the previous period before adjustment	1,829,094,403.43	1,634,226,671.60
Adjustments to opening unallocated profit after the period	1,829,094,403.43	1,634,226,671.60
Add: Net profit for the period attributable to owners of the parent company	428,788,029.37	369,734,591.17
Less: Withdrawal of statutory surplus reserves	37,280,875.46	28,718,922.02
Dividends payable on ordinary shares	95,572,709.19	143,447,937.32
the rest		2,700,000.00
Undistributed profit at the end of the period	2,125,028,848.15	1,829,094,403.43

Adjust the breakdown of unallocated profit at the beginning of the period:

- 1) The effect of the retrospective adjustment due to the new provisions of ASBE and its related new regulations is \$0.00 on the unappropriated profit at the beginning of the period.



- 2) The effect of the change in accounting policy on the opening unappropriated earnings was \$0.00.
- 3) The impact on the unappropriated earnings at the beginning of the period was \$0.00 due to the correction of a material accounting error.
- 4) The change in the scope of consolidation due to the same control affected the unappropriated earnings at the beginning of the period by \$0.00.
- 5) The total effect of other adjustments was \$0.00 on opening unappropriated earnings.

## 61. Operating income and operating costs

Unit: Yuan

sports event	Current period's incidence		Prior period's incidence	
	incomes	(manufacturing, production etc) costs	incomes	(manufacturing, production etc) costs
Main business	8,395,083,935.92	7,010,566,250.32	7,273,373,083.40	6,142,256,219.92
Other business	44,776,445.22	18,082,666.98	65,906,128.08	42,595,476.48
add up the total	8,439,860,381.14	7,028,648,917.30	7,339,279,211.48	6,184,851,696.40

Whether the lower of audited net profit before or after extraordinary gains and losses is negative.

Yes ☒ No

Revenue-related information:

Unit: Yuan

Contract classification	Division 1	Division 2		add up the total
Product Type				
Among them:				
By Business Area				
Among them:				
Type of market or customer				
Among them:				
Type of contract				
Among them:				
Classification of commodities by time of transfer				
Among them:				
Classification by contract duration				
Among them:				

By Sales Channel				
Among them:				
add up the total				

Information relating to performance obligations:

### Revenue recognition principles

On the commencement date of the contract, the Company evaluates the contract, identifies each individual performance obligation included in the contract and determines whether each individual performance obligation is to be performed within a certain time period or at a certain point in time.

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

- ( 1 ) The customer acquires and consumes the economic benefits of the Company's performance at the same time as the Company's performance.
- ( 2 ) The customer is able to control the goods or services under construction in the course of the Company's performance.

( 3 ) The goods or services produced in the course of the Company's performance have a non-substitutable use and the Company is entitled to receive payment for the portion of the performance that has been completed to date, cumulatively, throughout the term of the contract.

For performance obligations that are to be fulfilled within a certain period of time, the Company recognises revenue over that period of time based on the progress of performance. When the progress of performance is not reasonably determinable, revenue is recognised at the amount of costs incurred until the progress of performance is reasonably determinable, provided that the costs incurred are expected to be reimbursed.

Revenue is recognised at the point at which the customer obtains control of the relevant goods or services for performance obligations that are fulfilled at a point in time. The Company considers the following indications in determining whether a customer has obtained control of goods:

- ( 1 ) The Company has a present right to receive payment for the merchandise, which means that the customer has a present obligation to pay for the merchandise.
- ( 2 ) The Company has transferred legal ownership of the goods to the Customer, i.e. the Customer has legal ownership of the goods.
- ( 3 ) The Company has physically transferred the goods to the customer, i.e. the customer has taken physical possession of the goods.
- ( 4 ) The Company has transferred the principal risks and rewards of ownership of the commodity to the customer, i.e. the customer has acquired the principal risks and rewards of ownership of the commodity.
- ( 5 ) The customer has accepted the item.
- ( 6 ) Other indications that the customer has

obtained control of the commodity. Information relating to the transaction price apportioned to the remaining performance obligations:

The amount of revenue corresponding to performance obligations that have been contracted for but not yet fulfilled or not yet completed at the end of the reporting period is \$421,994,872.13, of which.

421,994,872.13 is expected to be recognised in 2023.

## 62. Taxes and surcharges

Unit: Yuan

sports event	Current period's incidence	Prior period's incidence
Urban maintenance and construction tax	5,663,889.25	3,449,942.75
education surcharge	5,504,399.25	3,119,189.04
property tax	18,680,536.76	18,221,342.68
land use tax	4,667,488.19	5,235,130.17
vehicle usage tax (VUT)	14,077.50	15,385.50
non-residential property	5,330,928.87	6,835,561.68
environmental protection tax	341,934.32	880,677.94
add up the total	40,203,254.14	37,757,229.76

**63. Cost of sales**

Unit: Yuan

sports event	Current period's incidence	Prior period's incidence
remuneration of employees	62,481,069.01	60,928,785.47
Depreciation and amortisation	11,094,490.99	10,857,821.04
insurance premium	6,933,330.85	3,345,938.03
Advertising and promotion costs	13,433,105.54	14,385,029.88
exhibition fee		184,740.69
packaging fee	6,229,544.86	6,240,615.03
travel costs	13,768,249.41	13,051,158.76
Business hospitality	1,194,289.93	1,231,304.01
customs declaration fee	25,554,688.62	15,184,423.00
removal expenses	40,756,803.50	36,933,017.00
conference fee	3,654,059.64	4,359,092.23
brokerage	2,882,161.72	1,270,819.16
after-sales service fee	185,889.24	394,468.30
Agency fees	122,346,919.14	80,763,505.36
the rest	1,673,201.40	1,598,129.80
add up the total	312,187,803.85	250,728,847.76

**64. Administrative expenses**

Unit: Yuan

sports event	Current period's incidence	Prior period's incidence
remuneration of employees	191,028,689.33	214,767,733.09
Depreciation and amortisation	33,819,303.97	26,845,966.48
insurance premium	5,201,931.95	4,143,313.73
office expenses	6,031,587.69	4,631,827.70
repair cost	77,871,928.34	34,128,134.08
network communication costs	9,017,437.27	6,019,111.18
bus fare	744,785.74	815,327.21
travel costs	5,296,959.41	9,289,721.13
brokerage	10,465,999.22	14,114,939.71
Business hospitality	556,444.86	366,215.88
Amortisation of low value consumables	1,278,727.43	1,223,810.38
travelling expenses	2,097,875.24	1,432,705.40
Machine material consumption	3,356,595.67	2,314,103.11
Advertising and promotion costs	4,284,473.41	3,967,474.98
post and telecommunications charges	26,030.68	20,354.99

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security costs	2,828,939.49	1,709,901.07
Labour protection costs	14,112,286.78	4,335,516.09
restricted stock	9,993,041.47	19,443,024.85

the rest	13,131,173.38	10,764,402.76
add up the total	391,144,211.33	360,333,583.82

## 65. Research and development costs

Unit: Yuan

sports event	Current period's incidence	Prior period's incidence
remuneration of employees	50,012,823.93	42,110,221.11
Depreciation and amortisation	13,464,584.31	12,924,699.49
Mould modification, intermediate experimentation costs	44,129,052.19	39,935,437.18
Amortisation of low value consumables and service charges	9,662,056.34	5,018,031.12
Material Consumption	116,188,216.23	81,292,943.01
repair cost	4,816,777.89	2,269,477.96
travel costs	2,705,467.76	2,961,702.43
Intermediary consultancy fees	1,185,122.31	1,529,866.74
office expenses	20,226,382.04	16,939,714.86
the rest	962,673.41	930,379.80
add up the total	263,353,156.41	205,912,473.70

Other notes:

Office expenses include office supplies, laboratory energy costs, and property management costs.

