

## Chapter X Financial Reporting

### I. Auditor's Report

The type of opinion	Standard unqualified opinion
Signing date	April 19, 2024
Auditor	Grant Thornton
Audit Report No.	ZTSZ (2024) No. 110A012773
Name of registered auditors	Liang Yinan, Luo Xiangqiang

Body of the report

**Auditor's Report**

**GT (2024) No. 110A012773**

**To the shareholders of Beijing Oriental Yuhong Waterproof Technology CO., Ltd.**

### I. Auditor's opinion

We audited the financial statements of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. (hereinafter referred to as Oriental Yuhong Company), which comprise the consolidated balance sheet as of December 31, 2023, the consolidated income statement, the consolidated statement of changes in shareholders' equity, the consolidated and corporate cash flow statement for FY2023, and notes to the relevant financial statements.

We believe that the attached financial statements prepared in accordance with the Accounting Standards for Business Enterprises in all major aspects fairly reflect the consolidated financial status of Oriental Yuhong Company as of December 31, 2023 and its consolidated and operating results as well as cash flow for FY2023.

### II. Basis of our opinion

We conducted the audit in accordance with the Chinese Certified Public Accountants' Auditing Standards. The section titled "Certified Accountant's Responsibilities for the Audit of Financial Statements" of this report further elaborates on our responsibilities under these standards. In accordance with the Code of Professional Ethics for Chinese Certified Public Accountants, we have

fulfilled other responsibilities in terms of professional ethics as independent of the Oriental Yuhong company. 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, in our professional judgment, are most significant in our audit of the financial statements of the current period. These matters are addressed in the context of our audit of financial statements as a whole in forming our opinion thereto, but we do not provide a separate opinion on these matters.

#### i. Recognition of sales revenue of waterproof products and engineering construction

For details of relevant information disclosure, please refer to Note 3, 24 and Note 5, 44 of the financial statements.

##### 1. Description of the matter

Oriental Yuhong Company is mainly engaged in the sales of waterproof coiled materials and coating products, engineering construction services. In 2023, the company's operating revenue was RMB 328.23 billion, including RMB 289.20 billion of sales revenue of waterproof products and RMB 32.44 billion of engineering construction revenue, accounting for 98% of the overall operating revenue. As the sales revenue of waterproof products and the revenue of engineering construction services are significant and constitute the key performance indicators for evaluating the operating conditions, there is a risk of revenue fraud caused by the management of Oriental Yuhong Company (hereinafter referred to as the "management") manipulating the revenue in order to achieve specific goals or expectations. We recognize the sales revenue of waterproof products and engineering construction as key audit matters.

##### 2. Audit response

For the sales revenue of waterproof materials, the audit procedures we conducted mainly include:

- (1) Understanding and evaluating the Management's design of internal control regarding the sales process from the approval of sales orders to the accounting of sales revenue, and testing the implementation effectiveness of key controls;
- (2) Inquiring the management and check the sales contracts by sampling, analyzing the time point of control transfer related to the revenue recognition of waterproof products, and evaluating whether the revenue recognition policy of waterproof products conforms to the standards;
- (3) Carrying out general control test and application control test on the information system of Oriental Yuhong Company, of which the application control test on the information system mainly involves the integrity and accuracy tests of key business data related to sales business;

- (4) Analyzing the fluctuation of sales revenue, sales price, gross profit margin and changes in income of main clients of different waterproof products to evaluate the rationality of the fluctuation of sales revenue of waterproof products;
- (5) Checking the supporting documents related to the revenue recognition of waterproof products by sampling, including sales contracts, sales orders, sales delivery orders, goods receipts, sales invoices, etc., to confirm the authenticity of sales revenue;
- (6) Selecting samples to implement the confirmation procedure for the sales revenue of waterproof products;
- (7) For the sales revenue of waterproof products confirmed before and after the balance sheet date, selecting samples and checking their supporting documents such as sales delivery orders and goods receipts, so as to verify whether the sales revenue of waterproof products was recognized in an appropriate period;

For the construction revenue of waterproofing projects, the audit procedures we conducted mainly include:

- (1) Understanding and evaluating the management's design of internal control regarding the accounting of construction revenue and costs of waterproofing projects, and testing the effectiveness of the implementation of key controls, including internal controls of the actual project costs and the estimated total cost of the contract;
- (2) Obtaining the cost calculation sheet of engineering construction income, checking the total amount with the income cost Sub Ledger, and confirming the accuracy of the calculation sheet;
- (3) Checking the supporting documents such as the contract, invoice and goods receipt by sampling method in view of the actual cost of the construction project;
- (4) Conducting sampling inspection on the actual total cost of the completed project, comparing it with the estimated total contract cost of the project, and evaluating the rationality of the budgeted cost;
- (5) Selecting samples to check whether the total contract cost of the project under construction exceeds the total revenue, and reviewing the accuracy of the management's provision of the expected loss of the relevant contract;
- (6) Checking the supporting documents such as the goods receipt for the actual costs recognized before and after the balance sheet date to verify whether the actual costs are recognized in the appropriate period;
- (7) Selecting samples for field or video inventory of uncompleted projects to evaluate the rationality of the progress of uncompleted projects in the accounts.

## ii. Accrual of credit impairment losses on accounts receivable and contract assets

For details of relevant information disclosure, please refer to notes 3 and 11, notes 5 and 4, and notes 5 and 9 of the financial statements.

### 1. Description of the matter

As of December 31, 2023, the total balance of accounts receivable and contract assets of Oriental Yuhong Company was RMB 13,946,000,000, and the balance of bad-debt provision of accounts receivable and contract assets totaled RMB 2,047,000,000. The management put businesses of the credit risk of same features into the same portfolio in terms of accounts receivable and contract assets, and measured loss reserves based on expected credit losses. The key assumptions involved include historical credit losses and expectations of future economic conditions.

As the management confirmed that the key assumptions for the expected credit losses of accounts receivable and contract assets were significant judgments, we consider the provision of credit impairment losses on accounts receivable and contract assets as a key audit matter.

### 2. Audit response

The audit procedures we implemented for the provision of credit impairment losses on accounts receivable and contract assets mainly include:

- (1) Evaluating and testing the effectiveness of the design and implementation of internal control in expected credit losses of accounts receivable and contract assets, including management's review, evaluation and determination of the classification of the accounts receivable and contract asset portfolio, as well as the internal control of critical assumption;
- (2) For accounts receivable and contract assets assessed by individual amounts, reviewing the basis for the management's assessment of expected credit losses based on factors such as the client's financial status, historical repayment records, and forecasts of future economic conditions; for the collateral assets, understanding and evaluating the collateral security of the collateral and the fairness of the value of the collateral;
- (3) For accounts receivable and contract assets that combine expected credit losses based on credit risk characteristics, reviewing the management's portfolio and the rationality of the expected credit loss estimated by the management based on historical credit loss and the current conditions as well as its definite forecast of future financial situation;
- (4) Comparing the amount of provision for bad debts in previous years with the actual amount of bad debts incurred, and evaluating the adequacy of the provision for expected credit losses of accounts receivable;
- (5) Selecting samples to implement the confirmation procedures for accounts receivable.

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

The management of Oriental Yuhong Company (hereinafter referred to as “the management”) is responsible for other information. Other information includes the information provided in the 2023 annual report of the company, except the financial statements and our audit report.

Our audit opinions on the financial statements do not provide other information, and we do not provide any form of attestation on other information.

In our audit of the financial statements, our responsibility is to read other information, during which we consider whether the other information is materially inconsistent with the financial statements or with what we have learned during the audit or whether there seems to be a material misstatement.

Based on the work we have done, if we determine that there is a material misstatement of other information, we should report the facts. In this regard, we have no misstatement to report.

#### **V. Responsibilities of management and governance for financial statements**

The management of Oriental Yuhong Company is responsible for preparing financial statements in accordance with the provisions of the Accounting Standards for Business Enterprises to result in a true and fair view of the business, and to design, implement and maintain necessary internal controls so that there are no major misstatements due to fraud or errors in the financial statements.

When preparing financial statements, the management is responsible for assessing the company’s ability for sustainable operations, disclosing matters related to sustainable operations (if applicable), and applying going concern assumptions, unless the management plans to liquidate the company, terminate its operations or resort to no other realistic choice.

The governance layer is responsible for supervising the financial reporting process of Oriental Yuhong Company.

#### **VI. The responsibility of the certified public accountant for the audit of financial statements**

Our goal is to obtain reasonable assurance as to whether there are no major misstatements due to fraud or errors in the overall financial statements, and to issue an audit report containing audit opinions. Reasonable assurance is a high-level assurance, which does not guarantee that an audit performed in accordance with the auditing standards will always find the major misstatement if there is any. Misstatements may be caused by fraud or errors. If it is reasonably expected that the misstatements, individually or collectively, may affect the financial decisions by the users of financial statements, such misstatement is generally considered to be material.

In the process of performing audit work in accordance with audit standards, we work with professional judgment and maintain professional skepticism. At the same time, we also undertook the following tasks:

- (1) Identifying and assessing the risk of material misstatement of financial statements due to fraud or errors, designing and implementing audit procedures to deal with these risks, and obtaining sufficient and appropriate audit evidence as the basis for providing audit opinions. Since fraud may involve collusion, forgery, deliberate omission, misrepresentation or overriding internal control, the risk of failing to detect material misstatement due to fraud is higher than the risk of failing to detect material misstatement due to errors.
- (2) Understanding the internal control related to the audit in order to design appropriate audit procedures.
- (3) Evaluating the appropriateness of the accounting policies used by the management and the reasonableness of accounting estimates and related disclosures.
- (4) Drawing conclusions on the appropriateness of management's use of going concern assumptions. At the same time, based on the obtained audit evidence, conclusions can be drawn on whether there are major uncertainties in matters or circumstances about Oriental Yuhong Company as a going concern. If we concluded that there is significant uncertainty, the auditing standards require us in the audit report to draw the users' attention to the relevant disclosures in the financial statements; if the disclosure is insufficient, we should provide a non-unqualified opinion. Our conclusions were based on the information available as of the date of the audit report. However, future events or circumstances may result in the inability of Oriental Yuhong Company in continuing the business.
- (5) Evaluating the overall presentation, structure and content of the financial statements, and evaluating whether the financial statements present fair view of the relevant transactions and events.
- (6) Obtaining sufficient and appropriate audit evidence of the financial information in the entities or business activities of Oriental Yuhong Company to provide opinions on the financial statements. We were responsible for directing, supervising and performing group audits, and assumed full responsibility for the audit opinions.

We communicated with the management on the planned audit scope, timing and major audit findings, including the notable internal control deficiencies we have identified during the audit.

We also provided a statement to the governance that we have complied with the professional ethics requirements in terms of the independence, and communicated with the governance all relationships and other matters that may be reasonably believed to affect our independence, as well as related preventive measures (if applicable).

From the matters we communicated with the governance layer, we determined which matters were the most important to the audit of the financial statements of the current period, and thus constituted



key audit matters. We described these matters in the audit report, unless laws and regulations prohibit public disclosure of these matters, or in rare cases, if the negative consequences of communicating a matter in the audit report are reasonably expected to outweigh the public interest benefits, we determine the matter should not be discussed in the audit report.

Grant Thornton (Limited Liability Partnership)	China's Certified Public Accountant (Engagement partner)
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Beijing, China	China's Certified Public Accountant
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April 18, 2024



## II. Financial Statements

Currency Unit in the Notes to Financial Statements: RMB

### 1. Consolidated Balance Sheet

Prepared by: Beijing Oriental Yuhong Waterproof Technology Co., Ltd.

December 31, 2023

Unit: RMB

Items	December 31, 2023	January 1, 2023
Current Assets:		
Monetary Funds	9,119,500,669.37	10,539,216,758.55
Provision of Settlement Funds		
Loans to Other Banks		
Trading Financial Assets	635,900,187.31	607,088,731.43
Derivative Financial Assets		
Notes Receivable	616,796,605.78	508,238,462.51
Accounts Receivable	9,568,035,962.61	10,878,566,767.30
Receivable Financing	1,784,663,766.70	1,591,548,416.80
Advance Payments	1,077,697,570.08	844,966,767.95
Premiums Receivable		
Reinsurance Premiums Receivable		
Reserves for Reinsurance Contract Receivable		
Other Receivables	4,075,587,334.21	2,144,045,524.14
Of which: Interest Receivable		
Dividends Receivable		6,384,843.30





Buying Back the Sale of Financial Assets		
Stock	2,510,642,499.99	1,574,778,289.08
Contract Assets	2,330,825,043.75	3,039,361,835.80
Assets Held for Sale		
Non-current Assets Due within One Year		
Other Current Assets	859,514,244.77	618,478,594.62
Total Current Assets	32,579,163,884.57	32,346,290,148.18
Non-current Assets:		
Loans and Advances Disbursed		
Debt Investment		1,650,000,000.00
Other Debt Investment		
Long-term Receivables		
Long-term Equity Investment	81,333,251.92	199,982,208.47
Other Equity Instrument Investments	255,881,060.28	285,181,767.02
Other Non-current Financial Assets	262,572,338.19	62,588,195.83
Investment Real Estate		
Fixed Assets	10,452,504,002.75	8,563,291,329.36
Construction in Progress	1,369,715,204.57	2,049,330,481.21
Productive Biological Assets		
Oil and Gas Assets		



Right-of-use Assets	200,044,186.47	169,202,828.43
Intangible Assets	2,268,297,121.66	2,191,235,059.64
Development Expenditure		
Goodwill	344,571,374.96	150,279,890.81
Long-term Unamortized Expenses	39,198,056.69	72,932,831.46
Deferred Tax Assets	980,776,688.54	732,040,620.06
Other Non-current Assets	2,339,936,424.17	2,118,417,546.66
Total Non-current Assets	18,594,829,710.20	18,244,482,758.95
Total Assets	51,173,993,594.77	50,590,772,907.13
Current Liabilities:		
Short-term Borrowings	4,998,624,477.72	6,254,330,925.83
Borrowings from Central Bank		
Loans from Other Banks		
Trading Financial Liabilities		
Derivative Financial Liabilities		
Notes Payable	818,240,802.46	588,252,536.00
Accounts Payable	3,479,052,197.30	3,900,933,993.77
Advance Receipts		
Contract Liabilities	3,572,713,013.28	3,323,551,390.16
Financial Assets Sold for Repurchase		
Receipt of Deposits and		



Deposits from Other Banks		
Funds Received as Agent of Stock Exchange		
Funds Received as Agent of Stock Underwriting		
Employee Compensation Payable	139,795,646.25	122,873,318.12
Taxes Payable	606,440,395.43	627,685,861.18
Other Payables	5,432,456,328.55	6,186,392,139.52
Of which: Interest Payable		
Dividends Payable	39,800.00	39,800.00
Handling Charges and Commission Payable		
Reinsurance Premiums Payable		
Liabilities Held for Sale		
Non-current Liabilities Due within One Year	297,410,773.72	578,359,075.32
Other Current Liabilities	392,518,847.25	379,020,870.56
Total Current Liabilities	19,737,252,481.96	21,961,400,110.46
Non-current Liabilities:		
Reserves for Insurance Contract		
Long-term Borrowings	1,708,670,178.55	543,920,486.11
Bonds Payable		



Of which: Preferred Shares		
Perceptual Bonds		
Lease Liabilities	177,044,897.51	150,551,421.42
Long-term Payables	52,560,000.00	54,020,000.00
Long-term Employee Compensation Payable		
Estimated Liabilities	58,906,953.01	36,446,059.05
Deferred Income	689,812,262.93	610,423,884.71
Deferred Tax Liabilities	42,938,699.14	43,862,422.15
Other Non-current Liabilities		
Total Non-current Liabilities	2,729,932,991.14	1,439,224,273.44
Total Liabilities	22,467,185,473.10	23,400,624,383.90
Owners' Equity:		
Share Capital	2,518,464,191.00	2,518,464,191.00
Other Equity Instruments		
Of which: Preferred Shares		
Perceptual Bonds		
Capital Reserves	10,422,186,648.49	10,721,493,283.54
Minus: Treasury Shares	1,242,192,156.53	1,121,608,787.15
Other Comprehensive Income	-15,145,802.14	24,057,640.43
Appropriative Reserves		
Surplus Reserves	592,009,699.39	543,872,112.34
General Risk Reserves		



Undistributed Profits	16,098,691,927.30	14,122,557,990.99
Total Owners' Equity Attributable to the Parent Company	28,374,014,507.51	26,808,836,431.15
Minority Interests	332,793,614.16	381,312,092.08
Total Owners' Equity	28,706,808,121.67	27,190,148,523.23
Total Liabilities and Owners' Equity	51,173,993,594.77	50,590,772,907.13

Legal Representative: Li Weiguo Competent Accounting Head: Xu Wei Accounting Agency Head: Xu Wei

## 2. Balance Sheet of the Parent Company

Unit: RMB

Items	December 31, 2023	January 1, 2023
Current Assets:		
Monetary Funds	4,786,210,394.27	4,805,056,462.13
Trading Financial Assets	635,900,187.31	607,088,731.43
Derivative Financial Assets		
Notes Receivable	40,609,004.49	41,541,560.80
Accounts Receivable	2,236,497,043.33	3,092,903,601.87
Receivable Financing	104,063,028.77	145,455,406.93
Advance Payments	143,371,233.96	158,074,071.45
Other Receivables	13,278,403,865.39	11,336,618,020.32
Of which: Interest Receivable	150,117,184.69	111,633,577.71
Dividends Receivable	1,100,000,000.00	1,806,384,843.30
Stock	26,401,245.21	35,663,183.12
Contract Assets		



Assets Held for Sale		
Non-current Assets Due within One Year		
Other Current Assets	177,175,713.81	101,075,209.76
Total Current Assets	21,428,631,716.54	20,323,476,247.81
Non-current Assets:		
Debt Investment		1,650,000,000.00
Other Debt Investment		
Long-term Receivables		
Long-term Equity Investment	6,097,436,312.78	5,314,401,905.02
Other Equity Instrument Investments	252,533,621.48	262,468,192.09
Other Non-current Financial Assets		
Investment Real Estate		
Fixed Assets	849,031,931.33	934,778,718.95
Construction in Progress	165,426,195.72	92,529,005.60
Productive Biological Assets		
Oil and Gas Assets		
Right-of-use Assets	68,436,944.54	70,196,060.78
Intangible Assets	74,863,533.23	81,869,069.88
Development Expenditure		
Goodwill		
Long-term Unamortized Expenses	6,175,029.14	1,493,656.49



Deferred Tax Assets	385,883,934.72	259,674,480.95
Other Non-current Assets	704,861,384.33	498,681,084.64
Total Non-current Assets	8,604,648,887.27	9,166,092,174.40
Total Assets	30,033,280,603.81	29,489,568,422.21
Current Liabilities:		
Short-term Borrowings	1,384,259,737.32	2,206,552,762.46
Trading Financial Liabilities		
Derivative Financial Liabilities		
Notes Payable	604,929,724.07	631,670,819.51
Accounts Payable	247,258,960.08	859,127,430.42
Advance Receipts		
Contract Liabilities	458,846,440.10	724,161,364.78
Employee Compensation Payable	33,500,548.59	34,285,202.26
Taxes Payable	25,223,916.93	28,253,583.27
Other Payables	11,841,410,308.91	9,567,085,596.59
Of which: Interest Payable		
Dividends Payable	39,800.00	39,800.00
Liabilities Held for Sale		
Non-current Liabilities Due within One Year	134,727,870.07	403,685,164.37
Other Current Liabilities	58,635,914.50	94,140,977.43
Total Current Liabilities	14,788,793,420.57	14,548,962,901.09



Non-current Liabilities:		
Long-term Borrowings	790,000,000.00	310,667,000.00
Bonds Payable		
Of which: Preferred Shares		
Perceptual Bonds		
Lease Liabilities	68,038,933.13	69,377,868.44
Long-term Payables	52,560,000.00	54,020,000.00
Long-term Employee Compensation Payable		
Estimated Liabilities	17,047,028.35	7,212,437.54
Deferred Income		
Deferred Tax Liabilities	12,716,446.38	21,061,922.03
Other Non-current Liabilities		
Total Non-current Liabilities	940,362,407.86	462,339,228.01
Total Liabilities	15,729,155,828.43	15,011,302,129.10
Owners' Equity:		
Share Capital	2,518,464,191.00	2,518,464,191.00
Other Equity Instruments		
Of which: Preferred Shares		
Perceptual Bonds		
Capital Reserves	10,561,580,738.23	10,802,327,675.31
Minus: Treasury Shares	1,242,192,156.53	1,121,608,787.15
Other Comprehensive Income	13,070,625.03	58,197,963.28





Appropriative Reserves		
Surplus Reserves	592,009,699.39	543,872,112.34
Undistributed Profits	1,861,191,678.26	1,677,013,138.33
Total Owners' Equity	14,304,124,775.38	14,478,266,293.11
Total Liabilities and Owners' Equity	30,033,280,603.81	29,489,568,422.21

### 3.Consolidated Income Statement

Unit: RMB

Items	2023	2023
I. Gross Revenue	32,822,528,108.42	31,213,835,246.24
Of which: Total Operating Income	32,822,528,108.42	31,213,835,246.24
Interest Income		
Earned Premiums		
Fee and Commission Income		
II. Total Operating Cost	29,269,521,396.08	28,678,349,490.15
Of which: Operating Cost	23,734,860,930.14	23,171,493,352.71
Interest Expenditure		
Fee and Commission Expenses		
Surrender Value		
Net Payments for Insurance Claims		



Net Amount of Insurance Contract Provisions		
Policy Dividend Payments		
Reinsurance Expenses		
Tax and Extra	282,840,329.87	252,767,386.53
Selling Expenses	2,978,178,436.64	2,657,678,372.46
Administrative Expenses	1,539,428,589.42	1,794,863,621.04
R&D Expenses	605,651,087.44	556,315,937.11
Financial Expenses	128,562,022.57	245,230,820.30
Of which: Interest Expenses	126,722,473.01	197,928,387.12
Interest Income	52,252,700.91	71,272,385.61
Plus: Other Income	489,314,748.36	452,621,657.92
Investment Income (Loss Presented in "-")	-45,403,279.75	-11,961,014.23
Of which: Investment Income from Associated Enterprises and Joint Ventures	3,101,561.19	6,433,503.63
Income from Derecognition of Financial Assets Measured at Amortized Cost		
Exchange Gain (Loss Presented in "-")		



Net Exposure to Hedging Gain (Loss Presented in "-")		
Income from Changes in Fair Value (Loss Presented in "-")	-10,930,453.26	-4,868,566.98
Credit Impairment Loss (Loss Presented in "-")	-752,701,974.83	-314,897,067.73
Asset Impairment Loss (Loss Presented in "-")	-286,102,971.83	-77,765,139.67
Asset Disposal Income (Loss Presented in "-")	1,338,374.07	390,865.78
III. Operating Income (Loss Presented in "-")	2,948,521,155.10	2,579,006,491.18
Plus: Non-operating Income	47,995,172.47	59,727,498.98
Minus: Non-operating Expenses	43,046,758.26	35,339,634.99
V. Total Profit (Loss Presented in "-")	2,953,469,569.31	2,603,394,355.17
Minus: Income Tax Expenses	666,493,545.10	484,508,685.88
V. Net Profit (Loss Presented in "-")	2,286,976,024.21	2,118,885,669.29
(i) By Business Continuity		
1. Net Profit from Continuing Operations (Net Loss Presented in "-")	2,286,976,024.21	2,118,885,669.29
2. Net Profit from Discontinued Operations (Net Loss Presented in "-")		
(ii) By Ownership		
1. Net Profit Attributable to the Shareholders of the Parent Company	2,273,331,266.86	2,121,353,829.27



2. Minority Interest Income	13,644,757.35	-2,468,159.98
VI. Net of Tax of Other Comprehensive Income	-39,163,013.04	-1,763,696.37
Net of Tax of Other Comprehensive Income Attributable to the Owners of the Parent Company	-39,203,442.57	-1,722,412.10
(i) Other Comprehensive Income that Cannot be Reclassified into Profit and Loss	-44,533,903.91	-4,816,276.30
1. Remeasurement of Changes in Defined Benefit Plans		
2. Other Comprehensive Income that Cannot be Transferred into Profit and Loss under the Equity Method	-12,091.75	0.00
3. Changes in Fair Value of Other Equity Instrument Investments	-44,521,812.16	-4,816,276.30
4. Changes in Fair Value of Enterprise's Own Credit Risk		
5. Others		
(ii) Other Comprehensive Income Reclassified into Profit and Loss	5,330,461.34	3,093,864.20
1. Other Comprehensive Income Transferrable into Profit and Loss under the Equity Method		
2. Changes in Fair Value of Debt Investments		



3. Amount of Financial Assets Reclassified into Other Comprehensive Income		
4. Credit Impairment Reserves for Other Debt Investments		
5. Cash Flow Hedging Reserves		
6. Translation Differences of Foreign Currency Financial Statements	5,330,461.34	3,093,864.20
7. Others		
Net of Tax of Other Comprehensive Income Attributable to Minority Shareholders	40,429.53	-41,284.27
VII. Total Comprehensive Income	2,247,813,011.17	2,117,121,972.92
Total Comprehensive Income Attributable to the Owners of the Parent Company	2,234,127,824.29	2,119,631,417.17
Total Comprehensive Income Attributable to Minority Shareholders	13,685,186.88	-2,509,444.25
V. Earnings Per Share:		
(I) Basic Earnings Per Share	0.91	0.85
(II) Diluted Earnings Per Share	0.90	0.84

In case of any combination of enterprises under the same controlling party in the current period, the net profit realized by the combined party before the combination is: RMB, and the net profit realized by the combined party in the previous period is: RMB.

Legal Representative: Li Weiguo    Competent Accounting Head: Xu Wei    Accounting Agency Head: Xu Wei

#### 4. Income Statement of the Parent Company

Unit: RMB



Items	2023	2022
I. Operating Income	5,082,972,865.59	5,679,341,233.60
Minus: Operating Cost	4,445,239,085.48	4,878,886,253.41
Tax and Extra	8,304,913.30	13,127,420.01
Selling Expenses	443,118,810.40	468,646,602.52
Administrative Expenses	506,982,282.83	516,238,511.73
R&D Expenses	143,350,702.11	112,487,106.56
Financial Expenses	6,823,853.23	60,521,515.00
Of which: Interest Expenses	72,323,628.57	110,942,483.94
Interest Income	77,403,039.44	91,548,821.45
Plus: Other Income	19,739,520.43	25,779,894.75
Investment Income (Loss Presented in "-")	1,091,002,374.05	1,825,479,477.99
Of which: Investment Income from Associated Enterprises and Joint Ventures	-934,307.43	6,256,208.54
Income from Derecognition of Financial Assets Measured at Amortized Cost (Loss Presented in "-")		
Net Exposure to Hedging Gain (Loss Presented in "-")		
Income from Changes in Fair Value (Loss Presented in "-")	-914,595.62	-4,812,273.63



Credit Impairment Loss (Loss Presented in "-")	-236,537,698.02	-134,730,398.27
Asset Impairment Loss (Loss Presented in "-")	-54,371,369.66	-2,968,716.16
Asset Disposal Income (Loss Presented in "-")	-91,920.96	-621,628.33
II. Operating Profit (Loss Presented in "-")	347,979,528.46	1,337,560,180.72
Plus: Non-operating Income	7,762,926.76	4,179,077.39
Minus: Non-operating Expenses	9,142,000.96	371,272.56
III. Total Profit (Total Loss Presented in "-")	346,600,454.26	1,341,367,985.55
Minus: Income Tax Expenses	-134,775,416.22	-167,418,053.79
IV. Net Profit (Net Loss Presented in "-")	481,375,870.48	1,508,786,039.34
(i) Net Profit from Continuing Operations (Net Loss Presented in "-")	481,375,870.48	1,508,786,039.34
(ii) Net Profit from Discontinued Operations (Net Loss Presented in "-")		
V. Net of Tax of Other Comprehensive Income	-45,127,338.25	-2,938,800.72
(i) Other Comprehensive Income that Cannot be Reclassified into Profit and Loss	-45,127,338.25	-2,938,800.72
1. Remeasurement of Changes in Defined Benefit Plans		



2. Other Comprehensive Income that Cannot be Transferred into Profit and Loss under the Equity Method	-12,091.75	0.00
3. Changes in Fair Value of Other Equity Instrument Investments	-45,115,246.50	-2,938,800.72
4. Changes in Fair Value of Enterprise's Own Credit Risk		
5. Others		
(II) Other Comprehensive Income Reclassified into Profit and Loss		
1. Other Comprehensive Income Transferrable into Profit and Loss under the Equity Method		
2. Changes in Fair Value of Debt Investments		
3. Amount of Financial Assets Reclassified into Other Comprehensive Income		
4. Credit Impairment Reserves for Other Debt Investments		
5. Cash Flow Hedging Reserves		
6. Translation Differences of Foreign Currency Financial Statements		
7. Others		
VI. Total Comprehensive Income	436,248,532.23	1,505,847,238.62





VII. Earnings Per Share:		
(I) Basic Earnings Per Share		
(II) Diluted Earnings Per Share		

## 5. Consolidated Cash Flow Statement

Unit: RMB

Items	2023	2022
I. Cash Flows from Operating Activities		
Cash Received from Sales of Goods or Rendering of Services	33,342,010,256.55	32,619,284,986.49
Net Increase in Client Deposits and Deposits from Other Banks		
Net Increase in Borrowings from Central Bank		
Net Increase in Loans from Other Financial Institutions		
Cash Received from Original Insurance Contract Premiums		
Net Cash from Reinsurance Business		
Net Increase in Policy Holder Deposits and Investment Funds		
Cash Received from Interest, Handling Charges, and Commission		
Net Increase in Loans from Other Banks		
Net Increase in Repurchase Business Funds		



Net Cash from Funds Received as Agent of Stock Exchange		
Tax Refunds Received	14,952,232.24	24,079,554.06
Cash Received Relating to Other Operating Activities	1,108,080,377.70	2,222,091,922.90
Subtotal of Cash Inflows from Operating Activities	34,465,042,866.49	34,865,456,463.45
Cash Paid for Purchase of Goods and Receipt of Services	22,940,230,448.60	25,168,470,891.08
Net Increase in Loans and Advances to Clients		
Net Increase in Deposits in Central Bank and Other Banks		
Cash Paid for Original Insurance Contract Claims		
Net Increase in Loans to Other Banks		
Cash Paid for Interest, Handling Charges, and Commission		
Cash Paid for Policy Dividends		
Cash Paid to and on Behalf of Employees	3,093,467,769.50	3,142,181,591.71
Tax Payments	2,538,826,886.33	2,770,693,112.26
Cash Paid Relating to Other Operating Activities	3,789,320,122.45	3,130,098,104.44
Subtotal of Cash Outflows from Operating Activities	32,361,845,226.88	34,211,443,699.49
Net Cash Flows from Operating Activities	2,103,197,639.61	654,012,763.96



II. Cash Flows from Investment Activities:		
Cash Received from Disposal of Investments	701,357,441.00	1,169,312,543.63
Cash Received from Returns on Investments	25,343,407.94	15,234,623.54
Net Cash Received from Disposal of Fixed Assets, Intangible Assets, and Other Long-term Assets	52,027,023.75	49,865,780.25
Net Cash Received from Disposal of Subsidiaries and Other Business Entities	14,727,113.41	
Cash Received to Other Investment Activities	1,468,789,329.00	1,132,387,730.41
Subtotal of Cash Inflows from Investment Activities	2,262,244,315.10	2,366,800,677.83
Cash Paid for Purchase of Fixed Assets, Intangible Assets, and Other Long-term Assets	1,884,467,195.47	4,222,678,234.05
Cash Paid to Acquire Investments	1,012,791,186.07	32,026,362.32
Net Increase in Pledge Loans		
Net Cash Paid to Acquire Subsidiaries and Other Business Entities	182,856,786.27	83,741,994.98
Cash Paid Relating to Other Investment Activities	1,000,000,000.00	2,757,000,000.00
Subtotal of Cash Outflows from Investment Activities	4,080,115,167.81	7,095,446,591.35
Net Cash Flows from Investment Activities	-1,817,870,852.71	-4,728,645,913.52
III. Cash Flows from Financing Activities:		



Cash Received from Capital Contributions	49,368,000.00	6,988,000.66
Of which: Cash from Minority Shareholders' Investment in Subsidiaries	49,368,000.00	0.00
Cash Received from Borrowings	7,179,879,121.09	8,873,367,935.98
Cash Received Relating to Other Financing Activities	204,843,821.68	890,180,745.00
Subtotal of Cash Inflows from Financing Activities	7,434,090,942.77	9,770,536,681.64
Cash Paid for Repayment of Debts	7,548,955,876.76	8,961,075,338.40
Cash Paid for Distribution of Dividends, Profits, or Cash Payments of Interests	385,256,310.10	862,568,616.79
Of which: Dividends and Profits Paid to Minority Shareholders by Subsidiaries	10,192,829.60	
Cash Paid Relating to Other Financing Activities	1,054,690,614.38	976,173,128.86
Subtotal of Cash Outflows of Financing Activities	8,988,902,801.24	10,799,817,084.05
Net Cash Flows from Financing Activities	-1,554,811,858.47	-1,029,280,402.41
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	5,793,993.48	-13,896,673.43
V. Net Increase in Cash and Cash Equivalents	-1,263,691,078.09	-5,117,810,225.40
Plus: Opening Balance of Cash and Cash Equivalents	9,740,507,537.27	14,858,317,762.67
VI. Balance of Cash and Cash	8,476,816,459.18	9,740,507,537.27



Equivalents		
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## 6. Cash Flow Statement of the Parent Company

Unit: RMB

Items	2023	2022
<b>I. Cash Flows from Operating Activities</b>		
Cash Received from Sales of Goods or Rendering of Services	6,026,067,506.46	7,564,522,811.01
Tax Refunds Received	14,952,232.24	12,482,783.00
Cash Received Relating to Other Operating Activities	3,133,872,063.90	2,191,407,685.50
Subtotal of Cash Inflows from Operating Activities	9,174,891,802.60	9,768,413,279.51
Cash Paid for Purchase of Goods and Receipt of Services	5,612,634,630.24	6,640,107,478.42
Cash Paid to and on Behalf of Employees	604,189,289.50	735,596,686.48
Tax Payments	82,920,887.43	188,753,011.29
Cash Paid Relating to Other Operating Activities	1,889,102,359.68	4,642,391,523.26
Subtotal of Cash Outflows from Operating Activities	8,188,847,166.85	12,206,848,699.45
Net Cash Flows from Operating Activities	986,044,635.75	-2,438,435,419.94
<b>II. Cash Flows from Investment Activities:</b>		
Cash Received from Disposal of Investments	144,619,136.28	1,162,506,355.07
Cash Received from Returns on Investments	1,760,969,192.54	24,701,023.82



Net Cash Received from Disposal of Fixed Assets, Intangible Assets, and Other Long-term Assets	839,587.63	371,862.15
Net Cash Received from Disposal of Subsidiaries and Other Business Entities		
Cash Received to Other Investment Activities	1,317,799,329.00	241,206,793.36
Subtotal of Cash Inflows from Investment Activities	3,224,227,245.45	1,428,786,034.40
Cash Paid for Purchase of Fixed Assets, Intangible Assets, and Other Long-term Assets	212,993,217.42	551,189,185.01
Cash Paid to Acquire Investments	1,188,101,717.37	985,192,890.61
Net Cash Paid to Acquire Subsidiaries and Other Business Entities	0.00	0.00
Cash Paid Relating to Other Investment Activities	900,000,000.00	1,887,000,000.00
Subtotal of Cash Outflows from Investment Activities	2,301,094,934.79	3,423,382,075.62
Net Cash Flows from Investment Activities	923,132,310.66	-1,994,596,041.22
III. Cash Flows from Financing Activities:		
Cash Received from Capital Contributions	0.00	6,988,000.66
Cash Received from Borrowings	2,301,659,737.32	4,572,219,762.46
Cash Received Relating to Other Financing Activities	0.00	890,000,000.00



Subtotal of Cash Inflows from Financing Activities	2,301,659,737.32	5,469,207,763.12
Cash Paid for Repayment of Debts	2,915,219,762.46	4,606,616,530.41
Cash Paid for Distribution of Dividends, Profits, or Cash Payments of Interests	320,688,856.88	861,644,883.32
Cash Paid Relating to Other Financing Activities	959,533,347.77	900,326,061.33
Subtotal of Cash Outflows of Financing Activities	4,195,441,967.11	6,368,587,475.06
Net Cash Flows from Financing Activities	-1,893,782,229.79	-899,379,711.94
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents		
V. Net Increase in Cash and Cash Equivalents	15,394,716.62	-5,332,411,173.10
Plus: Opening Balance of Cash and Cash Equivalents	4,582,534,911.42	9,914,946,084.52
VI. Balance of Cash and Cash Equivalents	4,597,929,628.04	4,582,534,911.42

## 7. Consolidated Statement of Changes in Equity

Current Amount

Unit: RMB

Item s	2023												Mino rity Inter	Total Own ers'
	Owners' Equity Attributable to the Parent Company													
	Shar e	Other Equity Instruments	Capit al	Minu s:	Othe r	Appr opria	Surpl us	Gene ral	Undi strib	Othe rs	Subt otal			



	Capital	Preferred Shares	Perceptual Bonds	Others	Reserves	Treasury Shares	Comprehensive Income	Reserves	Risk Reserves	Profits			ests	Equity	
I. Closing Balance of Previous Period	2,518,464,191.00				10,721,493,283.54	1,121,608,787.15	24,057,640.43	543,872,112.34		14,122,557,990.99			26,808,836,431.15	381,312,092.08	27,190,148,523.23
Plus: Changes in Accounting Policies															
Corrections of Prior Period Errors															





thers															
II. Open ing Bala nce of Curr ent Perio d	2,518 ,464, 191.0 0			10,72 1,493 ,283. 54	1,121 ,608, 787.1 5	24,05 7,640 .43		543,8 72,11 2.34		14,12 2,557 ,990. 99		26,80 8,836, 431.1 5	381,3 12,09 2.08	27,19 0,148 ,523. 23	
III. Chan ges in the Incre ase or Decr ease for the Curr ent Perio d (Dec rease Prese nted in "- ")				- 299,3 06.63 5.05	120,5 83,36 9.38	- 39,20 3,442 .57		48,13 7,587 .05		1,976 ,133, 936.3 1		1,565, 178,0 76.36	- 48,51 8,477 .92	1,516 ,659, 598.4 4	





2. Capit al Inves ted by Othe r Instr ume nt Hold ers																		0.00			0.00
3. Amo unt of Shar e- base d Pay ment s Reco rded into the Own ers' Equit y					-	-												-	-	-	-
					231,9	1,885												230,0	4,480	234,4	
					01,76	,539.												16,22	,137.	96,36	
					5.92	40												6.52	50	4.02	
4. Othe rs					-	122,4												-	-	-	-
					67,40	68,90												189,8	96,89	286,7	
					4,869	8.78												73,77	8,697	72,47	
					.13													7.91	.70	5.61	



(III) Profi t Distr ibuti on									48,13 7,587 .05		- 297,1 97,33 0.55		- 249,0 59,74 3.50	- 10,19 2,829 .60	- 259,2 52,57 3.10
1. With draw als of Surpl us Rese rves									48,13 7,587 .05		- 48,13 7,587 .05		0.00		0.00
2. With draw als of Gene ral Risk Rese rves															
3. Distr ibuti on to the Own ers (or the Shar ehol ders)											- 249,0 59,74 3.50		- 249,0 59,74 3.50	- 10,19 2,829 .60	- 259,2 52,57 3.10



4. Othe rs															
(IV) Bala nce Dow n of the Own ers' Equit y															
1. Conv ersio n of Capit al Rese rves into Capit al (or Equit y)															



2. Conv ersio n of Surpl us Rese rves into Capit al (or Equit y)																			
3. Loss es Mad e up With Surpl us Rese rves																			



4. Chan ges in Defi ned Bene fit Plans Carri ed Forw ard to Retai ned Earni ngs															
5. Othe r Com preh ensiv e Inco me Carri ed Forw ard to Retai ned Earni ngs															
6. Othe															



rs															
(V) Appropriative Reserves															
1. Amount Withdrawn for the Current Period															
2. Amount Used for the Current Period															
(VI) Others															





IV. Closi ng Bala nce of Curr ent Perio d	2,518 ,464, 191.0 0				10,42 2,186 ,648. 49	1,242 ,192, 156.5 3	- 15,14 5,802 .14		592,0 09,69 9.39		16,09 8,691 ,927. 30	28,37 4,014, 507.5 1	332,7 93,61 4.16	28,70 6,808 ,121. 67
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Amount of Previous Period

Unit: RMB

Item s	2022														
	Owners' Equity Attributable to the Parent Company												Mino rity Inter ests	Total Own ers' Equi ty	
	Shar e Capit al	Other Equity Instruments			Shar e Capit al	Othe r Equit y Instr ume nts	Capit al Rese rves	Minu s: Treas ury Shar es	Othe r Com preh ensiv e Inco me	Appr opria tive Rese rves	Surpl us Rese rves	Gene ral Risk Rese rves			Undi strib uted Profi ts
I. Closi ng Bala nce of Previ ous Perio d	2,52 1,20 4,70 3.00				10,7 94,5 48,9 98.5 3	344, 130, 962. 30	25,7 80,0 52.5 3		392, 980, 880. 64		12,9 04,0 11,4 18.1 4		26,29 4,395 ,090. 54	389, 266, 034. 87	26,6 83,6 61,1 25.4 1



Plus: Changes in Accounting Policies									12,6 27.7 7		584, 936. 81		597,5 64.58	23,3 37.5 7	620, 902. 15
Corrections of Prior Period Errors															
Others															
II. Opening Balance of Current Period	2,52 1,20 4,70 3.00				10,7 94,5 48,9 98.5 3	344, 130, 962. 30	25,7 80,0 52.5 3		392, 993, 508. 41		12,9 04,5 96,3 54.9 5		26,29 4,992 ,655. 12	389, 289, 372. 44	26,6 84,2 82,0 27.5 6



III. Changes in the Increase or Decrease for the Current Period (Decrease Presented in "- ")	-					-									
	2,74				73,0	777,	-	150,	1,21		513,8	-	505,		
	0,51				55,7	477,	1,72	878,	7,96		43,77	7,97	866,		
	2.00				14.9	824.	2,41	603.	1,63		6.03	7,28	495.		
					9	85	2.10	93	6.04			0.36	67		
(i) Total Comprehensive Income							-		2,12		2,119	-	2,117		
							1,72		1,35		,631,	2,50	,121,		
							2,41		3,82		417.1	9,44	972.		
							2.10		9.27		7	4.25	92		



(ii) Capital Invested and Reduced by the Owners	- 2,740,512.00				- 73,055,714.99	777,477,824.85							- 853,274,051.84	- 5,467,836.11	- 858,741,887.95
1. Common Shares Invested by the Owners	144,413.00				6,843,732.07								6,988,145.07		6,988,145.07
2. Capital Invested by Other Instrument Holders															





1. With draw als of Surpl us Rese rves										150, 878, 603. 93	- 150, 878, 603. 93			
2. With draw als of Gene ral Risk Rese rves														
3. Distr ibuti on to the Own ers (or the Shar ehol ders)											- 752, 513, 589. 30	- 752,5 13,58 9.30		- 752, 513, 589. 30
4. Othe rs														



(IV) Balance Down of the Own ers' Equit y														
1. Conv ersio n of Capit al Rese rves into Capit al (or Equit y)														
2. Conv ersio n of Surpl us Rese rves into Capit al (or Equit y)														



3. Losses Made up With Surplus Reserves																			
4. Changes in Defined Benefit Plans Carried Forward to Retained Earnings																			





5. Othe r Com preh ensiv e Inco me Carri ed Forw ard to Retai ned Earni ngs																			
6. Othe rs																			
(V) Appr opria tive Rese rves																			
1. Amo unt With draw n for the Curr ent Perio																			



d														
2. Amount Used for the Current Period														
(VI) Others														
IV. Closing Balance of Current Period	2,518,464.19			10,721,493.28	1,121,607.15	24,057,640.3		543,872,112.34		14,122,557,990.99		26,808,836,431.15	381,312,092.08	27,190,148,523.23

### 8. Changes in Equity of the Parent Company

Current Amount

Unit: RMB



Items	2023											
	Share Capital	Other Equity Instruments			Share Capital	Other Equity Instruments	Capital Reserves	Minus: Treasury Shares	Other Comprehensive Income	Appropriative Reserves	Surplus Reserves	Undistributed Profits
		Preferred Shares	Perceptual Bonds	Others								
I. Closing Balance of Previous Period	2,518,464,191.00				10,802,327,675.31	1,121,608,787.15	58,197,963.28		543,872,112.34	1,677,013,138.33		14,478,266,293.11
Plus: Changes in Accounting Policies												
Corrections of Prior Period Errors												
Others												



II. Openi ng Balanc e of Curren t Period	2,518, 464,19 1.00				10,802 ,327,6 75.31	1,121, 608,78 7.15	58,197 ,963.2 8		543,87 2,112. 34	1,677, 013,13 8.33		14,478 ,266,2 93.11
III. Chang es in the Increas e or Decrea se for the Curren t Period (Decre ase Presen ted in "-")					- 240,74 6,937. 08	120,58 3,369. 38	- 45,127 ,338.2 5		48,137 ,587.0 5	184,17 8,539. 93		- 174,14 1,517. 73
(i) Total Compr ehensi ve Incom e							- 45,127 ,338.2 5			481,37 5,870. 48		436,24 8,532. 23



(ii) Capital Invested and Reduced by the Owners					- 240,746,937.08	120,583,369.38							- 361,330,306.46
1. Common Shares Invested by the Owners													
2. Capital Invested by Other Equity Instrument Holders													

3. Amou nt of Share- based Payme nts Record ed into the Owner s' Equity						- 240,74 6,937. 08	- 1,885, 539.40					- 238,86 1,397. 68
4. Others							122,46 8,908. 78					- 122,46 8,908. 78
(iii) Profit Distrib ution										48,137 ,587.0 5	- 297,19 7,330. 55	- 249,05 9,743. 50
1. Withdr awals of Surplu s Reserv es										48,137 ,587.0 5	- 48,137 ,587.0 5	
2. Distrib ution to the Owner s (or the Shareh											- 249,05 9,743. 50	- 249,05 9,743. 50



olders)												
3. Others												
(iv) Balanc e Down of the Owner s' Equity												
1. Conve rsion of Capital Reserv es into Capital (or Equity )												



2. Conve rsion of Surplu s Reserv es into Capital (or Equity )												
3. Losses Made up With Surplu s Reserv es												
4. Chang es in Define d Benefi t Plans Carrie d Forwar d to Retain ed Earnin gs												





5. Other Compr ehensi ve Incom e Carrie d Forwar d to Retain ed Earnin gs												
6. Others												
(v) Appro priativ e Reserv es												
1. Amou nt Withdr awn for the Curren t Period												



2. Amou nt Used for the Curren t Period												
(vi) Others												
IV. Closin g Balanc e of Curren t Period	2,518, 464,19 1.00				10,561 ,580,7 38.23	1,242, 192,15 6.53	13,070 ,625.0 3		592,00 9,699. 39	1,861, 191,67 8.26		14,304 ,124,7 75.38

Amount of Previous Period

Unit: RMB

Items	2022											
	Share Capital	Other Equity Instruments			Share Capital	Other Equity Instru ments	Capital Reserv es	Minus: Treasu ry Shares	Other Compr ehensi ve Incom e	Appro priativ e Reserv es	Surplu s Reserv es Preferr ed Shares	Undist ributed Profits Percep tual Bonds
		Preferr ed Shares	Percep tual Bonds	Others								



I. Closin g Balanc e of Previo us Period	2,521,2 04,703. 00				10,771, 481,42 4.55	344,13 0,962.3 0	61,136, 764.00		392,98 0,880.6 4	1,071,5 05,642. 26	14,474, 178,452 .15
Plus: Chang es in Accou nting Policie s									12,627. 77	113,649 .96	126,277 .73
Correc tions of Prior Period Errors											
Others											
II. Openi ng Balanc e of Curren t Period	2,521,2 04,703. 00				10,771, 481,42 4.55	344,13 0,962.3 0	61,136, 764.00		392,99 3,508.4 1	1,071,6 19,292. 22	14,474, 304,729 .88



III. Chang es in the Increas e or Decrea se for the Curren t Period (Decre ase Presen ted in "-")	- 2,740,5 12.00				30,846, 250.76	777,47 7,824.8 5	- 2,938,8 00.72		150,87 8,603.9 3	605,39 3,846.1 1		3,961,5 63.23
(i) Total Compr ehensi ve Incom e							- 2,938,8 00.72			1,508,7 86,039. 34		1,505,8 47,238. 62
(ii) Capital Investe d and Reduc ed by the Owner s	- 2,740,5 12.00				30,846, 250.76	777,47 7,824.8 5	0.00					- 749,372 ,086.09



1. Comm on Shares Investe d by the Owner s	144,41 3.00				6,843,7 32.07						6,988,1 45.07
2. Capital Investe d by Other Equity Instru ment Holder s											0.00
3. Amou nt of Share- based Payme nts Record ed into the Owner s' Equity						- 135,97 2,275.3 5					135,972 ,275.35
4. Others	- 2,884,9 25.00				24,002, 518.69	913,45 0,100.2 0					- 892,332 ,506.51



(iii) Profit Distrib ution									150,87 8,603.9 3	- 903,39 2,193.2 3		- 752,513 ,589.30
1. Withdr awals of Surplu s Reserv es									150,87 8,603.9 3	- 150,87 8,603.9 3		
2. Distrib ution to the Owner s (or the Shareh olders)										- 752,51 3,589.3 0		- 752,513 ,589.30
3. Others												
(iv) Balanc e Down of the Owner s' Equity												



1. Conve rsion of Capital Reserv es into Capital (or Equity )												
2. Conve rsion of Surplu s Reserv es into Capital (or Equity )												
3. Losses Made up With Surplu s Reserv es												



4. Changes in Defined Benefit Plans Carried Forward to Retained Earnings												
5. Other Comprehensive Income Carried Forward to Retained Earnings												
6. Others												
(v) Appropriative Reserve												





es												
1. Amou nt Withdr awn for the Curren t Period												
2. Amou nt Used for the Curren t Period												
(vi) Others												
IV. Closin g Balanc e of Curren t Period	2,518,4 64,191. 00				10,802, 327,67 5.31	1,121,6 08,787. 15	58,197, 963.28		543,87 2,112.3 4	1,677,0 13,138. 33		14,478, 266,293 .11

### III. Company information

Beijing Oriental Yuhong Waterproof Technology Co., Ltd. (hereinafter referred to as the company)



is a joint stock limited company that publicly issues A-shares domestically and is listed on the Shenzhen Stock Exchange. The Company was formerly known as Beijing Oriental Yuhong Waterproof Technology Co., Ltd., established on March 30, 1998, with a registered capital of RMB3 million, and funded and established by natural persons of Li Weiguo, Li Xingguo and Chen Dingsong. On August 31, 2000, it was wholly changed into a joint stock limited company.

With the approval of China Securities Regulatory Commission (ZJXK [2008] No. 927), the company issued common shares of 13.2 million RMB on September 1, 2008. With the approval of the Shenzhen Stock Exchange “Notice on the Listing of RMB Common Stocks of Beijing Oriental Yuhong Waterproof Technology Co., Ltd.” (Shenzheng Shang [2008] No. 131), the company was listed on the Shenzhen Stock Exchange on September 10, 2008, to issue the common stocks, with the stock abbreviation “Eastern Yuhong” and the stock code “002271”.

After all previous equity incentives, conversion into share capital and issuance of new shares, as of December 31, 2022, the Company has issued a total of 2,518,644,191.

According to the resolutions of the Fourteenth and Twentieth Meetings of the Eighth Session of the Board of Directors of the Company, the Company will use its own funds to repurchase part of the ordinary shares (A shares) issued domestically by the Company by way of centralized competitive trading. The repurchased shares will be used to cancel and reduce the registered capital of the Company. As of December 31, 2023, the total number of shares repurchased by the Company during the current period was 6,029,400 shares.

Registered address of the Company: No. A2, Shaling Section, Shunping Road, Shunyi District, Beijing. Address of the Headquarters: No.19, Kechuang 9th Street, Yizhuang Economic and Technological Development Zone, Beijing.

The company established a corporate governance structure of shareholders’ meeting, board of directors, and board of supervisors. Under the board of directors are strategic committees, nomination committees, audit committees, and remuneration and appraisal committees. Meanwhile, the Company has set up various functional departments including Audit and Supervision Center, Investment and Acquisition Department, Securities Department, Financial Management Center, Human Resources Center, Risk Control Center, Digital Center, Brand Management Center, Administrative Service Department, Technology Center, Chief Engineer Office, Engineering Resource Center and Yuhong School.

The business nature and main business scope of the Company and its subsidiaries (hereinafter referred to as the Group) are manufacturing waterproof materials, anti-corrosion materials, thermal insulation materials, and complete construction equipment; technical development, sales and



technical services of waterproof materials, anti-corrosion materials, thermal insulation materials, and complete construction equipment; operating export business of the Company's self-produced products and technology; operating import business of the raw and auxiliary materials, instrumentation, mechanical equipment, spare parts and technology required by the production of the company and its member companies (except the commodities prohibited by the state government from import and export); information technology services; operation of incoming processing and "three supplies and one compensation" business; Manufacturing rubber products (only engaging in production and business activities in other ports); professional contracting of building waterproof engineering.

This financial statement and its notes were approved at the Company's 6th meeting of the 21th Board of Directors on April 18, 2024.

#### **IV. Basis of preparation of the financial statements**

##### **1. Basis of preparation**

These financial statements are prepared in accordance with the Accounting Standards for Business Enterprises and its application guidelines, interpretations and other relevant regulations (collectively referred to as "Accounting Standards for Business Enterprises") promulgated by the Ministry of Finance. In addition, the Group also disclosed relevant financial information in accordance with the China Securities Regulatory Commission's *Regulations for the Preparation of Information Disclosure by Companies Offering Securities to the Public No. 15-General Provisions on Financial Reporting* (revised in 2023).

##### **2. Going Concern**

The financial statements are prepared on a going concern basis.

The Company accounting is based on the accrual system. Except for certain financial instruments, the financial statements are based on historical cost. If assets are impaired, the corresponding provision for impairment shall be made in accordance with relevant regulations.

#### **V. Significant accounting policies and accounting estimates**

Specific accounting policies and accounting estimates reminder:

##### **1. Statement of compliance with the Accounting Standard for Business Enterprises**

The financial statements of the Company for the year ended 31 December 2023 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the consolidated and the Company's financial position of the Company as 2023 and of their financial performance, cash flows and other information for the year then ended.

## 2. Accounting year

The Group's accounting year starts on 1 January and ends on 31 December.

## 3. Operating cycle

The Group's operating cycle is 12 months.

## 4. Recording currency

The Company and its domestic subsidiaries' recording currency is Renminbi (RMB). The recording currency of the Company's overseas subsidiaries is determined based on the primary economic environment in which they operate. The recording currency of the Company in preparing these financial statements is RMB.

## 5. Determination method and selection basis of significant criteria

Applicable  Not applicable

Item	Significant criteria
Significant receivables with single provision for bad debts	The amount of single provision accounts for more than 10% of the total amount of bad debt provision for various receivables and the amount is more than RMB 50,000,000
Significant construction in progress	The budget amount is more than RMB 100,000,000 and the closing balance is more than RMB 50,000,000
Significant non-wholly owned subsidiaries	Assets account for more than 5% of the total consolidated assets
Significant investment activities	The investment amount exceeds RMB 200,000,000

## 6. Accounting treatment method for business combinations involving enterprises under common control and not under common control

### (1) Business combinations involving enterprises under common control

For a business combination under common control, the assets and liabilities of the acquiree received by the acquirer are measured at the carrying amount of the ultimate controlling party's consolidated financial statements on the combination date. The difference between the carrying amount of the net assets obtained from the combination and the carrying amount of the consideration paid for the combination is treated as an adjustment to capital reserve (stock premium), if the capital reserve (stock premium) is not sufficient to absorb the difference, the remaining balance is adjusted against retained earnings.

Realize business combination under common control step by step through multiple transactions

The assets and liabilities of the combined party acquired by the combining party in the combination, are measured at their carrying amount in the ultimate controlling party's consolidated financial statements on the combining date; before the combination the carrying amount of the holding investment plus the of the newly paid consideration on the combination date, and the difference between the carrying amount of the net assets obtained in the combination, the capital reserve (stock premium) is adjusted, if the capital reserve is insufficient to offset, the retained earnings are adjusted. The long-term equity investment held by the combining party before obtaining the control of the combined party has been confirmed to be relevant between the date when the original equity is obtained and the date when the combining party and the combined party are in the final control of the same party to the date of the combination; Changes in profit and loss, other comprehensive income and other owners' equity shall be offset against the initial retained earnings or current gains and losses during the comparative accounting period.

(2) Business combinations involving enterprises not under common control

For business combinations involving enterprises not under common control, the combination cost is the fair value of the assets paid to obtain control of the acquiree, the liabilities incurred or assumed, and the equity securities issued on the acquisition date. The acquired assets, liabilities and contingent liabilities of the acquired party are measured at fair value at the acquisition date.

Where the cost of the combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill which is subsequently measured via cost deduct the accumulated impairment provision; where the cost of combination is lower than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized in profit or loss for the current period after review.

Realize business combination not under common control step by step through multiple transactions

The combination cost is the sum of the consideration paid on the acquisition date and the fair value on the acquisition date of the acquired party's equity held before the acquisition date. For the equity of the acquired party that has been held before the acquisition date, it shall be re-measured according to the fair value of the equity on the acquisition date, and the difference between the fair value and its book value shall be included in the current investment income; Except for the acquired equity that has been held before the acquisition date by the acquired party involving other comprehensive income, other changes in owner's equity converted to current income on the acquisition date, and other comprehensive income arising from changes in net liabilities or net assets of the investee's remeasurement of the defined income plan.

### (3) Transaction costs associated with business combination

Agency expenses such as auditing, legal services, evaluation and consulting, and other related administration expenses incurred for the business combination shall be included in the current profits and losses when they are incurred. Transaction costs associated with the issue of equity or debt securities for the business combination are included in the initially recognized amounts of the equity or debt securities.

## **7. Determination criteria of control and preparation method of consolidated financial statements**

### **(1) Determination criteria of control**

The scope of consolidation of the consolidated financial statements is determined on the basis of control. Control means that the Company has the power over the investee, enjoys variable returns by participating in the relevant activities of the investee, and has the ability to use the power over the investee to influence its return amount. The Company will make reassessment when changes in relevant facts and circumstances result in changes to the relevant elements involved in the definition of control.

When determining whether to incorporate a structured entity into the scope of consolidation, the Company evaluates whether to control the structured entity based on all facts and circumstances, including evaluating the purpose and design of the structured entity, identifying the type of variable returns, and whether it bears part or all of the variability of returns by participating in its related activities.

### **(2) Preparation of consolidated financial statements**

The consolidated financial statements are based on the financial statements of the company and its subsidiaries and are prepared by the company based on other relevant information. When preparing consolidated financial statements, the accounting policies and accounting period requirements of the company and its subsidiaries are consistent, and major transactions and current balances between companies are offset.

During the accounting period, the subsidiaries and businesses added due to a business combination under common control shall be deemed to be included in the company's consolidation scope from the date when they are controlled by the ultimate controlling party, and they shall be controlled by the same ultimate controlling party. The operating results and cash flows from the date onwards are included in the consolidated income statement and consolidated cash flow statement.

During the accounting period, the subsidiaries and businesses added due to business combinations not under the same control shall include the income, expenses, and profits of the subsidiaries and businesses from the acquisition date to the end of the reporting period into the consolidated income

statement, and include their cash flows in the consolidated cash flow statement.

The portion of the subsidiary's owners' equity not attributable to the company will be presented separately in the consolidated balance sheet under owners' equity as a minority owners' equity; the minority owners' equity in the subsidiary's current net profit and loss will be presented in the consolidated income statement. The item of "Minority Owners' Profit and Loss" will be presented under the item of net profit. When the amount of loss for the current period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of owner's equity of the subsidiary, the excess is allocated against the balance of minority interests.

### **(3) Acquisition of minority owners' equity in subsidiary**

The difference between the long-term equity investment cost newly acquired as a result of the acquisition of a minority share and the share of the subsidiary's net assets calculated on the basis of the newly added shareholding ratio, which shall be continuously calculated from the date of acquisition or combination, and without loss of control. The difference between the disposal price obtained as a result of the partial disposal of the equity investment in the subsidiary and the disposal of the long-term equity investment corresponding to the subsidiary's net asset share calculated continuously from the acquisition date or the combination date is adjusted. If the capital surplus is insufficient to offset the capital surplus, the retained earnings shall be adjusted.

### **(4) Treatment of loss of control of subsidiaries**

If the control over the original subsidiary is lost due to the disposal of part of the equity investment or other reasons, the remaining equity shall be re-measured according to its fair value on the date of loss of control; The difference between the sum of the consideration obtained from the disposal of equity and the fair value of the remaining equity minus the sum of the share of the book value of net assets of the original subsidiary calculated continuously from the date of purchase according to the original shareholding proportion and the goodwill is included in the investment income of the period when the control right is lost.

Other comprehensive income related to the equity investment of the original subsidiary is transferred to the current profit and loss when the control right is lost, except for other comprehensive income arising from the change of net liabilities or net assets due to the re-measurement of the defined income plan by the investee.

### **(5) Treatment of step-by-step disposal of equity until loss of control**

If the terms, conditions and economic impacts of the transactions in which the equity is disposed of step by step through multiple transactions until the control right is lost meet one or more of the

following conditions, the Company will treat the multiple transactions as a package transaction for accounting treatment:

- ① These transactions are concluded simultaneously or in consideration of their mutual influence;
- ② These transactions as a whole can achieve a complete business result;
- ② The occurrence of one transaction depends on the occurrence of at least one other transaction;
- ③ One transaction is uneconomical when viewed alone, but it is economical when considered together with other transactions.

When the equity is disposed of step by step until the control right is lost, the measurement of the remaining equity and the accounting of the profit and loss related to the disposal of equity shall be carried out in accordance with the aforementioned “treatment of loss of control right of subsidiaries”. The difference between each disposal price before the loss of control and the share of the book value of the net assets of the subsidiary corresponding to the disposal investment calculated continuously from the date of purchase shall be treated as follows:

- ① If it belongs to a “package transaction”, it shall be recognized as other comprehensive income. When the control right is lost, it shall be transferred to the profits and losses of the current period when the control right is lost.
- ② If it does not belong to a “package transaction”, it shall be included in the capital reserve (capital stock premium) as an equity transaction. When the control right is lost, it shall not be transferred to the profits and losses of the period in which the control right is lost.

### **8. Classification of joint venture arrangements and accounting methods for joint operations**

A joint arrangement refers to an arrangement under the joint control of two or more participants. The Company joint venture arrangements are divided into joint operations and joint ventures.

#### **(1) Joint operation**

Joint operation refers to a joint arrangement in which the Company obtains the relevant assets of the arrangement and assumes the relevant liabilities of the arrangement.

The Company confirms the following items related to the share of interests in joint operations, and conducts accounting treatment in accordance with the relevant enterprise accounting standards:

- A. Recognize the assets held separately and the assets jointly held by their shares;
- B. Recognize the liabilities borne individually and the liabilities borne jointly by their shares;
- C. Recognize the income generated by selling its share of joint operating output;
- D. Recognize the income generated by the joint operation from the sale of output according to its share;



E. Confirm the expenses incurred separately, and confirm the expenses incurred by joint operations according to their shares.

#### (2) Joint ventures

A joint venture refers to a joint arrangement in which the Company only has rights to the net assets of the arrangement.

The Company accounts for investments in joint ventures in accordance with the provisions of the equity method for long-term equity investments.

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

Cash comprise cash on hand, deposits that can be readily drawn on demand. Cash equivalents refer to short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **10. Foreign currency transaction and translation of foreign currency financial statements**

#### (1) Foreign currency transaction

Foreign currency transactions are translated into recording currency using the exchange rates prevailing at the dates of the transactions.

On the balance sheet date, monetary items denominated in foreign currencies are translated into recording currency using the spot exchange rates on the balance sheet date. Exchange differences arising from these translations are recognized in profit or loss for the current period. Non-monetary items denominated in foreign currencies that are measured at historical costs are translated at the balance sheet date using the spot exchange rates at the date of the transactions. For non-monetary items in foreign currencies measured at fair value, they are translated using the spot exchange rate on the date when the fair value is determined. The difference between the translated accounting currency amount and the original accounting currency amount is included in the current profit and loss or other comprehensive income.

#### (2) Translation of financial statements in foreign currency

On the balance sheet date, when translating the foreign currency financial statements of overseas subsidiaries, the assets and liabilities in the balance sheet shall be translated using the spot exchange rate on the balance sheet date. Owners' equity items except for "undistributed profits", shall be translated using the spot exchange rate on the date of occurrence.

The income and expense items in the income statement are translated at the spot exchange rate on the transaction date.

All items in the cash flow statement are converted at the spot exchange rate on the date of the cash flow. The impact of exchange rate changes on cash is treated as an adjustment item, and the item



"Effects of exchange rate changes on cash and cash equivalents" is reflected separately in the cash flow statement.

The difference arising from the translation of financial statements is reflected in the "other comprehensive income" item under the shareholders' equity item of the balance sheet.

When disposing of an overseas operation and losing control, the translation difference of the foreign currency statement related to the overseas operation presented under the shareholder's equity item in the balance sheet shall be transferred to the current profit and loss of the disposal of the overseas operation in full or in proportion to the disposal of the overseas operation.

## **11. Financial instruments**

Financial instruments refer to contracts that form one party's financial assets and other parties' financial liabilities or equity instruments.

### **(1) Recognition and de-recognition of financial instruments**

A financial asset or financial liability is recognized when the Company becomes a party to the contractual provisions of the financial instrument.

If a financial asset meets one of the following conditions, it shall be de-recognized:

- ① Termination of the contractual rights to receive the cash flows of the financial asset;
- ② The financial asset has been transferred and meets the following conditions for de-recognition of the transfer of financial assets.

The Company de-recognizes a financial liability or part of it when the underlying present obligation or part of it is discharged or cancelled. If the Company (debtor) and the creditor sign an agreement to replace the existing financial liabilities by assuming new financial liabilities, and the contract terms of the new financial liabilities and the existing financial liabilities are substantially different, the existing financial liabilities shall be de-recognized and the new financial liabilities shall be confirmed at the same time.

Financial assets shall be traded in a conventional manner, recognized and de-recognized according to the transaction date.

### **(2) Classification and measurement of financial assets**

At the time of initial recognition, the Company divides financial assets into the following three categories based on the business model of managing financial assets and the contractual cash flow characteristics of financial assets: financial assets measured at amortized cost, financial assets at fair value through other comprehensive incomes, financial assets measured at fair value through profit and loss.

### **Financial assets measured at amortized cost**

The Company classifies financial assets that meet the following conditions and that are not designated as financial assets at fair value via the current profit and loss, as financial assets that are measured at amortized cost:

- The business model of the Company to manage the financial assets is to collect contractual cash flow;
- The contract terms of the financial asset stipulate that the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding principal amount.

After the initial recognition, the actual interest rate method is adopted to measure such financial assets at amortized cost. The gains or losses arising from financial assets that are measured at amortized cost and are not part of any hedging relationship are included in the current profits and losses when they are de-recognized, amortized in accordance with the effective interest method, or recognized as impairment.

### **Financial assets at fair value and whose changes are included in other comprehensive incomes**

The Company classifies financial assets that meet the following conditions and are not designated as financial assets at fair value via the current profit and loss, as financial assets measured at fair value via other comprehensive income.

- The Company business model for managing the financial asset is aimed at both collecting contractual cash flow and selling the financial asset;
- The contract terms of the financial asset stipulate that the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding principal amount.

After the initial recognition, such financial assets shall be measured at fair value. Interest, impairment losses or gains and exchange gains and losses calculated using the effective interest rate method are included in the current profit and loss, and other gains or losses are included in other comprehensive income. Once de-recognized, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income to the current profit and loss.

### **Financial Assets Measured at Fair Value Through Profit or Loss**

Except for the above-mentioned financial assets measured at amortized cost and at fair value via other comprehensive income, the Company classifies all other financial assets as financial assets at fair value via current profit and loss. At the time of initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Company irrevocably designates some financial assets that should be measured at amortized cost or at fair value via other comprehensive income as

being measured at fair value via current profit and loss.

After initial recognition, such financial assets are subsequently measured at fair value, and the resulting gains or losses (including interest and dividend income) are included in the current profit and loss, unless the financial assets are part of the hedging relationship.

The business model of managing financial assets refers to how the Company manages financial assets to generate cash flow. The business model determines whether the source of the cash flow of the financial assets managed by the Company is to collect contractual cash flows, sell financial assets, or both. The Company determines the business model for managing financial assets based on objective facts and the specific business objectives of the management of financial assets determined by key management personnel.

The Company evaluates the contractual cash flow characteristics of financial assets to determine whether the contractual cash flow generated by the relevant financial assets on a specific date is only the payment of principal and interest based on the outstanding principal amount. Among them, principal refers to the fair value of financial assets at the time of initial recognition; interest includes consideration for the time value of money, the credit risk associated with the outstanding principal amount in a specific period, and other basic borrowing risks, costs and profits. In addition, the Company evaluates contract terms that may cause changes in the time distribution or amount of contractual cash flows of financial assets to determine whether they meet the above-mentioned contractual cash flow characteristics.

Only when the Group changes the business model of managing financial assets, all affected financial assets will be reclassified on the first day of the first accounting period after the business model is changed, otherwise the financial assets shall not be reclassified after initial recognition.

Financial assets are measured at fair value at the time of initial recognition. For financial assets that are measured at fair value via the current profit and loss, the relevant transaction costs are directly included in the current profit and loss; for other types of financial assets, the relevant transaction costs are included in the initial recognition amount. For accounts receivable arising from the sale of products or the provision of labor services that do not contain or consider significant financing components, the amount of consideration that the Group is expected to be entitled to receive shall be the initial confirmation amount.

### (3) Classification and measurement of financial liabilities

The Company's financial liabilities are classified at the time of initial recognition as: financial liabilities measured at fair value via the current profit and loss, and financial liabilities measured at amortized costs. For financial liabilities that are not classified as measured at fair value via the

current profit and loss, the relevant transaction costs are included in the initial recognition amount.

### **Financial liabilities that are measured at fair value through profit or loss**

Financial liabilities that are measured at fair value through profit or loss include: transaction financial liabilities, and financial liabilities designated to be measured at fair value through profit or loss at the initial recognition. For such financial liabilities, follow-up measurement is carried out at fair value, and the gains or losses arising from changes in fair value, as well as dividends and interest expenses related to these financial liabilities, are included in the current profit and loss.

### **Financial liabilities measured at amortized cost**

Other financial liabilities adopt the effective interest method, in which follow-up measurement is carried out at amortized cost, and the gains or losses arising from derecognition or amortization are included in the current profit and loss.

#### **Financial guarantee contract**

A financial guarantee contract is not a financial liability designated to be measured at fair value through profit or loss, which is measured at fair value upon initial recognition, and is subsequently measured at the higher of the provision for loss of the estimated liability determined using the expected credit loss model and the balance of the amount initially recognized less accumulated amortization.

### **The distinction between financial liabilities and equity instruments**

Financial liabilities refer to liabilities that meet one of the following conditions:

- ① the contractual obligation to deliver cash or other financial assets to other parties.
- ② the contractual obligation to exchange financial assets or financial liabilities with other parties under potentially unfavorable conditions.
- ③ the non-derivative contract that must or can be settled with the company's own equity instruments in the future, and the company will deliver a variable amount of its own equity instruments according to the contract.
- ④ the derivative contract that must or can be settled with the company's own equity instruments in the future, except for the derivative contract that exchanges a fixed amount of cash or other financial assets with a fixed amount of its own equity instruments.

Equity instrument refers to a contract which can prove that a certain company holds the residual equities of the assets after deducting all liabilities.

If the Group cannot unconditionally avoid the delivery of cash or other financial assets to fulfill a

contractual obligation, the contractual obligation meets the definition of a financial liability.

If a financial instrument must or can be settled with the Group's own equity instruments, it is necessary to consider whether the Group's own equity instruments for settling the instrument are used as a substitute for cash or other financial assets, or are used to make sure that the instrument holders is entitled to the residual equity of the assets after the issuer deducts all liabilities. If it is the former, the instrument is a financial liability to the Group; and if it is the latter, the instrument is an equity instrument to the Group.

#### (4) Derivatives and embedded derivatives

It is initially measured at the fair value on the day when the derivative transaction contract is signed, and is subsequently measured at its fair value. A derivative with a positive fair value is recognized as an asset, and a derivative with a negative fair value is recognized as a liability. Any gains or losses arising from changes in fair value that do not meet the requirements of hedge accounting are included in the current profit and loss directly.

For a hybrid instrument that contains embedded derivatives, if the host contract is a financial asset, the hybrid instrument is subject to the relevant classification criteria of the financial asset as a whole. The embedded derivative instrument is separated from the hybrid instrument and treated as a separate derivative if the following conditions are met: the host contract is not a financial asset; and said hybrid instrument is not measured at fair value through profit or loss for accounting treatment; and the embedded derivative is not closely related to said host contract in terms of economic characteristics and risks; and a separate instrument with the same terms as the embedded derivative meets the definition of a derivative. If the embedded derivative cannot be separately measured at the time of acquisition or on the subsequent balance sheet date, the hybrid instrument as a whole is designated as a financial asset or a financial liability measured at fair value through profit or loss.

#### (5) Fair value of financial instruments

See Note III.12 for the method of determining the fair value of financial assets and financial liabilities.

#### (6) Impairment of financial assets

Based on expected credit losses, the Company performs impairment accounting treatments on the following items and recognizes loss provisions:

- Financial assets measured at amortized cost;
- Receivables and debt investments that are measured at fair value through other comprehensive income;
- Contract assets as defined in *Accounting Standards for Enterprises No. 14 - Revenue*;

- Lease receivables;
- Financial guarantee contracts (except for when measured at fair value through profit or loss, or when a transfer of a financial asset does not qualify for de-recognition or when arises from the continuing involvement with the transferred financial assets).

### **Measurement of expected credit losses**

Expected credit loss refers to the weighted average of the credit losses of financial instruments that take default risks as the weight. Credit loss refers to the difference between all contractual cash flows receivable under the contract and all cash flows expected to be received by the Group, discounted at the original effective interest rate, that is, the present value of all cash shortages.

Based on reasonable and evidence-based information about past events, current conditions, forecasts of future economic conditions and etc., the company takes default risks as the weight to calculate the probability-weighted amount of the present value of the difference between the cash flow receivable from the contract and the cash flow expected to be received, therefor recognizing the expected credit loss.

The Company measures the expected credit losses of financial instruments at different stages one by one. If the credit risk on a financial instrument has not increased significantly since initial recognition, it is in the first stage, and thus the Company measures the loss provision according to the 12-month expected credit losses; if the credit risk on a financial instrument has increased significantly without credit impairment since initial recognition, it is in the second stage, and thus the Company measures the loss provision according to the expected credit loss over the entire life of the instrument; if the financial instrument has become credit-impaired since initial recognition, it is in the third stage, and thus the Group measures the loss provision according to the expected credit loss over the entire life of the instrument.

For financial instruments with low credit risks on the balance sheet date, the Company assumes that their credit risks have not increased significantly since initial recognition, and the loss provisions are measured according to the expected credit losses within the next 12 months.

Expected credit loss over the entire life of the instrument refers to the expected credit loss that result from all possible default events over the entire expected life of the financial instrument. 12-month expected credit loss refers to expected credit loss that result from default events that are possible within 12 months after the balance sheet date (if the expected life of the financial instrument is less than 12 months, then within the expected life). Expected credit loss is a part of the expected credit loss over the entire life of the instrument.

When measuring expected credit losses, the longest period that the Company needs to consider is

the longest contract period that the company faces credit risks (including the consideration of the renewal option).

For financial instruments that are in the first and second stages and that are with lower credit risks, the Company calculates their interest incomes based on the book balances without deducting the impairments and the effective interest rates. For financial instruments in the third stage, the interest incomes are calculated according to the amortized cost after deducting the impairments from the book balance and the effective interest rates.

Bills receivables, accounts receivables and contract assets

As for bills receivables, accounts receivables and contract assets, no matter whether they contain significant financing components, the Company always measures its loss provisions at an amount equivalent to the expected credit losses over the entire lifetime.

When the expected credit loss information of a single financial asset cannot be evaluated at reasonable costs, the Company divides and combines bills and accounts receivables according to credit risk characteristics, and calculates the expected credit losses based on the portfolios. The basis for determining the portfolios is as follows:

#### A. Notes Receivables

- Notes receivable portfolio 1: Bank Acceptance Draft
- Notes receivable portfolio 2: Commercial Acceptance Draft

#### B. Accounts receivables

- Accounts receivable portfolio 1: receivables from related parties within the scope of consolidation
- Accounts receivable portfolio 2: receivable from other clients

#### C. Contract assets

- Contract Asset Portfolio 1: completed and unsettled assets
- Contract Asset Portfolio 2: warranty fund

For the notes receivable, accounts receivable and contract assets divided into portfolios, the Company calculates the expected credit loss by referring to the historical experience of credit loss, combining the current situation and the forecast of future economic conditions, and calculating the expected credit loss through the exposure to default risk and the expected loss rate of the whole duration.

#### **Other Receivables**

The Company divides other receivables into a number of portfolios according to credit risk characteristics, and calculates the expected credit losses based on the portfolios. The basis for



determining the portfolios is as follows:

- Other receivable portfolio 1: deposit receivable and security deposit
- Other receivable portfolio 2: Receivables from related parties within the scope of consolidation
- Other receivable portfolio 3: Other receivables

For other receivables divided into portfolios, the Company calculates the expected credit losses based on the exposures of default risks and the expected credit loss rates over the next 12 months or the entire lifetime. For other receivables grouped by aging, the aging is calculated from the date of recognition.

### **Debt investments, other debt investments**

For debt investments and other debt investments, according to the natures of the investments, various types of counter parties and risk exposures, the Company calculates the expected credit losses based on the exposures of default risks and the expected credit loss rates over the next 12 months or the entire lifetime.

### **Assessments of significant increases in credit risks**

The Company compares the default risks of financial instruments on the balance sheet date and the default risks on the initial recognition date to determine the relative changes in the default risks of the financial instruments during the expected lifetime, therefore to assess whether the credit risks of the financial instruments have increased significantly since initial recognition.

When determining whether the credit risks have increased significantly since initial recognition, the Company considers reasonable and evidence-based information that can be obtained without unnecessary additional costs or efforts, including forward-looking information. The information considered by the Company includes:

- the debtor's failure to pay the principal and interest by the due date of the contract;
- a serious deterioration in the external or internal credit rating (if any) of the financial instrument that has occurred or is expected;
- a serious deterioration in the debtor's operating result that has occurred or is expected;
- Existing or anticipated changes in technology, market, economic or legal environment, which will have a significant adverse impact on the debtor's ability to repay the Group.

According to the natures of financial instruments, the Company assesses credit risks on the basis of individual financial instruments or portfolios of financial instruments, to see whether they have increased significantly. When carrying assessments based on portfolios of financial instruments, the Company may classify financial instruments on the basis of common credit risk characteristics,

such as overdue information and credit risk ratings.

If it is more than 30 days past due, the Company determines that the credit risks of the financial instruments have increased significantly.

### **Financial assets that have been credit-impaired**

On the balance sheet date, the Company assesses whether the financial assets measured at amortized cost and the debt investments measured at fair value through other comprehensive income have become credit-impaired. At the occurrence of one or more events that have adverse effects on the expected future cash flow of a financial asset, said financial asset become a one that has been credit-impaired. Evidences of credit-impaired financial assets include the following observable information:

- the issuer or debtor has serious financial difficulties;
- the debtor breaches the contract, such as default or overdue payment of interest or principal;
- out of economic or contractual considerations related to the debtor's financial difficulties, the Group gives the debtor concessions that will not make under any other circumstances;
- the debtor is likely to go bankrupt or undergo other financial restructuring;
- the issuer's or debtor's financial difficulties cause the disappearance of an active market for said financial asset.

### **Presentation of expected credit loss provisions**

In order to reflect the changes in the credit risks of financial instruments since initial recognition, the Company remeasures the expected credit losses on each balance sheet date, and the resulting increases in loss provisions or the amounts reversed are included in the current profit and loss as impairment losses or profits. For a financial asset measured at amortized cost, the book value of said financial asset listed in the balance sheet is offset by the loss provision; for a debt investment that is measured at fair value through other comprehensive income, the Group recognizes its loss provisions in other comprehensive income, and the book value of said financial asset is not offset.

### **Write-off**

If the Company can no longer reasonably expect that the contractual cash flow of a financial asset can be fully or partially recovered, it will directly write down the book balance of said financial asset. Such write-downs constitute the de-recognitions of the related financial assets. This situation usually occurs when the Company determines that the debtor has no assets or sources of income that can provide sufficient cash flow to pay off the amount to be written down. However, in accordance with the Group's procedure for recovering due payments, the financial assets that have been written down may still be affected by execution activities.

If the financial assets that have been written down are later recovered, they are included in the profit and loss of the recovery period as reversals of the impairment losses.

#### (7) Transfers of financial assets

Transfer of financial assets refers to the transfer or delivery of said financial assets to another party (transferee) other than the issuer of the financial assets.

If the Company has transferred substantially all the risks and rewards of the ownership of a financial asset to the transferee, said financial asset is de-recognized; if it retains substantially all the risks and rewards of the ownership of a financial asset, said financial asset is not de-recognized.

If the Company neither transfers nor retains substantially all the risks and rewards of the ownership of a financial asset, it shall be dealt with accordingly: if the control of said financial asset is abandoned, said financial asset shall be de-recognized and the resulting assets and liabilities shall be recognized; if the control of said financial asset is not abandoned, the relevant financial assets shall be recognized according to the extent of its continued involvement with the transferred financial assets, and the relevant liabilities shall be recognized accordingly.

#### (8) Offsetting of financial assets and financial liabilities

The financial assets and financial liabilities can be listed in the balance sheet at the amount after offsetting each other if the following conditions are met: The Company has the statutory right to offset the recognized financial assets and financial liabilities, and the statutory rights are currently enforceable; and the Company plans to net settle or realize said financial assets and to pay off said financial liabilities at the same time. Otherwise, financial assets and financial liabilities are listed separately in the balance sheet and are not offset against each other.

##### 1. Fair value measurement

Fair value refers to the price that market participants can receive from the sale of an asset or pay to transfer a liability in an orderly transaction on the measurement date.

The Company measures the relevant assets or liabilities at fair value, assuming that the orderly transaction of selling assets or transferring liabilities is carried out in the main market of the relevant assets or liabilities; if there is no main market, the Company assumes that the transaction is carried out in the most favorable market of the relevant asset or liability. The main market (or the most favorable market) is the trading market that the Company can enter on the measurement date. The Company adopts the assumptions used by market participants to price the asset or liability in order to maximize its economic benefits.

For the financial assets or financial liabilities in the active market, the Company adopts the quoted price in the active market to determine its fair value. If there is no active market for a financial

instrument, the Company adopts valuation techniques to determine its fair value.

Where a non-financial asset is measured at fair value, consideration is given to the ability of a market participant to put the asset to its best use for economic benefit, or to sell the asset to another market participant that is able to put it to its best use for economic benefit.

The Company adopts valuation techniques that are applicable under the current circumstances and are supported by sufficient available data and other information, and gives priority to the use of relevant observable inputs. Unobservable inputs are used only when observable inputs cannot be obtained or are not feasible.

For assets and liabilities measured or disclosed at fair value in the financial statements, the fair value hierarchy is determined based on the lowest-hierarchy input value that is significant to the fair value measurement as a whole: the first-hierarchy input value is the unadjusted quoted price in an active market for the same asset or liability that can be obtained on the measurement date; the second-hierarchy input value is directly or indirectly observable input value for related assets or liabilities other than the first-hierarchy input value; the third-hierarchy input value refers to unobservable input value for related assets or liabilities.

At each balance sheet date, the Company reassesses the assets and liabilities recognized in the financial statements that are measured at fair value on a continuing basis to determine whether transfers have occurred between levels in the fair value measurement hierarchy.

## **12. Inventory**

### **(1) Classification of inventory**

The Company's inventory is divided into raw materials, finished goods, low-value consumables.

### **(2) Method of inventory pricing**

The Company's inventory is priced at the actual cost when acquired. When issuing raw materials, finished goods, etc., the Company adopts the weighted average method.

### **(3) The basis for determining the net realizable value of the inventory and the method of accruing provision for obsolete stock**

On the balance sheet date, inventories are measured at the lower of cost and net realizable value. When the net realizable value is lower than the cost, the inventory falling price reserve shall be calculated.

The net realizable value of the inventory is the estimated selling price of the inventory, minus the estimated costs at the time of completion, estimated sales expenses and related taxes. The net realizable value of the inventory is determined based on the conclusive evidences that are obtained, while considering the purpose of holding the inventory and the impacts of events after the balance

sheet date.

The Company generally calculates and withdraws the inventory falling price reserves according to individual inventory items. For inventories with large quantity and low unit price, the inventory falling price reserve shall be calculated according to the inventory category.

(4) Inventory system

The Group's adopts the perpetual inventory system.

(5) Amortization method of low-value consumables and packaging materials

The Company adopts the one-off write-off method for amortization when receiving low-value consumables.

### 13. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries, joint ventures and associates. The investees on which the Group can exert significant influence are associates of the Group.

(1) Determination of initial investment costs

Long-term equity investments from corporate mergers: for long-term equity investments obtained in corporate mergers under the same control, the book value shares of the acquired party's equities in the consolidated financial statements of the ultimate controlling party on the merger date are regarded as investment costs; for long-term equity investments obtained in corporate mergers that are not under the same control, the merger costs are regarded as the investment costs of the long-term equity investments.

Long-term equity investments obtained by other means: for long-term equity investments obtained by paying cash, the purchase prices that are actually paid are regarded as initial investment costs; for long-term equity investments obtained by issuing equity securities, the fair values of the issued equity securities are regarded as initial investment costs.

(2) Follow-up measurements and methods of recognizing profits and losses

Investments in subsidiaries are accounted by using the cost method, unless the investments meet the criteria to be classified as held for sale; investments in associates and joint ventures are accounted by using the equity method.

For long-term equity investments accounted by the cost method, beside the actual prices paid in the investments or the declared but unpaid cash dividends or profits included in the considerations, the cash dividends or profits declared to be distributed by the investee are recognized as investment incomes, and are included the current profit and loss.

For long-term equity investments accounted by the equity method, if the initial investment costs are

higher than the fair value shares of the investee's identifiable net assets at the time of investments, the investment costs of the long-term equity investments are not adjusted; if the initial investment cost is less than the fair value shares of the investee's identifiable net assets at the time of investments, the book values of the long-term equity investments are adjusted, and the differences are included in the profit and loss of the investment.

When using the equity method, the investment incomes and other comprehensive incomes are recognized respectively according to the shares of the net profits and losses and other comprehensive incomes realized by the investee that are entitled to or should be shared, and the book value of the long-term equity investments are adjusted at the same time; the book values of the long-term equity investments are reduced according to the entitled portions, which are calculated based on the profits or cash dividends distributed by the investee; other changes in the owner's equities of the investees other than net profits and losses, other comprehensive incomes and profit distributions are adjusted in the book values of the long-term equity investment, and are included in capital surplus (other capital surplus). When recognizing the shares of the net profit and loss of the investee, the net profits of the investee are recognized after the adjustments based on the fair values of the identifiable assets of the investee when obtaining the investments, which are in accordance with the Group's accounting policies and accounting period.

If, due to additional investments or other reasons, it is possible to exert significant influence on the investee or to have a joint control but does not yet constitute control, the sums of the fair values of the original equities and the newly added investment costs are regarded as initial investment costs, accounting for the change to the equity method on the conversion date. If the original equities are classified as non tradable equity instrument investment measured at fair value and its changes are included in other comprehensive income, the related cumulative changes in fair value originally included in other comprehensive income will be transferred to retained income when accounting according to the equity method.

If the joint control or significant influence on the investee is lost due to the disposal of part of the equity investments, on the date of losing joint control or significant influence, the accounting treatment of the remaining equities after the disposal is changed according to *Accounting Standards for Enterprises No. 22 - Recognition and Measurement of Financial Instruments*, and the differences between the fair values and the book values are included in the current profit and loss. When terminating the equity method, the other comprehensive incomes recognized by the original equity investments due to the adoption of the equity method, are accounted for on the same basis as the investee's direct disposal of related assets or liabilities; other changes of owner's equities related

to the original equity investments are transferred to the current profit and loss.

If the control of the investee is lost due to the disposal of part of the equity investments, while the remaining equities after disposal have joint control or can exert significant influence on the investee, the equity method is adopted instead, and the remaining equities are subject to adjustments deeming that the equity method is adopted upon acquisition; if the remaining equities after disposal no longer have joint control nor can exert significant influence on the investee, the accounting treatment is changed according to *Accounting Standards for Enterprises No. 22 - Recognition and Measurement of Financial Instruments*, and the differences between the fair values and the book values are included in the current profit and loss on the date of losing control.

If the company's shareholding ratios decrease due to the increases in capitals from other investors, thereby losing control but have joint control or can exert significant influence on the investee, the shares of the net assets entitled to the company, which are increased due to share expansion, are recognized according to the new shareholding ratio, and the differences between the original book values of the long-term equity investments corresponding to the decrease in the shareholding ratio that should be carried forward are included in the current profit and loss; then, the new shareholding ratio are subject to adjustments deeming that the equity method is adopted upon acquisition.

The unrealized gains and losses of internal transactions between the Group and associates, as well as joint ventures, are calculated based on the shareholding ratio attributable to the Group, and the investment gains and losses are recognized based on offsetting. However, the unrealized losses of internal transaction between the Group and the investee are not offset, as they belong to the impairment loss of the transferred assets.

### (3) The basis for determining having joint control and significant influence on the investee

Joint control refers to the control of an arrangement in accordance with relevant agreement, and the relevant activities of the arrangement must be agreed by the participants having shared control rights. When judging whether there is joint control, firstly, determine whether said arrangement is collectively controlled by all participants or a combination of participants, and secondly, determine whether the decision-making related to the arrangement must be agreed unanimously by the participants who collectively control said arrangement. If all participants or a group of participants must act unanimously to determine the activities of an arrangement, it is considered that all participants or a group of participants control the arrangement collectively; if there are two or more combinations of participants that can control an arrangement collectively, it does not constitute joint control. When judging whether there is joint control, the protective rights are not considered.

Significant influence means that the investor has the power to participate in the decision-making of



the financial and operating policies of the investee, but cannot control or jointly control the policy making with other parties. When determining whether it can exert a significant influence on the investee, consider the assumed impacts after the voting shares of the investee held by the investor directly or indirectly and the current executable potential voting rights held by the investor and other parties are to be converted to the investee, including the impact of current convertible warrants, share options, convertible corporate bonds and etc. issued by the investee.

When the company owns more than 20% (including 20%) but less than 50% of the voting shares of the investee directly or indirectly through a subsidiary, it is generally considered to have a significant influence on the investee, unless there is clear evidence to prove that it cannot participate the decision-making of the investee's production and management, and does not have a significant influence under such condition; when the Group owns less than 20% (excluding) of the voting shares of the investee, it is generally not considered to have a significant influence on the investee, unless there is clear evidence to prove that the it can participate the decision-making of the investee's production and management, and does not have a significant influence under such condition.

#### (4) Impairment test method and accounting method of impairment provisions

For investments in subsidiaries, associates and joint ventures, see Note III. 19 for the accounting method of asset impairments.

### **14. Fixed assets**

#### (1) Confirmation conditions

The fixed assets of the Company refer to tangible assets held for production of commodities, provision of labor services, rental or operation and management, and have a service life of more than one fiscal year.

The economic benefits related to said fixed asset are likely to flow into the company, and said fixed asset can only be recognized when the cost of said fixed asset can be reliably measured.

The fixed assets of the Company are initially measured according to the actual cost at the time of acquisition.

Subsequent expenditures related to fixed assets shall be included in the cost of fixed assets when the economic benefits related to them are likely to flow into the Company and the cost can be reliably measured; the daily repair costs of fixed assets that do not meet the conditions for subsequent expenditures for capitalization of fixed assets shall be included in the current profit and loss or included in the cost of related assets according to the beneficiary object when they occur. For the replaced part, its book value is de-recognized.



## (2) Depreciation method

Category	Depreciation method	Depreciation period	Residual value rate	Annual depreciation rate
Houses and buildings	Straight-line method	10-50	5	9.50-1.90
Mechanical equipment	Straight-line method	5-10	5	19.00-9.50
Transportation equipment	Straight-line method	5-10	5	19.00-9.50
Others	Straight-line method	5-10	5	19.00-9.50

## 15. Constructions in progress

The costs of the Group's constructions in progress are determined based on actual construction expenditures, including various necessary construction expenditures incurred during the construction period, borrowing costs that should be capitalized before the construction reaches its intended usable condition, and other related expenses.

Constructions in progress are capitalized as the initial value of fixed assets based on all expenditures incurred before the construction reaches its intended usable condition. When the construction in progress reach its intended usable condition but the final accounts have not yet been settled, the estimated value is transferred to fixed assets based on the project budget, cost, or actual expenses from the date when the construction reaches its intended usable condition. Depreciation of fixed assets is then recorded according to the Group's fixed asset depreciation policy. Upon completion of the final settlement, the originally estimated value is adjusted based on the actual cost, without adjusting the depreciation already recorded.

See Note III. 19 for the accounting method of asset impairments for construction in progress.

## 16. Borrowing costs

### (1) Recognition principle of the capitalization of borrowing costs

If the borrowing costs incurred by the Group can be directly attributable to the purchase, construction or production of assets that meet the conditions for capitalization, they are capitalized and included in the costs of the relevant assets; other borrowing costs are recognized as expenses according to the amount incurred, and are included into the current profit and loss. The capitalization of borrowing costs will start if all the following conditions are met at the same time:

- ① The expenditure on the asset have occurred, which include expenditures in the form of paying cash, transferring non-cash assets, or interest-bearing debts for the purchase, construction or production of assets that meet the requirements for capitalization;
- ② Borrowing costs have been incurred;
- ③ The purchase, construction or production activities have started, which are necessary for making the assets ready for its intended use or sale.

## (2) Capitalization period of borrowing costs

When the assets purchased, constructed or produced by the Group that meet the requirements for capitalization are ready for the intended use or sale, the capitalization of the borrowing cost ceases activities. The borrowing costs incurred after the assets that meet the requirements for capitalization are ready for the intended use or sale, the amounts incurred are recognized as expenses, and are included in the current profit and loss.

If the assets that meet requirements for capitalization is abnormally interrupted during the purchase, construction or production, and the interruption lasts for more than 3 months, the capitalization of borrowing costs is suspended; during normal interruption period, the capitalization of borrowing costs continue.

## (3) The capitalization rate of borrowing costs and the calculation method of the capitalization amount

The actual interest expenses incurred in the current period of special borrowings are capitalized after deducting the interest incomes obtained by depositing unused borrowing funds in the bank or the investment incomes obtained by temporary investments; the capitalization amounts of general borrowings are recognized as follows: the weighted average of the amount that the accumulated expenditures exceed the asset expenditures of special borrowings is multiplied by the capitalization rate of the general borrowings. The capitalization rate is calculated and determined based on the weighted average interest rate of general borrowings.

During the capitalization period, the exchange differences of foreign currency special borrowings are all capitalized; the exchange differences of foreign currency general borrowings are included in the current profit and loss.

## 17. Intangible assets

### (1) Service life and its determination basis, estimation, amortization method or review procedure

The Company's intangible assets include rights to use lands, software, patent rights, non-patent technologies, rights to the use of trademarks and other, etc.

Intangible assets are initially measured at cost, and their service lives are analyzed and determined when the intangible assets are acquired. If the service lives are limited, from the time when the intangible assets are deemed useful, an amortization method that can reflect the expected realization of the economic benefits related to said assets is adopted, and the assets are amortized within the expected service life; if the expected realization method cannot be determined reliably, the straight-line method is used for amortization; intangible assets without definite service lives are not amortized.

The amortization method of intangible assets with limited-service life is as follows:

Classification	Service life	Amortization method
Right to use land	40-50	Straight-line
Right to the use of trademark	3-15	Straight-line
Software	15	Straight-line
Patent right	15	Straight-line
Non-patent technology	20	Straight-line

At the end of each year, the Company reviews the service lives of intangible assets with limited-service lives and the amortization method. If it is different from the previous estimate, the original estimate is adjusted and treated according to accounting estimates changes.

If it can be estimated on the balance sheet date that an intangible asset can no longer bring future economic benefits to the company, the book value of said intangible asset is transferred to the current profit and loss.

See Note III. 19 for the accounting method of asset impairments for intangible assets.

### (2) Scope of R&D expenditures and relevant accounting methods

The Company divides expenditures for internal research and development projects into expenditures in the research phase and expenditures in the development phase.

Expenditures in the research phase are included in the current profit and loss when incurred.

Expenditure in the development phase can only be capitalized only if the following conditions are met at the same time, i.e.,: it is technically feasible to complete the intangible assets so that they can be used or sold; there is the intention to complete the intangible assets and to use or sell them; the intangible assets provides economic benefits, including the ability to prove that the products produced by the intangible assets are demanded in the market or the intangible assets themselves are demanded in the market, and if the intangible assets will be used internally, their usefulness can be proved; there are sufficient technical, financial resources and other resources to support the completions of the developments of said intangible assets, as well as the ability to use or sell said intangible assets; the expenditures that are attributable to the development phase of the intangible assets can be measured reliably. Development expenditures that do not meet the above requirements are included in the current profit and loss.

Expenditure in the development phase that has been capitalized is listed as development expenditure on the balance sheet and is converted into an intangible asset from the date the project reaches its intended use.

#### **18. Long-term asset impairments**

Asset impairments of long-term equity investments in subsidiaries, associates and joint ventures, fixed assets, constructions in progress, right-of-use assets, intangible assets, goodwill, etc. (except for inventory, deferred income tax assets and financial assets) that are subsequently measured using the cost model, are recognized according to the following methods:

It is evaluated on the balance sheet date whether there are signs of possible asset impairments. If there are signs of impairments, the Group will estimate the recoverable amounts and conduct impairment tests. The goodwill formed by business mergers, intangible assets with indefinite service lives and intangible assets that are not yet ready to use are tested for impairment every year, regardless of whether there are signs of impairments.

The recoverable amount is determined based on the higher amount between the net value of the asset's fair value minus the disposal expenses, and the present value of the asset's expected future cash flow. The Group estimates its recoverable amount on the basis of a single asset; if it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of said asset group is determined on the basis of the asset group to which the asset belongs. The identification of an asset group is based on whether the main cash inflow generated by the asset group is independent from the cash inflows of other assets or asset groups.

When the recoverable amounts of the assets or asset groups are lower than the book values, the Group writes down the book values to the recoverable amounts. The reduced amount is included in

the current profit and loss, and the corresponding asset impairment provisions is accrued at the same time.

As for the impairment test of goodwill, the book value of the goodwill formed by the business mergers is allocated to the relevant asset groups according to a reasonable method from the date of purchase; if it is difficult to allocate to the relevant asset groups, it is allocated to related asset group portfolio. The related asset group or asset group portfolio is the asset group or asset group portfolio that can benefit from the synergies of the business mergers, and is not larger than the reporting segment determined by the group.

During the impairment test, if there are signs of impairment for an asset group or asset group portfolio related to goodwill, impairment test is performed on the asset group or asset group portfolio that does not contain goodwill first. Then, impairment test is performed on the asset group or asset group portfolio that contains goodwill, and its book value is compared with its. If the recoverable amount is lower than the book value, the impairment loss of goodwill is recognized.

Once an asset impairment loss is recognized, it will not be reversed in the following accounting periods.

## **19. Long-term deferred expenses**

The long-term deferred expenses of the Group are priced at actual cost, and are amortized evenly over the expected benefit period. For long-term deferred expenses that cannot benefit the future accounting period, all the amortized values are included in the current profit and loss.

## **20. Employee compensations**

### **(1) Accounting treatment of short-term salary**

During the accounting period which employees provide services, the Group recognizes the actual wages, bonuses, medical insurance premiums, employment injury insurance premiums, maternity insurance premiums and other social insurance premiums and housing provident funds paid for the employees in accordance with the prescribed benchmarks and proportions as liabilities, and they are included in the current profit and loss or related asset costs.

### **(2) Accounting treatment of post-employment benefits**

The post-employment benefit plan includes a defined contribution plan and a defined benefit plan. The defined contribution plan refers to a post-employment benefit plan in which the company no longer undertakes further payment obligations after the fixed fee is paid to an independent fund; the defined benefit plan refers to a post-employment benefit plan other than the defined contribution plan.

The defined contribution plan

The defined contribution plan includes basic pension insurance, unemployment insurance, etc.

During the accounting period in which the employees provide services, the amounts payable that are calculated according to the defined contribution plan are recognized as liabilities, and are included in the current profit and loss or related asset costs.

The defined benefit plan

For the defined benefit plan, an independent actuary performs actuarial valuation on the annual balance sheet date, and determine the cost of providing benefits by using the expected cumulative benefit unit method. The employee compensation costs caused by the defined benefit plan of the Group includes the following components:

① Service costs, including current service costs, past service costs and settlement gains or losses.

Among them, the current service costs refer to the increase in the present value of the defined benefit plan obligation caused by the employee's current provision of services; the past service costs refer to the increase or decrease in the present value of defined benefit plan that are related to employee services in the previous periods and are caused by the modification of the defined benefit plan.

② The net interest of the net liabilities or net assets of the defined benefit plan includes the interest incomes of the plan assets, the interest expenses of the defined benefit plan obligations, and the interests affected by the asset ceilings.

③ Re-measurement of the changes in the net liabilities or net assets of the defined benefit plan.

Unless other accounting standards require or allow the employee welfare costs to be included in the asset costs, the Group will include said items ① and ② in the current profit and loss; item ③ will be included in other comprehensive incomes and will not be transferred back to profit and loss in follow-up accounting periods. When the original defined benefit plan is terminated, the portion originally included in other comprehensive incomes will be carried forward to the undistributed profit within the scope of equity.

(3) Accounting treatment for dismissal benefits

If the Group provides dismissal benefits to employees, the employee compensation liabilities arising from dismissal benefits are recognized as soon as possible and are included in the current profit and loss under the following conditions: when the Group cannot unilaterally withdraw the provided dismissal benefits due to the termination of labor relations or reduction proposals; when the Group confirms the costs or expenses related to the reorganization involving the payment of

dismissal benefits.

If an employee is retired internally, the economic compensation before the official retirement date is a dismissal benefit. From the date when the employee ceases to provide services to the regular retirement date, the wages and social insurance premiums paid for early retirement employees are included in the current profit and loss. Economic compensations after the official retirement date (such as regular pensions) are treated as post-employment benefits.

#### (4) Accounting treatment for other long-term employee benefits

Other long-term employee benefits provided by the Group to employees, which meet the conditions of the defined contribution plan, are treated in accordance with the relevant provisions on the above-mentioned defined contribution plan. The ones that meet the conditions of the defined benefit plan are treated in accordance with the relevant provisions on the above-mentioned defined contribution plan, but "re-measurements of the changes in the net liabilities or net assets of the defined benefit plan" in the relevant employee compensation costs are included in the current profit and loss or related asset costs.