## 66. Finance costs

Unit: Yuan

sports event	Current period's incidence	Prior period's incidence
interest expense	122,234,688.18	68,293,215.03
Less: interest income	80,450,053.61	47,815,864.86
Net interest expense	41,784,634.57	20,477,350.17
Net loss on exchange	-91,254,112.26	11,672,689.18
discounted interest	3,655,718.39	3,647,377.37
cash discount	-8,750,375.52	-10,176,502.51
Bank charges and others	6,897,083.82	7,565,719.74
add up the total	-47,667,051.00	33,186,633.95

## 67. Other gains

Unit: Yuan

Sources of generation of other benefits	Current period's incidence	Prior period's incidence
Government grants related to ordinary operating activities	21,340,742.51	30,950,545.73
the rest	256,760.29	122,073.20
add up the total	21,597,502.80	31,072,618.93



**68. Investment income**

Unit: Yuan

sports event	Current period's incidence	Prior period's incidence
Dividend income earned on investments in other equity instruments during the holding period	22,001,550.00	12,957,000.00
Disposal of property, plant and equipment measured at fair value through profit or loss for the period Investment income from financial assets at fair value through profit or loss (FVTPL)		-130,350.51
add up the total	22,001,550.00	12,826,649.49

**69. Net open hedge gains**☐ Applicable ☒ Not applicable**70. Gain on change in fair value**☐ Applicable ☒ Not applicable**71. Credit impairment losses**

Unit: Yuan

sports event	Current period's incidence	Prior period's incidence
Bad debt losses on other receivables	-26,528,506.11	-2,430,058.31
Bad debt losses on notes and accounts receivable	-11,051,447.99	-8,420,005.59
add up the total	-37,579,954.10	-10,850,063.90

**72. Impairment losses on assets**

Unit: Yuan

sports event	Current period's incidence	Prior period's incidence
II. Loss on decline in value of inventories and impairment loss on contract performance costs	-7,107,413.69	-3,054,365.09
XII. Impairment losses on contract	2,945.33	31,830.19

assets		
add up the total	-7,104,468.36	-3,022,534.90

### 73. Gain on disposal of assets

Unit: Yuan

Sources of proceeds from the disposal of assets	Current period's incidence	Prior period's incidence
Gain or loss on disposal of non-current assets		96,685,243.77

**74. Non-operating income**

Unit: Yuan

sports event	Current period's incidence	Prior period's incidence	Amounts included in non-recurring gains and losses for the period
Gains on destruction and retirement of non-current assets	2,688,182.90	2,728,073.03	2,688,182.90
Income from fines	670,643.83	984,665.75	670,643.83
Other income	370,896.73	1,981,417.82	370,896.73
add up the total	3,729,723.46	5,694,156.60	3,729,723.46

Government grants recognised in profit or loss:

☐ Applicable ☒ Not applicable**75. Non-operating expenses**

Unit: Yuan

sports event	Current period's incidence	Prior period's incidence	Amounts included in non-recurring gains and losses for the period
External donations	474,611.77	98,928.00	474,611.77
Loss on destruction and retirement of non-current assets	16,812,102.28	3,706,561.72	16,812,102.28
Expenditure on fines (including loss of claims)	1,932,379.71	224,700.65	1,932,379.71
Other expenditures	193,330.43	5,207,392.72	193,330.43
add up the total	19,412,424.19	9,237,583.09	19,412,424.19

**76. Income tax expense****(1) Schedule of income tax expense**

Unit: Yuan

sports event	Current period's incidence	Prior period's incidence
Current income tax expense	13,416,063.32	16,428,319.95
Deferred income tax expense	-9,815,872.07	3,450,529.23
add up the total	3,600,191.25	19,878,849.18

**(2) Process of adjusting accounting profit to income tax expense**

Unit: Yuan

sports event	Current period's incidence
Total profit	435,222,018.72
Income tax expense at statutory/applicable rates	63,121,381.41
Effect of applying different tax rates to subsidiaries	7,290,507.08
Effect of adjustments to prior periods' income taxes	7,518,243.31
Impact of non-taxable income	-3,300,232.50
Impact of non-deductible costs, expenses and losses	1,587,834.54

Effect of the use of deductible losses for which no deferred tax assets were recognised in prior periods	-7,354,766.01
Additional deductible expenses under the tax law	-65,262,776.58
Income tax expense	3,600,191.25

## 77. Other comprehensive income

See note X.57 for details.

## 78. Cash flow statement items

### (1) Other cash received relating to operating activities

Unit: Yuan

sports event	Current period's incidence	Prior period's incidence
Government grants related to operations	19,886,283.43	56,904,671.76
Interest income on bank deposits	62,787,740.56	47,815,864.86
the rest		2,966,083.57
add up the total	82,674,023.99	107,686,620.19

Description of other cash received related to operating activities:

### (2) Other cash paid in relation to operating activities

Unit: Yuan

sports event	Current period's incidence	Prior period's incidence
Sales expenses paid	223,024,430.69	178,890,448.80
Administrative expenses paid	156,303,176.56	99,051,859.40
Research and development costs paid	83,687,531.94	111,258,362.59
handling fee	6,897,083.82	7,565,719.74
Deposits paid	70,538,812.75	66,951,459.76
the rest	17,673,753.83	16,351,696.22
add up the total	558,124,789.59	480,069,546.51

Description of other cash paid related to operating activities:

### (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**

Unit: Yuan

sports event	Current period's incidence	Prior period's incidence
Purchase of minority interests in subsidiaries		22,800,000.00
Intermediary fee for the issuance of Guilin Convertible Bonds	13,457,230.55	
buyback of treasury stock	52,389,873.19	
add up the total	65,847,103.74	22,800,000.00

Description of other cash disbursed related to financing activities:

**79. Supplementary information on the statement of cash flows****(1) Supplementary information on the statement of cash flows**

Unit: Yuan

Additional information	Amount for the period	Prior period amount
1. Reconciliation of net profit to cash flows from operating activities		
net profit	431,621,827.47	369,798,383.81
Add: Provision for impairment of assets	33,500,728.99	13,872,598.80
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	367,978,369.39	266,368,286.36
Depreciation of right-of-use assets		
Amortisation of intangible assets	19,623,935.38	12,244,802.52
Amortisation of long-term amortised expenses	38,941,242.46	26,325,731.45
Loss on disposal of property, plant and equipment, intangible assets and other long-lived assets (Gain is represented by a "-" sign)		-96,685,243.77
Loss on retirement of fixed assets (gain is represented by a "-" sign)	14,123,919.38	978,488.69
Loss on fair value changes (gains are recognised with a "+" sign)		

"-" sign)		
Finance costs (gains are marked with a "-") (columns)	66,121,707.44	68,293,215.03
Losses on investments (gains are marked with a "-") (columns)	-22,001,550.00	-12,826,649.49
Decrease in deferred income tax assets (increase is represented by a "-" sign)	-47,737,710.40	-320,222.52
Increase (decrease is represented by a "-") in deferred income tax liabilities	40,979,259.55	2,408,948.11
Decrease in inventories (increase is indicated by a "-")	-298,236,409.45	-349,484,076.71
Decrease (increase) in operating receivables	-545,871,490.21	-222,281,232.68



(to be completed with a "+" sign)		
Increase (decrease) in operating payables (to be completed with a "+" sign)	-161,218,173.70	249,947,820.36
the rest	-48,938,341.49	-42,827,881.27
Net cash flows from operating activities	-111,112,685.19	285,812,968.69
2. Significant investments and financing that do not involve cash receipts and payments function		
Debt-to-capital conversion		
Convertible bonds due within one year		
Fixed assets under finance leases		
3. Net change in cash and cash equivalents:		
Closing balance of cash	2,917,218,659.48	1,754,799,667.58
Less: opening balance of cash	1,754,799,667.58	1,613,642,309.47
Add: closing balance of cash equivalents		
Less: opening balance of cash equivalents		
Net increase in cash and cash equivalents	1,162,418,991.90	141,157,358.11

## (2) Net cash paid during the period for acquisition of subsidiaries

☐ Applicable ☒ Not applicable

## (3) Net cash received for disposal of subsidiaries during the period

☐ Applicable ☒ Not applicable

## (4) Composition of cash and cash equivalents

Unit: Yuan

sports event	Closing balance	Opening balance
I. Cash	2,917,218,659.48	1,754,799,667.58
Of which: cash on hand	48,121.29	86,804.72
Bank deposits available for payment	2,917,170,538.19	1,754,712,862.86
III. Cash and cash equivalents balance at end of period	2,917,218,659.48	1,754,799,667.58

Other notes:

Promissory notes and loan deposits in other monetary funds do not meet the definition of other monetary funds that are readily available for disbursement and are not considered to be cash and cash equivalents for the purpose of preparing the statement of cash flows.