## 21. Estimated Liabilities

The Company will recognize as estimated liabilities the obligations related to the contingencies which meet the following conditions at the same time:

- (1) This obligation is the current obligation assumed by the Company;
- (2) The performance of this obligation is likely to cause economic benefits to flow out of the Group;
- (3) The amount of this obligation can be measured reliably.

The estimated liabilities are initially measured in accordance with the best estimate of the expenditure required to perform related current obligations, and comprehensively consider factors such as risks, uncertainties and time value of money related to contingencies. If the time value of money has a significant impact, the best estimate is determined after discounting the relevant future cash outflows. The Group reviews the book value of estimated liabilities on the balance sheet date and adjusts the book value to reflect the current best estimate.

If all or part of the expenses required to settle the confirmed estimated liabilities are expected to be compensated by a third party or other parties, the compensation amount can only be separately confirmed as an asset when it is basically certain that it can be received. The confirmed compensation amount does not exceed the book value of the confirmed liability.

## 22. Share-Based Payment

### (1) Types of share-based payment

The share-based payment of the Company contains equity-settled share-based payment and cash-

settled share-based payment.

## (2) How to determine the fair value of equity instruments

The Company determines the fair value of the granted equity instruments such as options that have an active market based on the quoted prices in the active market. For equity instruments such as options that have no active market, the fair value of the equity instruments is determined using option pricing models. The selected option pricing model considers the following factors: A. the exercise price of the option; B. the validity period of the option; C. the current price of the underlying shares; D. the expected volatility of the share price; E. the expected dividend of the shares; F. the risk-free interest rate during the validity period of the option.

## (3) The basis for confirming the best estimate of exercisable equity instruments

At each balance sheet date during the waiting period, the Group makes the best estimate based on the latest follow-up information such as changes in the number of vested employees, and revises the number of equity instruments that are expected to vest. On the vesting date, the final estimated number of vesting equity instruments should be consistent with the actual vesting number.

## (4) Relevant accounting treatments for the implementation, modification, and termination of share-based payment plans

Equity-settled share-based payments are measured at the fair value of the equity instruments granted to employees. For those that can be exercised immediately after the grant, the fair value of the equity instrument shall be included in the relevant costs or expenses on the date of grant, and the capital reserve shall be increased accordingly. For those that can be exercised only after the completion of the service within the waiting period or the required performance conditions are met, on each balance sheet date during the waiting period, based on the best estimate of the number of vesting equity instruments, the services obtained in the current period shall be included in the relevant costs or expenses and capital reserve according to the fair value on the equity instrument grant date. No adjustments will be made to the confirmed related costs or expenses and the total owner's equity after the vesting date.

Cash-settled share-based payments are measured at the fair value of the liabilities calculated and determined on the basis of shares or other equity instruments undertaken by the Group. For those that can be exercised immediately after the grant, the fair value of the liabilities assumed by the Group shall be included in the relevant costs or expenses on the date of grant, and the liabilities shall be increased accordingly. For cash-settled share-based payments that can be exercised only after the completion of the service within the waiting period or the required performance conditions are met, on each balance sheet date during the waiting period, based on the best estimate of the



vesting conditions, the services obtained in the current period shall be included in the relevant costs or expenses and corresponding liabilities according to the fair value of the liabilities assumed by the Group. On each balance sheet date and settlement date before the settlement of the relevant liabilities, the fair value of the liabilities is remeasured, and the changes are included in the current profit and loss.

When the Group revises the share-based payment plan, if the revision increases the fair value of the equity instruments granted, the increase in the services obtained shall be recognized according to the increase in the fair value of the equity instruments; if the revision increases the number of equity instruments granted, the fair value of the increased equity instruments is correspondingly recognized as an increase in services obtained. The increase in the fair value of equity instruments refers to the difference between the fair values of the equity instruments before and after the modification on the modification date. If the modification reduces the total fair value of the share-based payment or adopts other methods that are not conducive to the employees to modify the terms and conditions of the share-based payment plan, the accounting treatment of the services obtained will continue, as if the change has never occurred, unless the Group cancels part or all of the granted equity instruments.

During the waiting period, if the granted equity instruments are cancelled (except for those cancelled due to non-market conditions that do not meet the exercisable conditions), the Group treats the cancellation of the granted equity instruments as an accelerated exercise, and the amount that should be confirmed within the remaining waiting period is immediately included in the current profit and loss, and the capital reserve is confirmed at the same time. If employees or other parties can choose to meet the non-exercising conditions but have not met within the waiting period, the Group treats it as cancellation of granted equity instruments.

##### **(5) Restricted shares**

Under the Share Incentive Scheme, the Company shall grant restricted shares to the incentive participants, and the incentive participants shall subscribe for the shares first. If the unlocking conditions stipulated in the Share Incentive Scheme are not met subsequently, the Company shall repurchase the shares at a pre-agreed price. If the restricted shares issued to employees have gone through the registration and other procedures for capital increase in accordance with the relevant provisions, on the date of grant, the Company shall recognize the capital stock and capital reserve (capital stock premium) based on the subscription money received from employees; at the same time, the Company shall recognize the treasury shares and other payables for repurchase obligations.

## 23. Revenue

### Accounting Policies for Recognizing and Measuring Revenue

#### (1) General principles

The Group recognizes revenue when it has fulfilled the performance obligations in the contract, that is, when the Client obtains control of the relevant goods or services.

If the contract contains two or more obligations, the Group shall allocate the transaction price to individual obligation in accordance with the relative proportion of stand-alone selling price of goods or services promised by individual obligation on the starting date of the contract. Revenue is measured based on the transaction price allocated to individual obligation.

The Group is considered to perform its obligations within a certain period of time when one of the following conditions is met; otherwise, it is considered to perform its obligations at a certain point in time.

- ① Clients obtain and consume the economic benefits brought by the Group's performance at the same time as the Group's performance.
- ② Clients can control the products under construction during the performance of the Group.
- ③ The goods produced during the performance of the Group have irreplaceable uses, and the Group has the right to receive payment for the cumulative performance part that has been completed during the entire contract period.

For performance obligations performed within a certain period of time, the Group recognizes revenue in accordance with the performance progress during that period. When the performance progress cannot be reasonably determined, if the cost incurred by the Group is expected to be compensated, the revenue shall be recognized according to the amount of the cost incurred until the performance progress can be reasonably determined.

For performance obligations performed at a certain point in time, the Group recognizes revenue at the point when the client obtains control of the relevant goods or services. When determining whether the client has obtained control of goods or services, the Group will consider the following signs:

- ① The Group enjoys the right of prompt payment for the goods or services, that is, the Client has the obligation of prompt payment for the goods.
- ② The Group has transferred the legal ownership of the product to the Client, that is, the Client has the legal ownership of the product.

- ③ The Group has transferred the goods in kind to the Client, that is, the Client has taken possession of the goods in kind.
- ④ The Group has transferred the main risks and rewards of the ownership of the goods to the Clients, that is, the Clients have obtained the main risks and rewards of the ownership of the goods.
- ⑤ The Client has accepted the goods or services.
- ⑥ Other signs that the Client has obtained control of the product.

## (2) Specific methods

The Company's revenue mainly comes from the following business types: sales of goods, provision of engineering project construction services, provision of design services, provision of freight forwarding services and hotel management.

The specific methods of the Group's revenue recognition are as follows:

### ① Sales of waterproof products:

The specific method for the Group to sell products such as coils and coatings is as follows: When the product is delivered to the Client and the Client has accepted the product and signed for the shipping order, namely, when the Client obtains the control right of the product, the revenue is recognized.

### ② Waterproof construction service:

In the process of providing waterproofing engineering construction, the Group recognizes revenue based on the actual contract cost incurred as a percentage of the estimated total contract cost, that is, the performance progress multiplied by the total contract revenue.

### ③ Architectural design service:

The architectural design business of the Company takes the work results that have been submitted and accepted by the customer as the output, that is, when the Company submits the results and the customer approves them in writing, the revenue is recognized according to the output value agreed by both parties.

Differences in revenue recognition accounting policies may occur due to different business models for similar businesses

## 24. Contract costs

Contract costs include incremental costs of obtaining contracts and costs to fulfill contracts.

Incremental costs of obtaining contracts refer to the costs (such as sales commissions, etc.) that would not be incurred if the Company does not obtain the contracts. If said costs are expected to be recovered, the Company recognizes them as assets as costs of obtaining contracts. Other costs incurred by the Company in order to obtain the contract, other than the incremental cost that is expected to be recovered, are included in the current profit and loss when occurred.

The Company will recognize the costs to fulfill contracts as assets if the costs incurred for fulfilling contracts do not fall within the scope of other accounting standards for enterprises such as inventory, and meet the following conditions at the same time:

- ① Said costs are directly related to current or anticipated contracts, including direct labor, direct materials, manufacturing overhead (or similar expenses), costs clearly borne by the Client , and other costs incurred only due to the contracts;
- ② Said costs increase resources of the Company that will be used in satisfying performance obligations in the future;
- ③ Said costs are expected to be recovered.

The assets recognized by costs of obtaining contracts and the assets recognized by costs to fulfill contracts (hereinafter referred to as "assets related to contract costs") are amortized on the same basis as the recognition of the goods or services revenues related to said assets and included in the current profit and loss.

When the book values of the assets related to contract costs are higher than the difference between the following two items, the Company accrues provisions for impairments of the excess part and recognizes them as asset impairment losses:

- ① Remaining consideration that the Company expects to obtain from the transfers of goods or services related to said assets;
- ② Estimate costs that will be incurred for the transfers of said related goods or services.

## **25. Government Subsidies**

Government subsidies are confirmed when they meet the conditions attached to the government subsidies and can be received.

Government subsidies for monetary assets are measured according to the amount received or receivable. Government subsidies for non-monetary assets shall be measured at fair value; if the fair value cannot be obtained reliably, it shall be measured at a nominal amount of RMB1.

Government subsidies related to assets refer to government subsidies obtained by the Group for purchase and construction or other ways to form long-term assets; otherwise, they are government subsidies related to income.

For those of which the government documents do not clearly specify the subsidy object, and can form long-term assets, the part of the government subsidy corresponding to the asset value is regarded as the government subsidy related to the asset, and the remaining part is regarded as the government subsidy related to the income; if it is difficult to distinguish, the government subsidy is regarded as the government subsidy related to income as a whole.

Government subsidies related to assets are recognized as deferred income and included in profit and loss in installments in accordance with a reasonable and systematic method within the useful life of the relevant assets. Government subsidies related to income are included in current profit and loss if they are used to compensate related costs or losses that have occurred; those used to compensate related costs or losses in subsequent periods are included in deferred income, and are included in the related profit and loss within the related costs or losses recognition period. Government subsidies measured at their nominal amounts are directly included in the current profits and losses. The Group adopts the same method to deal with the same or similar government subsidies.

Government subsidies related to daily activities are included in other income in accordance with the nature of economic business. Government subsidies not related to daily activities are included in non-operating income and expenditure.

When the confirmed government subsidy needs to be returned, if there is a relevant deferred income balance, the book balance of the relevant deferred income shall be offset, and the excess part shall be included in the current profit and loss; in other cases, it shall be directly included in the current profit and loss.

## **26. Deferred Income Tax Assets/Deferred Income Tax Liabilities**

Income tax includes current income tax and deferred income tax. Except that the deferred income tax for adjusted goodwill arising from the business merger or related to the transaction or event is included in the owner's equity, it is included in the current profit and loss as the income tax expense. The Group adopts the balance sheet debt method to recognize the deferred income tax based on the temporary difference between the book value of assets and liabilities on the balance sheet date and the tax base.

All taxable temporary differences are recognized as related deferred income tax liabilities, unless the taxable temporary differences are generated in the following transactions:

(1) The initial recognition of goodwill, or the initial recognition of assets or liabilities arising from a

transaction with the following characteristics: the transaction is not a business merger, and the transaction does not affect accounting profits nor taxable income;

(2) For taxable temporary differences related to investments in subsidiaries, joint ventures and associates, the time for the reversal of the temporary differences can be controlled and the temporary differences may not be reversed in the foreseeable future.

For deductible temporary differences, deductible losses that can be carried forward to future years, and tax deductions, the Group recognizes the resulting deferred income tax assets with the limit of future taxable income likely obtained to deduct the deductible temporary differences, deductible losses and tax deductions, unless the deductible temporary difference is generated in the following transactions:

(1) The transaction is not a business merger, and neither accounting profits nor taxable income will be affected when the transaction occurs;

(2) For deductible temporary differences related to investments in subsidiaries, joint ventures, and associates, which meet the following conditions at the same time, corresponding deferred income tax assets are confirmed: temporary differences are likely to be reversed in the foreseeable future, and taxable income are likely to be obtained in the future to be used to deduct temporary differences.

On the balance sheet date, the Group measures the deferred income tax assets and deferred income tax liabilities at the tax rate applicable to the period during which the asset is expected to be recovered or the liability be settled, and reflects the income tax impact of the way the asset is expected to be recovered or the liability be settled on the balance sheet date.

On the balance sheet date, the Group reviews the book value of deferred income tax assets. If it is probable that sufficient taxable income cannot be obtained in the future to offset the benefits of deferred income tax assets, the book value of the deferred income tax assets shall be written down.

When it is possible to obtain sufficient taxable income, the write-down amount shall be reversed.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities shall be presented as the net amounts after offsetting when the following conditions are met simultaneously:

(1) The taxpayer in the Company has the legal right to settle the current income tax assets and current income tax liabilities on a net basis;

(2) Deferred income tax assets and deferred income tax liabilities are related to the income tax levied by the same tax collection and administration department on the same taxpayer within the Company.

## 27. Lease

### (1) Accounting method of lease as lessee

At the beginning of the lease term, the Company recognizes right-of-use assets and other leases for all leases, except for short-term leases with simplified treatment and leases of low-value assets.

Please refer to Note III.29 for the accounting policy of right-of-use assets.

The lease liability is initially measured at the present value of the unpaid lease payments at the interest rate implicit in the lease on the lease commencement date. If the interest rate implicit in the lease cannot be determined, the incremental borrowing interest rate is adopted as the discount rate. Lease payments include: fixed payments and substantially fixed payments, less amounts related to lease incentives where lease incentives exist; variable lease payments that depend on an index or rate; the exercise price of a purchase option if the lessee is reasonably certain to exercise the option; The amount payable to exercise the option to terminate the lease, provided that the lease term reflects that the lessee will exercise the option to terminate the lease; and the amount expected to be payable based on the guaranteed residual value provided by the lessee. Interest expense on the lease liability over the lease term is subsequently calculated at a fixed periodic interest rate and included in the current profit or loss. The amount of variable lease payments not included in the measurement of lease liabilities is included in the current profit and loss when it is actually incurred.

#### **Short-term lease**

A short-term lease is a lease with a term of not more than 12 months since the commencement date of the lease term, except where the lease contains a purchase option.

The Company includes the lease payment of short-term lease in the relevant asset cost or current profit and loss according to the straight-line method in each period of the lease term.

For short-term lease, the Company adopts the above simplified treatment method for the items meeting the short-term lease conditions in the following assets according to the category of leased assets.

#### **Lease of low-value assets**

The lease of low-value assets refers to the lease of a single leased asset with a value of less than RMB 50,000 when it is a new asset.

The Company includes the lease payment for the lease of low-value assets in the relevant asset cost or current profit and loss according to the straight-line method in each period of the lease term.

For the lease of low-value assets, the Company adopts the above simplified treatment method according to the specific conditions of each lease.

## Lease change

If the lease is changed and the following conditions are also met, the Company treats the lease change as a separate lease for accounting treatment: ① The lease change expands the scope of the lease by adding the right to use one or more leased assets; ② The increased consideration is equivalent to the amount of the separate price of the expanded part of the lease scope adjusted according to the contract situation.

If the lease change is not accounted for as a separate lease, on the effective date of the lease change, the Company shall re-apportion the consideration of the contract after the change, re-determine the lease term, and re-measure the lease liability according to the present value of the lease payment after the change and the revised discount rate.

If the lease scope is reduced or the lease term is shortened due to the change of the lease, the Company shall reduce the book value of the right-of-use asset accordingly, and include the gains or losses related to the partial or complete termination of the lease in the current profits and losses.

If the lease liability is re-measured due to other lease changes, the Company shall adjust the book value of the right-of-use asset accordingly.

## (2) Accounting method of lease as lessor

When the Company acts as a lessor, the lease that substantially transfers all the risks and rewards related to the ownership of assets is recognized as a finance lease, and other leases other than finance leases are recognized as operating leases.

### Finance lease

In the finance lease, on the commencement date of the lease term, the Company regards the net lease investment as the entry value of the finance lease receivables. The net lease investment is the sum of the unguaranteed residual value and the present value of the lease receipts not yet received at the commencement date of the lease term discounted at the interest rate implicit in the lease. The Company, as the lessor, calculates and recognizes the interest income during each period of the lease term at a fixed periodic interest rate. The variable lease payments obtained by the Company as the lessor and not included in the net lease investment are included in the current profit and loss when they are actually incurred.

The derecognition and impairment of finance lease receivables shall be subject to the Accounting Standards for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments and the Accounting Standards for Business Enterprises No.23 - Transfer of Financial Assets.

### Operating Lease



For the rents in operating lease, the company recognizes the current profit and loss according to the straight-line method in each period of the lease term. The initial direct expenses related to the operating lease shall be capitalized, amortized on the same basis as the recognition of rental income during the lease term, and included in the current profits and losses by stages. The amount of variable lease payments obtained related to operating leases that are not included in the lease receipts shall be included in the current profits and losses when actually incurred.

### **Lease Change**

If the operating lease is changed, the Company shall treat it as a new lease for accounting treatment from the effective date of the change, and the advance or receivable lease receipts related to the lease before the change shall be regarded as the new lease receipts.

If the financial lease is changed and the following conditions are met at the same time, the company will treat the change as a separate lease for accounting treatment: ① the change expands the lease scope by increasing the use right of one or more leased assets; ② The increased consideration is equivalent to the amount adjusted according to the conditions of the contract at the separate price for most of the expansion of the lease scope.

If the financial lease is changed but not accounted for as a separate lease, the company will deal with the changed lease under the following circumstances: ① if the change takes effect on the lease commencement date, the lease will be classified as an operating lease. The company will account for it as a new lease from the effective date of the lease change, and take the net amount of lease investment before the effective date of the lease change as the book value of the leased asset; ② If the change takes effect on the lease commencement date, the lease will be classified as a financial lease. Then the company will conduct accounting treatment in accordance with the provisions on modifying or renegotiating the contract in the Accounting Standards for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments.

## **28. Other Important Accounting Policies and Estimates**

### **1. Right-of-use assets**

#### **(1) Recognition conditions of right-of-use assets**

The right-of-use assets are the rights of the Company, as lessee, to use the leased asset during the lease term.

On the commencement date of the lease term, the right-of-use assets are initially measured at cost. The cost includes: the initial measurement amount of the lease liability; the lease payment amount

paid on or before the commencement date of the lease term; if there is a lease incentive, the amount related to the lease incentive that has been enjoyed shall be deducted; the initial direct expenses incurred by the Company as a lessee; The costs expected to be incurred by the Company, as the lessee, for dismantling and removing the Leased Assets, restoring the site where the Leased Assets are located, or restoring the leased assets to the state as agreed in the lease terms. The Company, as the lessee, recognizes and measures the costs of demolition and restoration in accordance with the Accounting Standards for Business Enterprises No.13 - Contingencies. Adjustments are made for any subsequent remeasurement of the lease liability.

## **(2) Depreciation method of right-of-use assets**

The Company adopts the straight-line method to calculate depreciation. If the Company, as the lessee, can reasonably determine to obtain the ownership of the leased asset at the expiration of the lease term, depreciation shall be accrued over the remaining useful life of the leased asset. If it is not reasonably certain that the ownership of the leased asset can be obtained at the expiration of the lease term, depreciation shall be accrued over the shorter of the lease term and the remaining useful life of the leased asset.

## **(3) Refer to Note III.19 for the impairment test method and impairment provision method of the right-of-use assets.**

### **2. Buyback**

The shares repurchased by the company shall be managed as treasury stocks before they are cancelled or transferred, and all expenditures for the repurchase of shares shall be transferred to the cost of treasury shares. The consideration and transaction costs paid in share repurchase reduce the owner's equity. When repurchasing, transferring or canceling the company's shares, no gain or loss is recognized.

When transferring treasury shares, the difference between the actual amount received and the book value of the treasury shares is included in the capital reserve. If the capital reserve is insufficient to offset, the surplus reserve and undistributed profits will be offset. For the cancellation of treasury shares, the share capital shall be reduced according to the face value of the shares and the number of shares cancelled, and the capital reserve shall be reduced according to the difference between the book balance and the face value of the cancelled treasury shares. If the capital reserve is insufficient to offset, the surplus reserve and undistributed profits will be offset.

### **3.Assets securitization business**

The Group securitizes the accounts receivable (accounts receivable are "trust property"), and generally sells these assets to a specific purpose entity, which then issues securities to investors. The equity of securitized financial assets is retained in the form of credit enhancements, subordinated bonds or other residual equity (reserved equity). The retained equity is recorded at fair value in the

group's balance sheet. The gains or losses of securitization depend on the book value of the transferred financial assets, and are distributed between the financial assets that are derecognized and the retained equity according to their relevant fair value on the date of transfer. Securitization gains or losses are recorded in the current profit and loss.

In applying the policy of securitizing financial assets, the Group has considered the degree of risk and reward transfer of assets transferred to another entity, as well as the degree to which the Group exercises control over the entity:

- ① When the group has transferred almost all the risks and rewards of the ownership of the financial asset, the group will terminate the recognition of the financial asset;
- ② When the group retains almost all the risks and rewards of the ownership of the financial asset, the group will continue to recognize the financial asset;
- ③ If the group does not transfer or retain almost all the risks and rewards of the ownership of the financial asset, the group will consider whether there is control over the financial asset. If the group does not retain control, the financial asset will be derecognized and the rights and obligations arising from or retained during the transfer will be defined as assets or liabilities, respectively. If the group retains control, the financial asset will be recognized based on the degree of continued involvement in it.

#### **4. Hedge Accounting**

When initially designating the hedging relationship, the Company formally designates the hedging instrument and the hedged item, and has a formal written document to record the hedging relationship, risk management strategy and risk management objectives. Its content records shall include the hedging instrument, the hedged item, the nature of the hedged risk, and the method for evaluating the effectiveness of the hedge.

The Company continuously evaluates the effectiveness of the hedge and judges whether the hedge meets the requirements for the effectiveness of hedge accounting during the accounting period in which the hedging relationship is designated. If not, the use of the hedging relationship shall be terminated. The application of hedging accounting shall meet the following requirements for the effectiveness of hedging:

- ① There is an economic relationship between the hedged item and the hedging instrument.
- ② In the value changes arising from the economic relationship between the hedged item and the hedging instrument, the impact of credit risk is not dominant.

③The hedging ratio of a hedging relationship shall be equal to the ratio of the quantity of the hedged item that is actually hedged by the enterprise to the actual quantity of its hedging instrument, but shall not reflect the imbalance of the relative weight of the hedged item and the hedging instrument, which may result in the ineffectiveness of hedging and may give rise to the accounting result inconsistent with the hedging accounting objective.

In case of any of the following circumstances, the Company shall terminate the application of hedge accounting:

①Due to the change of risk management objectives, the hedging relationship no longer meets the risk management objectives.

②The hedging instrument has been expired, sold, or the contract has been terminated or exercised.

③There is no economic relationship between the hedged item and the hedging instrument, or the impact of credit risk begins to dominate in the value changes arising from the economic relationship between the hedged item and the hedging instrument.

④The hedging relationship no longer meets other conditions for applying the hedge accounting method.

### **Fair value hedges**

Fair value hedge refers to the hedge of the Company's recognized assets or liabilities, unrecognized firm commitments, or the exposure to changes in the fair value of the components of the above items. The changes in fair value are due to specific risks and will affect the profit or loss or other comprehensive income of the enterprise.

For a fair value hedge, the gain or loss arising from the hedging instrument is included in the current profit or loss. The gain or loss of the hedged item due to the hedged risk exposure shall be included in the current profit or loss, and the book value of the recognized hedged item not measured at fair value shall be adjusted at the same time.

If the hedged item is a financial instrument (or its component) measured at amortized cost, the adjustment to the book value of the hedged item shall be amortized according to the recalculated effective interest rate on the date when the amortization begins, and shall be recorded in the current profits and losses.

If the hedged item is an unrecognized firm commitment (or its component), the accumulative amount of changes in fair value caused by the hedged risk after the designation of the hedging

relationship shall be recognized as an asset or liability, and the relevant gains or losses shall be included in the profits and losses of each relevant period. When an asset is acquired or a liability is assumed as a result of fulfilling a firm commitment, the amount of initial recognition of the asset or liability is adjusted to include the cumulative amount of changes in the fair value of the recognized hedged item.

### **Cash flow hedges**

Cash flow hedge refers to the hedge of the risk to changes in cash flow. The change in cash flow is attributable to the recognized assets or liabilities, highly probable forecast transactions, or specific risks related to the components of the above items, and will affect the profit or loss of the enterprise.

The effective portion of the gains or losses arising from the hedging instrument shall be included in other comprehensive income as a cash flow hedge reserve. The ineffective part of hedging (i.e. other gains or losses after deducting other comprehensive income) shall be included in the current profits and losses.

For cash flow hedges, when the hedged item is a forecast transaction, and the forecast transaction makes the Company subsequently recognize a non-financial asset or non-financial liability, or when the forecast transaction of a non-financial asset or non-financial liability forms a firm commitment applicable to fair value hedging accounting, the Company transfers out the amount of cash flow hedge reserve originally recognized in other comprehensive income. The amount included in the initial recognition of the asset or liability.

For cash flow hedges that do not fall under the above circumstances, the Company transfers the amount of cash flow hedge reserve originally recognized in other comprehensive income during the same period when the expected cash flow hedged affects the profit and loss, and includes it in the current profit and loss.

If the amount of cash flow hedge reserve recognized in other comprehensive income is a loss, and all or part of the loss is expected to be unable to make up in the future accounting period, the Company will transfer the part that is expected to be unable to make up from other comprehensive income and include it in the current profits and losses when it is expected that it cannot be made up.

When the Company terminates the use of hedge accounting for cash flow hedges, if the future cash flows to be hedged are still expected to occur, the amount of the accumulated cash flow hedge reserve recognized in other comprehensive income shall be retained until the expected transaction actually occurs, and then it shall be treated according to the above accounting policy for cash flow hedges. If the future cash flow hedged is not expected to occur again, the amount of the

accumulated cash flow hedge reserve recognized in other comprehensive income is transferred out of other comprehensive income and included in the current profits and losses. If the future cash flow to be hedged is no longer expected to occur but may still be expected to occur, the amount of the accumulated cash flow hedge reserve shall be retained until the actual occurrence of the expected transaction, and then it shall be dealt with according to the above accounting policy for cash flow hedge.

## **5. Debt Restructuring**

### **(1) The Company as the debtor**

When the current obligation of the debt is discharged, the debt is derecognized. Specifically, when the uncertainty of the implementation process and result of the debt restructuring agreement is eliminated, the profit and loss related to the debt restructuring is recognized.

In case of debt restructuring in the form of liquidation of debts by assets, the Company shall terminate the recognition when the relevant assets and the liquidated debts meet the conditions for termination of recognition, and the difference between the book value of the liquidated debts and the book value of the transferred assets shall be included in the current profits and losses.

In case of debt restructuring by converting debt into equity instrument, the Company shall terminate the recognition when the debt paid off meet the conditions for derecognition. When the Company initially recognizes the equity instrument, it shall be measured according to the fair value of the equity instrument. If the fair value of the equity instrument cannot be measured reliably, it shall be measured according to the fair value at which the debt is liquidated. The difference between the book value of the liquidated debt and the recognized amount of the equity instrument shall be included in the current profits and losses.

In case of debt restructuring by modifying other terms, the Company shall recognize and measure the restructured debt in accordance with the Accounting Standards for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments and the Accounting Standards for Business Enterprises No.37 - Presentation of Financial Instruments.

In case of debt restructuring by means of paying off debts with multiple assets or by means of combination, the Company shall recognize and measure the equity instruments and restructured debts in accordance with the aforementioned methods, and the difference between the book value of the debts paid off and the sum of the book value of the transferred assets and the recognized amount of the equity instruments and restructured debts shall be included in the current profits and losses.

### **(2) The Company as a creditor**

The creditor's rights shall be derecognized when the contractual right to collect the cash flow of the creditor's rights are terminated. Specifically, when the uncertainty of the implementation process

and results of the debt restructuring agreement is eliminated, the profits and losses related to debt restructuring are recognized.

In case of debt restructuring in the form of liquidation of debts by assets, the assets other than the transferred financial assets shall be measured at cost when the Company initially recognizes them, in which the cost of inventories includes the fair value of the abandoned creditor's rights and other costs directly attributable to the assets, such as taxes, transportation fees, loading and unloading fees and insurance premiums incurred to bring the assets to their current position and status. The cost of an investment in an associate or a joint venture includes the fair value of the abandoned claim and other costs directly attributable to the asset, such as taxes. The cost of an investment real estate shall include the fair value of the creditor's rights abandoned and other costs such as taxes directly attributable to the asset. The cost of a fixed asset includes the fair value of the waiver of the creditor's rights and the tax, transportation fee, loading and unloading fee, installation fee, professional service fee and other costs directly attributable to the asset incurred before the asset is ready for its intended use. The cost of intangible assets includes the fair value of the abandoned creditor's rights and other costs directly attributable to the taxes incurred to achieve the intended use of the assets. The difference between the fair value of the abandoned creditor's rights and the book value shall be included in the current profits and losses.

If the debt restructuring in the form of conversion of debt into equity instrument results in the Company's conversion of creditor's rights into equity investment in associates or joint ventures, the Company measures the initial investment cost according to the fair value of the abandoned creditor's rights and other costs such as taxes directly attributable to the assets. The difference between the fair value of the abandoned creditor's rights and the book value shall be included in the current profits and losses.

In case of debt restructuring by modifying other terms, the Company shall recognize and measure the restructured creditor's rights in accordance with the provisions of the Accounting Standards for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments.

Where debt restructuring is carried out by means of multiple assets to pay off debts or combinations, the transferred financial assets and restructured creditor's rights shall first be recognized and measured in accordance with the provisions of the Accounting Standards for Enterprises No.22 - Recognition and Measurement of Financial Instruments, and then in accordance with the fair value of the assets other than the transferred financial assets. The net amount of the fair value of the abandoned creditor's rights after deducting the recognized amount of the transferred financial assets and the restructured creditor's rights shall be allocated, and on this basis, the cost of



each asset shall be determined separately according to the aforementioned methods. The difference between the fair value of the abandoned creditor's rights and the book value shall be included in the current profits and losses.

## **6. Major Accounting Determinations and Estimates**

Based on historical experience and other factors, including reasonable expectations of future events, the Company conducts continuous evaluation on the important accounting estimates and key assumptions adopted. The significant accounting estimates and key assumptions that are likely to result in a significant risk of adjustment to the book values of assets and liabilities in the next fiscal year are listed below:

### Classification of financial assets

The Company's major determinations in determining the classification of financial assets include the analysis of business model and contractual cash flow characteristics.

The Company determines the business model for the management of financial assets at the level of the portfolio of financial assets, taking into account factors such as the way in which the performance of financial assets is evaluated and reported to key management personnel, the risks affecting the performance of financial assets and how they are managed, and the way in which the relevant business management personnel are remunerated.

When assessing whether the contractual cash flow of financial assets is consistent with the basic borrowing and lending arrangements, the Company will consider: whether the principal may change in time distribution or amount during the duration due to early repayment and other reasons; whether the interest only includes the time value of money, credit risk, other basic borrowing and lending risks and the consideration of cost and profit. For example, whether the amount of the prepayment reflects only the unpaid principal and interest based on the unpaid principal, as well as the reasonable compensation paid for the early termination of the contract.

### Measurement of expected credit losses of accounts receivable

The Company calculates the expected credit losses of accounts receivable based on the exposure to default risk of accounts receivable and the expected credit loss rate, and determines the estimated credit loss rate based on the probability of default and the loss given default rate. In determining the expected credit loss ratio, the Company uses data such as internal historical credit loss experience and adjusts historical data for current conditions and forward-looking information. In considering forward-looking information, the Company uses indicators such as the risk of an economic downturn, external market conditions, changes in the technology environment and customer profiles. The Company regularly monitors and reviews the assumptions associated with the calculation of expected credit losses.



### Impairment of goodwill

The Company assesses goodwill for impairment at least annually. This requires an estimate of the value in use of the asset group to which the goodwill has been allocated. When estimating the value in use, the Company needs to estimate the future cash flow from the asset group and select an appropriate discount rate to calculate the present value of the future cash flow.

### Deferred income tax assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that sufficient taxable profits will be available against which the losses can be utilised. This requires management to use a lot of judgment to estimate the time and amount of future taxable profits, combined with tax planning strategies, to determine the amount of deferred income tax assets that should be recognized.

## 29. Changes in Important Accounting Policies and Accounting Estimates

### (1) Changes in important accounting policies

Applicable  Not applicable

Contents of and Reasons for Accounting Policy Changes	Approval Procedure	Remark
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#### ① Interpretation of Accounting Standards for Business Enterprises No.16

In November 2022, the Ministry of Finance of the People's Republic of China issued the Interpretation of Accounting Standards for Business Enterprises No.16 (Accounting [2022] No.31) (hereinafter referred to as "Interpretation No.16").

Interpretation No.16 stipulates that for a single transaction that is not a merger of enterprises, which does not affect accounting profits or taxable income (or deductible losses) at the time of transaction, if the assets and liabilities initially recognized result in equivalent taxable temporary differences and deductible temporary differences, the corresponding deferred income tax liabilities and deferred income tax assets shall be recognized respectively in accordance with the relevant provisions of the Accounting Standards for Enterprises No.18 - Income Tax. For the aforesaid transactions that occur between the beginning of the earliest period for which the aforesaid provisions are first implemented and the implementation date of this Interpretation, an enterprise shall, in accordance with the aforesaid provisions, adjust the retained earnings at the beginning of the earliest period for which the financial statements are presented and other relevant financial statement items by the cumulative effect. The above accounting treatment provisions shall come into effect on January 1, 2023.

The Company shall adjust the taxable temporary differences and deductible temporary differences

arising from the lease liabilities and right-of-use assets recognized by the leasing business, as well as the estimated liabilities related to the recognized abandonment obligations and the corresponding related assets in accordance with the provisions of Interpretation No.16.

The impact of the implementation of the above accounting policies on the consolidated balance sheet on December 31, 2023 and the consolidated income statement in 2023 is listed below:

<b>Consolidated Balance Sheet Items (December 31, 2023)</b>	<b>Amount Affected</b>
Deferred income tax assets	33,119,513.52
Deferred income tax liabilities	31,920,793.39
Surplus reserve	75,981.21
Undistributed profits	1,136,897.93
Minority interests	-14,159.01

<b>Consolidated Income Statement Items (2023)</b>	<b>Amount Affected</b>
Income tax expense	-464,653.32
Net profit attributable to shareholders of the parent company	488,367.32
Profit and loss of minority shareholders	-23,714.00

## **(2) Changes in important accounting estimates**

Applicable, Not applicable

## **(3) Relevant items of the financial statements at the beginning of the year when the new accounting standards are implemented for the first time since 2023**

Applicable Not applicable

Instructions on the adjustment

The impact of the implementation of the above accounting policies on the consolidated balance sheet on December 31, 2022 and the consolidated income statement in 2022 is listed below:

<b>Consolidated Balance Sheet Items (December 31, 2022)</b>	<b>Before Adjustment</b>	<b>Amount Adjusted</b>	<b>After Adjustment</b>
---	--------------------------	------------------------	-------------------------



<b>Consolidated Balance Sheet Items (December 31, 2022)</b>	<b>Before Adjustment</b>	<b>Amount Adjusted</b>	<b>After Adjustment</b>
Deferred income tax assets	697,047,337.37	34,993,282.69	732,040,620.06
Deferred income tax liabilities	10,532,512.91	33,329,909.24	43,862,422.15
Surplus reserve	543,827,204.85	44,907.49	543,872,112.34
Undistributed profits	14,120,949,080.02	1,608,910.97	14,122,557,990.99
Minority interests	381,302,537.09	9,554.99	381,312,092.08

<b>Items of Consolidated Income Statement (2022)</b>	<b>Before Adjustment</b>	<b>Amount Adjusted</b>	<b>After Adjustment</b>
Income tax expense	485,551,157.18	-1,042,471.30	484,508,685.88
Net profit attributable to shareholders of the parent company	2,120,297,575.39	1,056,253.88	2,121,353,829.27
Profit and loss of minority shareholders	-2,454,377.40	-13,782.58	-2,468,159.98

The impact of the implementation of the above accounting policies on the consolidated balance sheet at January 1, 2022 is listed below:

<b>Consolidated Balance Sheet Items (January 1, 2022)</b>	<b>Before Adjustment</b>	<b>Amount Adjusted</b>	<b>After Adjustment</b>
Deferred income tax assets	527,575,786.70	41,325,135.39	568,900,922.09
Deferred income tax liabilities	17,044,180.06	40,704,233.24	57,748,413.30
Surplus reserve	392,980,880.64	12,627.77	392,993,508.41
Undistributed profits	12,904,011,418.14	584,936.81	12,904,596,354.95
Minority interests	389,266,034.87	23,337.57	389,289,372.44

The cumulative effect of the above accounting policies is listed below:

<b>Item Affected</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Opening net assets	--	1,663,373.45



Item Affected	December 31, 2023	December 31, 2022
Of which: retained earnings	--	1,653,818.46
Net profits	-464,653.32	1,056,253.88
Closing net assets	1,198,720.13	--
Of which: retained earnings	1,212,879.14	--

## VI. Taxes

### 1. Main taxes and tax rate

Taxes	Tax basis	Tax rate
Value-added tax	Value-added tax payable (the tax payable is calculated by multiplying the taxable sales amount by the applicable tax rate after deducting the input tax allowed to be deducted in the current period)	13, 9, 6, 3, 1
Urban maintenance and construction tax	Turnover tax actually paid	7, 5, 1
Corporate income tax	Taxable income	15, 25
Education surcharge	Turnover tax actually paid	3, 2

If there are taxable entities with different corporate income tax rates, the information should be disclosed.

Name of taxable entities	Income tax rates

### 2. Tax incentives

#### (1) Tax incentives for high-tech enterprises

According to the relevant provisions of the Administrative Measures for the Recognition of High-tech Enterprises and the Enterprise Income Tax Law of the People's Republic of China, the enterprise income tax of high-tech enterprises shall be calculated and paid at 15% within three years after obtaining the recognition of high-tech enterprises.

According to the Announcement on Further Perfecting the Pre-tax Deduction Policy for R&D



Expenses (2023) (Announcement No.7 of 2023 of the State Taxation Administration and the Ministry of Finance), if the actual R&D expenses incurred by an enterprise in carrying out R&D activities do not form intangible assets and are included in the current profits and losses, they shall be deducted according to the regulations, starting from January 1, 2023. 100% of the actual amount will be deducted before tax; if intangible assets are formed, 200% of the cost of intangible assets will be amortized before tax from January 1, 2023.

The Company and its subsidiaries, including Shanghai Oriental Yuhong Waterproofing Technology Co., Ltd., Oriental Yuhong Civil Building Materials Co., Ltd., Yueyang Oriental Yuhong Waterproofing Technology Co., Ltd. and other 40 companies, are recognized as high-tech enterprises to enjoy the preferential tax policy.

### (2) Preferential enterprise income tax for the development of the western region

According to the Announcement of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policy for the Development of the Western Region (Ministry of Finance Announcement No.23, 2020), from January 1, 2021 to December 31, 2030, enterprises in encouraged industries located in the western region shall be subject to enterprise income tax at a reduced rate of 15%.

In 2023, Chongqing Oriental Yuhong Building Materials Co., Ltd. enjoyed the preferential tax policy.

### 3. Others

## VII. Notes to Items of Consolidated Financial Statements

### 1. Monetary Funds

Unit: RMB

Items	Closing balance	Opening balance
Cash on Hand	3,089,742.26	2,248,492.06
Bank Deposits	8,428,262,703.62	9,793,618,515.41
Other Monetary Funds	688,148,223.49	743,349,751.08
Total	9,119,500,669.37	10,539,216,758.55
Of which: Total Funds Deposited Abroad	375,399,625.62	230,175,619.49

Other instructions:



At the end of the Reporting Period, the restricted monetary funds of the Company were RMB 642,684,210.19, including all other monetary funds of RMB 597,174,457.66 (including security deposit of RMB 364,581,378.00 paid for bank's acceptance, guarantee money of RMB 154,538,151.66, security deposit of letter of credit of RMB 60,526,052.85, escrow fund of RMB 17,528,875.15 for government projects) and funds of RMB 45,509,752.53 frozen by litigation.

Except for the above matters, the Company has no funds mortgaged, pledged or deposited overseas that are subject to restrictions on the repatriation of funds.

## 2. Trading Financial Assets

Unit: RMB

Items	Closing balance	Opening balance
Financial Assets Measured at Fair Value through Profit or Loss	635,900,187.31	607,088,731.43
Of which:		
Debt Instrument Investments	90,441,090.81	105,020,961.43
Equity Instrument Investments	43,891,394.00	0.00
Finance Products	501,567,702.50	502,067,770.00
Of which:		
Total	635,900,187.31	607,088,731.43

Other Instructions:

## 3. Notes Receivable

### (1) Notes Receivable Presented by Category

Unit: RMB

Items	Closing balance	Opening balance
Bank Acceptance Bills	64,057,470.77	0.00
Trade Acceptance Bills	552,739,135.01	508,238,462.51
Total	616,796,605.78	508,238,462.51

**(2) Disclosure by Category based on Bad Debt Provision Method**

Unit: RMB

Category	Closing balance					Opening balance					
	Book Balance		Reserve for Bad Debts			Book Balance		Reserve for Bad Debts			Book Value
	Amount	Proportion	Amount	Provision Proportion	Book Value	Amount	Proportion	Amount	Provision Proportion		
Notes Receivable with Reserve for Bad Debts by Single Item	36,654,788.56	5.74%	1,268,255.69	3.46%	35,386,532.87	139,293,343.16	26.64%	3,927,413.63	2.82%	135,365,929.53	
Of which:											
Trade Acceptance Bills	36,654,788.56	5.74%	1,268,255.69	3.46%	35,386,532.87	139,293,343.16	26.64%	3,927,413.63	2.82%	135,365,929.53	
Notes Receivable with Reserve for Bad Debts on a Combination Basis	602,247,848.38	94.26%	20,837,775.47	3.46%	581,410,072.91	383,613,717.05	73.36%	10,741,184.07	2.80%	372,872,532.98	
Of											



which:										
Trade Acceptance Bills	535,894,553.62	83.88%	18,541,951.48	3.46%	517,352,602.14	383,613,717.05	73.36%	10,741,184.07	2.80%	372,872,532.98
Bank Acceptance Bills	66,353,294.76	10.38%	2,295,823.99	3.46%	64,057,470.77	0.00	0.00%	0.00	0.00%	0.00
Total	638,902,636.94	100.00%	22,106,031.16	3.46%	616,796,605.78	522,907,060.21	100.00%	14,668,597.70	2.81%	508,238,462.51

Reserve for Bad Debts by Single Item:: 1,268,255.69

Unit: RMB

Name	Opening balance		Closing balance			
	Book Balance	Reserve for Bad Debts	Book Balance	Reserve for Bad Debts	Provision Proportion	Provision Reason
Client 1	126,794,273.99	3,550,239.68	36,051,410.56	1,247,378.81	3.46%	/
Client 2	9,061,618.11	253,725.32	0.00	0.00	0.00%	/
Client 3	3,337,451.06	93,448.63	0.00	0.00	0.00%	/
Client 4	100,000.00	30,000.00	0.00	0.00	0.00%	/
Client 5	0.00	0.00	603,378.00	20,876.88	3.46%	After the single impairment test, there was no obvious sign of impairment.
Total	139,293,343.16	3,927,413.63	36,654,788.56	1,268,255.69		

Reserve for Bad Debts on a Combination Basis:: 20,837,775.47

Unit: RMB





Name	Closing balance		
	Book Balance	Reserve for Bad Debts	Provision Proportion
Bank Acceptance Bills	66,353,294.76	2,295,823.99	3.46%
Trade Acceptance Bills	535,894,553.62	18,541,951.48	3.46%
<b>Total</b>	<b>602,247,848.38</b>	<b>20,837,775.47</b>	

#### Instructions on Determination of Combination Basis:

If Reserve for Bad Debts of Notes Receivable is provided in accordance with the general model of estimated credit loss,

Applicable  Not Applicable

#### (3) Withdrawn, Recovered or Reversed Reserve for Bad Debts during the Current Period

Withdrawal of Reserve for Bad Debts during the Current Period:

Unit: RMB

Category	Opening balance	Change Amount during the Current Period				Closing balance
		Withdrawal	Recovery or Reversal	Write-off	Others	
Trade Acceptance Bills	14,668,597.70	5,141,609.47	0.00	0.00	0.00	19,810,207.17
Bank Acceptance Bills	0.00	2,295,823.99	0.00	0.00	0.00	2,295,823.99
<b>Total</b>	<b>14,668,597.70</b>	<b>7,437,433.46</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>22,106,031.16</b>

Specifically, significant recovered or reversed Reserve for Bad Debts during the Current Period:

Applicable  Not Applicable

#### (4) Notes Receivable Pledged by the Company at the End of the Current Period

Unit: RMB

Items	Amount Pledged at the End of the Current Period
Trade Acceptance Bills	180,936,699.37
<b>Total</b>	<b>180,936,699.37</b>



### (5) Notes Receivable Endorsed or Discounted by the Company but Not Due on the Balance Sheet at the End of the Current Period

Unit: RMB

Items	Amount Derecognized at the End of the Current Period	Amount Not Derecognized at the End of the Current Period
Bank Acceptance Bill		37,498,948.99
Trade Acceptance Bills		306,602,196.47
Total		344,101,145.46

### 4. Accounts Receivable

#### (1) Disclosure by Aging

Unit: RMB

Aging	Closing balance	Opening balance
Less than 1 year (included)	6,454,627,087.58	8,100,507,116.81
1-2 years	2,079,706,945.07	2,996,259,940.99
2-3 years	2,052,371,963.03	483,873,946.37
More than 3 years	711,532,091.94	460,678,778.67
3-4 years	377,812,546.43	191,618,980.05
4-5 years	115,131,654.57	138,338,034.13
More than 5 years	218,587,890.94	130,721,764.49
Total	11,298,238,087.62	12,041,319,782.84

#### (2) Disclosure by Category based on Bad Debt Provision Method

Unit: RMB

Category	Closing balance			Opening balance		
	Book Balance	Reserve for Bad Debts	Book Value	Book Balance	Reserve for Bad Debts	Book Value



	Amount	Proportion	Amount	Provision Proportion	Amount	Amount	Proportion	Amount	Provision Proportion	
Accounts Receivable with Reserve for Bad Debts by Single Item	2,448,946,610.53	21.68%	586,677,378.84	23.96%	1,862,269,231.69	2,444,550,542.89	20.30%	362,240,218.43	14.82%	2,082,310,324.46
Of which:										
Accounts Receivable with Reserve for Bad Debts on a Combination Basis	8,849,291,477.09	78.32%	1,143,524,746.17	12.92%	7,705,766,730.92	9,596,769,239.95	79.70%	800,512,797.11	8.34%	8,796,256,442.84
Of which:										
Accounts Receivable from Other Clients	8,849,291,477.09	78.32%	1,143,524,746.17	12.92%	7,705,766,730.92	9,596,769,239.95	79.70%	800,512,797.11	8.34%	8,796,256,442.84



Total	11,298,2	100.00%	1,730,20	15.31%	9,568,03	12,041,3	100.00%	1,162,75	9.66%	10,878,5
	38,087.6		2,125.01		5,962.61	19,782.8		3,015.54		66,767.3
	2					4				0

Reserve for Bad Debts by Single Item: 586,677,378.84

Unit: RMB

Name	Opening balance		Closing balance			
	Book balance	Bad debt provision	Book balance	Bad debt provision	Provision Proportion	Provision Reason
Client 1	710,784,040.0 3	40,704,749.62	632,280,917.1 8	81,482,643.29	12.89%	After the single impairment test, there was no obvious sign of impairment.
Client 2	519,277,158.9 5	69,183,601.96	536,201,459.2 6	173,859,912.8 6	32.42%	The value of debt-repaid assets exceeds the receivable balance, and there is no obvious sign of impairment.
Client 3	404,812,082.0 5	42,871,788.61	341,975,340.0 8	83,110,688.20	24.30%	After the single impairment test, there was no obvious sign of impairment.



Client 4	328,630,806.15	98,589,241.84	363,243,999.74	108,973,200.03	30.00%	Due to the poor management of the client, the debt crisis occurs, and the debt probably cannot be recovered in full.
Client 5			135,169,468.37	11,311,132.92	8.37%	After the single impairment test, there was no obvious sign of impairment.
Client 6			107,215,896.36	11,838,099.93	11.04%	The value of debt-repaid assets exceeds the receivable balance, and there is no obvious sign of impairment.
Client 7			27,160,460.96	8,148,138.31	30.00%	Due to the poor management of the client, the debt crisis occurs, and the debt probably cannot be recovered in full.



Client 8	65,911,629.88	52,729,303.91	30,882,385.20	24,705,908.16	80.00%	Due to the poor management of the client, the debt crisis occurs, and the debt probably cannot be recovered in full.
Client 9			23,637,934.37	7,091,380.31	30.00%	Due to the poor management of the client, the debt crisis occurs, and the debt probably cannot be recovered in full.
Client 10	57,887,699.92	2,455,154.51	18,296,483.08	1,886,286.20	10.31%	The value of debt-repaid assets exceeds the receivable balance, and there is no obvious sign of impairment.
Client 11	51,155,460.18	5,573,414.28	33,578,555.66	6,879,458.29	20.49%	The value of debt-repaid assets exceeds the receivable balance, and there is no obvious sign of impairment.



Client 12	32,655,959.05	9,796,787.71	34,654,172.00	10,396,251.62	30.00%	Due to the poor management of the client, the debt crisis occurs, and the debt probably cannot be recovered in full.
Client 13	28,703,243.57	803,690.82	33,593,350.97	4,612,778.81	13.73%	After the single impairment test, there was no obvious sign of impairment.
Client 14	22,687,617.37	6,806,285.26	8,531,034.24	2,559,310.27	30.00%	Due to the poor management of the client, the debt crisis occurs, and the debt probably cannot be recovered in full.
Client 15	9,248,882.87	4,624,441.44	9,937,482.17	7,949,985.73	80.00%	Due to the poor management of the client, the debt crisis occurs, and the debt probably cannot be recovered in full.