## 80. Notes to items in the statement of changes in equity

Indicate the name of the "other" item and the amount of adjustment to the closing balance of the previous year:

☐ Applicable ☒ Not applicable

**81. Assets subject to restrictions on ownership or use**

Unit: Yuan

sports event	Closing book value	Reasons for restriction
money funds	428,617,536.28	margin (in derivative trading)
notes receivable	608,511,996.20	loan on pledge
fixed assets	1,126,189,103.54	secured loan
Receivables financing	283,669,142.09	loan on pledge
add up the total	2,446,987,778.11	

**82. Foreign currency monetary items****(1) Monetary items in foreign currency**

Unit: Yuan

sports event	Foreign currency balance at end of period	Converted exchange rates	Converted Renminbi balance at the end of the period
money funds			
Of which: United States dollars	66,644,002.53	6.9646	464,148,816.53
Euro (currency)	214,176.95	7.4229	1,589,814.07
Hong Kong dollar			
ruble (Russian currency) (loanword)	13,614,389.52	0.0942	1,282,475.49
Vietnamese rupiah	172,603,246,588.00	0.0003	50,917,957.74
accounts receivable			
Of which: United States dollars	70,773,175.77	6.9646	492,906,859.98
Euro (currency)			
Hong Kong dollar			
Vietnamese rupiah	92,850,000.00	0.0003	27,390.75
long term loan			
Of which: United States dollars	29,819,160.00	6.9646	207,678,521.74
Euro (currency)			
Hong Kong dollar			
accounts payable			
Of which: United States dollars	74,647,666.85	6.9646	519,891,140.56
Euro (currency)	246,965.17	7.4229	1,833,197.75
Vietnamese rupiah	157,374,177,545.00	0.0003	46,425,382.37
Other receivables			

Of which: United States dollars	1,011,554.11	6.9646	7,045,069.75
ruble (Russian currency) (loanword)	266,502.61	0.0942	25,104.55
Other accounts payable			
Of which: United States dollars	265,322.23	6.9646	1,847,863.20
short term loan			
Of which: United States dollars	25,000,000.00	6.9646	174,115,000.00

(2) A description of the foreign operating entity, including, in the case of a significant foreign operating entity, a disclosure of the principal place of business outside the country, the local currency of the accounts and the basis for selection, and the reasons for any change in the local currency of the accounts.

☒Applicable ☐Not applicable

Offshore operating entities	Principal place of business outside the country	local currency	Selection basis
gtc northern america inc.	United States of America	American dollar	Operation of local currency in circulation
northern america commercial tire resources inc.	United States of America	American dollar	Operation of local currency in circulation
branch of guizhou tyre import/export co., ltd.	Georgia	ruble (Russian currency) (loanword)	Operation of local currency in circulation
Advance Tyre (Vietnam) Co., Ltd.	Vietnam	Vietnamese rupiah	Operation of local currency in circulation
Advance Holdings (Group) International Limited	Mainland	Hong Kong dollar	Operation of local currency in circulation

### 83. Hedging

Disclosure of qualitative and quantitative information about the hedged item and the related hedging instrument, and the risk being hedged, according to the type of hedge:

☐ Applicable ☒ Not applicable

### 84. Government grants

#### (1) Basic information on government grants

Unit: Yuan

kind	sum of money	Presentation of items	Amounts recognised in profit or loss for the period
Science and Technology Bureau Smart Manufacturing Big Data Project paragraph	1,040,000.00	Other gains, deferred gains	104,000.04
400,000 pcs/year of high-performance load meridian Investment subsidies for technological transformation	4,000,000.00	Other gains, deferred gains	95,241.91

of wire tyres			
Qian tyre off-site technological transformation project standard factory housing construction	1,000,000.00	Other gains, deferred gains	24,999.96
Subsidised Research and Development Centre of Xiwen County Development and Reform Commission Construction projects	200,000.00	Other gains, deferred gains	
Energy System Optimisation Project	1,050,000.00	Other gains, deferred gains	12,820.56
Vietnam 1.2 Million All-Steel Radial Tyre Project catalogue	2,000,000.00	Other gains, deferred gains	18,494.06
All-steel Small and Medium-sized Engineering Intelligent Manufacturing Project catalogue	13,300,000.00	Other gains, deferred gains	949,999.92
Intelligent Retrofit Project Grants	35,000,000.00	Other gains, deferred gains	
Zazo Phase III Relocation and Improvement Project	34,800,000.00	Other gains, deferred gains	2,485,714.32
AGV project	2,000,000.00	Other gains, deferred gains	200,000.04
Public Rental Housing Phase II	17,036,000.00	Other gains, deferred gains	790,060.56
Zazo Phase III Relocation and Improvement Project	2,000,000.00	Other gains, deferred gains	71,428.56
stable employment subsidy	2,220,839.89	Other gains	2,220,839.89
Mobility Loan Subsidy for the Bureau of Industry and Information Technology	1,113,150.00	Other gains	1,113,150.00
Veterans Tax Deduction Credit	1,817,999.99	Other gains	1,817,999.99
Zhanjiang Government Crating Subsidy	2,108,500.00	Other gains	2,108,500.00
Unemployment benefits	2,356,300.00	Other gains	2,356,300.00
R&D Investment Subsidy for Science and Technology Bureau	1,450,000.00	Other gains	1,450,000.00

Earmarked funds for foreign investment and economic cooperation cash grant	2,000,000.00	Other gains	2,000,000.00
Other subsidies	3,521,192.70	Other gains	3,521,192.70

## (2) Return of government grants

☐ Applicable ☒

Not applicable

Other

description:

Asset-related grants, amounting to the total amount of grants received.

## 85. Other

☐ Applicable ☒ Not applicable

## VIII. Changes in the scope of consolidation

### 1. Business combinations not under the same control

#### (1) Non-same control business combinations occurring during the period

☐ Applicable ☒ Not applicable

During the reporting period, the Company did not engage in any non-same-control business combinations.

#### (2) Cost of consolidation and goodwill

☐ Applicable ☒ Not applicable

#### (3) Identifiable assets and liabilities of the acquiree at the date of acquisition

☐ Applicable ☒ Not applicable

#### (4) Gains or losses arising from the remeasurement of equity interests held prior to the date of purchase at fair value

Whether there are transactions in which a business combination is achieved in stages through multiple transactions and control is obtained during the reporting period.

Yes ☒ No

#### (5) Description of the purchase date or the end of the period in which the fair value of the merger consideration or the identifiable assets or liabilities of the acquiree cannot be reasonably determined

☐ Applicable ☒ Not applicable

**(6) Other notes**

☐ Applicable ☒ Not applicable



## 2. Business combinations under the same control

### (1) Same-control business combinations occurring during the period

☐ Applicable ☒ Not applicable

During the reporting period, the Company did not engage in any business combinations under the same control.

### (2) Consolidated costs

☐ Applicable ☒ Not applicable

### (3) Carrying value of assets and liabilities of the consolidated party at the date of consolidation

☐ Applicable ☒ Not applicable

## 3. Reverse purchase

☐ Applicable ☒ Not applicable

During the reporting period, the Company did not engage in reverse purchase operations.

## 4. Disposal of subsidiaries

Whether there is a single disposal of an investment in a subsidiary that results in a loss of control

Yes ☒ No

Whether there is a step-by-step disposal of investments in subsidiaries through multiple transactions and loss of control during the period

Yes ☒ No

## 5. Changes in the scope of consolidation for other reasons

☐ Applicable ☒ Not applicable

There were no changes in the scope of consolidation for other reasons during the reporting period.

## 6. Other

☐ Applicable ☒ Not applicable

## IX. Interests in other subjects

### 1. Interests in subsidiaries

#### (1) Composition of enterprise groups

Name of Subsidiary	Principal place of business	registered office	Nature of business	percentage of shareholding		Acquisition method
				direct	overhead	
Guizhou Tyre Import & Export Co. department (under a ministry)	Guiyang prefecture level city in Guangxi	Guiyang prefecture level city in Guangxi	Import and export agent	100.00 per cent		constitute
GTC NORTH AMERICA INC.	United States of America	United States of America	Tyre sales		100.00 per cent	constitute
north america commercial teire RESOURCE	United States of America	United States of America	Tyre sales		100.00 per cent	constitute
bank of guizhou tyre import/export T CO.	Moscow, capital of Russia	Moscow, capital of Russia	Tyre sales		100.00 per cent	constitute
Advance Holdings (Group) International Limited firms	Mainland	Mainland	Sales of tyres and air springs		100.00 per cent	constitute
Guizhou Advance Tyre Investment Co. firms	Guiyang prefecture level city in Guangxi	Guiyang prefecture level city in Guangxi	Investment Management	100.00 per cent		constitute
ADVANCE TYRE (VIETNAM) COMPANY LIMITED	Vietnam	Vietnam	Tyre sales		100.00 per cent	constitute
Guizhou Advance New Material Co. department (under a ministry)	Guiyang prefecture level city in Guangxi	Guiyang prefecture level city in Guangxi	Manufacture of chemical reagents and auxiliaries	70.00 per cent		constitute
Guizhou Advance Tyre sales company	Guiyang prefecture level city in Guangxi	Guiyang prefecture level city in Guangxi	Tyre sales	100.00 per cent		constitute

Guizhou Hercules Tyre Co. department (under a ministry)	Guiyang prefecture level city in Guizhou	Guiyang prefecture level city in Guizhou	cease trading (temporarily or permanently)	100.00 per cent		constitute
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A statement that the percentage of shareholding in a subsidiary is different from the percentage of voting rights:

There were no cases in which the shareholding ratio of subsidiaries differed from the voting rights ratio during the reporting period.

The basis for holding half or less of the voting rights but still controlling the investee, and for holding more than half of the voting rights but not controlling the investee:

☐ Applicable ☒ Not applicable

Basis of control for significant structured entities

included in the scope of consolidation: during the

reporting period, there were no structured entities.

The basis for determining whether a company is an agent or a principal:

☐ Applicable ☒ Not applicable

**(2) Significant non-wholly owned subsidiaries**

☐ Applicable ☒ Not applicable

There were no significant non-wholly owned subsidiaries during the reporting period.

**(3) Key financial information of significant non-wholly owned subsidiaries**

☐ Applicable ☒ Not applicable

**(4) Significant restrictions on the use of enterprise group assets and the discharge of enterprise group liabilities**

☐ Applicable ☒ Not applicable

During the reporting period, there were no significant restrictions on the use of the Company's enterprise group assets and the settlement of the Company's enterprise group liabilities.

**(5) Financial or other support provided to structured subjects included in the scope of the consolidated financial statements**

☐ Applicable ☒ Not applicable

During the reporting period, there was no financial or other support provided to structured entities included in the scope of the consolidated financial statements.

**2. Transactions in which the share of ownership interest in a subsidiary changes and the subsidiary is still controlled****(1) Description of changes in share of ownership interests in subsidiaries**

☐ Applicable ☒ Not applicable

During the reporting period, there were no transactions in which the Company's share of ownership interests in subsidiaries changed and it still controlled the subsidiaries.

**(2) Effect of the transaction on minority interests and equity attributable to owners of the parent company**

☐ Applicable ☒ Not applicable

**3. Interests in joint arrangements or associates****(1) Significant joint ventures or associates**

☐ Applicable ☒ Not applicable

**(2) Key financial information of significant joint ventures**

☐ Applicable ☒ Not applicable

**(3) Key financial information of significant associates**

☐ Applicable ☒ Not applicable

**(4) Summarised financial information for immaterial joint ventures and associates**

Unit: Yuan

	Closing balance/current period's incidence	Opening balance/previous period's incidence
Joint ventures:		
Total of the following by percentage of shareholding		
Associates:		
Total carrying value of investments	25,500,000.00	
Total of the following by percentage of shareholding		

**(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

During the reporting period, the Company did not have any significant jointly operated businesses.

**5. Interests in structured subjects not included in the scope of the consolidated financial statements**

Relevant notes on structured subjects not included in the scope of the consolidated financial statements:

☐ Applicable ☒ Not applicable**6. Other**

During the reporting period, the Company did not have structured subjects.

## X. Risks related to financial instruments

The Company's financial instruments include: monetary funds, financial assets held for trading, notes receivable, accounts receivable, financing receivables, accounts receivable, other receivables, contract assets, other equity investments, other non-current financial assets, short-term borrowings, notes payable, accounts payable, and other payables, etc. Detailed descriptions of the individual financial instruments are provided in the Notes to the Financial Statements in the relevant items.

Various risk management objectives and policies: The Company's objective in engaging in risk management is to strike an appropriate balance between risk and return, to minimise the negative impact of risk on the Company's operating results and to maximise the interests of shareholders and other equity investors. Based on this risk management objective, the basic strategy of the Company's risk management is to identify and analyse the various risks faced by the Company, to establish an appropriate risk tolerance floor and manage the risks, and to monitor the various risks in a timely and reliable manner in order to control the risks within a limited scope.

### 1. Credit risk

Credit risk is the risk that one party to a financial instrument will fail to honour its obligations, resulting in a financial loss to the other party. Credit risk arises from bank deposits, other receivables, credit risk from customers, including outstanding receivables and committed transactions.

The Company's monetary funds are mainly bank deposits, and the Company's bank deposits are placed in banks with high credit ratings, therefore, the risk is low. The Company considers that the monetary funds are not exposed to significant credit risk and will not incur any significant loss due to default of the counterparty.

The Company's bills receivable are bankers' acceptances and commercial acceptances. The Company's bill of exchange model is based on a third-party guarantee company providing the bank with a performance guarantee for the drawer, signing and accepting the bill of exchange after seeing the guarantee letter and then discounting it to the bank, and there is no situation in which the drawer is unable to accept the bill of exchange upon expiry and is paid by the guarantee company on behalf of the drawer upon expiry. Therefore, the risk is low.

In addition, for accounts receivable, contract assets, and other receivables, the Company evaluates the credit quality of its customers based on financial condition, historical experience, and other factors. The Company has made full provision for bad debts in its financial statements. The Company does not believe that there are any further losses due to defaults by the counterparties.

There were no financial assets that were  
past due for impairment during the  
reporting period. Analysis of financial  
assets that are individually impaired

sports event	Closing balance	Amount	Factors considered
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		of impairment	in the event of impairment
Other receivables	54,412,244.54	54,412,244.54	The other party is insolvent.
accounts receivable	71,490,044.17	71,490,044.17	The other party is insolvent.

## 2. Market risk

Market risk for financial instruments is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, including exchange rate risk, interest rate risk and other price risks.

### (1) Exchange rate risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to foreign exchange risk mainly arises from financial assets and financial liabilities denominated in U.S. dollars or other currencies. The amounts of the Company's major foreign-currency financial assets and foreign-currency financial liabilities translated into RMB are shown in "5.54 Monetary items denominated in foreign currencies".

Assuming a 20% increase or decrease in the exchange rate of the U.S. dollar against the RMB, all other things being equal, this could affect the Company's net income for fiscal year 2022

12,113,641.35; at the end of the period, the Company held US\$66,644,002.53 in money funds, US\$70,773,175.77 in accounts receivable, and other receivables.

1,011,554.11, short-term loans \$25,000,000.00, accounts payable \$74,647,666.85, other accounts payable \$265,322.23, long-term

The borrowing of \$29,819,160.00 during the period had a significant impact on the statement;



A 20% increase or decrease in the exchange rate of the euro against the renminbi may affect the Company's net profit in 2022 by \$194,706.94; the Company's holding of currency funds at the end of the period

The accounts payable of €214,176.95 and the accounts payable of €246,965.17 do not have a significant impact on the financial statements;

A 20% increase or decrease in the exchange rate of the rouble against the RMB may affect the Company's net profit of RMB261,516.01 for the year 2022; the Company's holding of currency funds at the end of the period

13,614,389.52 roubles and other receivables 266,502.61 roubles, which do not have a significant impact on the financial statements.

A 20 per cent increase or decrease in the exchange rate of the Vietnamese dong against the renminbi may affect the Company's net profit in 2022 by \$903,993.23; the Company's holdings of monetary assets as at the end of the period

VND 172,603,246,588.00, accounts receivable VND 92,850,000.00, accounts payable VND 157,374,177,545.00,

which do not have a significant impact on the financial statements.

## (2) interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk can arise from both recognised interest-bearing financial instruments and unrecognised financial instruments (e.g. certain loan commitments).

The Company's short-term borrowings as at the end of the period amounted to **RMB 1**,533,245,766.71, assuming that, other things remaining unchanged, the interest rate for loans at the same period of time is the same as that for loans at the bank.

3.65% increase or decrease by 20%, it may affect the Company's net profit by approximately RMB11,192,694.10; the Company's long-term borrowings as at the end of the period amounted to RMB

1,402,703,971.80, assuming that, all other things being equal, a 20% increase and decrease in the bank's lending rate of 4.30% for the same period may affect the Company's net profit by approximately \$12,063,254.16

## (3) Other price risk

Other price risk is the risk of fluctuations due to changes in market prices other than those arising from exchange rate risk and interest rate risk, whether these changes are due to factors related to a single financial instrument or its issuer, or to all similar financial instruments traded within a market. Other price risks can arise from changes in, for example, commodity prices or equity instrument prices.