Other Clients	212,795,962.8 7	28,101,758.47	112,587,670.8 9	41,872,203.91	37.19%	Due to the poor management of the client, the debt crisis occurs, and the debt probably cannot be recovered in full.
Total	2,444,550,542. 89	362,240,218.4 3	2,448,946,610. 53	586,677,378.8 4		

Reserve for Bad Debts on a Combination Basis: 1,143,524,746.17

Unit: RMB

Name	Closing balance		
	Book balance	Bad debt provision	Provision proportion
Less than 1 year	5,820,622,239.39	201,393,529.73	3.46%
1-2 years	1,546,928,498.08	243,177,159.84	15.72%
2-3 years	971,141,145.23	311,930,536.00	32.12%
3-4 years	197,515,772.29	99,824,471.33	50.54%
4-5 years	105,738,451.34	79,853,678.51	75.52%
More than 5 years	207,345,370.76	207,345,370.76	100.00%
Total	8,849,291,477.09	1,143,524,746.17	

Instructions on Determination of Combination Basis:

If Reserve for Bad Debts of Accounts Receivable is provided in accordance with the general model of estimated credit loss:

Applicable  Not Applicable

### (3) Reserve for Bad Debts Withdrawn, Recovered or Reversed during the Current Period

Reserve for Bad Debts during the Current Period:

Unit: RMB





Category	Opening balance	Change Amount during the Current Period				Closing balance
		Withdrawal	Recovery or Reversal	Write-off	Others	
Accounts Receivable from Non-affiliated Clients	1,162,753,015.54	912,702,311.56	340,403,486.00	3,268,556.22	-1,581,159.87	1,730,202,125.01
Total	1,162,753,015.54	912,702,311.56	340,403,486.00	3,268,556.22	-1,581,159.87	1,730,202,125.01

Specifically, significant recovered or reversed Reserve for Bad Debts during the Current Period:

Unit: RMB

Company Name	Amount Recovered or Reversed	Recovery Reason	Recovery Way	Basis and rationality of determining the proportion of the original bad debt provision

#### (4) Accounts Receivable Actually Written-off during the Current Period

Unit: RMB

Items	Write-off Amount
Accounts Receivable Actually Written-off	3,268,556.22

Specifically, significant accounts receivable written-off:

Unit: RMB

Company Name	Nature of Accounts Receivable	Write-off Amount	Write-off Reason	Write-off Procedures Performed	Whether the Funds are Generated from Connected Transactions

Instruction on write-off of Accounts Receivable:

#### (5) Accounts Receivable and Contract Assets of Top Five Closing Balances by the Debtor

Unit: RMB



Company Name	Closing Balance of Accounts Receivable	Closing Balance of Contract Assets	Closing Balance of Accounts Receivable and Contract Assets	Proportion to the Total Closing Balance of Accounts Receivable and Contract Assets	Closing Balance of Bad Debt Provision of Accounts Receivable and Impairment Provision of Contract Assets
Client 1	632,280,917.18	152,574,837.99	784,855,755.17	5.63%	100,007,472.60
Client 2	536,201,459.26	144,667.69	536,346,126.95	3.85%	173,864,918.37
Client 3	505,991,294.73	20,607,951.55	526,599,246.28	3.78%	53,273,051.22
Client 4	363,243,999.74	79,381,192.49	442,625,192.23	3.17%	132,787,558.09
Client 5	313,070,517.10	251,240,757.16	564,311,274.26	4.05%	45,602,577.83
Total	2,350,788,188.01	503,949,406.88	2,854,737,594.89	20.48%	505,535,578.11

## 5. Contract Assets

### (1) Contract Assets

Unit: RMB

Item	Closing Balance			Opening Balance		
	Book Balance	Bad Debt Provision	Book Value	Book Balance	Bad Debt Provision	Book Value
Completed but Unsettled Assets	2,547,184,581.24	283,327,914.58	2,263,856,666.66	3,155,096,680.03	187,190,248.17	2,967,906,431.86
Quality Guarantee Deposit	100,780,811.96	33,812,434.87	66,968,377.09	112,209,980.50	40,754,576.56	71,455,403.94
Total	2,647,965,393.20	317,140,349.45	2,330,825,043.75	3,267,306,660.53	227,944,824.73	3,039,361,835.80

### (2) Amount and Reason for Significant Changes in Book Value during the Current Period

Unit: RMB



Item	Change Amount	Reason for Change
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**(3) Bad Debt Provision Accrued, Recovered or Reversed during the Current Period**

Unit: RMB

Item	Accrued in the Current Period	Recovered or Reversed in the Current Period	Write-off in the Current Period	Reason
Completed but Unsettled Assets	96,464,481.01		326,814.60	
Quality Guarantee Deposit		6,942,141.69		
<b>Total</b>	<b>96,464,481.01</b>	<b>6,942,141.69</b>	<b>326,814.60</b>	—

Significant amount of bad debt provision recovered or reversed in the Current Period:

Unit: RMB

Name of the Unit	Amount Recovered or Reversed	Reason for Reversal	Recovery Method	Basis for Determining the Proportion of the Original Bad Debt Provision and Its Rationality
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Other instructions:

**6. Receivable Financing****(1) Receivable Financing by Category**

Unit: RMB

Items	Closing balance	Opening balance
Notes Receivable	1,784,663,766.70	1,591,548,416.80
Receivables	0.00	0.00
<b>Total</b>	<b>1,784,663,766.70</b>	<b>1,591,548,416.80</b>



**(2) Receivable Financing Endorsed or Discounted by the Company at the End of the Current Period but not Due on the Balance Sheet Date**

Unit: RMB

Items	Closing Amount Derecognized	Closing Amount Not Derecognized
Banker's Acceptance	3,533,273,050.17	
Total	3,533,273,050.17	

**(3) Receivable Financing Actually Written off in the Current Period**

Unit: RMB

Item	Write-off Amount

Significant receivable financing written off

Unit: RMB

Unit Name	Fund Nature	Write-off Amount	Write-off Cause	Write-off Procedures Performed	Whether Generated by Related Party Transactions

Write-off instructions:

**(4) Other Instructions**

The Company and its subsidiaries discount and endorse part of the bank acceptance bills according to their daily capital management needs. The Company and its subsidiaries classify such part of the bank acceptance bills as financial assets measured at fair value and whose changes are included in other comprehensive income.

The Company has no bank acceptance bill with single provision for impairment. As at the end of the reporting period, the Company considered that there was no significant credit risk in the bank acceptance bills held by it, and that there would be no significant loss due to bank default.

**7. Other Receivables**

Unit: RMB

Items	Closing balance	Opening balance
Dividends Receivable		6,384,843.30



Other Receivables	4,075,587,334.21	2,137,660,680.84
Total	4,075,587,334.21	2,144,045,524.14

**(1) Dividends Receivable****1) Categories of Dividends Receivable**

Unit: RMB

Item (or Invested Unit)	Closing balance	Opening balance
Finance Products		6,384,843.30
Total		6,384,843.30

**(2) Other Receivables****1) Other Receivables Presented by Category**

Unit: RMB

Nature of Funds	Closing Book Balance	Opening Book Balance
Security Deposit, Margin	1,989,597,005.04	1,855,762,795.96
Intercourse Funds	2,271,795,231.42	300,522,666.91
Project Borrowings	124,839,057.44	128,226,108.39
Petty Cash	46,493,496.60	51,688,082.69
Others	14,254,267.21	12,685,347.09
Total	4,446,979,057.71	2,348,885,001.04

**1) Disclosure by Aging**

Unit: RMB

Aging	Closing Book Balance	Opening Book Balance
Less than 1 year (included)	2,365,298,463.04	1,914,424,967.62
1-2 years	1,718,173,692.29	280,496,199.31
2-3 years	239,201,684.29	25,214,420.45
Over 3 years	124,305,218.09	128,749,413.66



3-4 years	6,967,837.77	105,946,959.08
4-5 years	103,652,789.77	6,752,354.01
Over 5 years	13,684,590.55	16,050,100.57
Total	4,446,979,057.71	2,348,885,001.04

### 3) Disclosure by Category based on Bad Debt Provision Method

Applicable Not applicable

Unit: RMB

Category	Closing Balance					Opening Balance				
	Book Balance		Bad Debt Provision		Book Value	Book Balance		Bad Debt Provision		Book Value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Of which:										
Bad Debt Provision by Combination	4,446,979,057.71	100.00%	371,391,723.50	8.35%	4,075,587,334.21	2,348,885,001.04	100.00%	211,224,320.20	8.99%	2,137,660,680.84
Of which:										
Security Deposit	1,989,597,005.04	44.74%	215,618,134.64	10.84%	1,773,978,870.40	1,855,762,795.96	79.01%	163,150,031.62	8.79%	1,692,612,764.34
Other Combinations	2,457,382,052.67	55.26%	155,773,588.86	6.34%	2,301,608,463.81	493,122,205.08	20.99%	48,074,288.58	9.75%	445,047,916.50
Total	4,446,979,057.71	100.00%	371,391,723.50	8.35%	4,075,587,334.21	2,348,885,001.04	100.00%	211,224,320.20	8.99%	2,137,660,680.84



	9,057.71		723.50		7,334.21	5,001.04		320.20		0,680.84
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Bad debt provision by combination: 371391723.5

Unit: RMB

Name	Closing Balance		
	Book Balance	Bad Debt Provision	Provision Proportion
Provision for bad debts	4,446,979,057.71	371,391,723.50	8.35%
Total	4,446,979,057.71	371,391,723.50	

Instructions on the basis for determining the combination:

Bad debt provision is accrued according to the general model of expected credit losses:

Unit: RMB

Bad Debt Provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over the next 12 months	Expected credit losses over lifetime (no credit impairment)	Lifetime expected credit losses (incurred credit impairments)	
Balance at January 1, 2023	93,108,067.91	116,085,719.71	2,030,532.58	211,224,320.20
Balance on January 1, 2023 in the current period				
-Transfer to Phase II	-1,750,215.23	1,750,215.23		
Accrued in the current period	156,285,644.79	156,285,644.79	112,657.05	212,245,969.26
Reversed in the current period	40,117,844.26	8,997,000.00		49,114,844.26
Written off in the	2,575,724.76			2,575,724.76



current period				
Other changes	-387,996.94			-387,996.94
Balance at December 31, 2023	204,561,931.51	164,686,602.36	2,143,189.63	371,391,723.50

Division basis of each phase and bad debt provision accrued

Changes in the book balance with significant changes in the provision for losses in the current period

Applicable Not applicable

#### 4) Bad Debt Provision Accrued, Recovered or Reversed in the Current Period

Bad debt provision accrued in the current period:

Unit: RMB

Category	Opening Balance	Change Amount in Current Period				Closing Balance
		Provision Accrued	Provision Recovered or Reversed	Provision Written off	Other	
Bad Debt Provision	211,224,320.20	212,245,969.26	49,114,844.26	2,575,724.76	-387,996.94	371,391,723.50
Total	211,224,320.20	212,245,969.26	49,114,844.26	2,575,724.76	-387,996.94	371,391,723.50

Of which significant bad debt provision reversed or recovered in the current period:

Unit: RMB

Name of the Unit	Amount Recovered or Reversed	Reason for Reversal	Recovery Method	Basis for Determining the Proportion of the Original Bad Debt Provision and Its Rationality

#### 5) Other receivables actually written off in the current period

Unit: RMB





Item	Write-off Amount
Other Receivables Actually Written off	2,575,724.76

Of which other important receivables:

Unit: RMB

Company Name	Nature of Other Receivables	Write-off Amount	Write-off Cause	Write-off Procedures Performed	Whether Generated by Related Party Transactions
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Description on the write-off of other receivables:

## 6) Closing Balance of Top Five Other Receivables by the Debtor

Unit: RMB

Company Name	Nature of Funds	Closing balance	Aging	Proportion in Total Closing Balance of Other Receivables	Closing Balance of Reserve for Bad Debts
Client 1	Intercourse Funds	1,650,000,000.00	Within 1 year	37.10%	82,500,000.00
Client 2	Security Deposit, Margin, Intercourse Funds	907,977,348.27	1-2 years	20.42%	30,249,657.41
Client 3	Security Deposit, Margin	311,875,000.00	1-2 years	7.01%	9,356,250.00
Client 4	Intercourse Funds	150,100,000.00	Within 1 year	3.38%	7,505,000.00
Client 5	Security Deposit, Margin	150,000,000.00	2-3 years	3.37%	120,000,000.00
Total		3,169,952,348.27		71.28%	249,610,907.41

## 8. Prepayments

### (1) Prepayments by aging

Unit: RMB



Aging	Closing balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Less than 1 year	1,021,317,625.11	94.77%	799,684,860.11	94.64%
1-2 years	46,704,146.78	4.33%	37,385,742.05	4.42%
2-3 years	6,808,814.34	0.63%	5,136,088.17	0.61%
Over 3 years	2,866,983.85	0.27%	2,760,077.62	0.33%
Total	1,077,697,570.08		844,966,767.95	

Reason why significant prepayment with an account age of more than 1 year is not settled in time:  
At the end of the current period, the Company has no significant prepayments with an account age of more than 1 year.

## (2) Top five prepayments by prepayer at the end of the current period

The total amount of top five prepayments by prepayer at the end of the current period is RMB 497,220,416.20, accounting for 46.14% of the total balance of prepayments at the end of the current period.

Other instructions:

## 9. Stock

Whether the Company needs to abide by the disclosure requirements of the real estate industry:

No

### (1) Stock by Category

Unit: RMB

Items	Closing balance			Opening balance		
	Book Balance	Stock Falling Price Reserves or Contract Performance Costs Impairment Provisions	Book Value	Book Balance	Stock Falling Price Reserves or Contract Performance Costs Impairment Provisions	Book Value



Raw Materials	1,385,926,422.03		1,385,926,422.03	688,075,608.61		688,075,608.61
Goods in Stock	1,044,732,642.36	845,797.21	1,043,886,845.15	790,381,344.35	3,590,094.98	786,791,249.37
Low-value Consumables	80,829,232.81		80,829,232.81	99,911,431.10		99,911,431.10
Total	2,511,488,297.20	845,797.21	2,510,642,499.99	1,578,368,384.06	3,590,094.98	1,574,778,289.08

## (2) Stock Falling Price Reserves and Contract Performance Costs Impairment Provisions

Unit: RMB

Items	Opening balance	Increased Amount during the Current Period		Decreased Amount during the Current Period		Closing balance
		Withdrawal	Others	Recovery or Reversal	Others	
Inventory products	3,590,094.98	224,418.39		2,968,716.16		845,797.21
Total	3,590,094.98	224,418.39		2,968,716.16		845,797.21

### Inventory falling price reserve accrued by combination

Unit: RMB

Combination Name	Closing			Opening		
	Closing Balance	Inventory Falling Price Reserve	Accrual Proportion of Inventory Falling Price Reserve	Opening Balance	Inventory Falling Price Reserve	Accrual Proportion of Inventory Falling Price Reserve
Goods in Stock	1,044,732,642.36	845,797.21	0.08%	790,381,344.35	3,590,094.98	0.45%
Total	1,044,732,642.36	845,797.21	0.08%	790,381,344.35	3,590,094.98	0.45%

### Accrual standard for inventory falling price reserve by combination

**(3) Other Debt Investments Due within One Year**□Applicable Not applicable**10. Other Current Assets**

Unit: RMB

Items	Closing balance	Opening balance
Input Tax to be Credited	745,962,144.96	526,025,543.30
Withholding Income Tax	102,124,195.67	88,877,588.66
Other Withholding Taxes	7,055,539.23	1,654,715.70
Other	4,372,364.91	1,920,746.96
<b>Total</b>	<b>859,514,244.77</b>	<b>618,478,594.62</b>

Other Instructions:

**11. Debt Investment****(1) Debt Investment**

Unit: RMB

Item	Closing Balance			Opening Balance		
	Book Balance	Depreciation Reserves	Book Value	Book Balance	Depreciation Reserves	Book Value
Debt Investment	0.00		0.00	1,650,000,000.00		1,650,000,000.00
<b>Total</b>	<b>0.00</b>			<b>1,650,000,000.00</b>		<b>1,650,000,000.00</b>

**Changes in provision for impairment of debt investment in the current period**

Unit: RMB

Item	Opening Balance	Increase in the Current Period	Decrease in the Current Period	Closing Balance

**(2) Provision for impairment**

Unit: RMB



Bed-debt Provision	Phase I	Phase II	Phase III	Total
	Expected credit loss over the next 12 months	Expected credit loss throughout the duration (no credit impairment)	Expected credit loss throughout the duration (credit impairment has occurred)	
Balance on January 1, 2023 in the current period				

Division basis of each phase and accrual proportion of bad debt provision

## 12. Other Equity Instrument Investments

Unit: RMB

Item Name	Closing balance	Opening balance	Gains included in other comprehensive income in the current period	Losses included in other comprehensive income in the current period	Accumulated gains included in other comprehensive income at the end of the current period	Accumulated losses included in other comprehensive income at the end of the current period	Dividend income recognized in the current period	Reason for being Measured at Fair Value through Other Comprehensive Income
Beijing Zhongguancun Bank Co., Ltd.	228,233,138.55	262,216,752.75	0.00	33,983,614.20	36,233,138.55			
Lodi Environmental Protection Technology Co., Ltd.	3,347,438.80	3,229,628.35	117,810.45			4,345,358.02		



Changchun Jiuqing Real Estate Co., Ltd.		251,439.34		251,439.34		2,000,000. 00		
Jiangsu Kingwills New Materials Technolog y Co., Ltd.	7,115,871. 10	19,483,946 .58		10,368,075 .48		9,852,022. 06		
Beijing Institute of Architectur al Design	12,032,642 .35			7,967,357. 65		7,967,357. 65	149,356.03	
Jiangsu Guangyu Zhaoneng New Energy Technolog y Co., Ltd.	5,151,969. 48		151,969.48		151,969.48			
Total	255,881,06 0.28	285,181,76 7.02	269,779.93	52,570,486 .67	36,385,108 .03	24,164,737 .73	149,356.03	

There is derecognition in the current period

Unit: RMB

Item name	Accumulated gains transferred to retained earnings	Accumulated losses transferred to retained earnings	Reasons for derecognition

Itemized disclosure of investment in non-trading equity instruments in the current period

Unit: RMB

Item name	Dividend income recognized	Accumulated gains	Accumulated losses	Amount transferred from other comprehensive income to retained earnings	Reasons for being designated as measured at fair value and whose changes are included in other comprehensive income	Reasons for transfer of other comprehensive income to retained earnings

Other instructions:

### 13. Long-term Equity Investments

Unit: RMB

Invested Enterprise	Opening Balance (Book Value)	Opening Balance of Depreciation Reserves	Change Amount during the Current Period								Closing Balance (Book Value)	Closing Balance of Impairment Reserves	
			Additional Investment	Reduced Investment	Investment Gain or Loss under the Equity Method	Adjustment of Other Comprehensive Income	Change Amount of Other Equities	Announcement on Distribution of Cash Dividends or Profits	Withdrawal of Impairment Reserves	Others			
I. Joint Ventures													
II. Associated Enterprises													
Xinjiang Architectural Design Institute Co.,			31,000,000.00		1,034,499.01				-990,151.00			31,044,348.01	



Ltd.												
Foshan Jianfa Oriental Yuhong Building Material Technology Co., Ltd.	14,841,586.19			924,644.13							15,766,230.32	
Shanghai Yueda Construction Engineering Co., Ltd.	9,186,655.91	2,333,500.00		290,192.40							11,810,348.31	
Shanghai Wealter New Material Co., Ltd						12,091.75				4,451,346.20	4,439,254.45	





Meishan Oriental Yuhong Construction Engineering Co., Ltd.	501,724.57	1,960,000.00	1,052,258.69							3,513,983.26	
Ya'an Xinyuhong Waterproof Technology Co., Ltd.		1,960,000.00	725,324.23							2,685,324.23	
Hainan Fakong Yuhong Building Materials Technology Co., Ltd.	900,876.70		1,070,416.55							1,971,293.25	



JA Yuhong New Energy Power Co., Ltd.	1,505, 637.79				- 1,267. 77						1,504, 370.02	
Huizh ou Industr ial Invest ment Yuhon g Constr uction Techn ology Co., Ltd.			1,470, 000.00		114,07 3.42						1,584, 073.42	
Dalian Detai Yuhon g Buildi ng Materi als Techn ology Co., Ltd.	925,15 4.17				244,21 3.86						1,169, 368.03	



Xiang xi Yuhon g Crafts men 1,328, Inform 488.04 ation Techn ology Co., Ltd.					813,11 7.98					- 1,019, 239.24		1,122, 366.78
Jiache ng Yuhon g Buildi ng Materi als (Guan gdong) Co., Ltd.			980,00 0.00		18,309 .35							998,30 9.35
Yichan g Cheng fa Orient al Yuhon g Buildi ng Materi als Techn ology Co.,			980,00 0.00		531.34							980,53 1.34



Ltd.												
Jiangsu Oriental Yuhong Renovation Engineering Co., Ltd.	2,748,875.98			1,800,000.00	-264,263.41						684,612.57	
Ziyang Airport Yuhong Waterproofing Engineering Co., Ltd.			490,000.00		83,941.23						573,941.23	



Huizhou Bay Yuhong New Material Technology Co., Ltd.			680,000.00		-98,961.07						581,038.93	
Leizhou Development Oriental Yuhong Building Materials Technology Co., Ltd.			980,000.00	500,000.00	2,213.75						482,213.75	
Susong Oriental Yuhong Building Materials Technology Co.,			350,000.00		44,396.76						394,396.76	



Ltd.												
Guangzhou Lvjin Street Green Building Material Co., Ltd.	85,345.26				58,097.35	-					27,247.91	
Zhaoqing Honghui Technology Co., Ltd.	383,807.67			525,000.00								



Sichuan Oriental Yuhong Building Materials Co., Ltd.	167,574,056.19	194,639,800.00	-	2,893,981.91							
Subtotal	199,982,208.47	237,823,300.00	2,825,000.00	3,101,561.19	-	12,091.75	-	2,009,390.24			81,333,251.92
Total	199,982,208.47	237,823,300.00	2,825,000.00	3,101,561.19	-	12,091.75	-	2,009,390.24			81,333,251.92

The recoverable amount is determined as the net amount of the fair value less the disposal expenses.

Applicable Not applicable

The recoverable amount is determined based on the present value of the estimated future cash flow.

Applicable Not applicable

Reason for the apparent inconsistency between the aforesaid information and the information used in the impairment test of previous years or external information

Reason for the apparent inconsistency between the information adopted in the impairment test of the previous year and the actual situation of the current year

Other Instructions:

#### 14. Other Non-current Financial Assets

Unit: RMB

Items	Closing balance	Opening balance
Equity Instrument Investments	262,572,338.19	62,588,195.83



Total	262,572,338.19	62,588,195.83
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Other Instructions:

## 15. Fixed Assets

Unit: RMB

Items	Closing balance	Opening balance
Fixed Assets	10,452,504,002.75	8,563,291,329.36
Disposal of Fixed Assets		
Total	10,452,504,002.75	8,563,291,329.36

### (1) Fixed Assets

Unit: RMB

Items	Buildings and Structures	Machinery	Transportation Devices	Others	Total
I. Original Book Value:					
1. Opening Balance	6,233,522,933.23	4,382,142,900.78	80,230,547.89	388,188,139.68	11,084,084,521.58
2. Amount Increased during the Current Period	1,739,119,363.84	1,078,843,674.26	10,634,365.43	149,737,729.95	2,978,335,133.48
(1) Procurement	64,624,688.00	157,842,616.24	9,476,954.54	92,503,502.65	324,447,761.43
(2) Transfer from Construction in Progress	1,469,524,394.72	840,464,002.97	0.00	49,228,655.16	2,359,217,052.85
(3) Increase from Enterprise	146,462,726.33	80,537,055.05	1,157,410.89	8,005,572.14	236,162,764.41





Combination					
(4) Other Increase	58,507,554.79	0.00	0.00	0.00	58,507,554.79
3. Amount Decreased during the Current Period	189,926,832.65	48,519,078.55	9,600,749.82	32,777,165.14	280,823,826.16
(1) Disposal or Scrap	20,051,102.52	32,937,686.28	9,021,557.10	30,181,655.03	92,192,000.93
(2) Other Amount Decreased	169,875,730.13	15,581,392.27	579,192.72	2,595,510.11	188,631,825.23
4. Closing Balance	7,782,715,464.42	5,412,467,496.49	81,264,163.50	505,148,704.49	13,781,595,828.90
II. Accumulative Depreciation					
1. Opening Amount	855,286,266.06	1,431,763,630.84	44,500,944.19	187,817,172.11	2,519,368,013.20
2. Amount Increased during the Current Period	259,027,175.74	483,895,552.35	11,149,213.02	114,018,882.80	868,090,823.91
(1) Withdrawal	234,388,177.37	456,404,783.60	10,360,428.32	108,835,592.19	809,988,981.48
(2) Business Consolidation Increase	24,476,750.59	27,490,768.75	788,784.70	5,183,290.61	57,939,594.65
(3) Other Amount Increased	162,247.78	0.00	0.00	0.00	162,247.78



3. Amount Decreased during the Current Period	1,667,298.07	39,368,402.87	5,956,732.58	12,799,756.46	59,792,189.98
(1) Disposal or Scrap	1,667,298.07	27,626,619.12	5,563,082.49	11,348,544.36	46,205,544.04
(2) Business Consolidation Decrease	0.00	11,741,783.75	393,650.09	1,451,212.10	13,586,645.94
4. Closing Balance	1,112,646,143.73	1,876,290,780.32	49,693,424.63	289,036,298.45	3,327,666,647.13
III. Impairment Reserves					
1. Opening Balance	996,411.98	428,767.04			1,425,179.02
2. Amount Increased during the Current Period					
(1) Withdrawal					
3. Amount Decreased during the Current Period					
Disposal or Scrap					
4. Closing Balance	996,411.98	428,767.04			1,425,179.02



IV. Book Value					
1. Book Value	6,669,072,908.71	3,535,747,949.13	31,570,738.87	216,112,406.04	10,452,504,002.75
2. Opening Book Value	5,377,240,255.19	2,949,950,502.90	35,729,603.70	200,370,967.57	8,563,291,329.36

**(2) Fixed assets for which the certificate of title has not been obtained**

Unit: RMB

Item	Book value	Reasons for having not completed the title certificate
Asphalt Coating Workshop of Taiyuan Oriental Yuhong Building Materials Co., Ltd.	7,810,289.00	To be handed after it is fully completed
Coil Workshop of Taiyuan Oriental Yuhong Building Materials Co., Ltd.	40,882,708.62	To be handed after it is fully completed
Beijing Oriental Yuhong Waterproof Technology Co., Ltd.	732,506,795.30	In progress
Guangdong Oriental Yuhong Building Materials Co., Ltd.	273,543,868.26	To be handed after it is fully completed
Baoding Oriental Yuhong Building Materials Co., Ltd.	495,447.96	To be handed after it is fully completed
Jilin Oriental Yuhong Building Materials Co., Ltd.	21,354,334.04	To be handed after it is fully completed
Suzhou Oriental Yuhong Building Materials Co., Ltd.	58,096,493.10	To be handed after it is fully completed
Hunan Caparol Cloud Building Materials Technology Co., Ltd.	43,530,269.87	To be handed after it is fully completed
Guangzhou Fuda Thermal Insulation Materials Co., Ltd.	362,046.52	To be handed after it is fully completed
Lushan Huasha Company	17,816,344.82	In progress



Jinan Oriental Yuhong Building Materials Co., Ltd.	185,561,459.27	To be handed after it is fully completed
Nantong Golden Wrapping Film Material Co., Ltd.	59,682,662.23	To be handed after it is fully completed
Yangpu Oriental Yuhong Building Materials Co., Ltd.	1,220,591.25	To be handed after it is fully completed
Xianyang Oriental Yuhong Building Materials Co., Ltd.	26,182,118.39	To be handed after it is fully completed
Jinmen Oriental Yuhong Building Materials Co., Ltd.	889,857.98	To be handed after it is fully completed
Hongshi (Jiangsu) New Material Technology Co., Ltd.	174,402,146.09	To be handed after it is fully completed
Chongqing Oriental Yuhong Building Materials Co., Ltd.	780,066.40	To be handed after it is fully completed
Binzhou Oriental Yuhong Building Materials Co., Ltd.	280,548.94	To be handed after it is fully completed
Nanning Oriental Yuhong Waterproof Material Co., Ltd.	20,524,019.26	In progress

Other instructions:

### (3) Impairment test of fixed assets

Applicable  Not applicable

## 16. Construction in Progress

Unit: RMB

Item	Closing balance	Opening Balance
Construction in Progress	1,369,715,204.57	2,049,330,481.21
Total	1,369,715,204.57	2,049,330,481.21

### (1) Construction in Progress

(2) Unit: RMB

Item	Closing balance	Opening Balance
------	-----------------	-----------------



	Book Balance	Impairment Provision	Book Value	Book Balance	Impairment Provision	Book Value
Equipment to be Installed	303,221,881.4 9		303,221,881.4 9	209,903,874.3 2		209,903,874.3 2
Huadu Production Base Project of Guangdong Oriental Yuhong Building Material Co., Ltd	273,543,868.2 6		273,543,868.2 6	173,277,310.9 1		173,277,310.9 1
VAE Lotion Project Phase I	174,496,508.5 6		174,496,508.5 6	197,095,239.7 6		197,095,239.7 6
Production Base Project of Jinan Oriental Yuhong Building Material Co., Ltd. (phase II)	130,035,400.4 4		130,035,400.4 4	66,179,828.33		66,179,828.33
Annual Output of 135,000 tons of Functional Film Project	59,682,662.23		59,682,662.23	149,609,773.2 5		149,609,773.2 5



Production Base Project of Zhangjiagang Oriental Yuhong Building Material Co., Ltd.	58,096,493.10		58,096,493.10	83,845,711.15		83,845,711.15
Production Base Project of Jinan Oriental Yuhong Building Material Co., Ltd. (phase I)	55,526,058.83		55,526,058.83	65,884,836.37		65,884,836.37
Production Base Construction Project of Yangzhou Oriental Yuhong New Material Co., Ltd.	50,545,815.47		50,545,815.47			
Oriental Yuhong Wuhan Green Building Material Production Base	48,738,599.08		48,738,599.08			



Hunan Oriental Yuhong Pipe Industry Co., Ltd. Production Base - Civil Construction	43,530,269.87		43,530,269.87			
Nanchang Production Base Phase II Construction Project	35,240,684.50		35,240,684.50	20,028,771.84		20,028,771.84
Digital Marketing Platform Consulting and Implementation Project	24,795,518.64		24,795,518.64			
Production Base Project of Jilin Oriental Yuhong Building Material Co., Ltd.	21,354,334.04		21,354,334.04	31,876,431.03		31,876,431.03
Nanchang Production Base Phase I Construction Project	19,137,818.65		19,137,818.65	43,412,832.94		43,412,832.94
Mortar Workshop	17,085,897.38		17,085,897.38			



High-performance Waterproof Material Project with Annual Output of 35,000 Tons of Xuzhou Oriental Yuhong	11,721,970.74		11,721,970.74			
Harbin Oriental Yuhong Building Materials Co., Ltd. (Phase I)	7,278,077.94		7,278,077.94			
Tile Roofing (Baoding) Company - Cement Tile Workshop	6,924,107.01		6,924,107.01			
Suqian Factory Reconstruction and Expansion Project	6,373,199.90		6,373,199.90	3,459,650.52		3,459,650.52
Guangzhou Huadu International Green Building Material Center Project	5,640,194.44		5,640,194.44	115,223,173.50		115,223,173.50





Production Base of Hunan Oriental Yuhong Pipe Industry Co., Ltd.	4,495,668.50		4,495,668.50			
Phase II Project of Tangshan Oriental Yuhong Waterproof Technology Co., Ltd. Plant 2	3,524,543.14		3,524,543.14	3,122,531.14		3,122,531.14
DAW Hangzhou Production Base Project	2,331,211.98		2,331,211.98	153,694.90		153,694.90
Annual Output of 100000 tons of Dry Powder Mortar Project	2,250,756.29		2,250,756.29	1,608,203.16		1,608,203.16
Oriental Yuhong Hainan Yangpu Green New Material Comprehensive Industrial Park Project	1,220,591.25		1,220,591.25	82,467,495.99		82,467,495.99



Taiyuan Oriental Yuhong Building Material Co., Ltd. Production Base Project	1,175,720.38		1,175,720.38	117,013,891.44		117,013,891.44
Jingmen Plant Production and R&D Base Construction Project Phase I	889,857.98		889,857.98	1,551,357.43		1,551,357.43
Baoding Oriental Yuhong Building Material Co., Ltd. Production Base Project	495,447.96		495,447.96	12,069,996.42		12,069,996.42
Huadu Fuda New Factory Building Project	362,046.52		362,046.52	6,571,815.44		6,571,815.44
Laixi Factory Coils Workshop II				19,654,665.55		19,654,665.55
Production Base Project of Chongqing Oriental Yuhong Building Material Co., Ltd				102,318,768.77		102,318,768.77



Production research and development base project of Nanning Oriental Yuhong Waterproof Materials Co., Ltd.				87,622.36		87,622.36
Building D Project under Headquarters Base Construction Project				49,658,894.72		49,658,894.72
Annual Output of 1 Million Tons of Special Mortar and 40,000 tons of Water-Based Waterproof Materials				28,072,165.73		28,072,165.73
Nonwoven Project with a Capacity of 150,000 tons				465,181,944.24		465,181,944.24
<b>Total</b>	<b>1,369,715,204.57</b>		<b>1,369,715,204.57</b>	<b>2,049,330,481.21</b>		<b>2,049,330,481.21</b>

(3)

**(2) Changes in Major Construction in Progress during the Current Period**

Unit: RMB



Item Names	Budget	Opening balance	Amount Increased during the Current Period	Amount Transferred into Fixed Assets during the Current Period	Other Amounts Decreased during the Current Period	Closing balance	Proportion of Cumulative Project Income in the Budget	Project Progress	Accumulative Amount of Capitalized Interest	Of which: Capitalized Interest Amount during the Current Period	Interest Capitalization Rate during the Current Period	Fund Source
Huadu Production Base Project of Guangdong Oriental Yuhong Building Material Co., Ltd	1,365,459.50	173,277.31	113,009.73	12,743,182.22								Other
VAE Lotion Project Phase I	550,000.00	197,095.23	151,752.43	174,351,169.86					94,362.47	94,362.47	3.24%	Other



Production Base Project of Jinan Oriental Yuhong Building Material Co., Ltd. (phase II)	275,557.145	66,179,828.33	102,016,608.57	38,161,036.46								Other
Annual Output of 135,000 tons of Functional Film Project	1,136,710.60	149,609,773.25	220,074,074.87	310,001,185.89								Other



Production Base Project of Zhangjiagang Oriental Yuhong Building Material Co., Ltd.	433,867,117.54	83,845,711.15	60,531,473.29	86,280,691.34									Other
Production Base Project of Jinan Oriental Yuhong Building Material Co., Ltd. (phase I)	154,210,000.00	65,884,836.37	18,221,170.72	28,579,948.26									Other



Production Base Construction Project of Yangzhou Oriental Yuhong New Material Co., Ltd.	204,668,782.00		50,545,815.47									Other
<b>Total</b>	4,120,473,145.32	735,892,699.77	716,151,321.15	650,117,214.03				94,362.47	94,362.47	324.00%		

**(3) Provision for impairment of construction in progress in the current period**

Unit: RMB

Item	Opening Balance	Increased Amount in Current Period	Decreased Amount in the Current Period	Closing Balance	Accrual Reason

Other instructions:

**(4) Impairment test of construction in progress**Applicable Not applicable**(5) Engineering materials**

Unit: RMB

Item	Closing Balance			Opening Balance		
	Book Balance	Provision for Impairment	Book Value	Book Balance	Provision for Impairment	Book Value

Other instructions:

**17. Right-of-use assets****(1) Right-of-use assets**

Unit: RMB

Item	Houses and buildings	Total
I.Original book value:		
1. Opening balance	221,041,083.81	221,041,083.81
2. Increase in the current period	65,160,922.86	65,160,922.86
(1) Rent	65,160,922.86	65,160,922.86
(2) Adjustment of Lease Liabilities		
3. Decrease in the current period	24,367,229.70	24,367,229.70
(1) Sublease as Financial Lease		
(2) Transfer or Hold for Sale		
(3) Other Amount Decreased	24,367,229.70	24,367,229.70
4. Closing balance	261,834,776.97	261,834,776.97
II. Accumulated depreciation		
1. Opening balance	51,838,255.38	51,838,255.38
2. Increase in the current period	26,633,180.89	26,633,180.89
(1) Provision	26,633,180.89	26,633,180.89
(2) Other Amount Increased		
3. Decrease in the current period	16,680,845.77	16,680,845.77
(1) Disposal		
(2) Sublease as Financial Lease		
(3) Transferred or Held for Sale		
(4) Other Amount Decreased	16,680,845.77	16,680,845.77
4. Closing balance		





III. Provision for impairment		
1. Opening balance		
2. Increase in the current period		
(1) Provision		
3. Decrease in the current period		
(1) Disposal		
4. Closing balance		
IV. Book value		
1. Book value at the end of the period	200,044,186.47	200,044,186.47
2. Book value at the beginning of the period	169,202,828.43	169,202,828.43

## (2) Impairment test of right-of-use assets

Applicable Not applicable

Other instructions:

## 18. Intangible Assets

### (1) Intangible Assets

Unit: RMB

Items	Land Use Right	Patent Right	Non-Patents	Software	Right to Use a Trademark	Total
I. Original Book Value						
1. Opening	2,260,698,103.84	4,490,612.45	3,304,612.71	128,110,831.28	4,285,168.85	2,400,889,329.13



Balance						
2. Amount Increased during the Current Period	302,912,265.5 4	8,273,982.30	515,638.41	993,122.56		312,695,008.8 1
(1) Procurement	237,948,331.3 9	1,673,982.30	515,638.41	993,122.56		241,131,074.6 6
(2) Internal R&D						
(3) Increase from Enterprise Combination	64,963,934.15					64,963,934.15
(4) Other Amount Increased		6,600,000.00				6,600,000.00
3. Amount Decreased during the Current Period	175,801,148.3 0			923,627.66		176,724,775.9 6
(1) Disposal				923,627.66		923,627.66
(2) Other Amount Decreased	175,801,148.3 0					175,801,148.3 0



4. Closing Balance	2,387,809,221. 08	12,764,594.75	3,820,251.12	128,180,326.1 8	4,285,168.85	2,536,859,561. 98
II. Accumulated Amortization						
1. Opening Balance	169,793,795.7 3	662,066.39	1,482,727.88	36,929,542.29	786,137.20	209,654,269.4 9
2. Amount Increased during the Current Period	49,548,161.47	809,553.60	610,972.00	8,353,885.45	46,344.58	59,368,917.10
(1) Withdrawal	45,408,737.81	809,553.60	610,972.00	8,353,885.45	46,344.58	55,229,493.44
(2) Business Consolidation Increase	3,977,253.89					3,977,253.89
(3) Other Amount Increased	162,169.77					162,169.77
3. Amount Decreased during the Current Period	358,452.26			102,294.01		460,746.27
(1) Disposal				102,294.01		102,294.01
(2) Other Amount Decreased	358,452.26					358,452.26



4. Closing Balance	218,983,504.9 4	1,471,619.99	2,093,699.88	45,181,133.73	832,481.78	268,562,440.3 2
III. Impairment Reserves						
1. Opening Balance						
2. Amount Increased during the Current Period						
(1) Withdrawal						
3. Amount Decreased during the Current Period						
(1) Disposal						
4. Closing Balance						
IV. Book Value						
1. Closing Book	2,168,825,716. 14	11,292,974.76	1,726,551.24	82,999,192.45	3,452,687.07	2,268,297,121. 66



Value						
2. Opening Book Value	2,090,904,308. 11	3,828,546.06	1,821,884.83	91,181,288.99	3,499,031.65	2,191,235,059. 64

At the end of the Reporting Period, the intangible assets resulting from the Company's internal R&D accounted for 0.00% of the intangible asset balance.

## (2) Land Use Rights without Property Certificate

Unit: RMB

Items	Book Value	Why the Property Certificate is not secured
Land Use Rights of Baoding Oriental Yuhong Building Materials Co., Ltd.	1,487,824.08	In progress
Land Use Rights of Shenyang Oriental Yuhong Building Materials Co., Ltd.	34,017,900.15	Change of land nature, in progress
Land Use Rights of Guizhou Oriental Yuhong Building Materials Co., Ltd.	20,170,255.30	In progress

Other Instructions:

## (3) Impairment test of intangible assets

Applicable Not applicable

## 19. Goodwill

### (1) Original Book Value of Goodwill

Unit: RMB

Name of Invested Company or Matter Relating to the Formation of Goodwill	Opening balance	Amount Increased during the Current Period		Amount Decreased during the Current Period		Closing balance
		From Enterprise Combination		Disposal		



Ningxia Architecture Design & Research Institute Co., Ltd.	72,649,843.01					72,649,843.01
Macheng Sunshine Energy Conservation and Thermal Insulation Material Co., Ltd.	21,354,047.14					21,354,047.14
Guangzhou Fudatec Thermal Insulation Material Co., Ltd.	20,509,184.80					20,509,184.80
Kunming Fasion Waterproof Material Co., Ltd.	13,469,206.10					13,469,206.10
Tianjin Oriental Yuhong Waterproof Engineering Co., Ltd.	6,815,807.91					6,815,807.91
DAW ASIA LIMITED	6,110,065.21					6,110,065.21



Changsha Oriental Sand Powder Technology Co., Ltd.	1,070,866.63					1,070,866.63
Hubei Yuhong Xingfa New Material Co., Ltd.	8,300,870.01					8,300,870.01
Sichuan Oriental Yuhong Building Materials Co., Ltd.		194,291,484.15				194,291,484.15
<b>Total</b>	150,279,890.81	194,291,484.15				344,571,374.96

## (2) Goodwill Impairment Provision

Unit: RMB

Name of Invested Company or Matter Relating to the Formation of Goodwill	Opening balance	Amount Increased during the Current Period		Amount Decreased during the Current Period		Closing balance
		Withdrawal		Disposal		
<b>Total</b>						

## (3) Relevant information of the asset group or portfolio to which the goodwill belongs

Name	Composition and basis of the asset group or portfolio to which it belongs	Operating segment and basis	Whether it is consistent with the previous year



## Asset group or asset group combination changes

Name	Composition before change	Changed composition	Objective facts and basis leading to the change
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## Other instructions:

The Company adopts the method of estimating the present value of the future cash flow to calculate the recoverable amount of asset group of Guangzhou Fudatec Thermal Insulation Materials Co., Ltd., Kunming Fasion Waterproof Materials Co., Ltd., Tianjin Oriental Yuhong Waterproof Engineering Co., Ltd., Changsha Oriental Yuhong Sand Powder Technology Co., Ltd., Hubei Yuhong Xingfa New Materials Co., Ltd. and Sichuan Oriental Yuhong Building Materials Co., Ltd. Future cash flows are determined based on the financial budgets approved by the management of the Company from 2024 to 2028 and for the stabilization period thereafter, using a discount rate of 13.82% of the Company's weighted average cost of capital (WACC). Since December 31, 2028, it has been a sustainable operation, and the company will maintain a stable level of profitability at this stage. The asset group or asset group combination related to the goodwill identified by the Company in the current year is consistent with the asset group or asset group combination identified on the acquisition date. According to the results of the impairment test, no provision for impairment of goodwill is required in the current period.

**(4) Specific determination method of recoverable amount**

The recoverable amount is determined as the net amount of the fair value less the disposal expenses.

Applicable Not applicable

The recoverable amount is determined based on the present value of the estimated future cash flow.

Applicable Not applicable

Reason for the apparent inconsistency between the aforesaid information and the information used in the impairment test of previous years or external information

Reasons for the apparent inconsistency between the information adopted in the impairment test of the previous year and the actual situation of the current year

**(5) Completion of performance commitment and corresponding goodwill impairment**

When the goodwill is formed, there is a performance commitment and the reporting period or the previous period of the reporting period is within the performance commitment period





Applicable Not applicable

Other instructions:

## 20. Long-term Unamortized Expenses

Unit: RMB

Items	Opening balance	Amount Increased during the Current Period	Amount Amortized during the Current Period	Other Amounts Decreased	Closing balance
Decoration Fee of Rented House	48,776,613.02	4,808,474.30	39,533,174.31	364,599.74	13,687,313.27
Factory Transformation Fee	11,877,234.76	3,028,320.75	5,842,891.11		9,062,664.40
Others	12,278,983.68	14,701,866.24	10,432,238.47	100,532.43	16,448,079.02
<b>Total</b>	<b>72,932,831.46</b>	<b>22,538,661.29</b>	<b>55,808,303.89</b>	<b>465,132.17</b>	<b>39,198,056.69</b>

Other Instructions

## 21. Deferred Income Tax Assets/Deferred Income Tax Liabilities

### (1) Deferred Income Tax Assets that are Not Offset

Unit: RMB

Items	Closing balance		Opening balance	
	Deductible Temporary Differences	Deferred Tax Assets	Deductible Temporary Differences	Deferred Tax Assets
Asset Impairment Reserves	2,613,606,179.12	467,631,976.75	1,612,095,241.72	280,946,605.69
Deductible Losses	1,892,110,319.17	306,357,890.91	1,286,778,211.05	211,811,498.58
Equity incentive	247,627,407.92	45,267,196.95	545,054,525.14	91,922,250.22
Deferred Income	578,850,334.73	109,300,813.60	541,998,331.14	107,250,669.13



Profits and losses on the changes in fair value	61,360,295.02	10,947,742.84	1,748,560.66	262,284.10
Estimated Liabilities	44,252,069.34	8,151,553.97	27,591,707.97	4,854,029.65
Lease Liabilities	166,655,606.32	33,119,513.52	177,358,054.71	34,993,282.69
Total	5,604,462,211.62	980,776,688.54	4,192,624,632.39	732,040,620.06

**(2) Deferred Income Tax Liabilities that are Not Offset**

Unit: RMB

Items	Closing balance		Opening balance	
	Taxable Temporary Differences	Deferred Tax Liabilities	Taxable Temporary Differences	Deferred Tax Liabilities
Appreciation of Assets Appraisal for Merger of Enterprises not under the Same Control	57,097,800.00	8,564,670.00		
Change in Fair Value of Other Non-current Financial Assets	9,324.12	2,331.03		
Changes in the Fair Value of Financing Receivables Included in Other Comprehensive Income	16,339,364.64	2,450,904.70	70,216,752.75	10,532,512.91
Right-of-use Assets	159,478,134.95	31,920,793.41	169,201,637.14	33,329,909.24
Total	232,924,623.71	42,938,699.14	239,418,389.89	43,862,422.15

**(3) Deferred Income Tax Assets or Deferred Income Tax Liabilities Presented in Net Value after being Offset**

Unit: RMB



Items	Closing Offsetable Amount of Deferred Income Tax Assets and Deferred Income Tax Liabilities	Closing Balance of Deferred Inco Deferred Income Tax Assets or Deferred Income Tax Liabilities after the Offset	Opening Offsetable Amount of Deferred Income Tax Assets and Deferred Income Tax Liabilities	Opening Balance of Deferred Inco Deferred Income Tax Assets or Deferred Income Tax Liabilities after the Offset
Deferred Tax Assets	5,604,462,211.62	980,776,688.54	4,192,624,632.39	732,040,620.06
Deferred Tax Liabilities	232,924,623.71	42,938,699.14	239,418,389.89	43,862,422.15

#### (4) Details of Unrecognized Deferred Income Tax Assets

Unit: RMB

Items	Closing balance	Opening balance
Deductible Temporary Differences	25,861,240.36	161,203,069.42
Deductible Losses	1,404,512,864.56	1,169,781,744.34
Total	1,430,374,104.92	1,330,984,813.76

#### (5) Deductible Losses of Unrecognized Deferred Income Tax Assets will be Due in the Following Years

Unit: RMB

Year	Closing Balance	Opening Balance	Remark
2023	0.00	53,381,746.18	
2024	106,467,511.93	131,224,598.44	
2025	118,518,121.94	136,468,738.09	
2026	204,039,071.08	210,768,762.98	
2027	513,726,294.53	637,937,898.65	
2028	461,761,865.08	0.00	
Total	1,404,512,864.56	1,169,781,744.34	

Other Instructions:

**22. Other Non-current Assets**

Unit: RMB

Items	Closing balance			Opening balance		
	Book Balance	Impairment Provision	Book Value	Book Balance	Impairment Provision	Book Value
Funds for Real Estate	2,060,400,987.94	196,356,214.12	1,864,044,773.82	1,287,682,553.81		1,287,682,553.81
Funds for the Purchase of Long-term Assets	469,463,841.35		469,463,841.35	819,254,982.45		819,254,982.45
Land Transfer Fee	6,427,809.00		6,427,809.00	11,480,010.40		11,480,010.40
<b>Total</b>	<b>2,536,292,638.29</b>	<b>196,356,214.12</b>	<b>2,339,936,424.17</b>	<b>2,118,417,546.66</b>		<b>2,118,417,546.66</b>

Other Instructions:

**23. Assets with Restricted Ownership or Right to Use**

Unit: RMB

Item	End of the Current Period				Beginning of the Current Period			
	Book Balance	Book Value	Restricted Type	Restricted Condition	Book Balance	Book Value	Restricted Type	Restricted Condition
Monetary Funds	642,684,210.19	642,684,210.19	Deposits and litigation freezes	Deposits and litigation freezes	798,709,221.28	798,709,221.28	Deposits and litigation freezes	Deposits and litigation freezes
Notes Receivable	180,936,699.37	174,676,289.57	Pledge guarantee	Loan pledge				
Fixed Assets					267,473,811.76	213,588,260.35	Restricted ownership	Loan pledge
Intangible Assets	115,127,460.00	112,633,031.70	Ownership is	Bank loan mortgage	126,065,407.29	100,668,139.65	Restricted ownership	Bank loan mortgage



			restricted					
Accounts Receivable	382,241,319.61	369,015,769.95	Pledge guarantee	Loan pledge	393,700,668.13	382,677,049.42	Pledge guarantee	Loan pledge
Total	1,320,989,689.17	1,299,009,301.41			1,585,949,108.46	1,495,642,670.70		

Other instructions:

## 24. Short-term Borrowings

### (1) Short-term Borrowings Presented by Category

Unit: RMB

Items	Closing balance	Opening balance
Pledge Loans	2,516,827,064.49	3,142,320,779.35
Guaranteed Loans	2,480,000,000.00	2,390,802,934.10
Credit Loans		715,010,000.00
Accrued Interest	1,797,413.23	6,197,212.38
Total	4,998,624,477.72	6,254,330,925.83

Instructions on the classification of short-term borrowings:

(1) Pledge loans consist of the following parts:

A. The Company and Guangzhou Fuda Thermal Insulation Materials Co., Ltd., Guangdong Oriental Yuhong Waterproofing Engineering Co., Ltd., Guangdong Oriental Yuhong Building Materials Technology Co., LTD. And Shenzhen Oriental Yuhong Waterproofing Engineering Co., Ltd. pledged accounts receivable to obtain bank loans of RMB 131,490,400.00;

B. The Company and Beijing Oriental Yuhong Waterproof Engineering Co., LTD., Shanghai Oriental Yuhong Waterproof Technology Co., LTD., Shanghai Oriental Yuhong Waterproof Engineering Co., LTD., Woniushan Building Energy Co., LTD., Guangdong Oriental Yuhong Waterproof Engineering Co., LTD., Shenzhen Oriental Yuhong Waterproof Engineering Co., LTD., Sichuan Oriental Yuhong Waterproof Engineering Co., LTD., Hebei Oriental Yuhong Construction Engineering Co., LTD The company, Kunming Fengxing Waterproof Material Co., LTD., Tianjin



Oriental Yuhong Waterproof Engineering Co., LTD., Guangdong Oriental Yuhong Building Materials Technology Co., LTD., Tiandingfeng Holdings Co., LTD., Oriental Yuhong Tile Roofing System Co., LTD., DAW (China) Co., LTD., DAW Construction Engineering Co., LTD., and Guangzhou Fuda Thermal Insulation Materials Co., Ltd. discounted commercial acceptance bills and bank acceptance bills to obtain a bank loan of RMB 181,336,700.00.

C. Tianjin Hongzhi New Material Co., LTD., Tianjin Oriental Yuhong New Material Technology Co., LTD. discounted the bank acceptance bills of RMB 1,285,000,000.00 and the letter of credit of RMB 919,000,000.00 issued by the related parties, and obtained bank loans of RMB 2,204,000,000.00;

(2) Guaranteed loans consist of the following parts:

A. The Company provided joint and several liability guarantee for the credit agreement signed by Chuzhou Tiandingfeng Nonwovens Co., Ltd. and Chuzhou Langya Sub-branch of Industrial and Commercial Bank of China Limited, with the maximum debt limit of RMB 250,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 200,000,000.00.