## 3. Liquidity risk

Liquidity risk is the risk that an enterprise will experience a shortage of funds in meeting its obligations that are settled by delivery of cash or other financial assets. At the balance sheet date, the contractual undiscounted cash flows of each of the Company's financial liabilities are shown below by maturity date:

sports event	Closing balance						
	Within 1	1-2 years	2-3 years	3-4 years	4-5 years	More than 5	add

## Guizhou Tyre Company Limited Annual

	year					years	up the total
short term loan	1,533,245,766.71	-	-	-	-	-	1,533,245,766.71
long term loan	381,916,551.35	1,361,509,618.98	-	40,000,000.00	-	-	1,783,426,170.33

sports event	Opening balance						
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	add up the total
short term loan	1,668,957,746.71	-	-	-	-	-	1,668,957,746.71
long term loan	1,038,877.20	400,000,000.00	195,747,000.00	123,019,618.98	-	14,776,232.87	734,581,729.05

A detailed description of the maturity of other financial liabilities is given in the relevant item in the notes to the financial statements.

## XI. Fair value disclosures

### 1. Closing fair value of assets and liabilities measured at fair value

Unit: Yuan

sports event	Fair value at end of period			
	Level 1 fair value measurements	Level 2 fair value measurements	Level 3 fair value measurements	add up the total
I. Ongoing fair value measurements	—	—	—	—
(iii) Investments in other equity instruments	396,018,210.00		260,532,611.58	656,550,821.58
(viii) Receivables financing			414,501,304.36	414,501,304.36
II. Discontinued fair value measurements	—	—	—	—

### 2. Basis for determining the market value of continuing and discontinued Level 1 fair value measurements

For shares held in listed companies, their fair value is based on the closing price of the stock exchange market on the balance sheet date.

### 3. Continuing and discontinued level 2 fair value measurements, qualitative and quantitative information on valuation techniques used and significant parameters

☐ Applicable ☒ Not applicable

### 4. Continuing and discontinued Level 3 fair value measurements, qualitative and quantitative information on valuation techniques used and significant parameters

For investments in other equity instruments that are not quoted in an active market, the Company values them in accordance with the market approach, with the inputs being the price-to-book ratios of comparable listed companies. The fair value of notes receivable measured at fair value through other comprehensive income is determined at the face amount.

### 5. Ongoing Level 3 fair value measurement items, information on reconciliations between opening and closing book values and sensitivity analysis of unobservable parameters

☐ Applicable ☒ Not applicable

### 6. Ongoing fair value measurement items, where conversions between levels occurred during

**the period, the reasons for the conversions and the policy for determining the point of conversion**

☐ Applicable ☒ Not applicable

**7. Changes in valuation techniques that occurred during the period and reasons for the changes**

☐ Applicable ☒ Not applicable

**8. Fair value of financial assets and financial liabilities not measured at fair value**

☐ Applicable ☒ Not applicable

## 9. Other

### xii. related parties and connected transactions

#### 1. Information on the parent company of the enterprise

Parent company name	registered office	Nature of business	registered capital	Parent company to the enterprise shareholding	Parent company to the enterprise proportion of voting rights
Guiyang City Industrial Investment limited company	Guiyang prefecture level city in Guizhou	investors	116,375.03 million	27.76 per cent	27.76 per cent

#### Description of the enterprise's parent company

Guiyang City Industrial Investment Co., Ltd. is a wholly state-owned company approved and authorised by the Guiyang Municipal Government, with the business scope of industrial investment and financing, launching and setting up of funds, capital operation, asset management and equity management, merger and reorganisation, asset management, primary land development, industrial real estate development, housing leasing, property management, domestic and international trade services, and consulting services.

The ultimate controlling party of the enterprise is the State-owned Assets Supervision and Administration Commission of the People's Government of Guiyang City.

#### 2. Information on the Company's subsidiaries

Details of the enterprise's subsidiaries are given in Note IX.1.

#### 3. Joint ventures and associates of the enterprise

The significant joint ventures or associates of the enterprise are detailed in Note IX.3.

Other joint ventures or associates that had related party transactions with the Company during the current period, or had balances arising from related party transactions with the Company in prior periods, are as follows:

☐ Applicable ☒ Not applicable

#### 4. Other related parties

Name of other related parties	Relationship between other related parties and the Company
Guizhou Qianjin Rubber & Plastic Technology Co., Ltd (Guizhou Tyre Factory before the change)	Subsidiaries owned by controlling shareholders
Guiyang Dangerous Peak Logistics Co.	Grandson companies owned by controlling shareholders
Guiyang Yongqing Instrumental Technology Co.	Subsidiaries owned by controlling shareholders

Bank of Guiyang Co.	Companies in which the Chairman of the Supervisory Board of the Company and the Deputy General Manager of the controlling shareholder are directors
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Other notes:

Only significant related parties that have direct business dealings with the Company are listed.

## 5. Related transactions

### (1) Connected transactions for the purchase and sale of goods and the provision and acceptance of services

Statement of purchases of goods/acceptance of labour

Unit: Yuan

related party	Contents of connected transactions	Current period's incidence	Approved transactions quota	Is it more than the delivery written down as a percentage of the total volume of a transaction	Prior period's incidence
Guizhou Advance Rubber Tube Company	Procurement of materials				54,000,282.98
Guizhou Advance Rubber & Plastic Technology Co.	Procurement of materials	49,775,557.32			
Guizhou Advance Rubber & Plastic Technology Co.	Consumables and service charges	30,875,603.50			
Guizhou Advance Tyre Industry Development Co.	Procurement of materials				1,770,651.77
Guizhou Changxin Tyre Co.	service fee				1,131,235.09
Guiyang Dangerous Peak Logistics Co.	service fee	2,065,399.03			3,782,613.56
Guizhou tyre factory	payment for work				1,741,980.87
Guizhou tyre factory	Procurement of materials				28,684,785.53
Guizhou Advance Tyre Industry Development Co.	service fee				2,004,599.90
Guizhou Qianjin Logistics Co.	service fee				5,656,422.83
Guizhou Tyre Factory Construction Engineering Company	service fee				220,842.65
Guiyang Yongqing Instrumental Technology Co.	Procurement of equipment	3,337,707.92			3,242,288.49
Bank of Guiyang Co.	Bank charges	939,657.48			

Statement of sale of goods/provision of labour

Unit: Yuan

related party	Contents of connected transactions	Current period's incidence	Prior period's incidence
Guizhou Advance Rubber Tube Company	Sales of raw materials materials		30,594,980.75
Guizhou Advance Tyre Industry	Sales of semi-component		3,884,708.17

Development Co.	materials		
Guizhou Advance Rubber & Plastic Technology Co.	Sales of materials and leasing	33,528,629.89	
Guizhou tyre factory	Sales of semi-component materials		7,124,312.40
Guizhou Qianjin Logistics Co.	Sales of semi-component materials		54,440.94
Guizhou Advance Rubber Tube Company	Provision of water, electricity, etc.		1,497,427.44
Guizhou Advance Tyre Industry Development Co.	Provision of water, electricity, etc.		161,488.08
Guizhou tyre factory	Provision of water, electricity, etc.		191,695.77
Bank of Guiyang Co.	Interest income	43,609,676.99	

Description of connected transactions for the purchase and sale of goods and the provision and acceptance of services

Purchases and sales between the Company and its related companies are settled in accordance with the terms of market transactions and the terms of the relevant agreements.

## (2) **Affiliated Fiduciary Management/Contracting and Delegated Management/Contracting Out**

☐ Applicable ☒ Not applicable

During the reporting period, there was no joint fiduciary management/contracting and delegated management/contracting.



**(3) Affiliated leases**

☐ Applicable ☒ Not applicable

There were no connected leases during the reporting period.

**(4) Affiliated guarantees**

The Company as Guarantor

☐ Applicable ☒ Not applicable

The Company as Guaranteed Party

Unit: Yuan

secured party	Amount of guarantee	Guarantee start date	warranty expiry date	Whether the guarantee has been fulfilled the whole of
Guiyang City Industrial Investment Co. firms	191,271,000.00	27 October 2020	15 October 2023	clogged

Description of related guarantees

During the period, Guizhou Tyre Company Limited entered into a guarantee loan contract with China Development Bank Guizhou Branch with Guiyang City Industrial Investment Company Limited as the guarantor. No guarantee fee was incurred and no counter-guarantee was provided under this guarantee contract.

**(5) Related party funds borrowing**

☐ Applicable ☒ Not applicable

**(6) Transfer of assets and restructuring of liabilities by related parties**

☐ Applicable ☒ Not applicable

**(7) Compensation of key management personnel**

Unit: Yuan

sports event	Current period's incidence	Prior period's incidence
Compensation of key management personnel	7,062,591.29	6,485,797.00

**(8) Other connected transactions**

There were no other connected transactions of the Company during the reporting period.