B. Mr. Li Weiguo, the shareholder of the Company, provided joint and several liability guarantee for the credit agreement signed between the Company and Shunyi Branch of Beijing Rural Commercial Bank Co., Ltd., with the maximum debt limit of RMB 300,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 200,000,000.00.

C. The Company provided joint and several liability guarantee for the credit agreement signed between Hangzhou Oriental Yuhong Building Materials Co., Ltd. and Jiande Sub-branch of Industrial and Commercial Bank of China Limited, with the maximum debt limit of RMB 210,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 200,000,000.00.

D. Mr. Li Weiguo, the shareholder of the Company, provided joint and several liability guarantee for the credit agreement signed between the Company and Beijing Capital Airport Sub-branch of Bank of China Limited, with the maximum debt limit of RMB 477,500,000.00. As of December 31, 2023, the short-term loan balance was RMB 150,000,000.00.

E. The Company provided joint and several liability guarantee for the credit agreement signed by Jingmen Oriental Yuhong Building Materials Co., Ltd. and Jingmen Duodao Sub-branch of Industrial and Commercial Bank of China Limited, with the maximum debt limit of RMB 200,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 120,000,000.00.

F. The Company provided joint and several liability guarantee for the credit agreement signed between Hongshi (Jiangsu) New Material Technology Co., Ltd. and Yizheng Branch of China



Construction Bank Corporation, with the maximum debt limit of RMB 150,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 100,000,000.00.

G. The Company and Tiandingfeng Holdings Company provided joint and several liability guarantee for the credit agreement signed by Chuzhou Tiandingfeng Nonwovens Co., Ltd. and Chuzhou Branch of Bank of China Limited, with the maximum debt limit of RMB 100,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 100,000,000.00.

H. The Company provided joint and several liability guarantee for the credit agreement signed by Shanghai Oriental Yuhong Waterproofing Technology Co., Ltd. and Jinshan Sub-branch of Bank of Shanghai Co., Ltd., with the maximum debt limit of RMB 150,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 100,000,000.00.

I. The Company provided joint and several liability guarantee for the credit agreement signed by Wuhu Oriental Yuhong Building Materials Co., Ltd. and Jiande Sub-branch of Industrial and Commercial Bank of China Limited, with the maximum debt limit of RMB 240,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 100,000,000.00.

J. The Company provided joint and several liability guarantee for the credit agreement signed by Qingdao Oriental Yuhong Building Materials Co., Ltd. and Qingdao Nanjing Road Guidu Sub-branch of Industrial and Commercial Bank of China Limited, with the maximum debt limit of RMB 105,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 100,000,000.00.

K. The Company provided joint and several liability guarantee for the credit agreement signed by Henan Oriental Yuhong Building Materials Co., Ltd. and Anyang Branch of China Guangfa Bank Co., Ltd., with the maximum debt limit of RMB 100,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 100,000,000.00.

L. The Company provided joint and several liability guarantee for the credit agreement signed by Jingmen Oriental Yuhong Building Materials Co., Ltd. and Jingmen Branch of Bank of Communications Co., Ltd., with the maximum debt limit of RMB 120,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 100,000,000.00.

M. The Company provided joint and several liability guarantee for the credit agreement signed by Tianjin Hongzhi New Materials Co., Ltd. and Citibank (China) Co., Ltd. Beijing Branch, with the maximum debt limit of RMB 354,995,000.00 (equivalent to 50,000,000 USD). As of December 31, 2023, the short-term loan balance was RMB 100,000,000.00.

N. The Company provided joint and several liability guarantee for the credit agreement signed by Suzhou Oriental Yuhong Building Materials Co., Ltd. and Zhangjiagang Branch of China



Construction Bank Corporation, with the maximum debt limit of RMB 100,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 100,000,000.00.

O. The Company provided joint and several liability guarantee for the credit agreement signed by Xuzhou Woniushan New Waterproof Material Co., Ltd. and Xuzhou Branch of Bank of Communications Co., Ltd., with the maximum debt limit of RMB 80,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 80,000,000.00.

P. The Company provided joint and several liability guarantee for the credit agreement signed by Xuzhou Woniushan New Waterproof Material Co., Ltd. and Xinyi Branch of China Postal Savings Bank Co., Ltd., with the maximum debt limit of RMB 80,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 80,000,000.00.

Q. The Company provided joint and several liability guarantee for the credit agreement signed by Tangshan Oreintal Yuhong Waterproofing Technology Co., Ltd. and Tangshan Fengnan Sub-branch of Bank of Communications Co., Ltd., with the maximum debt limit of RMB 85,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 80,000,000.00.

R. The Company provided joint and several liability guarantee for the credit agreement signed by Jingmen Oreintal Yuhong Building Materials Co., Ltd. and Jingmen Branch of Hankou Bank Co., Ltd., with the maximum debt limit of RMB 88,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 80,000,000.00.

S. The Company provided joint and several liability guarantee for the credit agreement signed by Suzhou Oriental Yuhong Building Materials Co., Ltd. and Zhangjiagang Branch of China Minsheng Banking Corp., Ltd., with the maximum debt limit of RMB 180,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 80,000,000.00.

T. The Company provided joint and several liability guarantee for the credit agreement signed by Xianyang Oreintal Yuhong Building Materials Co., Ltd. and Xianyang Branch of Bank of Communications Co., Ltd., with the maximum debt limit of RMB 60,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 60,000,000.00.

U. The Company provided joint and several liability guarantee for the credit agreement signed by Xuzhou Woniushan New Waterproof Material Co., Ltd. and Bank of Nanjing Co., Ltd. Xuzhou Branch, with the maximum debt limit of RMB 50,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 50,000,000.00.

V. The Company provided joint and several liability guarantee for the credit agreement signed by Tangshan Oriental Yuhong Waterproofing Technology Co., Ltd. and Bank of China Limited





Tangshan Fengnan Sub-branch, with the maximum debt limit of RMB 50,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 50,000,000.00.

W. The Company provided joint and several liability guarantee for the credit agreement signed by Kunming Fasion Waterproof Material Co., Ltd. and Yunnan Branch of Bank of Communications Co., Ltd., with the maximum debt limit of RMB 100,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 50,000,000.00.

X. The Company provided joint and several liability guarantee for the credit agreement signed by Guangdong Oriental Yuhong Waterproofing Engineering Co., Ltd. and Guangzhou Zengcheng Sub-branch of Industrial and Commercial Bank of China Limited, with the maximum debt limit of RMB 165,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 49,000,000.00.

Y. The Company provided joint and several liability guarantee for the credit agreement signed by Guangdong Oriental Yuhong Building Materials Technology Co., Ltd. and Huadu Branch of Guangzhou Green Finance Reform and Innovation Pilot Zone of Industrial and Commercial Bank of China Limited, with the maximum debt limit of RMB 60,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 30,000,000.00.

Z. The Company provided joint and several liability guarantee for the credit agreement signed by Shanghai Oreintal Yuhong Waterproofing Technology Co., Ltd. and Shanghai Baoshan Sub-branch of Bank of China Limited, with the maximum debt limit of RMB 50,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 20,000,000.00.

AA. The Company provided joint and several liability guarantee for the credit agreement signed by Sichuan Oreintal Yuhong Waterproofing Engineering Co., Ltd. and Wuhou Sub-branch of Bank of Chengdu Co., Ltd., with the maximum debt limit of RMB 1,000,000.00. As of December 31, 2023, the short-term loan balance was RMB 1,000,000.00.

## (2) Overdue and Unpaid Short-term Loans

The total amount of overdue and unpaid short-term loans at the end of the current period is RMB 0.00, of which the significant overdue and unpaid short-term loans are as follows:

Unit: yuan

Borrowing Unit	Closing Balance	Borrowing Interest Rate	Overdue Time	Overdue Interest Rate

Other instructions:

**25. Trading Financial Liabilities**

Unit: RMB

Item	Closing Balance	Opening Balance
Of which:		
Of which:		

Other instructions:

**26. Derivative Financial Liabilities**

Unit: RMB

Item	Closing Balance	Opening Balance
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Other instructions:

**27. Notes Payable**

Unit: RMB

Type	Closing balance	Opening balance
Trade Acceptance Bills	167,540,199.88	
Bank Acceptance Bills	650,700,602.58	588,252,536.00
Total	818,240,802.46	588,252,536.00

At the end of the Reporting Period, the total amount of Notes Payable due but unpaid is 0.00RMB, the reason for unpaid maturity is.

**28. Accounts Payable****(1) Accounts Payable Presented**

Unit: RMB

Items	Closing balance	Opening balance
Loans	2,794,272,940.23	3,094,047,752.21
Engineering Equipment Fee	452,972,593.66	530,894,790.74
Freight	137,721,444.68	138,789,516.79



Labor Fees	63,599,860.36	117,703,464.53
Others	30,485,358.37	19,498,469.50
Total	3,479,052,197.30	3,900,933,993.77

## 29. Other Payables

Unit: RMB

Item	Closing Balance	Opening Balance
Dividends Payable	39,800.00	39,800.00
Other Payables	5,432,416,528.55	6,186,352,339.52
Total	5,432,456,328.55	6,186,392,139.52

### (1) Dividends Payable

Unit: RMB

Item	Closing Balance	Opening Balance
Common Stock Dividends	39,800.00	39,800.00
Total	39,800.00	39,800.00

Other instructions, including significant dividends payable that have not been paid for more than one year, should disclose the reasons for non-payment:

### (2) Other Payables

#### 1) Other payables presented according to the nature of payment

Unit: RMB

Item	Closing Balance	Opening Balance
Current Account	2,656,340,874.73	3,475,677,050.17
Deposit, Security Deposit	1,985,463,583.69	1,733,951,778.90
Project Payables	473,789,597.30	741,855,424.73
Restricted Shares Repurchase Obligation	116,526,334.92	120,297,413.72
Equity Acquisition Funds	139,036,995.40	49,838,195.40



Managed Government Project Funds	17,528,875.15	20,584,927.91
Other	43,730,267.36	44,147,548.69
Total	5,432,416,528.55	6,186,352,339.52

## 2) Other payables of the top five in the ending balance collected by the counterparty

Other instructions:

## 30. Contract Liabilities

Unit: RMB

Items	Closing balance	Opening balance
Loans	2,607,324,388.68	2,365,965,595.50
Project Funds	941,721,061.62	888,076,353.45
Consulting Fees	23,667,562.98	69,509,441.21
Total	3,572,713,013.28	3,323,551,390.16

Significant contractual liabilities with a history of more than one year

Unit: RMB

Items	Closing balance	Opening balance
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Significant Change Amount in Book Value during the Reporting Period and the Underlying Reason

Unit: RMB

Items	Change Amount	Reason for Change
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## 31. Employee Compensation Payable

### (1) Employee Compensation Payable Presented

Unit: RMB

Items	Opening balance	Amount Increased during the Current Period	Amount Decreased during the Current Period	Closing balance
I. Short-term Compensation	116,802,502.14	3,064,043,492.07	3,042,581,045.93	138,264,948.28



II. Post-resignation Benefits - Defined Contribution Plans	6,070,815.98	154,326,800.36	158,866,918.37	1,530,697.97
Total	122,873,318.12	3,218,370,292.43	3,201,447,964.30	139,795,646.25

**(2) Short-term Compensation Presented**

Unit: RMB

Items	Opening balance	Amount Increased during the Current Period	Amount Decreased during the Current Period	Closing balance
1. Salary, Bonus, Allowance and Subsidy	109,057,404.52	2,769,623,908.06	2,748,300,683.22	130,380,629.36
2. Employee Benefits		86,503,741.49	86,503,741.49	
3. Social Insurance Premiums	1,111,986.34	93,650,364.55	93,418,831.99	1,343,518.90
Of which:				
Medical Insurance Premium	719,999.20	83,531,983.55	83,080,390.47	1,171,592.28
Work Injury Insurance Premium	268,770.36	7,410,569.29	7,643,246.16	36,093.49
Maternity Insurance Premium	123,216.78	2,707,811.71	2,695,195.36	135,833.13
4. Housing Provident Fund	4,623,276.61	90,781,016.64	92,274,921.76	3,129,371.49
5. Labor Union Expenditure and Employee Education Fund	2,009,834.67	23,484,461.33	22,082,867.47	3,411,428.53
Total	116,802,502.14	3,064,043,492.07	3,042,581,045.93	138,264,948.28

**(3) Defined Contribution Plans Presented**

Unit: RMB

Items	Opening balance	Amount Increased during the Current Period	Amount Decreased during the Current Period	Closing balance
1. Basic Endowment Insurance Premium	5,422,703.28	149,145,498.70	153,354,059.35	1,214,142.63
2. Unemployment Insurance Premium	648,112.70	5,181,301.66	5,512,859.02	316,555.34
Total	6,070,815.98	154,326,800.36	158,866,918.37	1,530,697.97

Other Instructions:

**32. Taxes Payable**

Unit: RMB

Items	Closing balance	Opening balance
Value-added Tax	116,656,509.25	121,027,326.00
Corporate Income Tax	440,425,830.30	461,025,519.73
Individual Income Tax	25,421,625.25	24,706,976.67
Urban Maintenance and Construction Fee	7,848,545.75	7,902,003.88
Education Surcharge	5,744,432.02	5,797,184.29
Land Use Tax	3,504,768.10	2,101,436.86
House Property Tax	3,885,426.59	2,673,578.09
Others	2,953,258.17	2,451,835.66
Total	606,440,395.43	627,685,861.18

Other Instructions:

**33. Non-current Liabilities Due within One Year**

Unit: RMB



Items	Closing balance	Opening balance
Long-term Borrowings Due within One Year	267,589,357.57	548,575,638.88
Long-term Payables Due within One Year	1,460,000.00	2,976,803.07
Lease Liabilities Due Within One Year	28,361,416.15	26,806,633.37
Total	297,410,773.72	578,359,075.32

Other Instructions:

### 34. Other Current Liabilities

Unit: RMB

Items	Closing balance	Opening balance
Prepaid and Deferred Taxes	392,518,847.25	379,020,870.56
Total	392,518,847.25	379,020,870.56

Change Amount of Short-term Bonds Payable.

Unit: RMB

Bond Name	Face Value	Date of Issue	Bond Period	Amount Issued	Opening balance	Amount Issued during the Current Period	Interest Accrued based on Face Value	Amortization of Premiums and Discounts	Amount Repaid during the Current Period		Closing balance
Total	--	--	--								

Other Instructions:



### 35. Long-term Borrowings

#### (1) Long-term Borrowings Presented by Category

Unit: RMB

Items	Closing balance	Opening balance
Mortgage Loans	4,706,258.66	0.00
Guaranteed Loans	1,703,963,919.89	413,000,000.00
Debt of Honour		130,000,000.00
Accrued Interest		920,486.11
Total	1,708,670,178.55	543,920,486.11

Instructions on the classification of Long-term Borrowings:

(1) Guaranteed loans consist of the following parts:

A. Mr. Li Weiguo, the shareholder of the Company, provided joint and several liability guarantee for the credit agreement signed between the Company and Beijing Tongzhou Branch of China Construction Bank Corporation, with the maximum debt limit of RMB 1,300,000,000.00. As of December 31, 2023, the long-term loan balance was RMB 790,000,000.00.

B. The Company provided joint and several liability guarantee for the credit agreement signed by Changde Tiandingfeng Nonwovens Co., Ltd. and Changde Branch of China Construction Bank Corporation, with the maximum debt limit of RMB 200,000,000.00. As of December 31, 2023, the long-term loan balance was RMB 200,000,000.00.

C. The Company provided joint and several liability guarantee for the credit agreement signed between Yueyang Oriental Yuhong Waterproofing Technology Co., Ltd. and Yueyang Branch of China Construction Bank Corporation, with the maximum debt limit of RMB 800,000,000.00. As of December 31, 2023, the long-term loan balance was RMB 200,000,000.00.

D. The Company provided joint and several liability guarantee for the credit agreement signed by Henan Oriental Yuhong Building Materials Co., Ltd. and Puyang Hualong Sub-branch of Industrial and Commercial Bank of China Limited, with the maximum debt limit of RMB 200,000,000.00. As of December 31, 2023, the long-term loan balance was RMB 200,000,000.00, of which the long-term loan due within one year was RMB 20,000,000.00.

E. The Company provided joint and several liability guarantee for the credit agreement signed by Jingmen Oriental Yuhong Building Materials Co., Ltd. and Jingmen Duodao Sub-branch of China





Construction Bank Corporation, with the maximum debt limit of RMB 350,000,000.00. As of December 31, 2023, the long-term loan balance was RMB 150,000,000.00.

F. The Company provided joint and several liability guarantee for the credit agreement signed by Wuhu Oriental Yuhong Building Materials Co., Ltd. and Wuhu Chengjian Sub-branch of Industrial and Commercial Bank of China Limited, with the maximum debt limit of RMB 240,000,000.00. As of December 31, 2023, the long-term loan balance was RMB 100,000,000.00.

G. The Company provided joint and several liability guarantee for the credit agreement signed by Chuzhou Tiandingfeng Nonwovens Co., Ltd. and Chuzhou Shanghai Road Sub-branch of Bank of China Limited, with the maximum debt limit of RMB 80,000,000.00. As of December 31, 2023, the long-term loan balance was RMB 80,000,000.00, of which the long-term loan due within one year was RMB 80,000,000.00.

H. The Company provided joint and several liability guarantee for the credit agreement signed by Wuhu Oriental Yuhong Building Materials Co., Ltd. and Wuhu Sanshan Sub-branch of China Construction Bank Corporation, with the maximum debt limit of RMB 132,000,000.00. As of December 31, 2023, the long-term loan balance was RMB 80,000,000.00, of which the long-term loan due within one year was RMB 2,000,000.00.

I. The Company provided joint and several liability guarantee for the credit agreement signed by Wuhu Oriental Yuhong Building Materials Co., Ltd. and Sanshan Sub-branch of Wuhu Yangtze Rural Commercial Bank Co., Ltd., with the maximum debt limit of RMB 50,000,000.00. As of December 31, 2023, the long-term loan balance was RMB 37,000,000.00, of which the long-term loan due within one year was RMB 37,000,000.00.

J. The Company provided joint and several liability guarantee for the credit agreement signed by Hongshi (Jiangsu) New Material Technology Co., Ltd. and Yangzhou Branch of Bank of Jiangsu Co., Ltd., with the maximum debt limit of RMB 150,000,000.00. As of December 31, 2023, the long-term loan balance was RMB 5,963,900.

(2) Mortgage loans consist of the following parts:

Guangzhou Oriental Yuhong Real Estate Investment Co., Ltd. pledged the land jointly owned by Guangzhou Yuhong Real Estate Investment Co., Ltd., Guangzhou Woniushan Real Estate Investment Co., Ltd., Guangzhou Fudatec Real Estate Investment Co., Ltd., Guangzhou Tiandingfeng Real Estate Investment Co., Ltd., Guangzhou Qinggeng Real Estate Investment Co., Ltd., Guangzhou Hongyi Real Estate Investment Co., Ltd., Guangzhou VASA Real Estate Investment Co., Ltd., Guangzhou Bi'an Real Estate Investment Co., Ltd., Guangzhou Yanghe Real Estate Investment Co., Ltd. and Guangzhou Deaiwei Real Estate Investment Ltd. (Hereinafter



referred to as the ten companies), with the 100% equity of Guangdong Oriental Yuhong Real Estate Investment Co., Ltd. and the ten companies held by Oriental Yuhong Real Estate Co., Ltd. as the pledge. The total value of the pledge was RMB RMB 115,127,500.00; meanwhile, the ten companies provided joint and several liability guarantee for the credit agreement signed by Guangzhou Oriental Yuhong Real Estate Investment Co., Ltd. and Guangzhou Branch of China Minsheng Banking Corp., Ltd., which was a long-term loan contract with a principal of RMB 200,000,000.00. As of December 31, 2023, the long-term loan balance was RMB 4,706,300.00.

(3) Credit loans consist of the following parts:

The Company obtained a credit loan from Shanghai Branch of Korea Development Bank (China) Co., Ltd. As of December 31, 2023, the long-term loan balance was RMB 127,400,000.00, of which the long-term loan due within one year was RMB 127,400,000.00.

Other instructions: Including interest rate intervals:

### 36. Lease liabilities

Unit: RMB

Item	Closing balance	Opening Balance
Lease liabilities for operating leases	177,044,897.51	150,551,421.42
Total	177,044,897.51	150,551,421.42

Other instructions

Note: The amount of interest expense on lease liabilities accrued in 2023 was RMB 8,844,400, which was included in financial expenses - interest expense.

### 37. Long-term Payables

Unit: RMB

Items	Closing balance	Opening balance
Long-term Payables	52,560,000.00	54,020,000.00
Total	52,560,000.00	54,020,000.00

#### (1) Long-term Payables Presented by Nature

Unit: RMB

Items	Closing balance	Opening balance
Finance Lease Payable	52,560,000.00	54,020,000.00



Other instructions

### 38. Expected Liabilities

Unit: RMB

Items	Closing balance	Opening balance	Underlying Reason
External Guarantee	17,047,028.35	7,212,437.54	
Loss-making Contract to be Performed	41,859,924.66	29,233,621.51	
Total	58,906,953.01	36,446,059.05	

Other instructions, including relevant important assumptions and estimation instructions about key expected liabilities:

### 39. Deferred Income

Unit: RMB

Items	Opening balance	Amount Increased during the Current Period	Amount Decreased during the Current Period	Closing balance	Underlying Reason
Governmental Grants	610,423,884.71	132,458,918.00	53,070,539.78	689,812,262.93	See details in the Instructions
Total	610,423,884.71	132,458,918.00	53,070,539.78	689,812,262.93	--

Other instructions:

### 40. Share Capital

Unit: RMB

	Opening balance	Changes during the period (+/-)					Closing balance
		Stock issue	Bonus issue	Bonus issue from capital reserves	Other	Subtotal	
Total shares	2,518,464,191.00						2,518,464,191.00



Other Instructions:

#### 41. Capital reserves

Unit: RMB

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Capital premium (share premium)	10,343,307,289.62	32,030,270.42	45,928,653.42	10,329,408,906.62
Other capital reserves	378,185,993.92		285,408,252.05	92,777,741.87
Total	10,721,493,283.54	32,030,270.42	331,336,905.47	10,422,186,648.49

Other Instructions: Including changes in the current period, relevant reasons for the changes:

- (1) The Company converted the accumulated amortization of RMB 32,010,214.86 included in other capital reserves during the vesting period of equity-settled share-based payments of restricted stocks in previous years that have reached the unlocking period into capital reserve - stock premium;
- (2) The Company purchased 6.0909% equity of Hubei Yuhong Xingfa New Materials Co., Ltd. in the current period, and the difference between the purchase price and the net assets corresponding to the investment was RMB 20,055.56, which increased the capital reserve-capital stock premium.
- (3) The difference between the consideration paid by the Company for the purchase of the minority equity of Shanghai Yanghe New Material Technology Co., Ltd. in the current period and the share of net assets of the subsidiary calculated continuously from the date of purchase according to the proportion of new shareholdings is RMB 45,928,653.42, which reduced the capital reserve-capital stock premium;
- (4) The decrease in other capital reserves of the Company includes: firstly, the amortization expense included in the capital reserve during the vesting period of the equity-settled share-based payment is RMB 231,901,765.92 after deducting the amount affected by minority shareholders. Secondly, it is estimated that the pre-tax deductible amount in the future period would exceed the net decrease of RMB 21,496,271.27 in the cost and expense recognized during the waiting period.

#### 42. Treasury stock

Unit: RMB

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Treasury stock	1,121,608,787.15	122,468,908.78	1,885,539.40	1,242,192,156.53



Total	1,121,608,787.15	122,468,908.78	1,885,539.40	1,242,192,156.53
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Other instructions, including changes in the current period, relevant reasons for the changes:

- (1) The increase of treasury shares of the Company was the treasury shares of RMB 122,468,908.78 repurchased from the secondary market in the current period, which is used for writing off and reducing the registered capital of the Company.
- (2) The dividend of the Company reduced the treasury shares by RMB 1,885,539.40.
- (3) As of December 31, 2023, among the treasury shares of the Company, the repurchased shares amounted to RMB 1,123,780,282.21, and the obligation to repurchase restricted shares amounted to RMB 118,411,874.32.

### 43. Other comprehensive income

Unit: RMB

Item	Opening balance	Current period incurred						Closing balance
		Incurrance before income tax for the current period	Minus: included in other comprehensive income in previous period and transferred to profit and loss in the current period	Minus: included in other comprehensive income in previous period and transferred to retained income in the current period	Minus: Income tax expense	Attributable to parent company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive income that cannot be reclassified into profit and loss	24,439,635.10	- 52,312,798.49			- 7,819,324.11	- 44,533,903.91	40,429.53	- 20,094,268.81



Other comprehensive income that cannot be transferred to profit or loss under the equity method		-12,091.75				-12,091.75		-12,091.75
Changes in fair value of investments in other equity instruments	24,439,635.10	-52,300,706.74			7,819,324.11	-44,521,812.16	40,429.53	-20,082,177.06
II. Other comprehensive income that will be reclassified into profit or loss	-381,994.67	5,330,461.34				5,330,461.34		4,948,466.67
Translation differences between financial statement on foreign currencies	-381,994.67	5,330,461.34				5,330,461.34		4,948,466.67



Other comprehensive income	24,057,640.43	-46,982,337.15			-7,819,324.11	-39,203,442.57	40,429.53	-15,145,802.14
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Other instructions, including the adjustment of the effective part of the cash flow hedge profit and loss into the initial confirmation amount of the hedged item:

#### 44. Surplus reserves

Unit: RMB

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Statutory surplus reserves	543,872,112.34	48,137,587.05		592,009,699.39
Total	543,872,112.34	48,137,587.05		592,009,699.39

Other instructions concerning surplus reserve, including changes in the current period, relevant reasons for the changes:

#### 45. Undistributed profit

Unit: RMB

Item	Current period	Previous period
Undistributed profit at the end of the previous period before adjustment	14,122,557,990.99	12,904,011,418.14
Total amount of undistributed profit at the beginning of the adjustment period (increase denoted by "+", decrease denoted by "-")		584,936.81
Adjusted opening undistributed profit	14,122,557,990.99	12,904,596,354.95
Plus: Net profit attributable to owners of the parent company in current period	2,273,331,266.86	2,121,353,829.27
Minus: Withdrawal of statutory surplus reserves	48,137,587.05	150,878,603.93



Dividends payable on common stock	249,059,743.50	752,513,589.30
Undistributed profit at the end of the period	16,098,691,927.30	14,122,557,990.99

Breakdown of adjusted undistributed profit at the beginning of the period:

- 1) Due to the retrospective adjustment of the Accounting Standards for Enterprises and relevant new regulations, the undistributed profit at the beginning totaling RMB 0.00 was affected.
- 2) Due to the change of accounting policies, the undistributed profit at the beginning of the period totaling RMB 584,936.81 was affected.
- 3) Due to the correction of major accounting errors, the undistributed profit at the beginning of the period totaling RMB 0.00 was affected.
- 4) Due to changes in the scope of combination incurred by the same control, the undistributed profit at the beginning of the period totaling RMB 0.00 was affected.
- 5) Due to other adjustment, the undistributed profit at the beginning of the period totaling RMB 0.00 was affected.

#### 46. Operating income and costs

Unit: RMB

Item	Current period incurred		Previous period incurred	
	Income	Costs	Income	Costs
Main business	32,165,234,847.29	23,117,115,381.54	30,354,915,150.02	22,418,697,608.92
Other business	657,293,261.13	617,745,548.60	858,920,096.22	752,795,743.79
Total	32,822,528,108.42	23,734,860,930.14	31,213,835,246.24	23,171,493,352.71

Regarding the audited net profit before and after deduction of non-recurring profit and loss, is the lower figure of them negative?

Yes  No

Breakdown information of operating income and operating costs:

Unit: RMB

Contract Type	Breakdown 1	Breakdown 2		Total





Commodity Type				
Of which:				
By business area				
Of which:				
By market or client				
Of which:				
Contract type				
Of which:				
By commodity transfer time				
Of which:				
By contract term				
Of which:				
By sales channel				
Of which:				
Total				

Information relating to performance obligations:



Item	Time for performance of the performance obligation	Important payment terms	The nature of the goods which the company undertakes to transfer	Whether it is the main responsible person	Amounts assumed by the Company which are expected to be refunded to the Customer	Types of Quality Assurance Provided by the Company and Related Obligations
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Other instructions:

The Company's sale of waterproof products is a performance obligation at a certain point in time. The waterproofing engineering construction services and architectural design services provided by the Company belong to the performance obligations performed within a certain period of time.

Information related to the transaction price allocated to the remaining performance obligations:

At the end of the reporting period, the amount of revenue corresponding to the performance obligations that have been signed but have not been performed or completed is RMB 15,756,788,931.94, of which RMB X is expected to be recognized in the year of X, RMB X expected to be recognized in the year of X, and RMB X is expected to be recognized in the year of X.

Information about variable consideration in the contract:

Major contract changes or major transaction price adjustments

Unit: RMB

Item	Accounting Method	Affected Income
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Other instructions:

## (2) Operating Income by Product Type

Main Product Type	Current period incurred	Previous period incurred
Waterproof Products	28,920,393,455.11	25,952,172,197.61
Engineering Construction Services	3,244,841,392.18	4,402,742,952.41
Materials Sales	657,293,261.13	858,920,096.22
<b>Total</b>	<b>32,822,528,108.42</b>	<b>31,213,835,246.24</b>

## (3) Operating Income by Area



Main Operating Areas	Current period incurred	Previous period incurred
Chinese Mainland	32,112,280,934.66	30,747,830,216.05
Hong Kong and Macao	7,466,050.67	9,784,828.86
Other Countries or Regions	702,781,123.09	456,220,201.33
<b>Total</b>	<b>32,822,528,108.42</b>	<b>31,213,835,246.24</b>

## (4) Operating Income by Commodity Transfer Time

Main Operating Revenue:	Current period incurred	Previous period incurred
Of which: Recognized at a certain point	28,676,326,248.83	25,845,804,803.21
Recognized during a certain period	3,488,908,598.46	4,509,110,346.81
<b>Other Operating Revenue</b>	657,293,261.13	858,920,096.22
<b>Total</b>	<b>32,822,528,108.42</b>	<b>31,213,835,246.24</b>

## 47. Taxes and surcharges

Unit: RMB

Item	Current period incurred	Previous period incurred
urban maintenance and construction tax	76,925,543.66	86,607,790.28
education surcharge	62,174,516.08	67,759,232.97
Property tax	50,729,459.57	28,362,068.94
Land use tax	29,616,944.61	23,146,735.42
Stamp duty	55,576,654.56	40,015,672.23
Others	7,817,211.39	6,875,886.69
<b>Total</b>	<b>282,840,329.87</b>	<b>252,767,386.53</b>

Other instructions:

**48. Administrative expenses**

Unit: RMB

Item	Current period incurred	Previous period incurred
Employee compensation	1,056,818,757.70	1,139,371,456.61
Equity incentive	-236,381,903.42	87,824,518.62
Depreciation and amortization	232,758,786.13	190,985,490.50
Consulting fees	94,605,361.09	100,864,491.02
Business Hospitality	69,444,788.19	58,279,553.45
Travel expenses	59,588,088.98	29,693,118.93
Rent and heating charges	57,287,316.96	24,216,439.39
Office expenses	55,289,102.35	47,600,893.82
Fuel power cost	22,204,941.39	16,130,445.22
Testing expenses	12,347,444.38	10,724,251.81
Vehicle expenses	9,093,192.59	6,923,437.59
Others	106,372,713.08	82,249,524.08
<b>Total</b>	<b>1,539,428,589.42</b>	<b>1,794,863,621.04</b>

Other instructions:

**49. Selling expenses**

Unit: RMB

Item	Current period incurred	Previous period incurred
Employee compensation	1,373,598,946.76	1,382,066,785.33
Transportation and handling charges	575,799,091.83	411,856,535.09
Consulting fees	324,192,953.19	270,710,430.49
Advertising fees	278,654,141.85	263,887,690.57
Travel expenses	109,918,890.44	71,522,636.60
Business Hospitality	93,777,077.46	106,142,404.82
Material consumption	40,413,080.12	34,137,064.81



Warehouse expenses	35,768,982.80	24,285,723.51
Conference expenses	19,175,442.06	5,273,519.29
Depreciation and amortization	14,240,418.60	12,668,930.39
Vehicle usage fee	13,715,962.83	4,750,100.65
Rent and property expenses	13,475,368.95	9,656,986.04
Office expenses	11,721,632.13	13,719,061.74
Others	73,726,447.62	47,000,503.13
<b>Total</b>	<b>2,978,178,436.64</b>	<b>2,657,678,372.46</b>

Other instructions:

### 50. R&D expenses

Unit: RMB

Item	Current period incurred	Previous period incurred
Employee compensation	271,506,208.57	255,598,896.05
Material expenses	231,080,371.50	214,119,199.27
Depreciation	26,768,536.45	17,432,163.86
Process equipment development and manufacturing costs	18,480,044.46	15,328,204.58
Patent royalties	14,153,791.33	13,250,431.68
Fuel power cost	6,446,722.93	4,775,624.48
Office expenses	4,687,164.79	4,413,702.67
Testing and laboratory processing cost	1,665,583.46	1,498,947.61
Others	30,862,663.95	29,898,766.91
<b>Total</b>	<b>605,651,087.44</b>	<b>556,315,937.11</b>

Other instructions:

### 51. Financial expenses

Unit: RMB



Item	Current period incurred	Previous period incurred
Interest Expenditure	126,722,473.01	197,928,387.12
Minus: Capitalization of interest	-105,017.32	-735,388.89
Interest income	-52,252,700.91	-71,272,385.61
Profit and loss on exchange	-12,574,186.41	17,602,736.06
Procedure fees and others	66,771,454.20	101,707,471.62
<b>Total</b>	<b>128,562,022.57</b>	<b>245,230,820.30</b>

Other instructions:

## 52. Other gains

Unit: RMB

Sources of other gains	Current period incurred	Previous period incurred
Government Subsidy	488,504,188.38	451,524,545.13
Others	810,559.98	1,097,112.79
<b>Total</b>	<b>489,314,748.36</b>	<b>452,621,657.92</b>

## 53. Income on changes in fair value

Unit: RMB

Sources of income from changes in fair value	Current period incurred	Previous period incurred
Trading financial assets	-914,595.62	2,000,270.00
Other non-current financial assets	-10,015,857.64	-6,868,836.98
<b>Total</b>	<b>-10,930,453.26</b>	<b>-4,868,566.98</b>

Other instructions:

## 54. Investment income

Unit: RMB

Item	Current period incurred	Previous period incurred
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Income from long-term equity investments accounted with the equity method	3,101,561.19	6,433,503.63
Investment income from disposal of long-term equity investments	2,698,711.44	-83,492.57
Investment income of trading financial assets during the holding period	17,484,820.63	6,384,843.30
Investment income from disposal of trading financial assets	572,897.66	
Dividend income from investments in other equity instruments during the holding period	149,356.03	
Investment income obtained during holding other non-current financial assets	2,154,103.97	8,267,479.21
Investment gains from the disposal of other non-current financial assets		8,535,499.59
Investment gains from disposal of financial assets	-71,564,730.67	-41,498,847.39
Total	-45,403,279.75	-11,961,014.23

Other instructions:

## 55. Credit impairment loss

Unit: RMB

Item	Current period incurred	Previous period incurred
Bad debt losses on notes receivable	-7,437,433.46	13,668,606.43
Bad debt losses on accounts receivable	-572,298,825.56	-223,891,484.06
Loss on bad debts of other receivables	-163,131,125.00	-97,461,752.56



Others	-9,834,590.81	-7,212,437.54
Total	-752,701,974.83	-314,897,067.73

Other instructions:

### 56. Asset impairment loss

Unit: RMB

Item	Current period incurred	Previous period incurred
I. Loss on decline in value of inventories and impairment loss on contract performance costs	-224,418.39	-2,968,716.16
XI. Contract asset impairment losses	-89,522,339.32	-74,796,423.51
XII.Other	-196,356,214.12	
Total	-286,102,971.83	-77,765,139.67

Other instructions:

### 57. Income on disposal of assets

Unit: RMB

Sources of income from disposal of assets	Current period incurred	Previous period incurred
Gains on disposal of fixed assets (losses are denoted by "-")	1,338,374.07	390,865.78

### 58. Non-operating income

Unit: RMB

Item	Current period incurred	Previous period incurred	Amount included in current non-recurring profit and loss
Profit on retirement of fixed assets	12,440,857.78	6,552,042.60	12,440,857.78
Fines and others	35,554,314.69	53,175,456.38	35,554,314.69
Total	47,995,172.47	59,727,498.98	47,995,172.47





Other instructions:

## 59. Non-operating expenses

Unit: RMB

Item	Current period incurred	Previous period incurred	Amount included in current non-recurring profit and loss
External donation	5,566,693.70	2,166,660.30	5,566,693.70
Loss on retirement of fixed assets	11,529,316.06	22,424,032.24	11,529,316.06
Fines and late fees	14,431,419.47	2,735,251.37	14,431,419.47
Other	11,519,329.03	8,013,691.08	11,519,329.03
Total	43,046,758.26	35,339,634.99	43,046,758.26

Other instructions:

## 60. Income tax expenses

### (1) Income tax expense chart

Unit: RMB

Item	Current period incurred	Previous period incurred
Current income tax expenses	938,497,521.14	766,742,156.51
Deferred tax expenses	-272,003,976.04	-282,233,470.63
Total	666,493,545.10	484,508,685.88

### (2) Accounting profit and income tax expense adjustment process

Unit: RMB

Item	Current period incurred
Total profit	2,953,469,569.31
Income tax expense at statutory/applicable rates	443,020,435.40
Impact of different tax rates applied to subsidiaries	187,088,889.49



Impact of adjusting income taxes for prior periods	-3,606,945.02
Impact of non-deductible costs, expenses and losses	16,699,421.64
Impact of using deductible losses on unrecognized deferred tax assets in prior periods	-28,682,743.64
Impact of deductible temporary differences or deductible losses on unrecognized deferred tax assets in current period	92,438,596.48
Profit and loss of joint ventures and associates accounted in the equity method	-465,234.18
Impact of changes in tax rates on opening deferred income tax balance	10,272,435.54
Tax impact of the research and development fee with deduction (denoted by "-")	-50,271,310.61
Income tax expenses	666,493,545.10

Other instructions:

## 61. Other Comprehensive Income

See details in the Notes.

## 62. Cash flow statement items

### (1) Cash received from other operation-related activities

Statement on cash received from other operation-related activities

Unit: RMB

Item	Current period incurred	Previous period incurred
Account Current	340,710,604.79	1,303,664,383.95
Government subsidies and incentives	521,140,382.95	507,013,785.79
Fines and others	88,617,575.58	99,012,111.58
Restricted margin	157,611,814.38	312,401,641.58
Total	1,108,080,377.70	2,222,091,922.90

Statement on cash received from other operation-related activities



None

## Statement on cash received from other operation-related activities

Unit: RMB

Item	Current period incurred	Previous period incurred
Out-of-pocket expenses	2,047,672,236.02	1,825,077,479.55
Account current	1,634,394,324.24	1,167,476,643.42
Damages from litigation	7,377,862.50	
Fines and late fees etc.		19,736,914.09
Donation expenses	14,431,419.47	2,735,251.37
Restricted funds	5,566,693.70	2,166,660.30
Escrow funds and others	1,586,803.29	83,364,381.50
Others	78,290,783.23	29,540,774.21
<b>Total</b>	<b>3,789,320,122.45</b>	<b>3,130,098,104.44</b>

## Statement on cash received from other operation-related activities

None

**(2) Cash received from other investment-related activities**

## Statement on cash received from other investment-related activities

Unit: RMB

Item	Current period incurred	Previous period incurred
Borrowing	1,448,315,000.00	1,107,000,000.00
Interest income	20,474,329.00	25,387,730.41
<b>Total</b>	<b>1,468,789,329.00</b>	<b>1,132,387,730.41</b>

## Significant cash received from investment activities

Unit: RMB

Item	Current period incurred	Previous period incurred
None		



## Statement on cash received from other investment-related activities

None

## Statement on cash paid for other investment-related activities

Unit: RMB

Item	Current period incurred	Previous period incurred
Borrowing	1,000,000,000.00	2,757,000,000.00
Total	1,000,000,000.00	2,757,000,000.00

## Significant cash paid for investment activities

Unit: RMB

Item	Current period incurred	Previous period incurred
None		

## Statement on cash paid for other investment-related activities

None

**(3) Cash received from other activities related to fund-raising**

## Statement on cash received from other activities related to fund-raising:

Unit: RMB

Item	Current period incurred	Previous period incurred
Loan margin	0.00	530,000,000.00
Factoring	204,843,821.68	360,180,745.00
Total	204,843,821.68	890,180,745.00

## Statement on cash received from other activities related to fund-raising:

None

## Statement on cash paid for other activities related to fund-raising

Unit: RMB

Item	Current period incurred	Previous period incurred
Restricted share repurchase	122,468,908.78	938,102,354.13



Factoring	360,180,745.00	0.00
Borrowing	530,000,000.00	0.00
Lease liabilities	42,040,960.60	38,070,774.73
<b>Total</b>	<b>1,054,690,614.38</b>	<b>976,173,128.86</b>

#### Statement on cash paid for other activities related to fund-raising

None

#### Changes in liabilities arising from financing activities

Applicable Not applicable

Unit: RMB

Item	Opening Balance	Increase in Current Period		Decrease in the Current Period		Closing Balance
		Changes in Cash	Non-cash Movements	Changes in Cash	Non-cash Movements	
Short-term Loan	6,254,330,925.83	8,600,227,064.49	1,797,413.23	9,854,330,925.83	3,400,000.00	4,998,624,477.72
Long-term Loan	1,092,496,124.99	1,730,670,178.55	1,189,357.57	848,096,124.99		1,976,259,536.12
Lease Liabilities	177,358,054.79	52,115,603.20	17,973,616.31	42,040,960.60		205,406,313.70
<b>Total</b>	<b>7,524,185,105.61</b>	<b>10,383,012,846.24</b>	<b>20,960,387.11</b>	<b>10,744,468,011.42</b>	<b>3,400,000.00</b>	<b>7,180,290,327.54</b>

#### (4) Major activities and financial impacts that do not involve current cash receipts and payments, but affect the financial position of the enterprise or may affect the cash flow of the enterprise in the future

None

### 63. Supplementary information to cash flow statement

#### (1) Supplementary information to cash flow statement

Unit: RMB

Supplementary information	Amount in current period	Amount in previous period



1. Adjusting net profit to cash flow of operating activities:		
Net profit	2,286,976,024.21	2,118,885,669.29
Plus: asset impairment reserve	1,038,804,946.66	392,662,207.40
Depreciation of fixed assets and productive biological assets, consumption of oil and gas assets	810,151,229.27	710,216,388.08
Depreciation of right-of-use assets	26,633,180.89	38,635,850.64
Amortization of intangible assets	55,391,663.21	47,261,324.24
Amortization of long-term unamortized expenses	55,808,303.89	17,526,550.71
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains denoted by a "-")	-1,338,374.07	-390,865.78
Fixed asset scrap losses (gains are denoted by a "-")	-911,541.72	15,871,989.64
Loss on changes in fair value (gains denoted by a "-")	10,930,453.26	4,868,566.98
Financial expenses (gains denoted by a "-")	126,617,455.69	190,148,173.14
Investment losses (gains denoted by a "-")	45,403,279.75	11,961,014.23
Decrease in deferred income tax assets (increase denoted by a "-")	-270,597,191.22	-268,347,479.49
Increase in deferred income tax liability (decrease denoted by a "-")	-1,406,784.80	-13,885,991.14



Decrease in inventory (increase denoted by a "-")	-937,930,264.30	-144,849,531.36
Decrease in operating receivables (increase denoted by a "-")	-813,172,733.75	-2,370,007,987.26
Increase in operating payables (decrease denoted by a "-")	-247,805,115.03	-413,404,894.05
Other	-80,356,892.33	316,861,778.69
Net cash flow from operating activities	2,103,197,639.61	654,012,763.96
2 Significant investment and fund- raising activities that do not involve cash receipts and disbursements:		
Debt to Capital		
Convertible corporate bonds maturing within one year		
Financing lease into fixed Fixed Assets		
New right-of-use assets	65,160,922.86	26,428,061.21
3. Net changes in cash and cash equivalents:		
Closing balance of cash		
Minus: Opening balance of cash	9,740,507,537.27	14,858,317,762.67
Plus: Closing balance of cash equivalents	8,476,816,459.18	9,740,507,537.27
Minus: Opening balance of cash equivalents		
Net increase of cash and cash equivalents:	-1,263,691,078.09	-5,117,810,225.40

**(2) Net cash received from the disposal of subsidiaries in current period**

Unit: RMB

	Amount
Cash or cash equivalents received from the disposal of subsidiaries in current period	194,639,800.00
Of which	
Sichuan Oriental Yuhong Building Materials Co., Ltd.	194,639,800.00
Minus: cash and cash equivalents held by the company on the date of purchase	11,783,013.73
Of which	
Sichuan Oriental Yuhong Building Materials Co., Ltd.	11,783,013.73
Net cash paid for acquisition of subsidiaries	182,856,786.27
Plus: cash or cash equivalents paid in the current period for business combinations in previous periods	0.00
Of which	
	0.00
Net cash paid for acquiring subsidiaries	182,856,786.27

Other instructions:

None

**(3) Net cash received from disposal of subsidiaries in the current period**

Unit: RMB

	Amount
Cash or cash equivalents received from disposal of subsidiaries in the current period	19,859,163.71
Of which:	
Shanghai Wealter New Material Co., Ltd	4,622,000.00
Deyang Hongde Real Estate Co., Ltd.	1,000,000.00





Xinjiang Oreital Yuhong Renovation Engineering Co., Ltd.	1,040,816.33
Shanghai Oriental Yuhong Building Renovation Co., Ltd.	6,574,147.38
Chongqing Oriental Yuhong Building Renovation Technology Co., Ltd.	510,000.00
Tianjin Oreital Yuhong Renovation Engineering Co., Ltd.	510,000.00
Jilin Oreital Yuhong Building Renovation Engineering Co., Ltd.	510,000.00
Zhengzhou Oreital Yuhong Renovation Engineering Co., Ltd.	1,530,000.00
Hangzhou Oreital Yuhong Urban Renewal Construction Co., Ltd.	0.00
Oreital Yuhong (Beijing) Renovation Engineering Co., Ltd.	0.00
Hainan Gufeng Building Materials Technology Co., Ltd.	3,562,200.00
Minus: Cash and cash equivalents held by subsidiaries on the date of loss of control	5,132,050.30
Of which:	
Shanghai Wealter New Material Co., Ltd	1,085,657.55
Deyang Hongde Real Estate Co., Ltd.	122,816.60
Xinjiang Oreital Yuhong Renovation Engineering Co., Ltd.	11,213.00
Shanghai Oriental Yuhong Building Renovation Co., Ltd.	17,513.05
Chongqing Oriental Yuhong Building Renovation Technology Co., Ltd.	35,588.13
Tianjin Oreital Yuhong Renovation Engineering Co., Ltd.	372.32
Jilin Oreital Yuhong Building Renovation Engineering Co., Ltd.	172,082.11



Zhengzhou Oreintal Yuhong Renovation Engineering Co., Ltd.	2,562,217.86
Hangzhou Oreintal Yuhong Urban Renewal Construction Co., Ltd.	3,956.19
Oreintal Yuhong (Beijing) Renovation Engineering Co., Ltd.	999,937.50
Hainan Gufeng Building Materials Technology Co., Ltd.	120,695.99
Plus: cash or cash equivalents received in the current period from disposal of subsidiaries in the previous period	0.00
Of which:	
	0.00
Net cash received from disposal of subsidiaries	14,727,113.41

Other instructions:

None

#### (4) Composition of cash and cash equivalents

Unit: RMB

Item	Closing balance	Opening balance
I. Cash		9,740,507,537.27
of which: cash on hand	3,089,742.26	2,248,492.06
Bank deposits readily available for payment	8,382,752,951.09	9,738,259,045.21
Other monetary funds available for payment at any time	90,973,765.83	
II. Cash equivalents	8,476,816,459.18	
III. Closing balance of cash and cash equivalents	8,476,816,459.18	9,740,507,537.27



Of which: cash and cash equivalents with restricted use by the parent or subsidiaries within the Group	0.00	0.00
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## 64. Foreign currency monetary items

### (1) Foreign currency monetary items

Unit: RMB

Item	Closing balance of foreign currencies	Conversion rate	Converted RMB Closing balance
Monetary Funds			
Among which: USD	27,560,813.15	7.0827	195,204,971.30
EUR	1,015,817.78	7.8592	7,983,515.10
HKD	1,434,479.84	0.9062	1,299,925.63
GBP	1,405,334.14	9.0411	12,705,766.49
CAD	21,655,244.51	5.3673	116,230,193.86
Ringgit	9,462,984.87	1.5415	14,587,191.18
JPY	960,000.00	0.0502	48,192.00
Accounts Receivable			
Among which: USD	11,427,945.10	7.0827	80,940,706.76
EUR	645,421.82	7.8592	5,072,499.17
HKD			
GBP	119,067.36	9.0411	1,076,499.91
Long-term borrowings			
Among which: USD			
EUR			
HKD			



Other Receivables			
Among which: USD	6,322,007.03	7.0827	44,776,879.19
EUR	1,307,397.43	7.8592	10,275,097.88
HKD	10,777.93	0.9062	9,766.96
CAD	19,230.28	5.3673	103,214.68
SGD	10.63	5.3772	57.16
Payables			
Among which: USD	794,596.10	7.0827	5,627,885.80
EUR	7,398,624.11	7.8592	58,147,266.61
HKD	13,550.00	0.9062	12,279.01
Other Payables			
Among which: USD	3,561.65	7.0827	25,226.10
EUR	778,408.53	7.8592	6,117,668.32
HKD	9,819.62	0.9062	8,898.54
SGD	1,748.00	5.3772	9,399.35

Other instructions:

**(2) Instructions on the overseas operating entity, including the disclosure of the main overseas operating place, the bookkeeping base currency and the basis for selection for the important overseas operating entity, and the disclosure of the reasons for the change of the bookkeeping base currency.**

Applicable Not applicable

### VIII. R&D Expenditures

Unit: RMB

Item	Amount in the Current Period	Amount in the Previous Period
Employee compensation	271,506,208.57	255,598,896.05
Material expenses	231,080,371.50	214,119,199.27
Depreciation expenses	26,768,536.45	17,432,163.86



Process equipment development and manufacturing expenses	18,480,044.46	15,328,204.58
Patent fee	14,153,791.33	13,250,431.68
Fuel and power costs	6,446,722.93	4,775,624.48
Office allowance	4,687,164.79	4,413,702.67
Testing and laboratory processing fees	1,665,583.46	1,498,947.61
Other	30,862,663.95	29,898,766.91
<b>Total</b>	<b>605,651,087.44</b>	<b>556,315,937.11</b>
Of which: Expensed R&D expenditures	605,651,087.44	556,315,937.11
Capitalized R&D expenditures	0.00	0.00

### 1. R&D projects eligible for capitalization

Unit: RMB

Item	Opening Balance	Amount Increased in the Current Period			Amount Decreased in the Current Period			Closing Balance
		Internal development expenditure	Other		Recognized as intangible assets	Included in profit or loss for the current period		
<b>Total</b>								

### Significant capitalized R&D projects

Item	R&D Progress	Estimated time of completion	Estimated economic benefits generation way	Start time of capitalization	Specific basis for starting capitalization



None					
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### Depreciation reserves for R&D expenditures

Unit: RMB

Item	Opening Balance	Amount Increased in the Current Period	Amount Decreased in the Current Period	Closing Balance	Impairment Test
None					

## 2. Significant Outsourced R&D Projects

Project Name	Estimated economic benefits generation way	Criteria and specific basis of capitalization or expensing
None		

Other instructions:

None

## IX. Changes in acquisition

### 1. Business combinations not under the same control

#### (1) Business acquisitions not under the same control in the current period

Unit: RMB

Name of the acquiree	Time point of equity acquisition	Cost of equity acquisition	Proportion of equity acquisition	Equity acquisition method	Acquisition date	Determination basis of acquisition date	Income of the acquiree from the acquisition date to the end of the period	Net profit of the acquiree from the acquisition date to the end of the period	Name of the acquiree
Sichuan Building Materials	August 1st, 2023	194,639,800.00	51.00%	Cash	August 1st, 2023	Completion of equity delivery	69,948,605.14	4,395,770.87	1,513,783.00



Other instructions:

## (2) Goodwill and merger costs

Unit: RMB

Merger Cost	Sichuan Building Materials Company
--Cash	194,639,800.00
--Fair value of non cash assets	
--Fair value of debt issued or assumed	
--Fair value of equity securities issued	
--Fair value of contingent consideration	
--Fair value of equity held before the acquisition date on the acquisition date	164,680,074.28
--Others	
Total Merger Costs	359,319,874.28
Minus: fair value share of identifiable net assets obtained	165,028,390.13
Amount of goodwill / merger cost less than the fair value share of identifiable net assets obtained	194,291,484.15

Instructions on determination method of fair value of merger cost, contingent consideration and its changes:

Main reasons for the formation of large goodwill:

Other instructions:

## (3) Identifiable assets and liabilities of the acquiree on the acquisition date

Unit: RMB

	Fair value on acquisition date	Book value on acquisition date
Assets:		
Monetary Funds	11,783,013.73	11,783,013.73



Accounts receivable	29,949,704.47	29,949,704.47
stock	15,931,080.01	15,931,080.01
Fixed assets	207,427,769.76	178,223,169.76
Intangible assets	60,986,680.26	33,093,480.26
Other non-current assets	27,168,402.77	27,168,402.77
Construction in process	82,434.81	82,434.81
Liabilities:		
Loans		
Accounts payable	45,728,207.35	45,728,207.35
Deferred tax liability	8,564,670.00	
Other payables	134,007,818.33	134,007,818.33
Net assets	165,028,390.13	116,495,260.13
Minus: minority shareholders' equity		
Net assets acquired	165,028,390.13	116,495,260.13

Determination method of fair value of identifiable assets and liabilities:

Contingent liabilities of the acquiree undertaken in business combination:

Other instructions:

**(4) Gains or losses arising from the remeasurement of equity held before the purchase date at fair value**

Is there any transaction in which the business combination is achieved in stages through multiple transactions and control is obtained during the reporting period?

Yes  No

**(5) Instructions on the merger consideration or the fair value of the acquiree's identifiable assets and liabilities that cannot be reasonably determined on the acquisition date or at the end of the current period of merger.**

**(6) Other instructions:**





## 2. Business combinations under the same control

### (1) Business combinations under the same control that occurred in the current period

Unit: RMB

Name of merged party	Proportion of equity obtained in business combination	Basis for a business combination under the same control	Merger date	Basis for determination of merger date	Income of the merged party from the beginning of the current period to the date of merger	Net profit of the merged party from the beginning of the current period to the date of merger	Income of the merged party during the comparison period	Net profit of the merged party during the comparison period

Other instructions:

### (2) Merger cost

Unit: RMB

Merger costs	
--Cash	
--Book value of non-cash assets	
--Book value of debt issued or assumed	
--Face value of the equity securities issued	
--Contingent consideration	

Instructions on the contingent consideration and its changes:

Other instructions:

### (3) Book value of the assets and liabilities of the merged party on the merger date

Unit: RMB

	Merger date	End of last period



Assets:		
Money funds		
Accounts receivable		
Inventory		
Fixed assets		
Intangible assets		
Liabilities:		
Loan		
Accounts payable		
Net assets		
Less: Minority interests		
Net assets acquired		

Contingent liabilities of the merged party assumed in a business merger:

Other instructions:

### 3. Reverse purchase

Basic information of the transaction, the basis for the transaction constituting a reverse purchase, whether the assets and liabilities retained by the listed company constitute a business and their basis, the determination of the merger cost, the amount of equity adjustment when dealing with equity transactions and its calculation:

### 4. Disposal of subsidiaries

Are there any transactions or events that result in the loss of control of subsidiaries during the current period?

Yes No



Unit: RMB

Subsidiary name	Disposal price when control is lost	Disposal ratio when control is lost	Disposal method when control is lost	Time when control is lost	Basis for judging when control is lost	Difference between the disposal price and the share of the subsidiary's net assets in the consolidated financial statement corresponding to the disposal investment	Proportion of remaining equity on the date of loss of control	Book value of remaining equity in the consolidated financial statement on the date of loss of control	Fair value of the remaining equity in the consolidated financial statement on the date of loss of control	Gains or losses arising from remeasurement of remaining equity at fair value	Method and main assumptions for determining the fair value of remaining equity in the consolidated financial statement on the date of loss of control	Amount of other comprehensive income related to the equity investment of the original subsidiary transferred to investment profits and losses or retained earnings
Shanghai Weiertai New Material Co.,Ltd	4,622,000.00	46.22%	Equity transfer	November 01, 2023	Equity delivery completed	4,898,419.77	45.78%	4,678,381.41	4,578,000.00	-100,381.41	Confirmed based on the equity transfer price	



Other instructions:

Is there any case that investments in subsidiaries are disposed of in stages through multiple transactions and control is lost in the current period?

Yes  No

## 5. Changes in consolidation scope due to other reasons

Explain the changes in the scope of consolidation caused by other reasons (such as new subsidiaries, liquidation of subsidiaries, etc.) and the relevant information:

Newly established subsidiaries in 2023: Qingyuan Boyu Real Estate Investment Co., LTD., Changdao Oriental Yuhong Waterproof Technology Co., LTD., Wuhan Oriental Yuhong Jinghong Technology Engineering Co., LTD., ORIENTAL YUHONG INVESTMENT (SINGAPORE) PTE. LTD. 、 Inner Mongolia Oriental Yuhong New Material Co., LTD., Oriental Yuhong Home Furnishing Technology Co., LTD., and Zhejiang Oriental Yuhong Waterproof Technology Co., LTD.

Subsidiaries cancelled or disposed of in 2023: Zhejiang Oriental Yuhong Technology Development Co., LTD., Shanghai Weltai New Materials Co., LTD.

## 6. Others

None

## X. Interest in other entities

### 1. Interest in subsidiaries

#### (1) Composition of business groups

Unit: RMB

Names of subsidiaries	Registered capital	Main operation base	Place of registry	Nature of business	Ratio of shareholding		Method of acquisition
					Direct	Indirect	
Beijing Oriental Yuhong waterproof engineering Co., Ltd	50,000,000.00	Beijing	Beijing	Waterproofing engineering and construction	100.00%	0.00%	①



Xiongan Dongfang Yuhong Construction Technology Co., Ltd	100,000,000.00	Hebei Province	Xiongan City, Hebei Province	Research and development of building materials, sales of waterproof anti-corrosion insulation engineering services, building decoration engineering construction services	100.00%	0.00%	①
Liaoning Oriental Yuhong Construction Technology Co., Ltd	50,000,000.00	Liaoning Province	Shenyang City, Liaoning Province	All kinds of engineering construction activities, import and export of goods technology, production and sales of waterproof and anticorrosive building materials	100.00%	0.00%	①



Henan Oriental Yuhong building Materials Technology Co., Ltd	50,000,000.00	Henan Province	Zhengzhou City, Henan Province	Building waterproof coil product manufacturing and sales, anticorrosive material sales, paint sales, paint manufacturing	100.00%	0.00%	①
Tianjin Oriental Yuhong waterproof engineering Co., Ltd	50,000,000.00	Tianjin City	Tianjin City	Building waterproof material sales and engineering construction	100.00%	0.00%	②
Tianjin Oriental Yuhong New Material Technology Co., Ltd	50,000,000.00	Tianjin City	Tianjin City	Waterproof and anticorrosive materials, insulation materials development , manufacturing and sales, waterproof construction, technical consulting and services, import and export of self-operated and agent goods and technologies	100.00%	0.00%	①



Tianjin Hongzhi New Material Co., Ltd	10,000,000.00	Tianjin City	Tianjin City	Sales of waterproof materials, anti-corrosion materials, thermal insulation materials, building materials and construction equipment	100.00%	0.00%	①
Zhongke Jiantong Engineering Technology Co., Ltd	100,000,000.00	Beijing	Beijing	Technical development , sales of building materials, decorative materials, labor subcontracting	100.00%	0.00%	①



Shanghai Honghao New material Co., Ltd	50,000,000. 00	Shanghai	Shanghai	Technology development , technical consultation, technology transfer, technical exchange, technical service and technology promotion in the field of waterproof material science and technology and new material science and technology	100.00%	0.00%	①
Starshine (Beijing) Building Materials Testing Co., Ltd.	10,000,000. 00	Beijing	Beijing	Building waterproof material testing and testing technology development and promotion	100.00%	0.00%	①





Beijing Wuzhou Tuyuan Import and Export Trade Co., Ltd	100,000,000 .00	Beijing	Beijing	Sales of goods, import and export of technology, import and export of goods, consulting, warehousing	100.00%	0.00%	②
Beijing Shunyi District Oriental Yuhong vocational skills training school	5,000,000.0 0	Beijing	Beijing	Business training	100.00%	0.00%	①
Beijing Oriental Yuhong Anticorrosio n Technology Co., Ltd	30,927,835. 00	Beijing	Beijing	Technology development Technology consulting Technology transfer Technology services Sales of anti- corrosion materials, building materials, decorative materials, machinery and equipment	67.90%		①



Shanghai Oriental Yuhong Waterproof Technology Co., Ltd	160,000,000.00	Shanghai	Shanghai	Waterproof and anticorrosive materials, thermal insulation materials development manufacturing sales construction	99.69%		①
Oriental Yuhong (Shanghai) Building Materials Co., Ltd	160,000,000.00	Shanghai	Shanghai	Building waterproof coil products, sales of thermal insulation materials sales, anti-corrosion materials sales of building materials sales of building decoration materials sales	100.00%		①



Shandong Oriental Yuhong Building Materials Technology Co., Ltd	100,000,000.00	Shandong Province	Jinan City, Shandong Province	Building waterproof coil products manufacturing and sales, anti-corrosion materials sales, thermal insulation materials sales	100.00%		①
Qingdao Oriental Yuhong Construction Technology Co., Ltd	30,000,000.00	Shandong Province	Qingdao, Shandong Province	Building waterproof coil products manufacturing and sales, anti-corrosion materials sales, thermal insulation materials sales	100.00%		①



Jiangxi Oriental Yuhong Construction Technology Co., Ltd	50,000,000.00	Jiangxi Province	Nanchang, Jiangxi Province	Technical import and export of goods, production and sales of waterproof and anticorrosive materials for buildings, technical services, sales of thermal and acoustic insulation materials	100.00%		①
Guangdong Oriental Yuhong waterproof engineering Co., Ltd	60,000,000.00	Guangdong Province	Guangzhou, Guangdong Province	Sales of waterproof materials, construction of waterproof engineering	100.00%		①
Shenzhen Oriental Yuhong waterproof engineering Co., Ltd	50,000,000.00	Guangdong Province	Shenzhen City, Guangdong Province	Waterproof and leak repair, construction, construction materials development and sales	100.00%		①
Sichuan Oriental Yuhong waterproof engineering	50,000,000.00	Sichuan Province	Chengdu, Sichuan Province	Building waterproof material sales and engineering	100.00%		①



Co., Ltd				construction			
Oriental Yuhong Building Materials (Guangdong) Co., Ltd	50,000,000.00	Guangdong Province	Guangzhou, Guangdong Province	Sales of wet mixed mortar, sales of ordinary mortar building materials, decorative materials, paint wholesale and retail	100.00%		①
Hainan Oriental Yuhong Building Materials Technology Co., Ltd	50,010,000.00	Hainan	Haikou City, Hainan Province	Waterproof building materials and coatings sales, technical services and consulting	100.00%		①
Guangdong Oriental Yuhong Building Materials Technology Co., Ltd	100,000,000.00	Guangdong Province	Guangzhou, Guangdong Province	Production and sales of waterproof building materials and coatings	100.00%		①



Oriental Yuhong Civil Building Materials Co., Ltd	400,000,000.00	Beijing	Beijing	Sales of building materials, all kinds of waterproof materials, building and industrial coatings, mortar materials decoration materials	100.00%		①
Hong Kong Oriental Yuhong Investment Co., Ltd	1,274,886,000.00	Hongkong	Hongkong	Trade, waterproof material sales, investment, consulting, training	100.00%		①
Fuda Energy Saving Technology Co., Ltd	100,000,000.00	Guangdong Province	Guangzhou, Guangdong Province	Sales of thermal insulation materials	100.00%		①



Wuniushan Energy Saving Group Co., Ltd	300,000,000.00	Guangdong Province	Guangzhou, Guangdong Province	Thermal insulation technology in the field of technology development , technical consulting, technology transfer, technical services building thermal insulation materials, building materials	83.72%		①
Oriental Yuhong Building Repair Technology Co., Ltd	50,000,000.00	Tianjin City	Suzhou City, Jiangsu Province	Undertake building decoration works, house repair, pipeline installation	94.00%		①
Oriental Yuhong Sand Powder Technology Group Co., Ltd.	300,000,000.00	Beijing	Beijing	Sales of building materials, hardware and electricity, non-metallic ores, mineral products	100.00%		①



Tiandingfen g Holdings Limited	500,000,000.00	Anhui Province	Chuzhou City, Anhui Province	Nonwovens research and development , production, sales, import and export business	100.00%		①
Beijing Hongyun Kiev Material Supply Chain Management Co., Ltd	100,000,000.00	Beijing	Beijing	Technical development , economic information consulting, sales of building materials, decorative materials, machinery and equipment	100.00%		①
Yueyang Oriental Yuhong Waterproof Technology Co., Ltd	110,000,000.00	Hunan Province	Yueyang City, Hunan Province	Production and sales of waterproof, anticorrosive and thermal insulation, admixtures, building coatings, mortar and building equipment	86.36%	13.64%	①





Beijing Oriental Yuhong Supply Chain Management Co., Ltd	50,000,000.00	Beijing	Haikou City, Hainan Province	Road cargo transportation, loading and unloading, technical services, sales of building materials	100.00%		①
Nantong Jinsinan Film Material Co., Ltd	285,000,000.00	Jiangsu Province	Nantong City, Jiangsu Province	Goods technology import and export, plastic products manufacturing and sales, technical services	100.00%		①
Tangshan Oriental Yuhong Waterproof Technology Co., Ltd	300,000,000.00	Hebei Province	Tangshan City, Hebei Province	Technical development, sales of building materials, waterproof construction, import and export business	100.00%		①



Xianyang Oriental Yuhong Building Materials Co., Ltd	80,000,000.00	Shaanxi Province	Xianyang City, Shaanxi Province	Waterproof and anticorrosive materials, insulation materials development , manufacturing and sales, waterproof construction	100.00%		①
Wuhu Oriental Yuhong Building Materials Co., Ltd	50,000,000.00	Anhui Province	Wuhu City, Anhui Province	Production and sales of waterproof materials	100.00%		①
Hangzhou Oriental Yuhong Building Materials Co., Ltd	100,000,000.00	Zhejiang Province	Hangzhou, Zhejiang Province	Production, sales and construction of waterproof materials	100.00%		①
Qingdao Oriental Yuhong Building Materials Co., Ltd	50,000,000.00	Shandong Province	Qingdao, Shandong Province	Production and sales of waterproof materials	100.00%		①
Henan Oriental Yuhong Building Materials Co., Ltd	50,000,000.00	Henan Province	Puyang City, Henan Province	Production and sales of waterproof materials	100.00%		①



Jinzhou Oriental Yuhong Building Materials Co., Ltd	150,000,000.00	Liaoning Province	Jinzhou, Liaoning Province	Production and sales of waterproof coil coatings	100.00%		①
Jingmen Oriental Yuhong Building Materials Co., Ltd	50,000,000.00	Hubei Province	Jingmen City, Hubei Province	Technical services and sales of waterproof materials, anti-corrosion materials and thermal insulation materials	100.00%		①
Huizhou Oriental Yuhong Building Materials Co., Ltd	100,000,000.00	Guangdong Province	Huizhou City, Guangdong Province	Production and sales of waterproof, anticorrosive and thermal insulation building environment al protection materials, chemical products, construction machinery and equipment	100.00%		①



Zhejiang Oriental Yuhong Building Materials Technology Co., Ltd	50,000,000.00	Zhejiang Province	Hangzhou, Zhejiang Province	Building waterproof coil products manufacturing and sales, anti-corrosion materials sales, thermal insulation materials sales	100.00%		①
Kunming Fengxing Waterproof Material Co., Ltd	110,000,000.00	Yunnan Province	Kunming, Yunnan Province	Production and sales of waterproof materials, decorative materials and building materials	100.00%		②
Xuzhou Wuniushan New Waterproof Material Co., Ltd	100,020,000.00	Jiangsu Province	City, Jiangsu Province	Waterproof, anticorrosive, thermal insulation and other materials production and sales construction	100.00%		②



Quanzhou Dongfang Yuhong Sand Powder Technology Co., Ltd.	5,000,000.00	Fujian Province	Quanzhou City, Fujian Province	Technical development , technical consultation, technical services, import and export of goods or technologies for the production of waterproof mortar, building materials, decorative materials and machinery and equipment	100.00%		①
Loudi Oriental Yuhong Sand Powder Technology Co., Ltd.	10,000,000.00	Hunan Province	Loudi City, Hunan Province	Production of mortar; Production of dry mixed mortar, ready-mixed mortar and concrete admixtures; Manufacture of waterproof building materials and building materials;	100.00%		①



Zhanjiang Oriental Yuhong Sand Powder Technology Co., Ltd.	10,000,000.00	Guangdong Province	Zhanjiang City, Guangdong Province	All kinds of waterproof materials, anti-corrosion materials, insulation materials, lake asphalt materials, mortar materials and related building materials	100.00%		①
Xuchang Oriental Yuhong Building Materials Co., Ltd	50,000,000.00	Henan Province	Xuchang City, Henan Province	Waterproof and anticorrosive materials, insulation materials development , manufacturing and sales, waterproof construction	100.00%		①
Jilin Oriental Yuhong Building Materials Technology Co., Ltd	50,000,000.00	Jilin Province	Changchun City, Jilin Province	Building materials Wholesale Sales of green building materials Wholesale decoration materials (excluding paint) Paint	100.00%		①



				wholesale			
Chongqing Oriental Yuhong Building Materials Technology Co., Ltd	50,000,000.00	Chongqing City	Chongqing City	All kinds of engineering construction activities, import and export of goods technology, production and sales of waterproof and anti-corrosion materials for buildings, technical services, sales of thermal and acoustic insulation materials	100.00%		①



Oriental Yuhong Tile Roofing System Co., Ltd	100,000,000.00	Tianjin City	Tianjin City	Building materials sales Building, ceramic products sales, building waterproof coil products sales, synthetic materials sales, insulation materials sales, brick sales refractory materials sales, etc	60.00%		①
Oriental Yuhong Building Materials Co., Ltd	50,000,000.00	Tianjin City	Chongqing	Sales of building waterproofing membrane products, sales of anti-corrosion materials, sales of coatings, sales of insulation materials, sales of building materials	100.00%		①



Guizhou Dongfang Yuhong Building Materials Technology Co., Ltd.	50,000,000.00	Guizhou Province	Guiyang City, Guizhou Province	New material technology research and development , new material technology promotion services, sales of lightweight building materials, sales of building blocks	100.00%		①
Jinsinnan Film (Shanghai) Technology Co., Ltd.	30,000,000.00	Shanghai	Shanghai	Engineering construction activities, construction engineering design, sales of new membrane materials, chemical products, synthetic materials, building materials, anti-corrosion materials, rubber products, and paper products	100.00%		①



Lishui Oriental Yuhong Building Materials Technology Co., Ltd.	50,000,000.00	Zhejiang Province	Lishui City, Zhejiang Province	Research and development of new material technology, manufacturing of building waterproofing membrane products, sales of building waterproofing membrane products, sales of anti-corrosion materials, manufacturing and sales of coatings, sales of thermal insulation materials, manufacturing and sales of heat insulation and sound insulation materials	100.00%		①
Hongtu Holdings (Beijing) Co., Ltd.	5,000,000.00	Beijing	Beijing	Business management, technology development	100.00%		①



Guizhou Oriental Yuhong Building Materials Co., Ltd.	425,000,000.00	Guizhou Province	Guiyang City, Guizhou Province	Manufacturing and sales of building waterproofing membrane products, coating manufacturing, building material production, anti-corrosion material sales, coating sales, insulation material sales, etc.	85.00%		①
Hainan Jujiang Technology Co., Ltd.	5,000,000.00	Hainan Province	Hainan Province directly under the jurisdiction of the county-level administrative division Chengmai County	Information technology consulting services Technical services, technology development, technology consulting, technology exchange, technology transfer, technology promotion	100.00%		①



Hongshi (Jiangsu) New Material Technology Co., Ltd.	1,000,000,0 00.00	Jiangsu Province	Yizheng City, Jiangsu Province	Specialty chemical product manufacturi ng Specialty chemical product sales Technical services, technology development , technical consultation, technology exchange, technology transfer, technology promotion	60.00%	40.00%	①
Shenzhen Oriental Yuhong Construction Robot Co., Ltd.	50,000,000. 00	Guangdong Province	Shenzhen City, Guangdong Province	R&D and sales of intelligent equipment, R&D and sales of engineering system components	100.00%		①



Guangxi Dongfang Yuhong Building Materials Technology Co., Ltd.	50,000,000.00	Guangxi Zhuang Autonomous Region	Nanning City, Guangxi Zhuang Autonomous Region	Sales of building waterproofing membrane products, sales of paint, manufacturing of building waterproofing membrane products, manufacturing of paint, sales of building materials, sales of insulation materials	100.00%		①
Tianjin Hongyue Cloud Technology Co., Ltd.	5,000,000.00	Tianjin City	Tianjin City	Technical services, technology development, information technology consulting services	100.00%		①



Hongsheng (Beijing) New Energy Technology Co., Ltd.	100,000,000 .00	Beijing	Beijing	New energy technology development and sales of building materials, decorative materials, photovoltaic equipment and components, power facilities and equipment, research and development of electromech anical coupling systems, solar power generation technical services, research and development of high- efficiency energy- saving technologies in the power industry,	100.00%	①
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Oriental Yuhong Pipe Technology Co., Ltd.	200,000,000 .00	Tianjin	Tianjin	New material technology research and development , coating sales, building waterproofin g membrane product sales,	100.00%		①
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Chenzhou Oriental Yuhong Building Materials Technology Co., Ltd.	50,000,000.00	Hunan Province	City, Hunan Province	Manufacturing of building waterproofing membrane products, sales of building waterproofing membrane products, manufacturing of coatings, sales of coatings, sales of anti-corrosion materials, research and development of new material technologies, sales of thermal insulation materials, manufacturing of thermal insulation and sound insulation materials, sales of thermal insulation and sound	100.00%		①
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				insulation materials,			
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Wuhan Oriental Yuhong Science and Technology Construction Materials Co., Ltd.	250,000,000.00	hubei province	Wuhan, Hubei	Manufacturing of building waterproofing membrane products, sales of building waterproofing membrane products, manufacturing of coatings, sales of coatings, sales of anti-corrosion materials, research and development of new material technology, sales of thermal insulation materials, manufacturing of thermal insulation and sound insulation materials, sales of thermal insulation and sound	90.00%		①
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				insulation materials,			
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Yangzhou Dongfang Yuhong New Materials Co., Ltd.	50,000,000.00	Jiangsu Province	Yangzhou City, Jiangsu Province	Manufacturing of building waterproofing membrane products, sales of building waterproofing membrane products, manufacturing of coatings, sales of coatings, sales of anti-corrosion materials, research and development of new material technology, sales of thermal insulation materials, manufacturing of thermal insulation and sound insulation materials, sales of thermal insulation and sound	100.00%		①
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				insulation materials,			
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Hongjia Industrial Coatings Co., Ltd.	500,000,000.00	Tianjin	Tianjin	Paint sales,	100.00%		①
Fujian Oriental Yuhong Building Materials Technology Co., Ltd.	50,000,000.00	Fujian Province	Fuzhou city of Fujian	New material technology research and development , building waterproofing membrane product manufacturing, building waterproofing membrane product sales	100.00%		①
Hongtu Holdings (Xuzhou) Co., Ltd.	1,000,000.00	Jiangsu Province	Xuzhou City, Jiangsu Province	Inspection and testing services, enterprise management consulting, engineering management services,	100.00%		①



Nanning Oriental Yuhong Waterproof Materials Co., Ltd.	64,580,600.00	Guangxi Zhuang Autonomous Region	Nanning City, Guangxi Zhuang Autonomous Region	Manufacturing of new building materials, manufacturing of building waterproofing membrane products, sales of building waterproofing membrane products, manufacturing of coatings, sales of coatings, sales of anti-corrosion materials, research and development of new material technology, sales of insulation materials,	100.00%	①
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<p>Fuzhou Dongfang Yuhong Building Materials Co., Ltd.</p>	<p>50,000,000.00</p>	<p>Fujian Province</p>	<p>Fuzhou city of Fujian</p>	<p>Manufacturing of building waterproofing membrane products, sales of building waterproofing membrane products, manufacturing of coatings, sales of coatings, sales of anti-corrosion materials, research and development of new material technology, sales of thermal insulation materials, manufacturing of thermal insulation and sound insulation materials, sales of thermal insulation and sound</p>	<p>90.00%</p>		<p>①</p>
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				insulation materials,			
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Hubei Yuhong Xingfa New Materials Co., Ltd.	33,000,000.00	Hubei Province	Yichang City, Hubei Province	Sealant manufacturing, special chemical product sales, building material sales, synthetic material sales, building decoration material sales, chemical product sales	69.09%		③
Guangdong Oriental Yuhong Real Estate Investment Co., Ltd.	50,000,000.00	Guangdong Province	Guangzhou, Guangdong	Consulting, services, and own capital investment	100.00%		①
Nanjing Hongshan Construction Development Co., Ltd.	50,000,000.00	Jiangsu Province	Nanjing, Jiangsu Province	Construction engineering, sales and leasing of owned houses, property management	100.00%		①



Qingyuan Boyu Real Estate Investment Co., Ltd.	115,127,460.00	Guangdong Province	Guangzhou, Guangdong	Engage in investment activities with own funds; asset evaluation; property service evaluation; commercial complex management services;	100.00%		①
Jiangsu Oriental Yuhong Investment Co., Ltd.	50,000,000.00	Jiangsu Province	Kunshan City, Jiangsu Province	Waterproof material sales, project investment, goods import and export	100.00%		①
Hongyi Enterprise Services Co., Ltd.	1,000,000.00	Shandong Province	Beijing	Enterprise management , human resources services, conference and exhibition services, etiquette services, market research, translation services, graphic design and production,	94.00%		①



				etc.			
Oriental Yuhong (America) Developments.Ltd	77,858,597.60	America	Pennsylvania	Researching about Waterproof Materials	100.00%		①



<p>Ningxia Architectural Design and Research Institute Co., Ltd.</p>	<p>40,000,000.00</p>	<p>Ningxia Hui Autonomous Region</p>	<p>Yinchuan City, Ningxia Hui Autonomous Region</p>	<p>Industrial and civil construction engineering and municipal engineering design, highway special design, electric power special design, landscape design, urban planning engineering survey and measurement, geotechnical engineering construction foundation inspection, main structure inspection, construction drawing review, project contracting and supervision technology</p>	<p>71.90%</p>		<p>③</p>
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				development and consultation service			
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Xuzhou Dongfang Yuhong New Materials Co., Ltd.	54,663,300.00	Jiangsu Province	Xuzhou City, Jiangsu Province	New material technology research and development , sealing packing manufacturing, coating manufacturing, and coating sales	100.00%		①
Hefei Oriental Yuhong Building Materials Co., Ltd.	100,000,000.00	Anhui Province	Hefei City, Anhui Province	Manufacturing of building waterproofing membrane products, sales of building waterproofing membrane products	100.00%		①
Changdao Oriental Yuhong Waterproof Technology Co., Ltd.	100,000.00	Shandong Province	Yantai City, Shandong Province	Manufacturing of building waterproofing membrane products; sales of thermal insulation and sound insulation materials;	100.00%		①



Wuhan Dongfang Yuhong Jinghong Technology Engineering Co., Ltd.	10,000,000.00	hubei province	Wuhan, Hubei	Engineering and technology research and experimental development , carbon emission reduction	100.00%		①
Beijing Gengdu Home Investment Co., Ltd.	500,000,000.00	Beijing	Beijing	Business management consulting	100.00%		①
Oriental Yuhong Investment (SINGAPORE) (Pte.) Ltd.	5,377.20	Singapore	Singapore	Sales of Waterproof Materials and Investment	100.00%		①
Hubei Oriental Yuhong Building Materials Technology Co., Ltd.	50,000,000.00	Hubei province	Wuhan, Hubei	Manufacturing of building waterproofing membrane products, sales of building waterproofing membrane products,	52.00%		①





Handan Oriental Yuhong Building Materials Co., Ltd.	10,000,000.00	Hebei Province	Handan City, Hebei Province	Sales of construction waterproofing membrane products, anti-corrosion materials, and coatings	51.00%		①
Cangzhou Dongfang Yuhong Construction Technology Co., Ltd.	10,000,000.00	Hebei Province	Cangzhou City, Hebei Province	Manufacturing of new building materials, manufacturing of building waterproofing membrane products,	52.00%		①
Shanghai Oriental Yuhongpu New Materials Sales Co., Ltd.	10,000,000.00	Shanghai	Shanghai	Sales of building materials, sales of building decoration materials, sales of building waterproofing membrane products, sales of insulation materials,	100.00%		①



Hunan Oriental Yuhong Building Materials Co., Ltd.	50,000,000.00	Hunan Province	Changde City, Hunan Province	Engineering waterproofing materials, anti-corrosion materials, thermal insulation materials	100.00%		①
Inner Mongolia Oriental Yuhong New Materials Co., Ltd.	10,000,000.00	Inner Mongolia Autonomous Region	Inner Mongolia Autonomous Region	Paint manufacturing, new material technology research and development	100.00%		①
Xinjiang Oriental Yuhong Building Materials Technology Co., Ltd.	50,000,000.00	Xinjiang Uygur Autonomous Region	Urumqi, Xinjiang	Sales of building materials, sales of insulation materials, sales of paint,	100.00%		①
Tianjin Hongde New Materials Co., Ltd.	5,000,000.00	Tianjin City	Tianjin City	Waterproof materials, anti-corrosion materials, thermal insulation materials	100.00%		①



Heilongjiang Oriental Yuhong Building Materials Technology Co., Ltd.	50,000,000.00	Heilongjiang Province	Harbin City, Heilongjiang Province	New material technology research and development, construction waterproofing membrane product manufacturing	100.00%		①
Tianjin Oriental Yuhong New Materials Co., Ltd.	100,000,000.00	Tianjin City	Tianjin City	Manufacturing of building waterproofing membrane products, sales of building waterproofing membrane products	65.00%		①
Oriental Yuhong Home Technology Co., Ltd.	10,000,000.00	Tianjin City	Tianjin City	Technology import and export; sanitary ware sales; sanitary ware manufacturing;	100.00%		①



Zhejiang Oriental Yuhong Waterproof Technology Co., Ltd.	50,000,000.00	Zhejiang Province	Hangzhou, Zhejiang	Research and development of new material technology; manufacturing of building waterproofing membrane products;	100.00%		①
Guangzhou Dongfang Yuhong Sand Powder Technology Co., Ltd.	10,000,000.00	Guangdong Province	Guangzhou, Guangdong	Manufacturing of cement products, sales of non-metallic minerals and products	100.00%		①
Sichuan Oriental Yuhong Building Materials Co., Ltd. (hereinafter referred to as "Sichuan Building Materials")	50,000,000.00	Sichuan Province	Deyang City, Sichuan Province	Manufacturing of building waterproofing membrane products; coating manufacturing	100.00%		③

Unit: RMB

Statements regarding when the proportion of shareholding is not consistent with that of voting rights in the subsidiary:

Basis for holding half or less of the voting rights but still controlling the investee, and holding more than half of the voting rights but not controlling the investee: for important structured subjects included in the scope of merger, the basis for control: the basis for determining whether the



company is an agent or a principal: Other instructions: acquisition method: ① through establishment or investment, ② business merger under the same control, and ③ business merger under different control.

## (2) Important non-wholly owned subsidiaries

Unit: RMB

Names of subsidiaries	Ratio of shareholdings by minority shareholders	Profit and loss to minority shareholders of the current period	Dividend on shares declared to minority shareholders of the current period	End-period balance of interest to minority shareholders
Shanghai Oriental Yuhong Waterproof Technology Co. Ltd.	0.31%	-2,290,658.25		-189,026.79

Statements regarding when the proportion of shareholding held by minority shareholders is not consistent with that of voting rights in the subsidiary:

Other instructions:

## (3) Main financial information on important non-wholly owned subsidiaries

Unit: RMB

Names of subsidiaries	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total Liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total Liabilities
Shanghai Oriental Yuhong Waterproof Technology Co.	5,070,448,251.12	888,904,509.46	5,959,352,760.58	4,124,254,162.72	269,201,751.75	4,124,523,364.47	7,149,144,343.65	761,790,440.99	7,910,934,784.64	6,205,401,384.52	467,788.80	6,205,869,173.32



Ltd.												
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Unit: RMB

Names of subsidiaries	Current period incurred				Previous period incurred			
	Operating revenue	Net profit	Comprehensive income	Cash generated from operating activities	Operating revenue	Net profit	Comprehensive income	Cash generated from operating activities
Shanghai Oriental Yuhong Waterproof Technology Co. Ltd.	4,520,016,219.34	170,810,464.60	170,810,464.60	258,712,922.81	5,888,475,002.87	201,486,426.09	201,486,426.09	62,221,176.03

Other instructions:

**(4) Significant restrictions on the use of enterprise group assets and the settlement of enterprise group debts**

**(5) Financial support or other support provided to structured entities included in the scope of consolidated financial statements**

Other instructions:

## 2. Transactions in which the share of owner's equity in a subsidiary changes and the subsidiary is still controlled

### (1) Description of changes in the share of owner's equity in the subsidiary

The Company originally held 60% of the equity of Hubei Yuhong Xingfa New Materials Co., Ltd. (hereinafter referred to as Hubei Xingfa). In June 2023, the Company signed an equity transfer agreement with Hubei Silicon Xing Venture Capital Partnership (Limited Partnership) which transferred 9.0606% of the equity of Hubei Xingfa to the Company at a transfer price of RMB 3.1889 million. When the transfer was completed, the Company held 69.0606% of the equity of Hubei Xingfa. This transaction resulted in an increase of RMB 20,100 in the Company's capital reserve and a decrease of RMB 20,100 in minority shareholders' equity.

Woniushan Energy Saving Group Co., Ltd., a subsidiary of the Company, originally held 53% of the equity of Shanghai Yanghe New Material Technology Co., Ltd. (hereinafter referred to as Shanghai Yanghe) under the cost method. In this period, Woniushan Energy Saving Group Co., Ltd., a subsidiary of the Company, further acquired a 47% stake in Shanghai Yanghe. This transaction resulted in a decrease of RMB 45.9287 million in capital reserves and a decrease of RMB 45.9287 million in minority shareholders' equity.

### (2) Impact of the transaction on minority shareholders' equity and owners' equity attributable to the parent company

Unit: RMB

	Hubei Xingfa	Shanghai Yanghe
Purchase Cost/Disposal Consideration	3,188,899.84	
--Cash	3,188,899.84	
--Fair value of non-cash assets		
Total of Purchase Cost/Disposal Consideration	3,188,899.84	
Minus: Share of net assets of a subsidiary based on the proportion of equity acquired/disposed of	3,208,955.40	45,928,653.42
Difference	20,055.56	45,928,653.42



Of which: Adjustment of capital reserves	20,055.56	45,928,653.42
Adjustment of surplus reserves		
Adjustment of undistributed profits		

Other instructions:

### 3. Interest in joint venture or affiliated business

#### (1) Important joint ventures or associates

Names of joint ventures or associates	Main place of business	Registration	Business nature	Shareholding ratio		Accounting for investments in joint ventures or associates
				Direct	Indirect	

Explanation of the shareholding ratio in joint ventures or associates being different from the voting rights ratio:

Basis for holding less than 20% of the voting rights but having significant influence, or holding 20% or more of the voting rights but not having significant influence:

#### (2) Major Financial Information on Key Joint Ventures

Unit: RMB

	Closing balance/Amount in the current period	Opening balance/Amount in the last period
Current assets		
Of which: Cash and Cash Equivalents		
Non-current assets		
Total assets		
Current liabilities		





Non-current liabilities		
Total Liabilities		
Minority shareholders' equity		
Equity attributable to the shareholders of parent company		
Share of net assets by shareholding ratio		
Adjustments		
--Goodwill		
--Unrealized profit from internal transactions		
--Others		
Book value of equity investments in associates		
Fair value of equity investments in associates with publicly quoted prices		
Operating income		
Financial Expenses		
Income Tax Expenses		
Net profit		
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income		
Dividends received from associates		



during the year		
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Other instructions

### (3) Main financial information of important associates

Unit: RMB

	Closing balance/Amount in the current period	Opening balance/Amount in the last period
		Sichuan Oriental Yuhong Building Materials Co., Ltd.
Current assets		183,744,344.52
Non-current assets		231,283,108.04
Total assets		415,027,452.56
Current liabilities		190,965,190.09
Non-current liabilities		101,681,250.00
Total Liabilities		292,646,440.09
Net assets		122,381,012.47
Minority shareholders' equity		
Equity attributable to the shareholders of parent company		122,381,012.47
Share of net assets by shareholding ratio		59,966,696.11
Adjustments		107,619,610.07
--Goodwill		
--Unrealized profit from internal transactions		
--Others		107,619,610.07
Book value of equity investments in		167,586,306.18



associates		
Fair value of equity investments in associates with publicly quoted prices		
Operating income		620,299,642.79
Net profit		12,614,716.97
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income		12,614,716.97
Dividends received from associates during the year		5,244,188.37

Other instructions:

#### (4) Consolidated financial information on non-important joint venture and affiliated business

Unit: RMB

	Closing balance/amount accrued during this period	Opening balance/amount accrued during last period
Joint venture		
Total book value of investment	81,699,491.92	32,408,152.28
Total sum by ratios of shareholdings		
--Net profit	3,101,561.19	252,292.31
Affiliated business		
Total sum by ratios of shareholdings		

Other instructions:

**(5) Description of significant restrictions on the ability of the joint venture or associated enterprise to transfer funds to the Company****(6) Excess losses incurred by the joint venture or associated enterprise**

Unit: RMB

Name of joint venture or associated enterprise	Accumulated unrecognized losses in the previous period	Unrecognized losses in the current period (or net profit shared in the current period)	Accumulated unrecognized losses at the end of the period

Other instructions:

**(7) Unrecognized commitments related to investments in joint ventures****(8) Contingent liabilities related to investments in joint ventures or associated enterprises****4. Key Joint Ventures**

Name of Joint Venture	Principal Place of Business	Place of Registration	Business Nature	Shareholding Ratio/Share Enjoyed	
				Direct	Indirect

Explain the proportion of shares held or enjoyed in the joint venture is different from the proportion of voting rights:

If a joint venture is a separate entity, the basis for classifying it as a joint venture is as follows:

Other instructions:

**5. Equity in structured entities not included in the scope of consolidated financial statements**

Description on structured entities not included in the scope of consolidated financial statements:

**6. Others****XI. Government Subsidies****1. Government grants recognized as receivable at the end of the reporting period**

Applicable Not applicable

Reasons for not receiving the expected amount of government subsidies at the expected time

Applicable Not applicable

**2. Liabilities involving government subsidies**

Applicable Not applicable

Unit: RMB



Accounting subjects	Opening Balance	Amount of new subsidy in the current period	Amount included in non-operating income in the current period	Amount transferred to other income in the current period	Other changes in the current period	Ending balance	Related to assets/income
Deferred income	371,284.62			139,231.56		232,053.06	Asset related
Deferred income		343,900.00		71,645.80		272,254.20	Asset related
Deferred income	6,421,513.99	4,952,480.00		206,928.74		11,167,065.25	Asset related
Deferred income		18,000,000.00		33,457.25		17,966,542.75	Asset related
Deferred income		1,400,000.00		72,916.65		1,327,083.35	Asset related
Deferred income	20,788,197.78			1,097,173.44		19,691,024.34	Asset related
Deferred income	25,858,333.29			2,900,000.04		22,958,333.25	Asset related
Deferred income	2,519,165.45			795,525.87		1,723,639.58	Asset related
Deferred income	1,590,909.13			381,818.16		1,209,090.97	Asset related
Deferred income	491,249.93			491,249.93			Asset related
Deferred income	1,106,666.71			159,999.99		946,666.72	Asset related
Deferred income	513,333.37			219,999.99		293,333.38	Asset related
Deferred income	2,709,383.29			759,800.01		1,949,583.28	Asset related



Deferred income	2,700,000.00			540,000.00		2,160,000.00	Asset related
Deferred income	13,793,134.92			1,097,815.08		12,695,319.84	Asset related
Deferred income	308,333.37			99,999.96		208,333.41	Asset related
Deferred income	88,794,399.96			5,223,200.04		83,571,199.92	Asset related
Deferred income	14,128,499.99			905,999.99		13,222,500.00	Asset related
Deferred income	551,000.00			114,000.00		437,000.00	Asset related
Deferred income		6,000,000.00		137,500.00		5,862,500.00	Asset related
Deferred income		270,000.00				270,000.00	Asset related
Deferred income	4,311,060.04			718,509.96		3,592,550.08	Asset related
Deferred income	1,929,999.96			386,000.04		1,543,999.92	Asset related
Deferred income	3,803,800.04			543,399.96		3,260,400.08	Asset related
Deferred income		4,795,301.34		51,378.24		4,743,923.10	Asset related
Deferred income		267,100.00		40,065.03		227,034.97	Asset related
Deferred income	1,268,750.00			75,000.00		1,193,750.00	Asset related
Deferred income		1,235,000.00		43,783.30		1,191,216.70	Asset related
Deferred income	41,571,875.16			2,668,507.92		38,903,367.24	Asset related



Deferred income	36,549,763.41			3,174,228.00		33,375,535.41	Asset related
Deferred income	7,334,827.50	14,920,600.00		724,167.45		21,531,260.05	Asset related
Deferred income		500,000.00		25,000.02		474,999.98	Asset related
Deferred income	19,332,163.60			637,924.92		18,694,238.68	Asset related
Deferred income		4,946,600.00		206,108.35		4,740,491.65	Asset related
Deferred income	10,737,464.98			1,204,201.68		9,533,263.30	Asset related
Deferred income		310,000.00		56,833.37		253,166.63	Asset related
Deferred income		2,143,700.00		71,456.68		2,072,243.32	Asset related
Deferred income	18,000,000.00			4,500,000.00		13,500,000.00	Asset related
Deferred income		1,980,000.00		99,000.00		1,881,000.00	Asset related
Deferred income	46,411,226.08			2,396,123.16		44,015,102.92	Asset related
Deferred income	18,973,619.96			2,108,180.04		16,865,439.92	Asset related
Deferred income	4,886,441.47			492,750.36		4,393,691.11	Asset related
Deferred income		34,845,538.00		2,611,500.03		32,234,037.97	Asset related
Deferred income	5,037,210.03			559,689.96		4,477,520.07	Asset related
Deferred income	2,063,489.75			208,083.00		1,855,406.75	Asset related



Deferred income		5,180,000.00		388,500.03		4,791,499.97	Asset related
Deferred income	7,680,000.00			1,920,000.00		5,760,000.00	Asset related
Deferred income	14,875,000.00			1,477,666.63		13,397,333.37	Asset related
Deferred income	31,568,333.35			1,634,333.33		29,934,000.02	Asset related
Deferred income		16,000,000.00		333,333.35		15,666,666.65	Asset related
Deferred income	7,822,000.12			1,273,999.95		6,548,000.17	Asset related
Deferred income	3,000,000.00			300,000.00		2,700,000.00	Asset related
Deferred income	16,919,700.04			1,127,979.96		15,791,720.08	Asset related
Deferred income	89,553,025.38			1,304,465.04		88,248,560.34	Asset related
Deferred income	1,007,250.00			51,000.00		956,250.00	Asset related
Deferred income	1,000,000.00			50,000.04		949,999.96	Asset related
Deferred income	24,030,069.76			492,083.40		23,537,986.36	Asset related
Deferred income		14,040,000.00		58,500.00		13,981,500.00	Asset related
Deferred income	4,988,260.80			2,394,365.16		2,593,895.64	Asset related
Deferred income	3,123,147.48			1,205,941.44		1,917,206.04	Asset related
Deferred income		328,698.66		8,217.48		320,481.18	Asset related



**3. Government subsidies included in current profits and losses**

☑Applicable ☐ Not applicable

Unit: RMB

Accounting account	Amount incurred this period	Amount incurred last period
Other income	1,050,000.00	540,000.00
Other income	3,000,000.00	1,000,000.00
Other income	2,114,000.00	2,341,000.00
Other income	3,000,000.00	3,000,000.00
Other income	1,539,384.60	8,916,357.10
Other income	15,927,301.73	9,488,254.06
Other income	13,784,600.00	11,790,000.00
Other income	2,233,195.00	16,161,700.00
Other income	10,277,491.00	19,822,421.79
Other income	172,950,000.00	172,620,000.00
Other income	38,800,000.00	19,822,421.79
Other income	3,560,000.00	16,161,700.00
Other income	10,600,000.00	
Other income	4,251,968.90	
Other income	5,355,300.00	
Other income	8,550,000.00	
Other income	3,687,665.00	
Other income	1,722,431.00	
Other income	1,118,849.25	
Other income	85,347,629.66	
Other income	2,108,180.04	2,108,180.04
Other income	4,500,000.00	4,500,000.00
Other income	2,900,000.04	2,900,000.04



Other income	5,223,200.04	5,223,200.00
Other income	2,394,365.16	2,394,365.28
Other income	3,174,228.00	3,217,977.94
Other income	2,668,507.92	2,668,507.92
Other income	76,665,891.04	146,848,459.17

Other instructions:

## **XII. Risks Associated with Financial Instruments**

### **1. Various risks arising from financial instruments**

The main financial instruments of the Company include monetary funds, notes receivable, accounts receivable, receivable financing, other receivables, contract assets, tradable financial assets, debt investment, investment in other equity instruments, other non-current financial assets, short-term borrowing, notes payable, accounts payable, contract liabilities, other payables, non-current liabilities due within one year, long-term borrowing, lease obligations, and long-term payables. Details of each financial instrument have been disclosed in the relevant notes. The risks associated with these financial instruments and the risk management policies adopted by the Company to mediate these risks are described below. The management of the Company manages and monitors these risk exposures to ensure that the above risks are controlled within a limited range.

#### **1.1 Risk management goals and policies**

The main risks caused by the Company's financial instruments are risks in credit, liquidity, and market (including risks in exchange rate, interest rate, and commodity price).

The Company diversifies financial instrument risks through appropriate diversification of investments and business portfolios, and reduces risks in a single industry, region or counterparty by formulating corresponding risk management policies.

#### **(1) Credit risks**

Credit risks refer to the risks that the counter party fails to fulfill its contractual obligations, resulting in financial losses to the Company.

The group manages the credit risks by the categories of portfolios. Credit risks mainly rise from bank deposits, notes receivable, accounts receivable, other receivables, long-term receivables, etc.

Bank deposits of the Company are mainly deposited in state-owned banks and other large and medium-sized listed banks. Thus, it is estimated that there is no significant credit risks with bank deposits.



For notes receivable, accounts receivable, other receivables and long-term receivables, the Company has formulated regarding policies to control the credit risk exposures. Based on their financial situation, credit records and other factors (e.g. the status quo of the market), the group assesses debtors' credit qualification and sets the credit limit and credit term accordingly. The group will monitor the debtor's credit records regularly. For those with a bad credit record, the group will take measures in terms of written reminders for payment, shortening or canceling the credit terms, to ensure that the overall credit risk is under control.

The debtors of the Company's accounts receivable are customers located in different industries and regions. The Company continues to conduct credit assessments on the financial status of accounts receivable and purchases credit and guarantee insurance when applicable.

The Company's maximum exposure to credit risk is the carrying amount of each financial asset on the balance sheet. The Company has not provided any other guarantees that may expose the Company to credit risk.

Among the accounts receivable of the group, the accounts receivable of the top 5 debtor clients account for 20.81% of the total (2022: 24.62%); among the other receivables, the receivables from top 5 debtors account for 46.11% of the total (2022: 46.11%)

## (2) Liquidity risks

Liquidity risks refer to the risks of capital shortage when the group fulfills its obligation with settlements methods of cash delivery or other financial assets.

To manage the liquidity risks, the group holds cash and cash equivalents deemed sufficient by the management, to meet the needs required by the operation of the group, and to reduce the impact of cash flow fluctuations. The group management monitors the use of the bank borrowing and ensures to fulfill the loan agreement. In the meanwhile, they get promises from major financial institutions for providing sufficient funds, to meet short-and-long term funding demands.

The group funds its operation by profits gained from business operation, banks and other borrowings. On December 31, 2023, the remaining credit limit from the banks stood at RMB 15,288,909,800.00 (On December 31, 2022: RMB 10,465,682,100.00)

Analysis of the maturities of the financial assets and liabilities undiscounted as remaining contracted cash flow the group holds at the end of the reporting period is as follows (unit: RMB 10,000)

Item	Amount at the end of the period			
	Within 1 year	1-2 years	Over 2 years	Total



Financial liabilities:				
Short-term borrowing	499,862.45	-	-	499,862.45
Notes payable	81,824.08	-	-	81,824.08
Accounts payable	347,905.22	-	-	347,905.22
Other payables:	543,430.21	-	-	543,430.21
Other current liabilities (excluding deferred income)	39,251.88	-	-	39,251.88
Long-term borrowings	26,758.94	75,000.00	95,867.02	197,625.96
Long term accounts payable	146.00	146.00	5,110.00	5,402.00
<b>Financial liabilities in total</b>	<b>1,538,990.22</b>	<b>75,146.00</b>	<b>100,831.02</b>	<b>1,715,113.24</b>

The analysis of the maturities of the financial assets and liabilities and off-balance sheet guarantee items undiscounted as remaining contracted cash flow the Company holds at the beginning of the reporting period is as follows (unit: RMB10,000)

Item	Amount at the end of the period			
	Within 1 year	1-2 years	Over 2 years	Total
Financial liabilities:				
Short-term borrowing	625,433.09	-	-	625,433.09
Notes payable	58,825.25	-	-	58,825.25
Accounts payable	390,093.40	-	-	390,093.40
Other payables:	618,635.23	-	-	618,635.23
Other current liabilities (excluding deferred income)	37,902.09	-	-	37,902.09
Long-term borrowings	33,000.00	5,000.00	71,192.05	109,192.05
Long term accounts payable	297.68	146.00	4,958.32	5,402.00
<b>Financial liabilities in total</b>	<b>1,764,186.74</b>	<b>5,146.00</b>	<b>76,150.37</b>	<b>1,845,483.11</b>

The amounts of financial liabilities disclosed in the above table are undiscounted contractual cash flows and therefore may differ from the carrying amounts in the balance sheet.



The maximum guarantee amount of the signed guarantee contract does not represent the amount to be paid.

### (3) Risk

Market risks of financial instruments refer to risks caused by the fluctuation of fair values or future cash flow caused by market price development, mainly including IRR, RX risk and other price risks.

#### IRR

IRR refers to the risk of fluctuation of fair value or future cash flow of financial instruments caused by changes in market interest. IRR could originate from both recognized and unrecognized financial instruments (such as certain loan commitment).