## **6. Receivables and payables from related parties**

### **(1) Items receivable**

☐ Applicable ☒ Not applicable

**(2) Items payable**

Unit: Yuan

Project name	related party	Closing book balance	Opening balance
accounts payable	Guizhou Advance Rubber Tube Company		1,813,710.47
accounts payable	Guiyang Yongqing Instrumental Technology Co.	1,461,501.70	2,088,834.24
accounts payable	Guizhou Advance Rubber & Plastic Technology Co.	5,528,191.08	
accounts payable	Guiyang Dangerous Peak Logistics Co.	501,162.97	749,335.86
Other accounts payable	Guizhou tyre factory		1,885,533.42
Contractual liabilities	Guizhou tyre factory		357,302.65

**7. Related party commitments**

There were no related party commitments during the reporting period.

**8. Other****XIII. Share-based payment****1. Share-based payment in general**

☒Applicable ☐Not Applicable

Unit: Yuan

Total amount of each equity instrument granted by the Company during the period	0.00
Total amount of each equity instrument exercised by the Company during the period	7,352,000.00
Total amount of each equity instrument lapsed by the Company during the period	360,840.00
Range of exercise prices of the Company's stock options outstanding at the end of the period and contractual remaining deadlines	See other notes 2
Range of exercise prices of the Company's other equity instruments issued and outstanding at the end of the period and contracts Remaining term	See other notes 2

Other notes:

- (1) Pursuant to the "Proposal on the Grant of Restricted Shares to Incentive Recipients" adopted by the Tenth Meeting of the Seventh Session of the Board of Directors of Guizhou Tyre on 16 January 2020, the

Agreed to grant 22,420,200 restricted shares to 448 incentive recipients who meet the grant conditions on 16 January 2020 as the grant date, at a grant price of 2.15 Yuan/share. In the process of payment after the grant date, 4 incentive targets voluntarily gave up the subscription of 23.4 million restricted shares granted to them for personal reasons.

Shares; 2 incentive targets for personal reasons voluntarily give up subscribing part of the grant of restricted shares of 6.30 million shares, a total of 29.70 million shares, the company granted the incentive targets actual

The actual number of restricted shares granted was 22,125.5 million shares. The Company used the closing price on the grant date as the fair value of the restricted shares granted.

Share-based payment expense for 2,212.50 million restricted shares = fair value of restricted shares (i.e. closing price of the Company's shares on the date of grant) - grant price.

On 24 January 2022, the thirtieth meeting of the seventh session of the Board of Directors of the Company considered and passed the "Proposal on the Achievement of Unlocking Conditions for the First Unlocking Period of the 2019 Restricted Stock Incentive Plan".

The total number of incentive recipients eligible for unlocking was 443, and the number of restricted shares applied for unlocking was 7,352,200 shares.

As at 31 December 2022, one person has left the company, one person has retired and one person has retired internally, and these three persons no longer meet the incentive conditions, and their remaining restricted shares not released from restricted sale shall not be released from restricted sale, and will be repurchased and cancelled by the Company. The Company will repurchase and write off 360,840 shares of restricted shares which have been granted to the above incentive recipients but have not been approved to be released from restricted sale this time, and the remaining restricted shares which have not been released from restricted sale for the persons who do not meet the incentive conditions.

(2) The restricted shares granted under the Incentive Scheme shall be subject to a restriction period of 24 months, 36 months and 48 months respectively from the date of registration of the completion of the grant. The restricted shares granted to the incentive participants under the Incentive Scheme shall not be transferred, used for guarantee or repayment of debts before the restriction on sale is lifted.

## 2. Equity-settled share-based payments

☒Applicable ☐Not applicable

Unit: Yuan

Method of determining the fair value of equity instruments at the date of grant	Fair value of restricted shares at closing price on grant date
Basis for determining the number of equity instruments for which rights are exercisable	At each balance sheet date during the waiting period, the best estimate is made based on the latest available subsequent information, such as changes in the number of employees with a restricted period, to amend the restricted period equity instruments Quantity.
Cumulative amount of equity-settled share-based payments credited to capital surplus	48,073,791.05
Total expense recognised for equity-settled share-based payments during the period	9,993,041.47

## 3. Cash-settled share-based payments

☒Applicable ☐Not Applicable

Unit: Yuan

Negative equity instruments assumed by the company and determined by calculating on the basis of shares or other equity instruments Methods of determining the fair value of debt	not have
Amount of accumulated liability arising from cash-settled share-based payments in liabilities	0.00
Total expense recognised for cash-settled share-based	0.00

payments during the period	
----------------------------	--

#### 4. Modification and termination of share-based payment

☐ Applicable ☒ Not applicable

#### 5. Other

### XIV. Commitments and contingencies

#### 1. Important commitments

Significant commitments existing at the balance sheet date

☐ Applicable ☒ Not applicable

As at 31 December 2022, the Company has no commitments to disclose.

## 2. Contingencies

### (1) Significant contingencies existing at the balance sheet date

☐ Applicable ☒ Not applicable

As at 31 December 2022, there are no contingencies requiring disclosure by the Company.

### (2) There are no material contingencies that the company is required to disclose, which should also be stated

☐ Applicable ☒ Not applicable

The Company has no material contingencies that require disclosure.

## 3. Other

## XV. Events after the balance sheet date

### 1. Significant non-adjusting events

☐ Applicable ☒ Not applicable

### 2. Distribution of profits

Unit: Yuan

Profits or dividends declared after consideration and approval	229,430,122.40
--	----------------

### 3. Sales returns

☐ Applicable ☒ Not applicable

### 4. Description of other post-balance sheet events

☐ Applicable ☒ Not applicable

## **XVI. Other important matters**

### **1. Correction of prior period accounting errors**

#### **(1) retrospective approach**

☐ Applicable ☒ Not applicable

#### **(2) prospective application law**

☐ Applicable ☒ Not applicable

### **2. Debt restructuring**

☐ Applicable ☒ Not applicable

As at 31 December 2022, the Company has no debt restructuring that requires disclosure.

### **3. Asset replacement**

#### **(1) Non-monetary exchange of assets**

☐ Applicable ☒ Not applicable

As at 31 December 2022, the Company has no asset replacement that requires disclosure.

#### **(2) Other asset replacement**

☐ Applicable ☒ Not applicable

### **4. Annuity plans**

☐ Applicable ☒ Not applicable

As at 31 December 2022, the Company has no annuity plans requiring disclosure.

### **5. Termination of operations**

☐ Applicable ☒ Not applicable

As at 31 December 2022, the Company has no discontinued operations to disclose.

### **6. Divisional information**

#### **(1) Basis for determining reportable segments and accounting policies**

☐ Applicable ☒ Not applicable



**(2) Financial information on reportable segments**

☐ Applicable ☒ Not applicable

The company has no segment reporting, the company develops and produces a wide range of tyres and does not manage segments. No segment information is available.

**(3) If the company has no reportable segments, or if it cannot disclose the total assets and total liabilities of each reportable segment, it should explain why**

☐ Applicable ☒ Not applicable

**(4) Other notes****7. Other important transactions and matters that have an impact on investors' decisions**

☐ Applicable ☒ Not applicable

**8. Other****XVII. Notes to major items in the parent company financial statements****1. Accounts receivable****(1) Accounts receivable classification disclosure**

Unit: Yuan

form	Closing balance					Opening balance				
	Carrying amount		provision for bad debts		book value	Carrying amount		provision for bad debts		book value
	sum of money	proportions	sum of money	Percentage of accruals		sum of money	proportions	sum of money	Percentage of accruals	
Accounts receivable for which bad debt provision is made	12,691.851.49	1.06 per cent	12,691.851.49	100.00 per cent		15,554.317.23	1.67 per cent	15,554.317.23	100.00 per cent	

on an individual basis										
A among them:										
Accounts receivable with provision for bad debts by portfolio	1,186,834,095.47	98.94 per cent	15,153,643.89	1.28 per cent	1,171,680,451.58	915,132,673.64	98.33 per cent	12,575,351.06	1.37 per cent	902,557,322.58
A among them:										
combinatorial	201,365	16.97 per cent			201,365	217,999	23.82 per cent			217,999

1: Units in the scope of the consolidated statements current account	,856.34				,856.34	,537.40				,537.40
Portfolio 2: Sales to Other Customers - Ageing Credit Risk Matrix Analysis Legalist	985,468,239.13	83.03 per cent	15,153.643.89	1.54 per cent	970,314,595.24	697,133,136.24	76.18 per cent	12,575.351.06	1.80 per cent	684,557,785.18
add up the total	1,199,525,946.96	100.00 per cent	27,845.495.38	2.32 per cent	1,171,680,451.58	930,686,990.87	100.00 per cent	28,129.668.29	3.02 per cent	902,557,322.58