The Company's interest rate risk mainly arises from long-term interest-bearing debt such as long-term bank borrowings and bonds payable. Financial liabilities with floating interest rates expose the Company to cash flow interest rate risks, while financial liabilities with fixed interest rates expose the Company to fair value interest rate risks. The Company determines the relative proportions of fixed-rate and floating-rate contracts based on the prevailing market environment, and maintains an appropriate portfolio of fixed-rate and floating-rate instruments through regular review and monitoring.

The Company pays close attention to the influence of changes in interest rate on the IRR of the Company. The Company currently has not adopted any policies on interest rate hedging. Rising interest rates will increase the cost of new interest-bearing debt and the Company's outstanding debt. The interest expenses of interest-bearing debt with floating interest rates will have a significant adverse impact on the Company's financial performance. Based on the latest market conditions, the management will make timely adjustments which may be interest rate swaps to reduce interest rate risk.

Interest-bearing financial instruments held by this Company (unit: RMB million):

Item	Numbers of projects this year	Numbers of projects last year
Financial instruments with a fixed interest rate		
Financial liabilities	479,862.45	524,277.38
Short-term borrowing	479,862.45	524,277.38
<b>Total</b>	<b>479,862.45</b>	<b>524,277.38</b>

Financial instruments with a floating interest rate		
Financial assets	911,950.07	1,053,921.68
Monetary capital	911,950.07	1,053,921.68
Financial liabilities	217,625.95	210,405.32
Short-term borrowing	20,000.00	101,155.71
Long-term borrowing	197,625.95	109,249.61
<b>Total</b>	<b>1,129,576.02</b>	<b>1,264,327.00</b>

For financial instruments held on the balance sheet date that expose the Company to fair value interest rate risk, the impact on net profit and shareholders' equity in the above sensitivity analysis is based on the impact of remeasurement of financial instruments assuming that interest rates change on the balance sheet date. For floating rate non-derivative instruments held on the balance sheet date that expose the Company to cash flow interest rate risk, the impact on net profit and shareholders' equity in the above sensitivity analysis is the impact of the above interest rate changes on the annual estimated interest expense or income. The previous year's analysis was made based on the same assumption and method.

#### Currency rate risks

Currency risks refer to the risks due to fluctuation of fair value of financial instruments or future cash flow caused by foreign exchange rate changes. Currency rate risks can rise from financial instruments valued by foreign currencies instead of the recording currency for accounting. The operation of the group runs mainly in mainland China, with the settlements done with RMB.

Exchange rate risk is mainly due to the impact of the Company's financial position and cash flows on foreign exchange rate fluctuations. Except for the subsidiaries established in Hong Kong that hold assets settled in Hong Kong dollars, the Company only has a small investment business in the Hong Kong market and the proportion of the Company's foreign currency assets and liabilities to its overall assets and liabilities is not significant. Therefore, the Company believes that its exchange rate risk is not significant.

On December 31, 2023, the foreign currency assets and foreign currency liabilities discounted as RMB are listed as follows (unit: RMB 10,000) :

Item	Foreign currency liabilities	Foreign currency assets
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	Amount at the beginning of the period	Amount at the end of the period	Amount at the	Amount at the end of the period
USD	565.31	47,105.87	32,092.26	11,239.74
EUR	6,426.49	1,230.42	2,333.11	5,074.13
BYP	-	-	1,378.23	874.10
HKD	2.12	8.66	130.97	157.45
CAD	-	-	11,633.34	11,073.43
Ringgit	-	4,442.33	1,458.72	2,753.40
JPY	-	-	4.82	-
SGD	0.94	-	0.01	-
<b>Total</b>	<b>6,994.86</b>	<b>52,787.28</b>	<b>49,031.46</b>	<b>31,172.25</b>

The group follows closely on the currency rate risks which could be brought by currency rate fluctuations. For now, the group has not yet taken any measures to avoid currency rate risks. However, the management is responsible for monitoring the currency rate risks and will consider to hedge major currency rate risks when necessary.

With other variables unchanged, the possible reasonable change of the currency rate of foreign currencies to RMB will have an impact of the profits and losses after taxes as shown below (Unit: RMB 10,000)

Profits after tax plus(minus)	Amount for this year		Amount for last year	
USD currency rate plus	5%	1,475.79	5%	652.94
USD currency rate minus	-5%	-1,475.79	-5%	-652.94
EUR currency rate plus	3%	-81.13	3%	-4.81
EUR currency rate minus	-3%	81.13	-3%	4.81
CAD currency rate plus	4%	465.29	4%	321.92
CAD currency rate minus	-4%	-465.29	-4%	-321.92
HKD currency rate plus	5%	2.77	5%	11.37
HKD currency rate minus	-5%	-2.77	-5%	-11.37



Ringgit currency rate plus	4%	58.35	4%	13.33
Ringgit currency rate minus	-4%	-58.35	-4%	-13.33
GBP currency rate plus	4%	53.96	4%	0.15
GBP currency rate minus	-4%	-53.96	-4%	-0.15
JPY currency rate plus	3%	0.14	3%	-
JPY currency rate minus	-3%	-0.14	-3%	-
SGD currency rate plus	5%	-0.05	5%	-
SGD currency rate minus	-5%	0.05	-5%	-

## 1. Asset Management

The objective of the Company's capital management policy is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, while maintaining an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust its capital structure, the Company may adjust its financing methods, adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and other equity instruments, or sell assets to reduce debt.

The Company monitors its capital structure on the basis of asset-liability ratio (ie Total liabilities divided by total assets). As at December 31, 2023, the asset-liability ratio of the Company was 43.90% (On December 31, 2022: 46.25%).

## 2. Hedging

### (1) The Company carries out hedging business for risk management

Applicable Not Applicable

### (2) The Company carries out qualified hedging business and applies hedging accounting

Unit: RMB

Item	Book value related to hedged items and hedging instruments	Cumulative fair value hedging adjustments of hedged items included in the recognized carrying amount of the hedged items	Some sources of hedging effectiveness and hedging ineffectiveness	Impact of hedge accounting on the Company's financial statements





Hedging risk type
Hedging category

Other instructions:

**(3) The Company carries out hedging business for risk management and expects to achieve risk management objectives but does not apply hedging accounting**

Applicable Not Applicable

### 3. Financial assets

#### (1) Classification of transfer methods

Applicable  Not applicable

Unit: RMB

Transfer method	Nature of financial assets transferred	Amount of financial assets transferred	Derecognition	Basis for Derecognition
Factoring	Accounts receivable	961,829,468.22	Partial derecognition	No recourse
Asset securitization business	Accounts receivable	588,088,793.67	Full derecognition	No recourse
Bill discount and endorsement	Receivables financing	3,496,174,101.18	Full derecognition	Transferred relevant risks and rewards
Total		5,046,092,363.07		

#### (2) Financial assets derecognized due to transfer

Applicable Not applicable

Unit: RMB

Item	Transfer method of financial assets	Amount of financial assets derecognized	Gains or losses related to derecognition
Accounts receivable	Factoring	579,588,148.61	-15,441,872.28
Accounts receivable	Asset securitization business	588,088,793.67	-28,088,793.67
Receivables Financing	Bill discounting and endorsement	3,496,174,101.18	-30,980,537.98



Total		4,663,851,043.46	-74,511,203.93
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**(3) Transferred financial assets that continue to be involved**

Applicable Not Applicable

Other instructions:

**XIII. The disclosure of fair value****1. Assets calculated by the fair value of liabilities at the end of the period**

Unit: RMB

Item	Fair value at the end of reporting period			
	Level 1 fair value calculation	Level 2 fair value calculation	Level 3 fair value calculation	Total
I. Constant fair value measurement	--	--	--	--
i. Tradable financial assets	43,891,394.00		592,008,793.31	635,900,187.31
(1) Investments on debt instruments			592,008,793.31	592,008,793.31
(2) Investments on equity instruments	43,891,394.00			43,891,394.00
Other non-current financial assets			262,572,338.19	262,572,338.19
iii. Other equity instrument investments			255,881,060.28	255,881,060.28
II. Non-constant fair value measurement	--	--	--	--

## **2. Basis for defining the market prices of projects measured by constant and non-constant**

### **Level 1 fair value**

Level 1: Quoted prices of same assets or liabilities in active market (unadjusted).

## **3. Qualitative and quantitative information of valuation techniques and important parameters used in constant and non-constant Level 2 fair value measurement projects**

Level 2: Direct (prices) or indirect (deducted from the prices) use of the perceivable inputs value instead of the market price of assets or liabilities in Level 1.

## **4. Qualitative and quantitative information of valuation techniques and important parameters in constant and non-constant Level 3 fair value measurement projects**

For financial instruments traded in active markets, the Company determines their fair values based on their active market quotations. For financial instruments not traded in active markets, the Company determines their fair values via the valuation methods. The valuation models used are mainly the discounted cash flow model and the comparable company model. The input values of the valuation techniques mainly include risk-free interest rates, benchmark interest rates, exchange rates, credit spreads, liquidity premiums, and lack of liquidity discounts.

## **5. Continuous Level 3 fair value measurement items, reconciliation information between the book value at the beginning and end of the period and sensitivity analysis of unobservable parameters**

Level 3: Assets or liabilities use any input that is not based on observable market data (unobservable input).

## **6. For items of ongoing fair value measurement, if there is a conversion between levels during the period, the reasons for the conversion and the policy for determining the timing of the conversion**

During the year, there was no conversion between Level 1 and Level 2 in the fair value measurement of the Company's financial assets and financial liabilities, nor was there any transfer into or out of Level 3.

## **7. Valuation technology changes that occurred during the current period and reasons for the changes**

Not applicable

## **8. Fair value of financial assets and financial liabilities not measured at fair value**

Not applicable

## **9. Others**

Not applicable

**IX. Related parties and related party transactions****1. The parent company of the company**

Name of the parent company	Place of registration	Nature of operation	Registered capital	Shareholding of the parent company in the enterprise	Vote rights of the parent company in the enterprise
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Statements of the parent company of the company

The controllers of the company are Li Weiguo and his person acting in concert Li Xingguo, who hold 23.06% of the shares directly.

The ultimate controlling party of the company is Li Weiguo.

Other instructions:

**2. Subsidiaries of the company**

For details of the subsidiaries of the company please see Point 1 of Note 10.

**3. Joint and associated companies of the company**

For the information of the important joint and associated companies please see the Point 3 of Note 10..

Details of joint or associated companies which have related-party transactions in this period or had related-party transactions previously are as follows :

Names of the joint or associated companies:	Relationship with the company
Jiangsu Oriental Yuhong Building Renovation Engineering Co., Ltd (Hereinafter referred to as Jiangsu Renovation)	Join-stock company of the company
Shanghai Yueda Construction Engineering Co., Ltd. (Hereinafter referred to as Yueda Construction)	Join-stock company of the company
Xiangxi Hongjiangshi Information Technology Co., Ltd.	Join-stock company of the company
Leizhou Development Oriental Yuhong Building Materials Technology Co., Ltd.	Join-stock company of the company
Yichang Chengfa Dongfang Yuhong Building Materials Technology Co., Ltd.	Join-stock company of the company
Foshan Jianfa Oriental Yuhong Building Materials Technology Co., Ltd.	Join-stock company of the company



Susong Dongfang Yuhong Building Materials Technology Co., Ltd.	Join-stock company of the company
Shanghai Welltech New Materials Co., Ltd.	Join-stock company of the company
Hainan Fakong Yuhong Building Materials Technology Co., Ltd.	Join-stock company of the company
Ya'an Xinyuhong Waterproof Technology Co., Ltd.	Join-stock company of the company
Guangzhou Green Gold Street Green Building Materials Co., Ltd.	Join-stock company of the company
Dalian Detai Yuhong Building Materials Technology Co., Ltd.	Join-stock company of the company
Meishan Oriental Yuhong Construction Engineering Co., Ltd.	Join-stock company of the company
Ziyang Airport Yuhong Waterproof Engineering Co., Ltd.	Join-stock company of the company
Huizhou Gangwan Yuhong New Material Technology Co., Ltd.	Join-stock company of the company
Jiacheng Yuhong Building Materials (Guangdong) Co., Ltd.	Join-stock company of the company

Other instructions

#### 4. Other Related Parties

Names of other related parties	Relationship with the company
Xu Limin	Shareholder with 2.87% of shares in total
Xiang Jinming	Shareholder with 0.88% of shares in total
Wang Rui	Spouse of the holding shareholder of the company
Beijing GeoEnviron Engineering & Technology, Inc. (Hereinafter referred to as GeoEnviron)	Under control with the same controller
Shenzhen Kaier Hanxiang Industrial Co., Ltd.	An enterprise under the control of the same controller
Director, manager, CFO and the Board Secretary	Key management personnel

Other instructions



## 5. Related-party transactions

### (1) Transactions over Products purchasing and sales, labor provision and reception

#### Products purchasing and labor reception

Unit: RMB

Related parties	Content of the related-party transactions	Amount incurred in this reporting period	Transaction amount approved	Exceeding the transaction amount or not	Transaction amount incurred in last period
GeoEnviron	Material purchasing and unit equipment	713,857,350.23		No	593,295,830.56
Sichuan Building Materials	Product procurement	48,966,254.32		No	696,201,599.41
Yueda Construction	Material purchasing	19,029,244.77		No	24,454,752.40
海南发控雨虹建材科技有限公司	Material purchasing	5,534,153.62		No	
Leizhou Development Oriental Yuhong Building Materials Technology Co., Ltd.	Material purchasing	791,356.17		No	
Shanghai Weiertai New Materials Co., Ltd.	Material purchasing	412,222.23		No	

#### Products sales/labor provision

Unit: RMB

Related parties	Content of the related-party transactions	Amount incurred in this reporting period	Transaction amount incurred in last period
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Foshan Jianfa Oriental Yuhong Building Materials Technology Co., Ltd.	Material sales	71,595,944.98	
Sichuan Building Materials	Material sales	68,391,397.94	431,453,223.17
GeoEnviron	Material sales and construction	41,931,391.48	43,258,079.11
Hainan Fakong Yuhong Building Materials Technology Co., Ltd.	Material sales	24,203,246.38	
Ya'an Xinyuhong Waterproof Technology Co., Ltd.	Material sales	8,968,618.27	
Meishan Oriental Yuhong Construction Engineering Co., Ltd.	Material sales	5,293,819.93	
Jiangsu Renovation	Material sales	4,286,772.84	1,755,573.77
Leizhou Development Oriental Yuhong Building Materials Technology Co., Ltd.	Material sales	4,133,795.16	
Yueda Construction	Material sales	3,585,199.66	13,519,485.38
Ziyang Airport Yuhong Waterproof Engineering Co., Ltd.	Material sales	2,986,167.27	
Guangzhou Green Gold Street Green Building Materials Co., Ltd.	Material sales	1,948,611.69	
Yichang Chengfa Dongfang Yuhong Building Materials Technology Co., Ltd.	Material sales	1,864,798.26	
Susong Dongfang Yuhong Building Materials Technology Co., Ltd.	Material sales	1,380,575.22	



Shanghai Welltech New Materials Co., Ltd.	Material sales	1,311,064.28	
Jiacheng Yuhong Building Materials (Guangdong) Co., Ltd.	Material sales	1,185,350.52	
Huizhou Gangwan Yuhong New Material Technology Co., Ltd.	Material sales	819,008.15	
Xiangxi Hongxian Information Technology Co., Ltd.	Material sales	206,406.03	

Statements of related party transactions of good purchasing and sales, labor provision and reception

## (2) Related entrusted management/contracting and entrusted management/outsourcing

The Company's entrusted management/contracting table:

Unit: RMB

Name of the client/outsourcing party	Name of trustee/contractor	Trusted/contracted asset type	Start date of entrustment/contracting	End date of entrustment/contracting	Pricing basis for trusteeship income/contracting income	Trusteeship income/contracting income recognized in this period

Instructions on the related trusteeship/contracting

The Company's entrusted management/outsourcing table:

Unit: RMB

Name of client/contractor	Name of trustee/contractor	Type of entrusted/outsourced assets	Start date of commission/outsourcing	End date of entrustment/contracting	Pricing basis for hosting fee/outsourcing fee	Custody fee/outsourcing fee confirmed in this period

Instructions on the related management/outsourcing

## (3) Related-party lease

The Company as the lessor:





Unit: RMB

Lessee Name	Types of leased assets	Rental income recognized in this period	Lease income recognized in the previous period
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The Company as the lessee:

Unit: RMB

Lessor name	Lease asset type	Simplified treatment of rental charges for short-term leases and leases of low-value assets (if applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		Rent paid		Interest expense on lease liabilities borne		Increased right-of-use assets	
		Amount incurred this period	Amount incurred last period	Amount incurred this period	Amount incurred last period	Amount incurred this period	Amount incurred last period	Amount incurred this period	Amount incurred last period	Amount incurred this period	Amount incurred last period

Instructions on the related-party lease

**(4) Situation of the related-party guarantee**

The company as the guarantee party

Unit: RMB

The guaranteed party	The amount guaranteed	Starting guarantee the of date	Closing date of the guarantee	Guarantee completed/uncompleted
Shanghai Oriental Yuhong Waterproof Technology Co., LTD	50,000,0	December 30,	December 30,	When
Shanghai Oriental Yuhong Waterproof Technology Co., LTD	150,000,0	27 May 2023/04/2	2026/04/26	When



Shanghai Oriental Yuhong Waterproof Technology Co., LTD	50,000,000.00	September 3, 2021	September 2, 2024	No
Shanghai Oriental Yuhong Waterproof Technology Co., LTD	100,000,000.00	August 12, 2022	August 11, 2023	No
Shanghai Oriental Yuhong Waterproof Technology Co., LTD	100,000,000.00	October 16, 2023	October 15, 2024	No
Shanghai Oriental Yuhong Waterproof Technology Co., LTD	405,000,000.00	August 16, 2022	August 15, 2025	No
Shanghai Oriental Yuhong Waterproof Technology Co., LTD	230,000,000.00	July 14, 2022	May 23, 2024	No
Shanghai Oriental Yuhong Waterproof Technology Co., LTD	130,000,000.00	January 16, 2023	January 15, 2026	No
Shanghai Oriental Yuhong Waterproof Technology Co., LTD	168,000,000.00	March 25, 2019	March 24, 2024	No
Shanghai Oriental Yuhong Waterproof Technology Co., LTD	65,000,000.00	November 14, 2023	November 13, 2026	No
Shanghai Oriental Yuhong Waterproof Technology Co., LTD	50,000,000.00	July 22, 2022	July 21, 2025	No
Shanghai Oriental Yuhong Waterproof Technology Co., LTD	100,000,000.00	November 17, 2022	November 16, 2023	Yes
Shanghai Oriental Yuhong Waterproof Technology Co., LTD	110,000,000.00	November 19, 2022	November 18, 2025	No



Shanghai Oriental Yuhong Waterproof Technology Co., LTD	200,000,000.00	October 24, 2023	October 23, 2026	No
Shanghai Oriental Yuhong Waterproof Technology Co., LTD	20,000,000.00	December 30, 2021	December 30, 2025	No
Shanghai Oriental Yuhong Waterproof Technology Co., LTD	54,000,000.00	November 20, 2021	November 19, 2024	No
Shanghai Oriental Yuhong Waterproof Technology Co., LTD	52,000,000.00	November 14, 2023	November 13, 2026	No
Jingmen Oriental Yuhong Building Materials Co., LTD	200,000,000.00	March 01, 2020	March 01, 2025	No
Jingmen Oriental Yuhong building Materials Co., LTD	350,000,000.00	May 18, 2022	May 18, 2027	No
Jingmen Oriental Yuhong building Materials Co., LTD	35,000,000.00	February 22, 2021	February 21, 2024	No
Jingmen Oriental Yuhong building Materials Co., LTD	88,000,000.00	March 29, 2022	March 29, 2023	Yes
Jingmen Oriental Yuhong building Materials Co., LTD	88,000,000.00	October 24, 2023	October 23, 2026	No
Jingmen Oriental Yuhong building Materials Co., LTD	240,000,000.00	May 24, 2022	May 24, 2027	No
Jingmen Oriental Yuhong building Materials Co., LTD	20,000,000.00	December 06, 2022	December 06, 2023	Yes



Jingmen Oriental Yuhong building Materials Co., LTD	200,000,000.00	September 9, 2022	September 8, 2023	Yes
Hangzhou Oriental Yuhong Building Materials Co., LTD	110,000,000.00	December 01, 2021	December 01, 2024	No
Hangzhou Oriental Yuhong building Materials Co., LTD	100,000,000.00	October 19, 2021	October 18, 2024	No
Hangzhou Oriental Yuhong building Materials Co., LTD	330,000,000.00	August 31, 2022	August 31, 2024	No
Hangzhou Oriental Yuhong building Materials Co., LTD	50,000,000.00	September 9, 2022	September 8, 2025	No
Hangzhou Oriental Yuhong building Materials Co., LTD	100,000,000.00	March 01, 2023	February 29, 2024	No
Hangzhou Oriental Yuhong building Materials Co., LTD	210,000,000.00	March 09, 2021	March 08, 2024	No
Hangzhou Oriental Yuhong building Materials Co., LTD	300,000,000.00	January 15, 2022	July 15, 2024	No
Hangzhou Oriental Yuhong building Materials Co., LTD	100,000,000.00	February 23, 2023	February 22, 2026	No
Xuzhou Wuniushan New Waterproof Material Co., LTD	80,000,000.00	May 13, 2022	May 12, 2023	Yes
Xuzhou Wuniushan New Waterproof Material Co., LTD	80,000,000.00	June 2, 2023	June 1, 2026	No



Xuzhou Wuniushan New Waterproof Material Co., LTD	50,000,000.00	May 23, 2022	May 22, 2023	Yes
Xuzhou Wuniushan New Waterproof Material Co., LTD	50,000,000.00	August 11, 2023	October 31, 2023	Yes
Xuzhou Wuniushan New Waterproof Material Co., LTD	30,000,000.00	November 18, 2022	November 18, 2023	Yes
Xuzhou Wuniushan New Waterproof Material Co., LTD	80,000,000.00	October 22, 2022	October 21, 2024	No
Wuhu Oriental Yuhong Building Materials Co., LTD	240,000,000.00	November 16, 2021	November 15, 2024	No
Wuhu Oriental Yuhong Building Materials Co., LTD	80,000,000.00	December 30, 2021	June 29, 2023	Yes
Wuhu Oriental Yuhong Building Materials Co., LTD	70,000,000.00	March 14, 2023	March 13, 2026	No
Wuhu Oriental Yuhong Building Materials Co., LTD	49,000,000.00	August 18, 2023	August 17, 2026	No
Wuhu Oriental Yuhong Building Materials Co., LTD	50,000,000.00	October 25, 2021	October 25, 2024	No
Wuhu Oriental Yuhong Building Materials Co., LTD	130,000,000.00	June 9, 2020	June 9, 2023	Yes
Wuhu Oriental Yuhong Building Materials Co., LTD	100,000,000.00	June 2, 2023	June 1, 2026	No



Wuhu Oriental Yuhong Building Materials Co., LTD	132,000,000.00	June 02, 2022	June 1, 2024	No
Wuhu Oriental Yuhong Building Materials Co., LTD	60,000,000.00	May 14, 2022	September 23, 2025	No
Wuhu Oriental Yuhong Building Materials Co., LTD	100,000,000.00	June 2, 2023	June 1, 2026	No
Shenzhen Oriental Yuhong Waterproof Engineering Co., LTD	70,000,000.00	January 19, 2022	January 18, 2025	No
Shenzhen Oriental Yuhong Waterproof Engineering Co., LTD	30,000,000.00	March 31, 2023	March 30, 2026	No
Shenzhen Oriental Yuhong Waterproof Engineering Co., LTD	100,000,000.00	January 6, 2023	July 24, 2023	Yes
Shenzhen Oriental Yuhong Waterproof Engineering Co., LTD	50,000,000.00	November 18, 2022	November 17, 2025	No
Shenzhen Oriental Yuhong Waterproof Engineering Co., LTD	30,000,000.00	September 4, 2023	September 4, 2026	No
Tangshan Oriental Yuhong Waterproof Technology Co., LTD	85,000,000.00	May 08, 2022	May 08, 2023	Yes
Tangshan Oriental Yuhong Waterproof Technology Co., LTD	85,000,000.00	November 14, 2023	November 13, 2026	No



Tangshan Oriental Yuhong Waterproof Technology Co., LTD	80,000,000.00	March 31, 2022	March 30, 2023	Yes
Tangshan Oriental Yuhong Waterproof Technology Co., LTD	80,000,000.00	August 18, 2023	August 17, 2026	No
Tangshan Oriental Yuhong Waterproof Technology Co., LTD	300,000,000.00	June 16, 2022	June 15, 2025	No
Tangshan Oriental Yuhong Waterproof Technology Co., LTD	50,000,000.00	November 16, 2022	November 15, 2025	No
Tangshan Oriental Yuhong Waterproof Technology Co., LTD	100,000,000.00	March 09, 2023	March 08, 2024	No
Tangshan Oriental Yuhong Waterproof Technology Co., LTD	50,000,000.00	May 16, 2023	May 15, 2026	No
Qingdao Oriental Yuhong Building Materials Co., LTD	100,000,000.00	November 18, 2021	November 17, 2024	No
Qingdao Oriental Yuhong Building Materials Co., LTD	88,000,000.00	August 20, 2021	August 20, 2024	No
Qingdao Oriental Yuhong Building Materials Co., LTD	220,000,000.00	April 21, 2021	December 31, 2024	No
Qingdao Oriental Yuhong Building Materials Co., LTD	75,000,000.00	March 14, 2023	March 13, 2026	No
Qingdao Oriental Yuhong Building Materials Co., LTD	100,000,000.00	August 03, 2022	August 03, 2023	Yes



Qingdao Oriental Yuhong Building Materials Co., LTD	150,000,000.00	November 13, 2023	November 12, 2026	No
Qingdao Oriental Yuhong Building Materials Co., LTD	330,000,000.00	June 22, 2022	June 21, 2025	No
Qingdao Oriental Yuhong Building Materials Co., LTD	135,000,000.00	October 14, 2021	October 13, 2023	Yes
Qingdao Oriental Yuhong Building Materials Co., LTD	100,000,000.00	July 21, 2022	July 20, 2025	No
Qingdao Oriental Yuhong Building Materials Co., LTD	200,000,000.00	April 13, 2022	April 12, 2023	Yes
Qingdao Oriental Yuhong Building Materials Co., LTD	80,000,000.00	August 23, 2022	August 23, 2023	Yes
Qingdao Oriental Yuhong Building Materials Co., LTD	80,000,000.00	November 09, 2023	October 30, 2024	No
Tianjin Hongzhi New Material Co., LTD	354,135,000.00	November 23, 2021	November 23, 2024	No
Tianjin Hongzhi New Material Co., LTD	100,000,000.00	May 06, 2023	May 5, 2026	No
Yueyang Oriental Yuhong Waterproof Technology Co., LTD	100,000,000.00	April 08, 2022	April 07, 2024	No
Yueyang Oriental Yuhong Waterproof Technology Co., LTD	800,000,000.00	August 25, 2020	August 25, 2025	No
Yueyang Oriental Yuhong Waterproof Technology Co., LTD	200,000,000.00	April 27, 2023	April 26, 2025	No





Huizhou Oriental Yuhong Building Materials Co., LTD	205,000,000.00	July 05, 2022	July 4, 2025	No
Huizhou Oriental Yuhong Building Materials Co., LTD	590,000,000.00	February 01, 2021	February 1, 2026	No
Xianyang Oriental Yuhong Building Materials Co., LTD	60,000,000.00	August 18, 2023	August 17, 2024	No
Xianyang Oriental Yuhong Building Materials Co., LTD	120,000,000.00	September 9, 2022	May 30, 2023	Yes
Xianyang Oriental Yuhong Building Materials Co., LTD	50,000,000.00	April 07, 2022	April 7, 2023	Yes
Xianyang Oriental Yuhong Building Materials Co., LTD	50,000,000.00	July 7, 2023	July 6, 2026	No
Xianyang Oriental Yuhong Building Materials Co., LTD	90,000,000.00	April 21, 2022	April 20, 2023	Yes
Xianyang Oriental Yuhong Building Materials Co., LTD	170,000,000.00	January 23, 2022	January 22, 2025	No
Xianyang Oriental Yuhong Building Materials Co., LTD	100,000,000.00	January 28, 2023	January 27, 2024	No
Guangdong Oriental Yuhong Waterproof Engineering Co., LTD	135,000,000.00	August 11, 2021	August 10, 2024	No
Guangdong Oriental Yuhong Waterproof Engineering Co., LTD	150,000,000.00	June 25, 2021	June 16, 2024	No



Guangdong Oriental Yuhong Waterproof Engineering Co., LTD	200,000,000.00	January 13, 2021	January 12, 2024	No
Guangdong Oriental Yuhong Waterproof Engineering Co., LTD	165,000,000.00	December 14, 2022	December 13, 2027	No
Guangdong Oriental Yuhong Building Materials Technology Co., LTD	60,000,000.00	November 18, 2021	December 31, 2023	Yes
Guangdong Oriental Yuhong Building Materials Technology Co., LTD	60,000,000.00	January 11, 2024	December 31, 2028	No
Guangdong Oriental Yuhong Building Materials Technology Co., LTD	240,000,000.00	March 18, 2022	December 31, 2027	No
Guangdong Oriental Yuhong Building Materials Technology Co., LTD	200,000,000.00	May 06, 2022	April 2, 2024	No
Guangdong Oriental Yuhong Building Materials Technology Co., LTD	67,500,000.00	September 20, 2023	September 19, 2026	No
Jinzhou Oriental Yuhong Building Materials Co., LTD	135,000,000.00	July 27, 2021	July 26, 2024	No
Jinzhou Oriental Yuhong Building Materials Co., LTD	100,000,000.00	April 1, 2022	March 31, 2023	Yes



Jinzhong Oriental Yuhong Building Materials Co., LTD	100,000,000.00	June 2, 2023	June 1, 2026	No
Jinzhong Oriental Yuhong Building Materials Co., LTD	30,000,000.00	July 21, 2022	July 20, 2025	No
Jinzhong Oriental Yuhong Building Materials Co., LTD	70,000,000.00	March 23, 2022	March 23, 2023	Yes
Jinzhong Oriental Yuhong Building Materials Co., LTD	70,000,000.00	April 17, 2023	April 17, 2024	No
Henan Oriental Yuhong Building Materials Co., LTD	150,000,000.00	July 30, 2022	June 27, 2023	Yes
Henan Oriental Yuhong Building Materials Co., LTD	150,000,000.00	August 18, 2023	August 17, 2026	No
Henan Oriental Yuhong Building Materials Co., LTD	130,000,000.00	June 14, 2022	June 13, 2023	Yes
Henan Oriental Yuhong Building Materials Co., LTD	150,000,000.00	August 06, 2021	August 06, 2023	Yes
Henan Oriental Yuhong Building Materials Co., LTD	150,000,000.00	May 30, 2023	December 31, 2026	No
Henan Oriental Yuhong Building Materials Co., LTD	100,000,000.00	June 28, 2022	June 28, 2023	Yes
Henan Oriental Yuhong Building Materials Co., LTD	100,000,000.00	August 18, 2023	August 17, 2026	No



Henan Oriental Yuhong Building Materials Co., LTD	100,000,000.00	June 07, 2023	June 7, 2024	No
Henan Oriental Yuhong Building Materials Co., LTD	165,000,000.00	March 09, 2023	July 24, 2023	Yes
Henan Oriental Yuhong Building Materials Co., LTD	52,000,000.00	July 15, 2022	June 15, 2024	No
Henan Oriental Yuhong Building Materials Co., LTD	50,000,000.00	March 03, 2023	March 02, 2026	No
Henan Oriental Yuhong Building Materials Co., LTD	200,000,000.00	August 29, 2023	August 28, 2026	No
Kunming Fengxing Waterproof Material Co., LTD	100,000,000.00	August 30, 2021	August 29, 2024	No
Kunming Fengxing Waterproof Material Co., LTD	100,000,000.00	June 07, 2022	June 10, 2023	Yes
Kunming Fengxing Waterproof Material Co., LTD	100,000,000.00	July 5, 2023	January 5, 2025	No
Kunming Fengxing Waterproof Material Co., LTD	70,000,000.00	September 27, 2022	September 9, 2023	Yes
Kunming Fengxing Waterproof Material Co., LTD	40,000,000.00	November 19, 2022	November 18, 2025	No
Kunming Fengxing Waterproof Material Co., LTD	50,000,000.00	August 09, 2022	August 09, 2023	Yes



Kunming Fengxing Waterproof Material Co., LTD	120,000,000.00	January 9, 2023	January 8, 2024	No
Kunming Fengxing Waterproof Material Co., LTD	60,000,000.00	May 16, 2023	May 15, 2026	No
Guangzhou Fuda Thermal Insulation Material Co., LTD	39,000,000.00	March 29, 2021	March 28, 2023	Yes
Guangzhou Fuda Thermal Insulation Material Co., LTD	39,000,000.00	April 27, 2023	April 26, 2026	No
Sichuan Oriental Yuhong Waterproof Engineering Co., LTD	220,000,000.00	December 14, 2023	December 13, 2026	No
Chuzhou Tiandingfeng Nonwovens Co., LTD	100,000,000.00	July 18, 2022	July 18, 2025	No
Chuzhou Tiandingfeng Nonwovens Co., LTD	50,000,000.00	February 20, 2020	February 20, 2023	Yes
Chuzhou Tiandingfeng Nonwovens Co., LTD	250,000,000.00	May 17, 2023	May 17, 2026	No
Chuzhou Tiandingfeng Nonwovens Co., LTD	60,000,000.00	September 21, 2022	September 21, 2025	No
Chuzhou Tiandingfeng Nonwovens Co., LTD	80,000,000.00	April 17, 2020	September 16, 2026	No
Jiangxi Oriental Yuhong Building Materials Co., LTD	37,500,000.00	August 03, 2022	August 02, 2025	No



Jilin Oriental Yuhong Building Materials Co., LTD	170,000,000.00	April 15, 2022	April 7, 2023	Yes
Hongshi (Jiangsu) New Material Technology Co., LTD	150,000,000.00	March 14, 2023	March 13, 2026	No
Hongshi (Jiangsu) New Material Technology Co., LTD	150,000,000.00	April 27, 2023	April 26, 2026	No
Suzhou Oriental Yuhong Building Materials Co., LTD	100,000,000.00	November 14, 2023	November 13, 2026	No
Suzhou Oriental Yuhong Building Materials Co., LTD	180,000,000.00	November 14, 2023	November 07, 2024	No

## The company as the guaranteed party

Unit: RMB

Guarantee party	The amount guaranteed	Starting date of the guarantee	Closing date of the guarantee	Guarantee completed/uncompleted
Li Weiguo	168,000,000.00	March 25, 2019	March 24, 2024	No
Li Weiguo	130,000,000.00	June 9, 2020	June 9, 2023	Yes
Li Weiguo	1,000,000,000.00	March 29, 2023	March 28, 2024	No
Li Weiguo	1,600,000,000.00	July 14, 2023	July 13, 2029	No
Li Weiguo	100,000,000.00	August 14, 2023	August 14, 2024	No
Li Weiguo	366,000,000.00	August 28, 2017		No
Li Weiguo	450,000,000.00	July 06, 2022	January 25, 2023	Yes
Li Weiguo	450,000,000.00	November 01, 2023	August 10, 2024	No
Li Weiguo	200,000,000.00	November 25, 2021	November 25, 2024	No
Li Weiguo	57,500,000.00	July 28, 2020	August 02, 2027	No



Li Weiguo	100,000,000.00	October 26, 2020	October 25, 2023	Yes
Li Weiguo	200,000,000.00	June 10, 2021	June 6, 2024	No
Li Weiguo	30,000,000.00	June 30, 2022	June 29, 2023	Yes
Li Weiguo	500,000,000.00	March 14, 2023	March 13, 2024	No
Li Weiguo	350,000,000.00	June 21, 2022	June 8, 2026	No
Li Weiguo	300,000,000.00	June 25, 2021	June 25, 2023	Yes
Li Weiguo	300,000,000.00	January 13, 2022	January 12, 2023	Yes
Li Weiguo	300,000,000.00	May 26, 2023	May 25, 2024	No
Li Weiguo, Wang Rui	1,300,000,000.00	August 30, 2021	August 30, 2023	Yes
Li Weiguo, Wang Rui	1,300,000,000.00	September 12, 2023	September 12, 2024	No
Li Weiguo	300,000,000.00	September 07, 2021	September 7, 2024	No
Li Weiguo	200,000,000.00	November 22, 2022	September 1, 2023	Yes
Li Weiguo	200,000,000.00	December 22, 2023	December 21, 2024	No
Li Weiguo	300,000,000.00	December 15, 2023	December 15, 2026	No
Li Weiguo	354,135,000.00	November 23, 2021		No
Li Weiguo	300,000,000.00	March 12, 2021	December 31, 2025	No
Li Weiguo	180,000,000.00	June 5, 2023	June 5, 2028	No
Li Weiguo	477,500,000.00	April 22, 2022	April 21, 2025	No
Li Weiguo	800,000,000.00	November 27, 2020	February 23, 2023	Yes
Li Weiguo	800,000,000.00	May 30, 2023	May 29, 2024	No
Li Weiguo	300,000,000.00	September 18, 2021	September 18, 2024	No
Li Weiguo	500,000,000.00	August 28, 2023	August 27, 2024	No

### Statements of related-party guarantees

#### (5) Fund lending from related parties

Unit: RMB

Related Party	Lending Amount	Start Date	Expiry Date	Instructions	
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**(6) Asset Transfer and Debt Restructuring of Related Parties**

Unit: RMB

Related Party	Related Party Transaction	Amount in the Current Period	Amount in the Previous Period
Shenzhen Kaier Hanxiang Industrial Co., Ltd.	Asset transfer		22,035,499.59

**(7) Key Management Personnel Compensation**

Unit: RMB

Account	Current Period Incurred	Previous Period Incurred
Key management personnel compensation	1,768.88	1,763.67

**(8) Other related-party transactions****6. Amounts Due from and to Related Parties****(1) Accounts Receivable**

Unit: RMB

Account Name	Related Party	Closing Balance		Opening Balance	
		Book Balance	Reserve for Bad Debts	Book Balance	Reserve for Bad Debts
Accounts Receivable	Sichuan Building Materials			167,883,076.56	4,700,726.14
Accounts Receivable	BGE	9,594,367.48	331,965.11	7,362,003.83	206,136.11
Accounts Receivable	Yueda New Material	2,182,375.82	75,510.20	587,857.29	16,460.00
Accounts Receivable	Jiangsu Renovation	1,115.72	38.60	783.22	21.93





Accounts Receivable	Foshan Jianfa Oriental Yuhong Building Materials Technology Co., LTD	34,418,373.20	1,190,875.71		
Accounts Receivable	Ya 'an Xin Yuhong Waterproof Technology Co., LTD	3,612,546.00	124,994.09		
Accounts Receivable	Guangzhou Green Gold Street Green Building Materials Co., LTD	2,898,566.90	100,290.41		
Accounts Receivable	Hainan Development Control Yuhong Building Materials Technology Co., LTD	1,591,934.78	55,080.94		
Accounts Receivable	Dalian Detai Yuhong Building Materials Technology Co., LTD	545,996.00	18,891.46		
Accounts Receivable	Meishan Oriental Yuhong Construction Engineering Co., LTD	97,432.26	3,371.16		



Accounts Receivable	Ziyang Airport Yuhong Waterproof Engineering Co., LTD	74,892.00	2,591.26		
Accounts Receivable	Huizhou Harbor Yuhong New Material Technology Co., LTD	45,406.20	1,571.05		
Accounts Receivable	Shanghai Weltai New Material Co., LTD	1,798.82	62.24		
Advance Payments	BGE	18,839,270.47		2,218,403.45	
Advance Payments	Sichuan Building Materials			288,700.00	
Advance Payments	Yueda New Material	5,321,306.80		23,276,792.78	
Other Receivables	Sichuan Building Materials			1,334,845.39	66,742.27
Other Receivables	Yueda New Material	383,779.37	19,188.97	321,529.17	32,152.92
Other Receivables	Yueda Energy Saving	15,685.67	784.28	289,942.99	28,994.30
Other Receivables	BGE	251,800.00	14,590.00	40,000.00	2,000.00
Other Receivables	Jiangsu Renovation	107,010.31	31,403.09	23,500.00	1,175.00
Other Receivables	Shanghai Weltai New Material Co., LTD	882,639.43	44,131.97		



Other Receivables	Xiangxi Hong Craftsman Information Technology Co., LTD	218,790.39	10,939.52		
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**(2) Accounts Payable**

Unit: RMB

Account Name	Related Party	Closing Book Balance	Opening Book Balance
Accounts Payable	Sichuan Building Materials		128,944,549.78
Accounts Payable	BGE	97,731,984.68	180,311,683.06
Accounts Payable	Jiangsu Renovation	175,324.91	1,001,459.03
Accounts Payable	Yueda Energy Saving	316,285.50	446,558.79
Accounts Payable	Shanghai Weltai New Material Co., LTD	37,701.32	
Accounts Payable	Hainan Development Control Yuhong Building Materials Technology Co., LTD	2,628.73	
Contractual liabilities	BGE		26,135.50
Contractual liabilities	Yueda New Material		62,176.77
Contractual liabilities	Jiangsu Renovation	303,421.42	646,738.97
Contractual liabilities	Jiacheng Yuhong Building Materials (Guangdong) Co., LTD	1,521,251.20	
Contractual liabilities	Huizhou Harbor Yuhong new material Technology Co., LTD	800,000.00	
Contractual liabilities	Meishan Oriental Yuhong Construction Engineering Co., LTD	605,900.00	
Other Payables	Zhang Hongtao		26,920,000.00



Other Payables	Jiangsu Renovation	2,552,037.63	3,429,851.68
Other Payables	Sichuan Building Materials		2,549,896.70
Other Payables	Yueda New Material	361,398.39	528,046.86
Other Payables	BGE		343,522.63
Other Payables	Xiangxi Hong Craftsman Information Technology Co., LTD	2,882,621.40	
Other Payables	Leizhou development Oriental Yuhong Building Materials Technology Co., LTD	140,009.56	
Other Payables	Yichang Chengfa Oriental Yuhong Building Materials Technology Co., LTD	50,000.00	
Other Payables	Foshan Jianfa Oriental Yuhong Building Materials Technology Co., LTD	20,000.00	
Other Payables	Susong Oriental Yuhong Building Materials Technology Co., LTD	20,000.00	

## 7. Commitments of related parties

None

## 8. Others

None

## XV. Share-based Payments

### 1. Overview of Share-based Payments

Applicable  Not applicable

Unit: RMB

Category of grant object	Current granted		Current exercised		Current unlocked		Current expired	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount



Stock options or other equity instruments outstanding at the end of the period

Applicable Not applicable

Other instructions:

Total amount of equity instruments granted by the Company during the period	-
Total amount of equity instruments exercised by the Company during the period	-
Total amount of equity instruments which lapsed during the period	-
Range of exercise price and remained contract term of the outstanding stock options issued by the Company at the end of the period	Restricted shares granted in the third period: the exercise price is RMB 13.86 and the remained contract term is 11 months.  Phase I stock option: the exercise price is 48.29, and the validity period is calculated from the date of stock option grant, and the maximum period is no more than 60 months
The scope of exercise price of other equity instruments issued by the company at the end of the period and the remaining term of the contract	—

Instructions:

Granting the third period of restricted shares

(1) According to the authorization of the Third Extraordinary General Meeting in 2019, the *Proposal of Beijing Oriental Yuhong Waterproofing Technology Co., Ltd. on the Granting of the Third Period of Restricted Shares to the Incentive Recipients*, which was considered and adopted at the Eighth Meeting of the Seventh Board of Directors of the Company held on November 11, 2019, and the *Restricted Share Incentive Plan (Revised Draft)*, which was considered and adopted at the Sixth Meeting of the Seventh Board of Directors of the Company held on September 27, 2019 (hereinafter referred to as the “Third Restricted Stock Incentive Plan” or “Incentive Plan”), there are 1,752 incentive recipients and 27,362,528 shares, of which 23,540,159 shares are from the Company’s repurchased shares and the remaining 3,822,369 shares are from the Company’s directed issue of A ordinary shares to the incentive recipients.

(2) Authorized by the Company's Third Extraordinary General Meeting of Shareholders in 2019 and in accordance with the resolution of the 21st meeting of the sixth Board of Directors, the Company repurchased and canceled 1,427,250 restricted shares obtained by incentive objects that did not fully meet the unlocking conditions, each with a par value of RMB 1.00. The aforementioned repurchase and cancellation were reviewed and approved at the Company's 2020 third extraordinary general meeting of shareholders held on December 7, 2020.

(3) According to the authorization of the third extraordinary general meeting in 2019 and the resolution of the 44th Meeting of the Seventh Session of the Board of Directors, the Company would repurchase and cancel 1,577,408 restricted shares obtained by incentive objects that did not fully meet the unlocking conditions at a face value of RMB 1.00 per share. The aforementioned repurchase and cancellation were reviewed and approved at the Company's 2021 fourth extraordinary general meeting of shareholders held on November 15, 2021.

(4) According to the authorization of the third extraordinary general meeting of the Company in 2019, the 56th meeting of the seventh session of the Board of Directors resolved that the Company would repurchase and cancel 1,283,406 restricted shares obtained by the incentive participants that fail to fully satisfy the unlocking conditions at a par value of RMB 1.00 per share. The aforementioned repurchase and cancellation were reviewed and approved at the Company's 2022 first extraordinary general meeting of shareholders held on September 16, 2022. One of the aforementioned incentive targets, ZHANG Wei, currently holds 450 shares of the Company's third phase of restricted stock equity incentive, and 750 shares should be repurchased and canceled this time. Due to personal reasons, all the third-phase restricted stocks held by Zhang Wei were judicially frozen on June 22, 2021. As of the disclosure date of this announcement, the freeze has not been lifted. The Company is unable to repurchase the 750 restricted shares he holds that should be repurchased and canceled this time. Therefore, the third phase of restricted shares applied for repurchase and cancellation this time is 1,282,656 shares.

#### Phase I stock options

(1) Pursuant to the authorization of the second extraordinary general meeting in 2021, the Company held the 35th Meeting of the Seventh Session of the Board of Directors on April 26, 2021, reviewed and approved the *Proposal on Granting 2021 Stock Options to Incentive Objects*. According to the provisions of the *2021 Stock Option Incentive Plan (Draft) of Oriental Yuhong Waterproof Technology Co., Ltd.* (hereinafter referred to as "Equity Incentive Plan" or "Incentive Plan"), the Company would use April 26, 2021 as the granted date of the 2021 stock option incentive plan, and grant 51,755,500 stock options to 4,136 incentive objects at an exercise price of RMB 48.99 per



share.

(2) According to the authorization of the second extraordinary general meeting of shareholders in 2021, the Company held the seventh meeting of the eighth board of directors and the fifth meeting of the eighth board of supervisors on April 25, 2023 and made a resolution on the first line of business. The 23,515,150 shares that have not been exercised since the expiration of the option period, the incentive recipients resigned and the exercise conditions for the second exercise period have not been met will not be exercised and will be canceled by the Company.

## 2. Equity-settled Share-based Payments

Applicable  Not applicable

Unit: RMB

<p>Method of determining the fair value of equity instruments at the date of grant</p>	<p>Phase III restricted shares: a board of directors meeting is held prior to the grant and a summary of that grant is disclosed. The method of determining the grant price is: 50 of the average prices of trading in Oriental Yuhong's stock for the 20 trading days prior to the disclosure of the summary of the grant (the total value of stock for the previous 20 trading days/total volume of stock trading for the previous 20 trading days).</p> <p>Phase I share options: a meeting of the Board of Directors shall be convened prior to the grant, and a summary of the grant shall be disclosed. The exercise price shall be determined as follows: not less than the par value of the Shares, and not less than the higher of the average trading price of A-Shares of the Company on the trading day preceding the publication of the draft Share Option Incentive Scheme (total trading amount of shares on the trading day preceding/total trading volume of shares on the previous trading day) and the average trading price of a Shares of the Company on the 60 trading days preceding the publication of the draft Share Option Incentive Scheme.</p>
<p>Basis for determining the number of exercisable equity instruments</p>	<p>The exercise conditions are expected to be met and the grantees are all exercisable.</p>
<p>Reasons for significant differences between the current and prior period estimates.</p>	<p>The resignation of the Incentive Participants and the failure to meet Phase II exercise conditions</p>



Accumulated amount of equity-settled share-based payments included in capital reserves.	723,612,294.90
Total expenses recognized for equity-settled share-based payments during the period	-236,381,903.42

Other instructions:

None

### 3. Cash-settled Share-based Payments

Applicable  Not applicable

### 4. Share-based payment expenses for this period

Applicable  Not applicable

Unit: RMB

Granted to whom	Equity-settled share-based payment fees	Cash-settled share-based payment fees

Other instructions:

The total expenses recognized for equity-settled share-based payment in this period were - 236,381,903.42 RMB.

### 5. Modification and Termination of Share-based Payments

Modification of Share-based Payments	N/A
Termination of Share-based Payments	N/A

### 6. Others

None

## XVI. Commitments and Contingencies

### 1. Significant Commitments

Significant commitments existing at the balance sheet date

(1) The Company privately issued RMB 175,824,175 ordinary shares (A shares) to 13 specific objects at an issue price of RMB 45.50/share on March 4, 2021. The total amount of funds raised was RMB 7,999,999,962.50. After deducting the issuance expenses, the net amount of funds raised was RMB 7,996,199,962.50. According to the Company's *A-share plan for non-public Offering of Beijing Oriental Yuhong Waterproof Technology Co., Ltd.*, the raised funds were invested in the





following (unit: RMB 10,000):

Project Name	Plan for the use of proceeds
Polymer waterproof coiled material construction project of Hangzhou Oriental Yuhong building materials Co., Ltd.	6,567.57
Technical transformation and upgrading project of 25,000 tons of asphalt coating automatic production line with an annual output of 27 million square meters of modified asphalt waterproof coiled material	9,028.92
New energy-saving thermal insulation sealing material project with an annual output of 20,000 tons	16,307.56
Huadu production base project of Guangdong Oriental Yuhong building materials Co., Ltd.	116,521.61
Production base project of Baoding Oriental Yuhong building materials Co., Ltd.	30,815.88
Oriental Yuhong Hainan Yangpu green new material comprehensive industrial park project	32,449.88
Production base project of Chongqing Oriental Yuhong building materials Co., Ltd.	45,686.33
Production base project of Nantong Oriental Yuhong building materials Co., Ltd.	27,066.52
Production base project of Jilin Oriental Yuhong building materials Co., Ltd.	14,619.98
Functional film project with an annual output of 135,000 tons	104,317.09
Oriental Yuhong new material and equipment R & D headquarters base project	28,342.42
nonwovens project with an annual output of 150,000 tons	128,276.24
Supplementary working capital	240,000.00
<b>Total</b>	<b>800,000.00</b>

As of December 31, 2023, the total amount of raised funds directly invested in investment projects was RMB 5,839,307,500; the amount of supplemented working capital was RMB 1,874,950,000; the amount of surplus raised funds used to permanently replenish working capital was RMB 204,531,000; the amount of unused raised funds was RMB 74,308,700; the amount of raised funds stored in a special account was RMB 92,821,700, including RMB 74,308,700 of raised funds, RMB 15,410,100 of interest in the special account after deducting handling fees, and other unpaid issuance expenses of RMB 3,102,900.