Provision for bad debts by individual item: 12,691,851.49

Unit: Yuan

name (of a thing)	Closing balance			
	Carrying amount	provision for bad debts	Percentage of accruals	Reasons for the provision
M/S Malik Trading Co. Pakistan	1,844,791.81	1,844,791.81	100.00 per cent	Not expected to be recovered
PAPA	457,144.16	457,144.16	100.00 per cent	Not expected to be recovered
Indonesia SENTOSA JAYA	368,748.06	368,748.06	100.00 per cent	Not expected to be recovered
COVA GOMME Italy	239,900.11	239,900.11	100.00 per cent	Not expected to be recovered
Laos YHY	152,851.24	152,851.24	100.00 per cent	Not expected to be recovered
Shanghai Yinghong Import & Export Co.	114,561.47	114,561.47	100.00 per cent	Not expected to be recovered
Wosong international trade co;Ltd	42,957.65	42,957.65	100.00 per cent	Not expected to be recovered
JIANGXI NONFERROUS	8,879.87	8,879.87	100.00 per cent	Not expected to be recovered
beiben motors davao PHILIPPINES NC	7,006.39	7,006.39	100.00 per cent	Not expected to be recovered

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Bijie Lifan Junma Zhenxing Vehicle Co. limited company	2,038,436.34	2,038,436.34	100.00 per cent	Not expected to be recovered
Yunnan Shenli Rubber Products Co.	4,109,544.37	4,109,544.37	100.00 per cent	Not expected to be recovered
Hengyang Hengtou Agricultural Machinery Manufacturing Co.	2,929,916.21	2,929,916.21	100.00 per cent	Not expected to be recovered
Xi'an Kemi Storage Equipment Co.	347,016.21	347,016.21	100.00 per cent	Not expected to be recovered
Chengdu Hongfangya Science and Trade Co.	30,097.60	30,097.60	100.00 per cent	Not expected to be recovered
add up the total	12,691,851.49	12,691,851.49		

Provision for bad debts by portfolio: 15,153,643.89

Unit: Yuan

name (of a thing)	Closing balance		
	Carrying amount	provision for bad debts	Percentage of accruals
Within 1 year	980,259,405.17	12,783,955.36	1.30 per cent
1 to 2 years	4,686,486.52	1,944,622.43	41.49 per cent
2 to 3 years	519,520.44	422,239.11	81.27 per cent
3 to 4 years			
4 to 5 years			
More than 5 years	2,827.00	2,827.00	100.00 per cent

add up the total	985,468,239.13	15,153,643.89	
------------------	----------------	---------------	--

A description of the basis for determining the portfolio:

If the bad debt provision for accounts receivable is based on the general model of expected credit losses, please disclose information about the bad debt provision by referring to the disclosure for other receivables:

☐ Applicable ☒

Not applicable

Disclosure by

ageing

Unit: Yuan

age of accounts	Carrying amount
Up to and including 1 year	1,181,614,504.42
1 to 2 years	4,697,660.30
2 to 3 years	612,806.89
More than 3 years	12,600,975.35
3 to 4 years	1,917,512.77
4 to 5 years	7,952,954.38
More than 5 years	2,730,508.20
add up the total	1,199,525,946.96

## (2) Provision for bad debts made, recovered or reversed during the period

Provision for bad debts in the current period:

Unit: Yuan

form	Opening balance	Amount of change during the period				Closing balance
		make provision for (capital requirements)	Recovery or reversal	audit and write off	the rest	
single-item	15,554,317.23		- 2,717,739.62	144,726.12		12,691,851.49
Ageing portfolio	12,575,351.06	2,578,292.83				15,153,643.89
add up the total	28,129,668.29	2,578,292.83	- 2,717,739.62	144,726.12		27,845,495.38

of which the amount of bad debt provisions recovered or reversed during the period is significant:

☐ Applicable ☒ Not applicable

## (3) Actual accounts receivable written off during the period

Unit: Yuan

sports event	Amount written
--------------	----------------

	off
accounts receivable	144,726.12

of which significant accounts receivable write-offs:

Unit: Yuan

Name of unit	Nature of accounts receivable	Amount written off	Reasons for write-offs	Write-off procedures performed	Whether the amount arises from a connected transaction
Hengyang City, Steixiang District, God Force Tyre Technology Services	payment for goods	90,000.00	Not expected to be recovered		clogged

centre					
Nanning Hongchang Motorcycle Parts shop	payment for goods	54,726.12	Not expected to be recovered		clogged
add up the total		144,726.12			

#### (4) Top five accounts receivable by party owed at the end of the period

Unit: Yuan

Name of unit	Closing balance of accounts receivable	Percentage of total closing balance of accounts receivable	Closing balance of provision for bad debts
Client 1	103,923,632.73	8.66 per cent	1,355,306.67
Client 2	47,596,292.32	3.97 per cent	620,720.92
Client 3	36,539,271.33	3.05 per cent	476,522.20
Client IV	36,391,960.19	3.03 per cent	474,601.06
Client 5	30,674,568.15	2.56 per cent	400,038.43
add up the total	255,125,724.72	21.27 per cent	

#### (5) Amounts of assets and liabilities resulting from the transfer of accounts receivable with continuing involvement

☐ Applicable ☒ Not applicable

During the reporting period, the Company did not transfer accounts receivable and continued to be involved in the amount of assets and liabilities formed.

#### (6) Receivables derecognised as a result of a transfer of a financial asset

☐ Applicable ☒ Not applicable

During the reporting period, the Company did not have any receivables derecognised due to the transfer of financial assets.

## 2. Other receivables

Unit: Yuan

sports event	Closing balance	Opening balance
Other receivables	18,957,023.16	37,774,123.07
add up the total	18,957,023.16	37,774,123.07

#### (1) Interest receivable

##### 1) Classification of interest receivable

☐ Applicable ☒ Not applicable

**2) Significant overdue interest**

☐ Applicable ☒ Not applicable



**3) Provision for bad debts**

☐ Applicable ☒ Not applicable

**(2) Dividends receivable****1) Classification of dividends receivable**

☐ Applicable ☒ Not applicable

**2) Significant dividend receivables aged over 1 year**

☐ Applicable ☒ Not applicable

**3) Provision for bad debts**

☐ Applicable ☒ Not applicable

**(3) Other receivables****1) Breakdown of other receivables by nature of payment**

Unit: Yuan

Nature of payment	Closing book balance	Opening balance
reserve fund	447,139.11	5,112,802.99
current account	7,271,841.93	9,847,276.38
provisional	1,971,010.26	202,836.78
export tax rebate	7,531,144.24	
margin (in derivative trading)	4,839,191.37	
deposit	25,000,000.00	25,000,000.00
the rest	302,093.00	428,918.12
add up the total	47,362,419.91	40,591,834.27

**2) Provision for bad debts**

Unit: Yuan

provision for bad debts	Phase I	Phase II	Phase III	add up the total
	Expected credit losses for the next 12 months	Expected credit losses (no credit impairment) over lifetime	Expected credit losses over lifetime (credit impairment incurred)	
Balance as at 1 January 2022	2,524,191.28		293,519.92	2,817,711.20
Balance as at 1 January 2022 in the current period				
--Transferred to phase	1,250,000.00			1,250,000.00

III				
Provision for the current period	538,459.63		25,049,225.92	25,587,685.55

Other changes			1,250,000.00	1,250,000.00
Balance at 31 December 2022 horizontal tablet or inscribed board	1,812,650.91		26,592,745.84	28,405,396.75

Changes in the carrying amount of the provision for losses that are significant in amount during the period

☒Applicable ☐Not Applicable

Other receivables (by unit)	Closing balance			
	Carrying amount	provision for bad debts	Percentage of accruals	Reasons for the provision
Xiuwen County Urban Construction Investment and Development Co. responsible company	25,000,000.00	25,000,000.00	100	Not expected to be recovered
add up the total	25,000,000.00	25,000,000.00	100	

Disclosure by age

Unit: Yuan

age of accounts	Carrying amount
Up to and including 1 year	15,193,694.29
1 to 2 years	905,209.19
2 to 3 years	651,821.07
More than 3 years	30,611,695.36
3 to 4 years	5,058,854.69
4 to 5 years	73,150.49
More than 5 years	25,479,690.18
add up the total	47,362,419.91

### 3) Provision for bad debts made,

recovered or reversed during the

period **Provision** for bad debts made

during the period:

Unit: Yuan

form	Opening balance	Amount of change during the period				Closing balance
		make provision	Recovery or	audit and write	the rest	

		for (capital requirements)	reversal	off		
single-item	293,519.92	25,049,225.9 2			1,250,000.00	26,592,745.8 4
Ageing portfolio	2,524,191.28	538,459.63			1,250,000.00	1,812,650.91
add up the total	2,817,711.20	25,587,685.5 5				28,405,396.7 5

Of these, the amount of provision for bad debts reversed or recovered during the period is significant:

☐ Applicable ☒ Not applicable

**4) Other receivables actually written off during the period**

☐ Applicable ☒ Not applicable

**5) Top five other receivables with closing balances, by party owed to them**

Unit: Yuan

Name of unit	Nature of payments	Closing balance	age of accounts	Percentage of total closing balance of other receivables	Closing balance of provision for bad debts
Correspondent I	margin (in derivative trading)	25,000,000.00	More than 5 years	52.78 per cent	25,000,000.00
Correspondence unit II	go back and forth	3,982,500.00	3-4 years	8.41 per cent	398,250.00
Correspondence unit III	margin (in derivative trading)	1,000,000.00	Within 1 year	2.11 per cent	50,000.00
Correspondence unit IV	go back and forth	691,787.00	3-4 years	1.46%	691,787.00
Correspondence unit V	margin (in derivative trading)	600,000.00	Within 1 year	1.27 per cent	30,000.00
add up the total		31,274,287.00		66.03 per cent	26,170,037.00

**6) Receivables relating to government grants**☐ Applicable ☒ Not applicable

During the reporting period, the Company did not have other receivables involving government grants.

**7) Derecognition of other receivables due to transfer of financial assets**☐ Applicable ☒ Not applicable

During the reporting period, the Company did not have any other receivables derecognised as a result of the transfer of financial assets.

**8) Amounts of assets and liabilities resulting from the transfer of other receivables with continuing involvement**☐ Applicable ☒ Not applicable

During the reporting period, the Company did not transfer other receivables and continue to be involved in the formation of assets and liabilities.

**3. Long-term equity investments**

Unit: Yuan

sports event	Closing balance			Opening balance		
	Carrying amount	provision for impairment	book value	Carrying amount	provision for impairment	book value

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Investments in subsidiaries	902,671,665.23		902,671,665.23	717,286,872.00		717,286,872.00
add up the total	902,671,665.23		902,671,665.23	717,286,872.00		717,286,872.00

**(1) Investments in subsidiaries**

Unit: Yuan

investee (in finance)	Opening balance (Carrying value)	Increase/decrease during the period				Closing balance (Carrying value)	Closing balance of provision for impairment
		Additional investments	Reduced investment	provide for impairment	the rest		
Guizhou tyres into	20,000,000					20,000,000	

Export responsibilities are limited company	.00					.00	
Guizhou Advance Tyre Sales Co. firms	20,000,000.00					20,000,000.00	
Guizhou Hercules Tyre Co. company	250,800,000.00					250,800,000.00	
Guizhou Advance Tyre Investment Co. responsible company	426,486,872.00	107,653,500.00				534,140,372.00	
Guizhou Advance New Material Co. company		77,731,293.23				77,731,293.23	
add up the total	717,286,872.00	185,384,793.23				902,671,665.23	

## (2) Investments in associates, joint ventures

☐ Applicable ☒ Not applicable

## (3) Other notes

## 4. Operating income and operating costs

Unit: Yuan

sports event	Current period's incidence		Prior period's incidence	
	incomes	(manufacturing, production etc) costs	incomes	(manufacturing, production etc) costs
Main business	7,443,301,063.43	6,299,316,328.59	6,856,275,492.98	5,900,668,251.22
Other business	198,869,274.85	129,550,454.70	116,885,630.93	47,649,057.06
add up the total	7,642,170,338.28	6,428,866,783.29	6,973,161,123.91	5,948,317,308.28

Revenue-related information:

Unit: Yuan

Contract	Division 1	Division 2		add up the total
----------	------------	------------	--	------------------

classification				
Product Type				
Among them:				
By Business Area				
Among them:				
Type of market or customer				
Among them:				
Type of contract				
Among them:				



By time of transfer of goods resemble				
Among them:				
Classification by contract duration				
Among them:				
By Sales Channel				
Among them:				
add up the total				

Information relating to

performance

obligations: revenue

recognition

principles

On the commencement date of a contract, the Company evaluates the contract, identifies each individual performance obligation contained in the contract and determines whether each individual performance obligation is within a certain time period

fulfilment, or fulfilment at a certain point in time.

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

- (1) The customer acquires and consumes the economic benefits of the Company's performance at the same time as the Company's performance.
- (2) The customer is able to control the goods or services under construction in the course of the Company's performance.
- (3) The goods or services produced in the course of the Company's performance have a non-substitutable use

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

For performance obligations that are to be fulfilled within a certain period of time, the Company recognises revenue over that period of time based on the progress of performance. When the progress of performance is not reasonably determinable, revenue is recognised at the amount of costs incurred until the progress of performance is reasonably determinable, provided that the costs incurred are expected to be reimbursed.

Revenue is recognised at the point at which the customer obtains control of the relevant goods or services for performance obligations that are fulfilled at a point in time. The Company considers the following indications in determining whether a customer has obtained control of goods:

- 
- ( 1 ) The Company has a present right to receive payment for the merchandise, which means that the customer has a present obligation to pay for the merchandise.
  - ( 2 ) The Company has transferred legal ownership of the goods to the Customer, i.e. the Customer has legal ownership of the goods.
  - ( 3 ) The Company has physically transferred the goods to the customer, i.e. the customer has taken physical possession of the goods.
  - ( 4 ) The Company has transferred the principal risks and rewards of ownership of the commodity to the customer, i.e. the customer has acquired the principal risks and rewards of ownership of the commodity.
  - ( 5 ) The customer has accepted the item.
  - ( 6 ) Other indications that the customer has

obtained control of the commodity. Information

relating to the transaction price apportioned to the

remaining performance obligations:

The amount of revenue corresponding to performance obligations that have been contracted for but not yet fulfilled or not yet completed at the end of the reporting period is \$421,994,872.13, of which.

421,994,872.13 is expected to be recognised in 2023.

## 5. Return on investment

Unit: Yuan

sports event	Current period's incidence	Prior period's incidence
Investments in other equity instruments acquired during the holding period dividend income	22,001,550.00	12,957,000.00
add up the total	22,001,550.00	12,957,000.00

## 6. Other

## xviii. additional information

### 1. Breakdown of non-recurring gains and losses for the period

☒Applicable ☐Not Applicable

Unit: Yuan

sports event	sum of money	instructions
Gains and losses on disposal of non-current assets	-14,123,919.38	
Government grants recognised in profit or loss (government grants that are closely related to the Company's normal business operations, in line with national policies, and in accordance with certain standards of fixed-rate or fixed-quantity continuous) (except for government grants received)	21,597,508.45	
Except for the effective hedging business related to the Company's normal operations, gains and losses from changes in fair value of financial assets and liabilities held for trading and disposal of financial assets and liabilities held for trading and available-for-sale financial assets are recognised in the consolidated financial statements. Investment income earned	22,001,550.00	
Impairment of receivables tested individually for impairment reversal	1,722,169.02	
Other non-operating income other than the above and expenditures	-1,558,787.00	
Less: income tax effect	5,109,980.78	
add up the total	24,528,540.31	--

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

☐ Applicable ☒ Not applicable

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

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

☐ Applicable ☒ Not applicable

## 2. Return on net assets and earnings per share

Profit for the reporting period	Weighted average return on net assets	earnings per share	
		Basic earnings per share (\$/share)	Diluted earnings per share (\$/share)

Net attributable to ordinary shareholders of the Company margins	6.89 per cent	0.38	0.33
Attributable after extraordinary gains and losses to Net profit of the Company's ordinary shareholders	6.50 per cent	0.36	0.31

### 3. Differences in accounting data under domestic and foreign accounting standards

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

☐ Applicable ☒ Not applicable

- (2) **Difference in net profit and net assets between financial reports disclosed under overseas accounting standards and those disclosed under Chinese accounting standards at the same time**

☐ Applicable ☒ Not applicable

- (3) **Explanation of the reasons for differences in accounting data under domestic and foreign accounting standards, and, in the case of a reconciliation of differences in data that have been audited by an overseas auditor, the name of that overseas auditor**

☐ Applicable ☒ Not applicable

### 4. Other

Chairman of the Board of  
Directors of Guizhou Tyre  
Company Limited: Huang

## Gegege

Letter dated 25 April 2023 from  
the Permanent Representative  
of the Republic of Korea to the  
United Nations addressed to  
the President of the Security  
Council