- (2) In January 2022, the Company entered into the Project Investment Agreement with the People's Government of Xinzhou District, Wuhan City, Hubei Province, pursuant to which the Company intended to invest RMB 2 billion in the construction of Oriental Yuhong Wuhan Green Building Material Production Base Project and Hubei Regional Headquarters Project in Wuhan City. The Board of Directors agreed that Wuhan Oriental Yuhong Sand Powder Technology Co., Ltd., a wholly-owned subsidiary of the Company, as the main project implementation entity, would invest no more than RMB 2 billion in the construction of Oriental Yuhong Wuhan Green Building Material Production Base Project and Hubei Regional Headquarters Project in Wuhan with self-raised funds.
- (3) In March 2022, the Company entered into the Project Investment Agreement with the People's Government of Xingning District, Nanning City, pursuant to which the Company proposed to invest RMB 600 million in the construction of Oriental Yuhong Nanning Green New Material Production Base Project in Xingning District, Nanning City, Guangxi.
- (4) In April 2022, the Company entered into the Project Investment Agreement with the Management Committee of Hunan Chenzhou Economic Development Zone, pursuant to which the Company intended to invest RMB 1 billion in the construction of Oriental Yuhong Green Building Material Production Base Project in Hunan Chenzhou Economic Development Zone. The Board of Directors agreed that Chenzhou Oriental Yuhong Building Materials Technology Co., Ltd., a wholly-owned subsidiary of the Company, as the main project implementation entity, would invest no more than RMB 1 billion in the construction of Oriental Yuhong Green Building Materials Production Base Project in Chenzhou City, Hunan Province with self-raised funds.
- (5) In May 2022, the Company entered into the Project Investment Agreement with the Management Committee of Jinpu New District, Dalian, Liaoning Province, pursuant to which the Company intended to invest RMB 1.5 billion in the construction of Oriental Yuhong Dalian Green Building Material Production Base Project in Dalian, Liaoning Province. The Board of Directors approved the Company to invest RMB 50 million with its own funds to establish Dalian Oriental Yuhong Building Materials Co., Ltd., a wholly-owned subsidiary of the Company, in Dalian City, Liaoning Province, and to invest not more than RMB 1.5 billion with its own funds to construct Oriental Yuhong Dalian Green Building Materials Production Base Project in Dalian City, Liaoning Province.
- (6) In May 2022, the Company entered into the Project Investment Agreement with the People's Government of Nanzhao County, Nanyang City, Henan Province. The Board of Directors approved Oriental Yuhong Sand Powder Technology Investment Co., Ltd., a second-level wholly-owned

subsidiary of the Company, to invest RMB 10 million in Nanzhao County, Nanyang City, Henan Province with its own funds to establish a wholly-owned subsidiary, Nanyang Oriental Yuhong Building Materials Technology Co., Ltd. With Nanyang Oriental Yuhong as the main body of project implementation, the project of Oriental Yuhong Nanyang Green Building Material Production Base is invested in Nanzhao County, Nanyang City, Henan Province with self-financing investment of no more than RMB 1 billion.

(7) In October 2022, the Company entered into the Project Investment Agreement with the People's Government of Minqing County, Fuzhou City, Fujian Province. The Board of Directors approved Fuzhou Oriental Yuhong Building Materials Co., Ltd., a controlled subsidiary of the Company, and Fujian Oriental Yuhong Building Materials Technology Co., Ltd., a wholly-owned subsidiary of the Company, as the main bodies of project implementation, to invest not more than RMB 1.2 billion in the construction of Fuzhou Green Building Materials Production Base Project and Fujian Regional Headquarters Project in Minqing County, Fuzhou City with self-raised funds.

As of December 31, 2023, the Company had no other commitments that should be disclosed.

## 2. Contingencies

### (1) Significant Contingencies Existing at the Balance Sheet Date

① Contingent Liabilities Arising from Debt Guarantees Provided to Other Units and Their Financial Impact

Details of the Group's loan guarantees to subsidiaries as of December 31, 2022 are set out in 5 (2), Chapter X.

The Company intends to provide guarantees by way of joint and several liability guarantee for loans granted by banks and other financial institutions to downstream distributors who meet the qualification requirements, with the guarantee amount not exceeding the total credit limit of RMB 10,000,000,000.00. As of December 31, 2023, the Company's guarantees for downstream dealers are as follows.

Creditor	Amount of Guarantee (RMB 10,000)	Period during which the guaranteed debt occurs		Whether the Guarantee Has Been Fulfilled
		Guarantee Start Date	Guarantee Termination Date	
Anhui Lingrui construction Engineering Co., LTD	521.59	2023-12-19	2024-12-13	No



Creditor	Amount of Guarantee (RMB 10,000)	Period during which the guaranteed debt occurs		Whether the Guarantee Has Been Fulfilled
		Guarantee Start Date	Guarantee Termination Date	
Anhui Lingrui construction Engineering Co., LTD	81.48	2023-12-25	2024-12-19	No
Ganzhou city Runbang building materials Co., LTD	260.00	2023-12-20	2024-12-19	No
Hangzhou Xiaoteng waterproof material Co., LTD	113.84	2023-12-29	2024-12-23	No
Hangzhou Yueyang Waterproof Engineering Co., Ltd.	341.24	2023-10-27	2024-10-21	No
Hangzhou Yueyang Waterproof Engineering Co., Ltd.	157.50	2023-11-02	2024-10-27	No
Hangzhou Yueyang Waterproof Engineering Co., Ltd.	138.18	2023-11-27	2024-11-21	No
Hangzhou Yueyang Waterproof Engineering Co., Ltd.	339.95	2023-11-30	2024-11-29	No
Hangzhou Yueyang Waterproof Engineering Co., Ltd.	325.97	2023-12-01	2024-11-30	No
Hangzhou Yueyang Waterproof Engineering Co., Ltd.	334.08	2023-12-04	2024-12-03	No
Hangzhou Yunlang Building Waterproof Engineering Co., Ltd.	499.17	2023-11-02	2024-10-27	No
Hangzhou Yunlang Building Waterproof Engineering Co., Ltd.	800.00	2023-12-21	2024-12-20	No
Hangzhou Zhiyoumei Construction Engineering Co., Ltd.	300.00	2023-03-31	2024-03-22	No
Heze Oriental Yuhong Waterproof Engineering Co., Ltd.	420.00	2023-12-19	2024-09-18	No
Jinan Huakun Trading Co., Ltd.	500.00	2023-12-19	2024-09-18	No



Creditor	Amount of Guarantee (RMB 10,000)	Period during which the guaranteed debt occurs		Whether the Guarantee Has Been Fulfilled
		Guarantee Start Date	Guarantee Termination Date	
Jining Andu Construction Labor Service Co., Ltd.	350.00	2023-12-19	2024-09-18	No
The Third Branch of Jiangsu Dibang Construction Engineering Co., Ltd.	126.00	2023-12-18	2024-09-17	No
Lanling Houbo Building Waterproof Engineering Co., Ltd.	320.00	2023-12-28	2024-06-27	No
Liaocheng Chengyu Building Materials Co., Ltd.	420.00	2023-12-28	2024-09-27	No
Longkou Hongqiao International Trade Co., Ltd.	994.00	2023-12-18	2024-09-17	No
Longkou Hongqiao International Trade Co., Ltd.	554.00	2023-12-25	2024-12-19	No
Ningbo Yuhong Waterproof Technology Co., Ltd.	999.62	2023-12-26	2024-12-20	No
Ningbo Yuhong Waterproof Technology Co., Ltd.	999.00	2023-12-28	2024-12-27	No
Qingdao Yehanda Waterproof Engineering Co., Ltd.	1,000.00	2023-12-25	2024-12-24	No
Xiamen RiRiSheng Building Materials Co., Ltd.	105.01	2023-12-22	2024-12-21	No
Xiamen RiRiSheng Building Materials Co., Ltd.	694.46	2023-12-25	2024-12-24	No
Shandong Ruilong Anticorrosion and Waterproof Materials Co., Ltd.	280.00	2023-12-18	2024-09-17	No
Shandong Ruilong Anticorrosion and Waterproof Materials Co., Ltd.	287.00	2023-12-20	2024-09-19	No



Creditor	Amount of Guarantee (RMB 10,000)	Period during which the guaranteed debt occurs		Whether the Guarantee Has Been Fulfilled
		Guarantee Start Date	Guarantee Termination Date	
Shandong Senrui Construction Engineering Co., Ltd.	560.00	2023-12-19	2024-09-18	No
Shandong Province Boxing County Boxen New Materials Co., Ltd.	395.00	2023-12-21	2024-09-20	No
Shandong Xinghua Waterproof and Insulation Engineering Co., Ltd.	1,000.00	2023-12-28	2024-12-27	No
Shanghai Duwei Building Waterproof Engineering Co., Ltd.	600.00	2023-04-03	2024-04-03	No
Shanghai Duwei Building Waterproof Engineering Co., Ltd.	80.91	2023-07-10	2024-04-17	No
Shanghai Duwei Building Waterproof Engineering Co., Ltd.	796.68	2023-07-06	2024-04-24	No
Shanghai Yuguang Material Technology Co., Ltd.	367.52	2023-12-19	2024-12-13	No
Shanghai Yuguang Material Technology Co., Ltd.	56.42	2023-12-20	2024-12-14	No
Wuxi Dongfang Yuhong Waterproof Engineering Co., Ltd.	582.26	2023-12-27	2024-12-21	No
Zhejiang Dingjian Construction Engineering Co., Ltd.	320.85	2023-12-12	2024-12-06	No
Zhejiang Dingjian Construction Engineering Co., Ltd.	407.87	2023-12-19	2024-12-13	No
Zhejiang Dingjian Construction Engineering Co., Ltd.	230.28	2023-12-21	2024-12-15	No
Zhejiang Dingjian Construction Engineering Co., Ltd.	19.09	2023-12-22	2024-12-16	No



Creditor	Amount of Guarantee (RMB 10,000)	Period during which the guaranteed debt occurs		Whether the Guarantee Has Been Fulfilled
		Guarantee Start Date	Guarantee Termination Date	
Zhejiang Dingjian Construction Engineering Co., Ltd.	200.00	2023-12-21	2024-12-20	No
Zhejiang Heju Construction Technology Co., Ltd.	300.00	2023-12-22	2024-12-21	No
Zhejiang Henghe Zhiye Construction Technology Co., Ltd.	300.00	2023-12-28	2024-12-27	No
Zhejiang Weiyi Waterproof and Insulation Engineering Co., Ltd.	574.00	2023-12-18	2024-12-17	No
Zhejiang Yuqing Waterproof Technology Co., Ltd.	944.33	2023-10-26	2024-10-20	No
Zhejiang Yuanqi Waterproof Engineering Co., Ltd.	1,000.00	2023-12-14	2024-12-13	No
Zhejiang Zhongkun Building Materials Co., Ltd.	500.00	2023-12-18	2024-12-17	No
Zhongshu Waterproof Engineering Co., Ltd.	280.00	2023-09-21	2024-09-20	No
Zhongshu Waterproof Engineering Co., Ltd.	245.00	2023-09-27	2024-09-26	No
Chengdu Hongtu Waterproof Engineering Co., Ltd.	10.68	2023-12-15	2024-09-14	No
Chengdu Hongtu Waterproof Engineering Co., Ltd.	335.00	2023-12-18	2024-09-17	No
Chengdu Hongtu Waterproof Engineering Co., Ltd.	154.00	2023-12-19	2024-09-18	No
Chengdu Juxiangyi Construction Engineering Co., Ltd.	221.63	2023-12-08	2024-12-07	No



Creditor	Amount of Guarantee (RMB 10,000)	Period during which the guaranteed debt occurs		Whether the Guarantee Has Been Fulfilled
		Guarantee Start Date	Guarantee Termination Date	
Chengdu Juxiangyi Construction Engineering Co., Ltd.	69.95	2023-12-11	2024-12-10	No
Chengdu Juxiangyi Construction Engineering Co., Ltd.	13.63	2023-12-12	2024-12-11	No
Chengdu Juxiangyi Construction Engineering Co., Ltd.	4.80	2023-12-13	2024-12-12	No
Chengdu Juxiangyi Construction Engineering Co., Ltd.	3.46	2023-12-14	2024-12-13	No
Chengdu Juxiangyi Construction Engineering Co., Ltd.	1.39	2023-12-15	2024-12-14	No
Chengdu Yongshuntai Waterproof Engineering Co., Ltd. Longquanyi Branch	286.20	2023-12-25	2024-12-24	No
Chengdu Yongshuntai Waterproof Engineering Co., Ltd. Longquanyi Branch	13.80	2023-12-26	2024-12-25	No
Fujian Century Construction Engineering Co., Ltd.	241.00	2023-12-21	2024-12-20	No
Guizhou Hongjiang Building Materials Co., Ltd.	646.40	2023-12-29	2024-12-23	No
Guizhou Xinchengde Construction Engineering Co., Ltd.	129.98	2023-12-29	2024-12-23	No
Hubei Donghong Building Technology Co., Ltd.	185.92	2023-04-18	2024-01-30	No
Hubei Donghong Building Technology Co., Ltd.	186.28	2023-04-18	2024-02-10	No
Hubei Donghong Building Technology Co., Ltd.	41.24	2023-06-05	2024-04-09	No





Creditor	Amount of Guarantee (RMB 10,000)	Period during which the guaranteed debt occurs		Whether the Guarantee Has Been Fulfilled
		Guarantee Start Date	Guarantee Termination Date	
Hubei Fuyi Building Materials Co., Ltd. Hunan Branch	92.00	2023-12-21	2024-12-20	No
Hubei Yunuo Building Waterproof Engineering Co., Ltd.	1,000.00	2023-12-22	2024-08-21	No
Hunan Jufeng Construction Engineering Co., Ltd.	388.32	2023-12-29	2024-12-23	No
Hunan Meichuang System Doors and Windows Co., Ltd.	370.00	2023-12-29	2024-06-28	No
Hunan Tuotian Building Materials Technology Co., Ltd.	999.37	2023-12-29	2024-12-23	No
Hunan Zefan Construction Engineering Co., Ltd.	163.06	2023-12-27	2024-12-21	No
Huizhou Minan Waterproof and Insulation Technology Co., Ltd.	94.33	2023-12-18	2024-06-17	No
Huizhou Minan Waterproof and Insulation Technology Co., Ltd.	5.67	2023-12-19	2024-06-18	No
Huizhou Henghua Decoration Engineering Co., Ltd.	27.00	2023-12-25	2024-06-24	No
Huizhou Xinpangda Waterproof Engineering Co., Ltd.	300.00	2023-12-19	2024-06-18	No
Huizhou Yixin Waterproof Engineering Co., Ltd.	100.00	2023-12-20	2024-06-19	No
Jingmen Oriental Yuhong Waterproof Engineering Co., Ltd.	499.61	2023-12-30	2024-12-24	No
Jingmen Oriental Yuhong Waterproof Engineering Co., Ltd.	6.85	2023-12-31	2024-12-25	No



Creditor	Amount of Guarantee (RMB 10,000)	Period during which the guaranteed debt occurs		Whether the Guarantee Has Been Fulfilled
		Guarantee Start Date	Guarantee Termination Date	
Jingmen Oriental Yuhong Waterproof Engineering Co., Ltd.	264.13	2023-12-31	2024-12-25	No
Shenzhen Huazhi Purification Technology Co., Ltd.	599.00	2023-12-22	2024-06-21	No
Shenzhen Huazhi Purification Technology Co., Ltd.	400.40	2023-12-20	2024-12-14	No
Shenzhen Zhihe Engineering Co., Ltd.	47.00	2023-12-19	2024-12-18	No
Sichuan Hongren Waterproof Engineering Co., Ltd.	450.00	2023-12-18	2024-12-17	No
Sichuan Goldsmith Zhongcheng Construction Engineering Co., Ltd.	2.55	2023-12-19	2024-09-18	No
Sichuan Goldsmith Zhongcheng Construction Engineering Co., Ltd.	152.45	2023-12-20	2024-09-19	No
Sichuan Goldsmith Zhongcheng Construction Engineering Co., Ltd.	52.32	2023-12-21	2024-09-20	No
Sichuan Goldsmith Zhongcheng Construction Engineering Co., Ltd.	16.84	2023-12-22	2024-09-21	No
Sichuan Goldsmith Zhongcheng Construction Engineering Co., Ltd.	18.49	2023-12-22	2024-09-21	No
Sichuan Goldsmith Zhongcheng Construction Engineering Co., Ltd.	16.71	2023-12-22	2024-09-21	No
Sichuan Goldsmith Zhongcheng Construction Engineering Co., Ltd.	25.18	2023-12-25	2024-09-24	No
Sichuan Goldsmith Zhongcheng Construction Engineering Co., Ltd.	3.97	2023-12-26	2024-09-25	No
Xinjiang Tianluhe Trading Co., Ltd.	450.00	2023-12-28	2024-06-27	No



Creditor	Amount of Guarantee (RMB 10,000)	Period during which the guaranteed debt occurs		Whether the Guarantee Has Been Fulfilled
		Guarantee Start Date	Guarantee Termination Date	
Xintai Yixin Waterproof Engineering Co., Ltd.	990.00	2023-12-14	2024-09-13	No
Zaozhuang Dongfang Yuhong Construction Co., Ltd.	698.00	2023-12-06	2024-12-05	No
Chongqing Kangteng Construction Engineering Co., Ltd.	9.00	2023-12-25	2024-12-24	No
Chongqing Kangteng Construction Engineering Co., Ltd.	291.00	2023-12-25	2024-12-24	No
Zhuhai Zhuobao Construction Engineering Co., Ltd.	400.00	2023-12-25	2024-12-24	No
Hunan Anti-protective Coating Building Materials Co., Ltd.	500.00	2023-06-15	2024-06-15	No
Jiande Oriental Yuhong Waterproof Engineering Co., Ltd.	500.00	2023-09-19	2024-08-16	No
<b>total</b>	<b>34,500.91</b>	-	-	-

As of December 31, 2023, except for the aforementioned events, the Company had no other contingencies that should be disclosed.

**(2) If the Company has no important contingencies that should be disclosed, it should be stated.**

The Company has no important contingencies that should be disclosed.

### 3. Others

#### XVII. Events after the Balance Sheet Date

##### 1. Important non-adjusting events

Unit: RMB

Item	Description	Impact on financial condition and results of operations	Reasons why the impact cannot be estimated

## 2. Profit Distribution

Proposed dividend distribution per 10 shares (RMB)	6
The number of dividends declared per 10 shares upon review and approval (RMB)	6
Profit Distribution Scheme	<p>It is proposed to distribute a cash dividend of RMB 1.00 (including tax) per 10 shares to all shareholders based on the total share capital on the date of equity registration after deducting the repurchased shares in the Company's repurchase account when the distribution plan is implemented in the future. No bonus shares will be distributed, and no capital reserve will be converted into share capital. The Company will hold shares through the repurchase account. It does not enjoy the right to participate in the distribution of profits and the conversion of capital reserve into share capital, and the remaining undistributed profits are carried forward to the following years. If there is any change in the total share capital of the Company before the implementation of the profit distribution plan, the profit distribution shall be based on the total share capital of the Company on the record date after deducting the repurchased shares in the special repurchase account of the Company when the distribution plan is implemented in the future, and the proportion of distribution shall remain unchanged.</p>

## 3. Sales Return

## 4. Statements of Other Post-balance Sheet Events

As of April 18, 2024, the Company had no other events after the balance sheet date that shall be disclosed.

## XVIII. Other Important Matters

### 1. Correction of accounting errors in the last period

#### (1) Retrospective restatement

Unit: RMB



Accounting error correction	Precessing procedure	Names of report items for each affected comparison period	Cumulative impact
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**(2) Prospective application**

Accounting error correction	Approval process	Reasons for adopting prospective application
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**2. Debt restructuring****3. Asset replacement****(1) Non-monetary asset exchange****(2) Other asset replacement****4. Annuity plan****5. Termination of operations**

Unit: RMB

Item	Income	Cost	Total profit	Income tax expense	Net profit	Profit from discontinued operations attributable to owners of the parent company

Other instructions:

**6. Breakdown Information****(1) Basis for determining reportable segments and accounting policies****(2) Financial information of reportable segments**

Unit: RMB

Item		Inter-segment elimination	Total



**(3) If the Company does not have a reportable segment, or is unable to disclose the total assets and liabilities of each reportable segment, it should explain the reason.**

**(4) Other instructions**

The Company mainly engages in the production and sales of waterproof coils, waterproof coatings and waterproof engineering construction business, and does not operate other businesses that have a significant impact on the operating results. The Company regards the production and sales of waterproof coils, waterproof coatings and waterproof engineering construction business as a whole to implement management and evaluate operating results. Meanwhile, as the Company only operates in one geographical region, with its revenue mainly derived from the PRC, and its major assets located in the PRC. The Company is not required to disclose breakdown information. The Company's operating income and operating cost by product/region are detailed in Section III IV, 2. to this financial report.

**7. Other important transactions and events that have an impact on investors' decision-making**

As of December 31, 2023, the pledge of shares of the Company's directors, supervisors, and senior executives:

Items	Pledged shares (share)	Stock market value (RMB)
Li Weiguo	283,583,639.00	5,444,805,869.00

(1) On February 3, 2021, Mr. Li Weiguo conducted a 364-day stock pledge repurchase transaction with China International Finance Corporation Limited on part of his 10,254,310 shares of the company (lock-up shares for senior management). The above pledge went through the registration formalities in Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on February 3, 2021, and the term of share pledge is from that date until the cancellation of pledge registration handled with Shenzhen Branch of China Securities Depository and Clearing Corporation. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with China International Capital Corporation Limited to extend the pledged repurchase transaction for 364 days. On the maturity date of the extended pledged repurchase transaction, Mr. Li Weiguo would enter into an agreement with China International Capital Corporation Limited to extend the pledged repurchase transaction for another 364 days.

(2) On April 6, 2021, Mr. Li Weiguo conducted a 365-day stock pledge repurchase transaction with China International Finance Corporation Limited on part of the Company's 7,739,940 shares (lock-up shares for senior management). The above pledge went through the registration formalities in



Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on April 6, 2021, and the term of share pledge starts from that date until the cancellation of pledge registration handled with Shenzhen Branch of China Securities Depository and Clearing Corporation. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with China International Capital Corporation Limited to extend the pledged repurchase transaction for 365 days. On the same day, 1,848,110 shares pledged by Mr. Li Weiguo were released, and the remaining shares pledged were adjusted from 7,739,940 shares to 5,891,830 shares. On the extended expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with China International Capital Corporation to continue to extend the pledged repurchase transaction for another 365 days.

(3) On May 19, 2021, Mr. Li Weiguo conducted a 365-day stock pledge repurchase transaction with Haitong Securities Co., Ltd. on part of the Company's 6,100,000 shares (lock-up shares for senior management). The above pledge went through the registration formalities in Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on May 19, 2021, and the share pledge period starts from that date until the cancellation of pledge registration handled with Shenzhen Branch of China Securities Depository and Clearing Corporation. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with Haitong Securities Co., Ltd. to extend the pledged repurchase transaction for 365 days. On the extended expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with Haitong Securities Co., Ltd. to extend the pledged repurchase transaction for another 364 days. Mr. Li Weiguo returned part of the financing from the stock pledged repurchase transaction to Haitong Securities Co., Ltd. on June 20, 2023, and correspondingly released 1 pledged share. The remaining shares pledged were adjusted from 6,100,000 shares to 6,099,999 shares.

(4) On October 27, 2021, Mr. Li Weiguo conducted a 365-day stock pledge repurchase transaction with Guotai Junan Securities Co., Ltd. on part of the Company's 19,000,000 shares (lock-up shares for senior management). The above The pledge went through the registration formalities in Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on October 27, 2021, and the share pledge period starts from that date until the cancellation of pledge registration handled with Shenzhen Branch of China Securities Depository and Clearing Corporation. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with Guotai Junan Securities Co., Ltd. to extend the pledged repurchase transaction for 365 days. On the extended

expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with Guotai Junan Securities Co., Ltd. to extend the pledged repurchase transaction for another 362 days.

(5) On October 27, 2021, Mr. Li Weiguo conducted a 365-day stock pledge repurchase transaction with CITIC Securities Co., Ltd. for some of the Company's shares of 8,650,000 shares (lock-up shares for senior management). The above pledge went through the registration formalities in Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on October 27, 2021, and the term of share pledge started from that date until the cancellation of pledge registration handled with Shenzhen Branch of China Securities Depository and Clearing Corporation. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with CITIC Securities Co., Ltd. to extend the pledged repurchase transaction for 365 days. On the extended expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with CITIC Securities Co., Ltd. to extend the pledged repurchase transaction for another 366 days.

(6) On October 27, 2021, Mr. Li Weiguo conducted a 365-day stock pledge type repurchase transaction with GF Securities Co., Ltd. for some of the Company's 10,690,000 shares (lock-up shares for senior management). The above The pledge went through the registration formalities in Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on October 27, 2021, and the share pledge period started from that date until the cancellation of pledge registration handled with Shenzhen Branch of China Securities Depository and Clearing Corporation. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with GF Securities Co., Ltd. to extend the pledged repurchase transaction for 365 days. On the extended expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with GF Securities Co., Ltd. to extend the pledged repurchase transaction for another 366 days.

(7) On November 2, 2021, Mr. Li Weiguo pledged part of the Company's shares of 5,000,000 shares (which were senior management lock-in shares) to Haitong Securities Co., Ltd. The above pledge went through the registration procedures in Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on November 2, 2021, and the period of share pledge started from that date to the cancellation of pledge registration handled with Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(8) On December 8, 2021, Mr. Li Weiguo conducted a 365-day stock pledge repurchase transaction with CITIC Securities Co., Ltd. for some of the Company's 6,350,000 shares (lock-up shares for





senior management). The above pledge went through the registration formalities in Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on December 8, 2021, and the share pledge period started from that date to the cancellation of pledge registration handled with Shenzhen Branch of China Securities Depository and Clearing Corporation. shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with CITIC Securities Co., Ltd. to extend the pledged repurchase transaction for 365 days. On the extended expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with CITIC Securities Co., Ltd. to extend the pledged repurchase transaction for another 366 days.

(9) On April 13, 2022, Mr. Li Weiguo conducted a 730-day stock pledge repurchase transaction with China Galaxy Securities Co., Ltd. for part of his 12,900,000 shares of the Company (lock-up shares for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on April 13, 2022, and the pledge period of the shares shall be from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period.

(10) On April 13, 2022, Mr. Li Weiguo conducted a 730-day stock pledge repurchase transaction with China Galaxy Securities Co., Ltd. for part of his 17,200,000 shares of the Company (lock-up shares for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on April 13, 2022, and the pledge period of the shares shall be from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period.

(11) On April 13, 2022, Mr. Li Weiguo conducted a 730-day stock pledge repurchase transaction with China Galaxy Securities Co., Ltd. for part of his 6,600,000 shares of the Company (lock-up shares for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on April 13, 2022, and the pledge period of the shares shall be from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period.

(12) On May 19, 2022, Mr. Li Weiguo conducted a 365-day stock pledge repurchase transaction with Haitong Securities Co., Ltd. for part of his 790,000 shares of the Company (lock-up shares for senior management), and the above pledge was registered at Shenzhen Branch of China Securities



Depository and Clearing Corporation Limited on May 19, 2022. The term of pledge of shares shall be from that date to the date of handling the pledge release registration with Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with Haitong Securities Co., Ltd. to extend the pledged repurchase transaction for 364 days.

(13) On June 15, 2022, Mr. Li Weiguo conducted a 365-day stock pledge repurchase transaction with Haitong Securities Co., Ltd. for part of his 10,417,500 shares of the Company (lock-up shares for senior management). The above pledge has been registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on June 15, 2022, and the pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with Haitong Securities Co., Ltd. to extend the pledged repurchase transaction for 365 days.

(14) On August 24, 2022, Mr. Li Weiguo conducted a 225-day stock pledge repurchase transaction with China International Capital Corporation Limited for part of his 750,000 shares of the company (lock-up shares for senior management). The above pledge has been registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on August 24, 2022, and the pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with China International Capital Corporation to extend the pledged repurchase transaction for 365 days.

(15) On August 24, 2022, Mr. Li Weiguo conducted a 161-day stock pledge repurchase transaction with China International Capital Corporation Limited for part of his 3,050,000 shares of the company (lock-up shares for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on August 24, 2022, and the pledge period of the shares is from that date to the date of releasing the pledge registration with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with China International Capital Corporation Limited to extend the pledged repurchase transaction for



364 days.

(16) On August 24, 2022, Mr. Li Weiguo conducted a 64-day stock pledge repurchase transaction with GF Securities Co., Ltd. for part of his 3,200,000 shares of the Company (lock-up shares for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on August 24, 2022, and the pledge period of the shares is from that date to the date of releasing the pledge registration with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with GF Securities Co., Ltd. to extend the pledged repurchase transaction for 365 days. On the extended expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with GF Securities Co., Ltd. to extend the pledged repurchase transaction for another 366 days.

(17) On August 25, 2022, Mr. Li Weiguo conducted a 63-day stock pledge repurchase transaction with Guotai Junan Securities Co., Ltd. for part of his 3,000,000 shares of the Company (lock-up shares for senior management). The above pledge has been registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on August 25, 2022, and the pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with Guotai Junan Securities Co., Ltd. to extend the pledged repurchase transaction for 365 days. After the expiration date of the pledged repurchase transaction was extended, Mr. Li Weiguo signed an agreement with Guotai Junan Securities Co., Ltd. to extend the pledged repurchase transaction for another 362 days.

(18) On September 9, 2022, Mr. Li Weiguo pledged part of his 1,450,000 shares of the Company (lock-up shares for senior management) to CITIC Securities Co., Ltd. The pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on 9 September 2022. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with CITIC Securities Co., Ltd. to extend the pledged repurchase transaction for 365 days. On the extended expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with CITIC Securities Co., Ltd. to extend the pledged repurchase transaction for



another 366 days.

(19) On September 23, 2022, Mr. Li Weiguo conducted a 34-day stock pledge repurchase transaction with GF Securities Co., Ltd. for part of his 2,200,000 shares of the Company (lock-up shares for senior management). The above pledge has been registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on September 23, 2022, and the pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with GF Securities Co., Ltd. to extend the pledged repurchase transaction for 365 days. On the extended expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with GF Securities Co., Ltd. to extend the pledged repurchase transaction for another 366 days.

(20) On October 10, 2022, Mr. Li Weiguo conducted a 17-day stock pledge repurchase transaction with Guotai Junan Securities Co., Ltd. for part of his 3,000,000 shares of the Company (lock-up shares for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on October 10, 2022. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with Guotai Junan Securities Co., Ltd. to extend the pledged repurchase transaction for 365 days. After the expiration date of the pledged repurchase transaction was extended, Mr. Li Weiguo signed an agreement with Guotai Junan Securities Co., Ltd. to extend the pledged repurchase transaction for another 362 days.

(21) On October 10, 2022, Mr. Li Weiguo conducted a 221-day stock pledge repurchase transaction with Haitong Securities Co., Ltd. for part of his 1,000,000 shares of the Company (lock-up shares for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on October 10, 2022. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with Haitong Securities Co., Ltd. to extend the pledged repurchase transaction for 364 days.

(22) On October 11, 2022, Mr. Li Weiguo pledged part of his 650,000 shares of the Company (lock-



up shares for senior management) to CITIC Securities Co., Ltd. The above pledge was registered with Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on 11 October 2022. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with CITIC Securities Co., Ltd. to extend the pledged repurchase transaction for 365 days. On the extended expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with CITIC Securities Co., Ltd. to extend the pledged repurchase transaction for another 366 days.

(23) On October 11, 2022, Mr. Li Weiguo conducted a 113-day stock pledge repurchase transaction with China International Capital Corporation Limited for part of his 1,000,000 shares of the Company (lock-up shares for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on October 11, 2022. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with China International Capital Corporation Limited to extend the pledged repurchase transaction for 364 days.

(24) On October 11, 2022, Mr. Li Weiguo conducted a 177-day stock pledge repurchase transaction with China International Capital Corporation Limited for part of his 850,000 shares of the company (lock-up shares for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on October 11, 2022. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with China International Capital Corporation to extend the pledged repurchase transaction for 365 days.

(25) On October 13, 2022, Mr. Li Weiguo conducted a 547-day stock pledged repurchase transaction with China Galaxy Securities Co., Ltd. for part of his 1,500,000 shares of the Company (lock-up shares for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on October 13, 2022. The pledge period of the shares is from that date until the pledge release registration is completed with



the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period.

(26) On October 20, 2022, Mr. Li Weiguo conducted a 540-day stock pledge repurchase transaction with China Galaxy Securities Co., Ltd. for part of his 700,000 shares of the Company (lock-up shares for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on October 20, 2022. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period.

(27) On October 20, 2022, Mr. Li Weiguo conducted a 540-day stock pledge repurchase transaction with China Galaxy Securities Co., Ltd. for part of his 800,000 shares of the Company (lock-up shares for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on October 20, 2022. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period.

(28) On October 21, 2022, Mr. Li Weiguo pledged part of his 4,000,000 shares of the Company (lock-up shares for senior management) to Guotai Junan Securities Co., Ltd. The above pledge was registered with Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on October 21, 2022. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with Guotai Junan Securities Co., Ltd. to extend the pledged repurchase transaction for 365 days. On the extended expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with Guotai Junan Securities Co., Ltd. to extend the pledged repurchase transaction for another 362 days.

(29) On October 21, 2022, Mr. Li Weiguo pledged part of his 2,600,000 shares of the Company (lock-up shares for senior management) to CITIC Securities Co., Ltd. The above pledge was registered with Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on October 21, 2022. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period.





On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with CITIC Securities Co., Ltd. to extend the pledged repurchase transaction for 365 days. On the extended expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with CITIC Securities Co., Ltd. to extend the pledged repurchase transaction for another 366 days.

(30) On October 24, 2022, Mr. Li Weiguo pledged part of his 6,800,000 shares of the Company (lock-up shares for senior management) to GF Securities Co., Ltd. The above pledge was registered with Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on October 24, 2022. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with GF Securities Co., Ltd. to extend the pledged repurchase transaction for 365 days. On the extended expiration date of the pledged repurchase transaction, Mr. Li Weiguo signed an agreement with GF Securities Co., Ltd. to extend the pledged repurchase transaction for another 366 days.

(31) On October 25, 2022, Mr. Li Weiguo conducted a 99-day stock pledged repurchase transaction with China International Capital Corporation Limited for part of his 2,070,000 shares of the Company (lock-up shares for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on October 25, 2022. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the maturity date of the pledged repurchase transaction, Mr. Li Weiguo entered into an agreement with China International Capital Corporation Limited to extend the pledged repurchase transaction for 364 days.

(32) On October 27, 2022, Mr. Li Weiguo conducted a 365-day stock pledge repurchase transaction with Guotai Junan Securities Co., Ltd. for part of his 500,000 shares of the company (lock-up shares for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on October 27, 2022. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period. On the expiration date of the pledged

repurchase transaction, Mr. Li Weiguo signed an agreement with Guotai Junan Securities Co., Ltd. to extend the pledged repurchase transaction for 362 days.

(33) On April 25, 2023, Mr. Li Weiguo conducted a 357-day stock pledge repurchase transaction with Huatai Securities (Shanghai) Asset Management Co., Ltd. for part of his 17,000,000 shares of the company (shares locked for senior management). The above pledge was registered with China Securities Depository and Clearing Co., Ltd. on April 25, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(34) On June 19, 2023, Mr. Li Weiguo conducted a 333-day stock pledge repurchase transaction with Haitong Securities Co., Ltd. for part of his 1,160,000 shares of the company (shares locked for senior management). The above pledge was registered with China Securities Depository and Clearing Co., Ltd. on June 19, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(35) On June 19, 2023, Mr. Li Weiguo conducted a 366-day stock pledge repurchase transaction with Haitong Securities Co., Ltd. for part of his 43,990,000 shares of the company (shares locked for senior management). The above pledge was registered with China Securities Depository and Clearing Co., Ltd. on June 19, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(36) On October 17, 2023, Mr. Li Weiguo conducted a 345-day stock pledge repurchase transaction with Huatai Securities (Shanghai) Asset Management Co., Ltd. for part of his 12,030,000 shares of the company (shares locked for senior management). The above pledge was registered with China Securities Depository and Clearing Co., Ltd. on October 17, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(37) On October 24, 2023, Mr. Li Weiguo conducted a 365-day stock pledge repurchase transaction with Guotai Junan Securities Co., Ltd. for 3,260,000 shares of the company he held (shares locked for senior management). The above pledge was registered with China Securities Depository and Clearing Co., Ltd. on October 24, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(38) On November 14, 2023, Mr. Li Weiguo conducted a 390-day stock pledge repurchase





transaction with CITIC Securities Co., Ltd. for part of his 1,200,000 shares of the company (shares locked for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on November 14, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(39) On November 20, 2023, Mr. Li Weiguo conducted a 144-day stock pledge repurchase transaction with China Galaxy Securities Co., Ltd. for part of his 2,090,000 shares of the company (shares locked for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on November 20, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(40) On November 20, 2023, Mr. Li Weiguo conducted a 144-day stock pledge repurchase transaction with China Galaxy Securities Co., Ltd. for part of his 2,620,000 shares of the company (shares locked for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on November 20, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(41) On November 20, 2023, Mr. Li Weiguo conducted a 144-day stock pledge repurchase transaction with China Galaxy Securities Co., Ltd. for part of his 950,000 shares of the company (shares locked for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on November 20, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(42) On November 21, 2023, Mr. Li Weiguo conducted a 136-day stock pledge repurchase transaction with China International Capital Corporation Limited for part of his 1,060,000 shares of the company (shares locked for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on November 21, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The shares will be



frozen and cannot be transferred during the pledge period.

(43) On November 30, 2023, Mr. Li Weiguo entered into a 729-day stock pledge repurchase transaction with China Galaxy Securities Co., Ltd. for part of his 21,000,000 shares of the company (shares locked up for senior management). The above pledge was registered at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on November 30, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period.

(44) On December 5, 2023, Mr. Li Weiguo conducted a 57-day stock pledge repurchase transaction with China International Capital Corporation Limited for part of his 2,090,000 shares of the company (shares locked for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on December 5, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(45) On December 5, 2023, Mr. Li Weiguo conducted a 164-day stock pledge repurchase transaction with Haitong Securities Co., Ltd. for part of his 1,000,000 shares of the company (shares locked for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on December 5, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(46) On December 6, 2023, Mr. Li Weiguo conducted a 368-day stock pledge repurchase transaction with CITIC Securities Co., Ltd. for part of his 1,350,000 shares of the company (shares locked for senior management). The above pledge was registered at the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on December 6, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(47) On December 6, 2023, Mr. Li Weiguo conducted a 121-day stock pledge repurchase transaction with China International Capital Corporation Limited for part of his 1,090,000 shares of the company (shares locked up for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on December 6,



2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The shares will be frozen and cannot be transferred during the pledge period.

(48) On December 6, 2023, Mr. Li Weiguo conducted a 196-day stock pledge repurchase transaction with Haitong Securities Co., Ltd. for part of his 3,000,000 shares of the company (shares locked for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on December 6, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(49) On December 7, 2023, Mr. Li Weiguo conducted a 131-day stock pledge repurchase transaction with Huatai Securities (Shanghai) Asset Management Co., Ltd. for part of his 2,000,000 shares of the company (shares locked for senior management). transaction, the above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on December 7, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(50) On December 7, 2023, Mr. Li Weiguo conducted a 127-day stock pledge repurchase transaction with China Galaxy Securities Co., Ltd. for part of his 2,100,000 shares of the company (shares locked for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on December 7, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(51) On December 7, 2023, Mr. Li Weiguo conducted a 127-day stock pledge repurchase transaction with China Galaxy Securities Co., Ltd. for part of his 1,050,000 shares of the company (shares locked for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on December 7, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(52) On December 7, 2023, Mr. Li Weiguo conducted a 127-day stock pledge repurchase transaction with China Galaxy Securities Co., Ltd. for part of his 2,610,000 shares of the company



(shares locked for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on December 7, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

(53) On December 27, 2023, Mr. Li Weiguo conducted a 305-day stock pledge repurchase transaction with CITIC Securities Co., Ltd. for part of his 1,970,000 shares of the company (shares locked for senior management). The above pledge was registered with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. on December 27, 2023. The pledge period of the shares is from that date until the pledge release registration is completed with the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The shares will be frozen and cannot be transferred during the pledge period.

## 8. Others

### XIX. Notes to the Main Items of the Parent Company's Financial Statements

#### 1. Accounts Receivable

##### (1) Disclosure according to the age of accounts receivable

Unit: RMB

Age of Accounts Receivable	Ending book balance	Opening book balance
Within 1 year (include 1 year)	1,236,247,987.62	1,981,232,884.97
1 to 2 years	533,377,431.05	1,090,021,501.70
2 to 3 years	643,051,829.70	296,382,299.89
Above 3 years	303,221,649.99	110,720,731.18
3 to 4 years	244,874,353.05	82,831,522.44
4 to 5 years	34,329,571.57	6,514,658.47
Above 5 years	24,017,725.37	21,374,550.27
Total	2,715,898,898.36	3,478,357,417.74

##### (2) Disclosure according to bad debt accrual method

Unit: RMB



Category	Closing Balance					Opening Balance				
	Book Balance		Reserve for Bad Debts		Book Value	Book Balance		Reserve for Bad Debts		Book Value
	Amount	Percentage	Amount	Percentage of Allotment		Amount	Percentage	Amount	Percentage of Allotment	
Accounts Receivable with Single Allotment of Provisions for Bad Debts	748,875,199.45	27.57%	223,036,150.51	29.78%	525,839,048.94	917,407,626.53	26.37%	208,713,162.52	22.75%	708,694,464.01
Of which:										
Accounts Receivable with Combined Allotment of Provisions for Bad Debts	1,967,023,698.91	72.43%	256,365,704.52	13.03%	1,710,657,994.39	2,560,949,791.21	73.63%	176,740,653.35	6.90%	2,384,209,137.86
Of which:										



Of which: Related Parties in the Consolidation Scope	156,294,820.37	5.76%			156,294,820.37	383,179,400.20	11.02%			383,179,400.20
Other Receivables	1,810,728,878.54	66.67%	256,365,704.52	14.16%	1,554,363,174.02	2,177,770,391.01	62.61%	176,740,653.35	8.12%	2,001,029,737.66
<b>Total</b>	<b>2,715,898,898.36</b>	<b>100.00%</b>	<b>479,401,855.03</b>	<b>17.65%</b>	<b>2,236,497,043.33</b>	<b>3,478,357,417.74</b>	<b>100.00%</b>	<b>385,453,815.87</b>	<b>11.08%</b>	<b>3,092,903,601.87</b>

Single Allotment of Provisions for Bad Debts: 223,036,150.51

Unit: RMB

Name	Opening Balance		Closing Balance			
	Book Balance	Reserve for Bad Debts	Book Balance	Reserve for Bad Debts	Percentage of Allotment	Reason for Allotment
Client 1	32,267,625.07	9,417,765.62	30,414,860.00	15,143,700.09	49.79%	The value of repossessed assets exceeds the book value of accounts receivable, and there is no obvious sign of impairment.



Client 2	326,859,096.17	98,057,728.85	280,970,653.48	84,291,196.04	30.00%	Due to the poor management of customers and the debt crisis, the company is expected to be unable to recover all of them
Client 3	387,635,929.78	40,830,889.43	318,194,456.52	81,336,715.46	25.56%	The value of repossessed assets exceeds the book value of accounts receivable, and there is no obvious sign of impairment.
Client 4	61,208,151.52	48,966,521.22	26,767,838.81	21,414,271.05	80.00%	Due to the poor management of customers and the debt crisis, the company is expected to be unable to recover all of them



Client 5	31,381,271.67	1,304,245.55	12,475,255.07	1,002,296.94	8.03%	The value of repossessed assets exceeds the book value of accounts receivable, and there is no obvious sign of impairment.
Client 6			106,141.00	34,092.49	32.12%	No obvious signs of impairment were found after a single test
Client 7			32,029,663.30	3,878,598.36	12.11%	The value of repossessed assets exceeds the book value of accounts receivable, and there is no obvious sign of impairment.
Client 8			22,153,707.21	6,646,112.16	30.00%	Due to the poor management of customers and the debt crisis, the company is expected to be unable to recover all of them





Other	78,055,552.32	10,136,011.85	25,762,624.06	9,289,167.92	36.06%	Due to the poor management of customers and the debt crisis, the company is expected to be unable to recover all of them
Total	917,407,626.53	208,713,162.52	748,875,199.45	223,036,150.51		

Combined Allotment of Provisions for Bad Debts: 256,365,704.52

Unit: RMB

Name	Closing Balance		
	Book Balance	Reserve for Bad Debts	Percentage of Allotment
Within 1 year	1,098,064,529.86	37,993,032.98	3.46%
1 to 2 years	347,953,002.20	54,698,211.98	15.72%
2 to 3 years	217,042,128.25	69,713,931.66	32.12%
3 to 4 years	91,960,963.61	46,477,071.03	50.54%
4 to 5 years	33,598,029.96	25,373,232.21	75.52%
Above 5 years	22,110,224.66	22,110,224.66	100.00%
Total	1,810,728,878.54	256,365,704.52	

Statements on Determination of the Combined Allotment:

If the allotment of provisions for bad debts of accounts receivable is based on the general model of expected credit losses :

Applicable  Not applicable

### (3) The Allotted, Recovered or Reversed Bad Debts Reserve during the Current Period

Allotment of Reserve for Bad Debts During the Current Period

Unit: RMB

Category	Opening Balance	Changed Amount during the Current Period				Closing Balance
		Allotment	Recover or Reverse	Write-off	Other	
Non-related party receivable	385,453,815.8 7	168,760,575.4 5	74,066,902.68	745,633.61		479,401,855.0 3
Total	385,453,815.8 7	168,760,575.4 5	74,066,902.68	745,633.61		479,401,855.0 3

Important amounts of bad debt provision reversed or recovered during the current period:

Unit: RMB

Company Name	Recover or Reverse	Reason for Reversal	Recovery Method	Basis and rationality of determining the original bad debt provision ratio

#### (4) Write-off of Accounts Receivable During This Period

Unit: RMB

Item	Write-off Amount
Accounts Receivable Actually Written off	745,633.61

Write-off of Important Accounts Receivable

Unit: RMB

Company Name	The Nature of Accounts Receivable	Write-off Amount	Write-off Reason	Fulfillment of Write-off Procedures	Whether the money is generated by relevant transactions

Write-off of Important Accounts Receivable Specifications:

#### (5) Accounts Receivable of the Top Five Closing Balances Collected by Debtors



Unit: RMB

Company Name	Closing Balance of Accounts Receivable	Closing balance of contract assets	Ending balances of accounts receivable and contract assets	Proportion to the Total Closing Balance of Accounts Receivable	Ending balance of bad debt provision for accounts receivable and provision for impairment of contract assets
Client 1	442,283,422.44		442,283,422.44	16.28%	45,892,839.10
Client 2	318,194,456.52		318,194,456.52	11.72%	81,336,715.46
Client 3	280,970,653.48		280,970,653.48	10.35%	84,291,196.04
Client 4	97,779,309.07		97,779,309.07	3.60%	
Client 5	74,938,819.24		74,938,819.24	2.76%	2,592,883.15
Total	1,214,166,660.75		1,214,166,660.75	44.71%	214,113,633.75

## 2. Other Receivables

Unit: RMB

Item	Closing Balance	Opening Balance
Interest Receivable	150,117,184.69	111,633,577.71
Dividends Receivable	1,100,000,000.00	1,806,384,843.30
Other Receivables	12,028,286,680.70	9,418,599,599.31
Total	13,278,403,865.39	11,336,618,020.32

### (1) Interest receivables

#### 1) Classification of interest receivables

Unit: RMB

Item	Ending Balance	Opening balance
Interest receivables	150,117,184.69	111,633,577.71
Total	150,117,184.69	111,633,577.71

**2) Important overdue interest**

Unit: RMB

Borrowee	Ending Balance	Overdue Time	Reason for Overdue	Whether impairment occurs and the basis for judgment
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Other instructions:

**3) Disclosure by bad debt accrual**Applicable Not Applicable**4) Accrued, recovered or reversed bad debt provisions during the current period**

Unit: RMB

Category	Opening Balance	Amount of changes in the current period				Ending balance
		Accrual	Recovery or reversal	Write-off or cancellation	Others	

Important amounts of bad debt provisions recovered or reversed in the current period:

Unit: RMB

Company Name	Recovery or Reversal	Reason for Reversal	Recovery Method	Basis for determining the original provision ratio for bad debts and its rationality
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Other instructions:

**5) Interest receivable actually written off in the current period**

Unit: RMB

Item	Write-off Amount
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Important amounts of interest receivables written-off:

Unit: RMB



Company Name	Nature of Payment	Write-off Amount	Write-off Reason	Fulfillment of Write-off Procedures	Whether the payment is generated by related-party transactions

Write-off instructions:

Other instructions:

## (2) Dividends receivable

### 1) Classification of dividends receivable

Unit: RMB

Item (or Investee)	Closing balance	Opening Balance
Dividends receivable	1,100,000,000.00	1,806,384,843.30
Total	1,100,000,000.00	1,806,384,843.30

### 2) Significant dividends receivable aged over 1 year

Unit: RMB

Item (or Investee)	Ending balance	Aging	Reason for non-recovery	Whether impairment occurs and the basis for judgment

### 3) Disclosure by bad debt accrual

Applicable Not applicable

### 4) Bad debts accrued, recovered or reversed in the current period

Unit: RMB

Category	Opening Balance	Changes in the current period				Ending balance
		Accrual	Recover or reverse	Write-off or Cancellation	Others	

Important amounts of bad debt provisions recovered or reversed in the current period:

Unit: RMB



Company name	Recover or reverse	Reason for reversal	Recovery method	Basis for determining the original provision ratio for bad debts and its rationality
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Other instructions:

### 5) Dividend receivables actually written off in the current period

Unit: RMB

Item	Write-off Amount
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Important amounts of dividend receivables written-off

Unit: RMB

Company name	Nature of Payment	Write-off Amount	Reason for Write-Off	Fulfillment of Write-off Procedures	Whether the payment is generated by related-party transactions
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Write-off instructions:

Other instructions:

### (3) Other receivables

#### 1) Classification of other receivables by nature

Unit: RMB

Nature of payment	Closing Book balance	Opening book balance
Related parties within the consolidation scope	9,466,692,840.17	8,104,699,709.57
Deposit, security deposit	901,108,105.64	1,300,365,744.40
Current account	1,907,550,130.97	133,198,233.21
Petty cash	11,519,509.24	7,173,095.60



Total	12,286,870,586.02	9,545,436,782.78
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## 2) Disclosure according to the age of accounts receivable

Unit: RMB

Age of Accounts Receivable	Closing Book balance	Opening book balance
Within 1 year (include 1 year)	7,771,367,839.32	5,740,203,954.05
1 to 2 years	3,158,485,696.83	2,403,476,941.46
2 to 3 years	545,729,662.94	741,173,824.51
Above 3 years	811,287,386.93	660,582,062.76
3 to 4 years	528,778,147.87	477,614,315.55
4 to 5 years	275,256,343.86	176,349,055.36
Above 5 years	7,252,895.20	6,618,691.85
Total	12,286,870,586.02	9,545,436,782.78

## 3) Classified disclosure by bad debt accrual

Unit: RMB

Category	Ending Balance					Opening Balance				
	Book Balance		Bad Debt Provision		Book value	Book Balance		Bad Debt Provision		Book Value
	Amount	Proportion	Amount	Provision ratio		Amount	Proportion	Amount	Accrual Ratio	
Of which										
Of which										

Accrual ratio based on the general credit impairment model:

Unit: RMB

Reserve for Bad	Phase One	Phase Two	Phase Three	Total
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Debts	Expected credit loss in the next 12 months	Expected credit loss for the whole duration (no credit impairment occurred)	Expected credit loss for the whole duration (credit impairment occurred)	
Balance on January 1, 2023	47,656,271.72	79,180,911.75		126,837,183.47
Balance on January 1, 2023 for this period				
--Transferred to Phase II	-405,000.00	405,000.00		
--Transferred to Phase III		-75,000,000.00	75,000,000.00	
The reversed amount in the current period	89,807,477.10	4,771,147.25	45,000,000.00	139,578,624.35
Transferred in this period	7,827,948.86			7,827,948.86
Write-off in this period	3,953.64			3,953.64
Balance on December 31, 2023	129,226,846.32	9,357,059.00	120,000,000.00	258,583,905.32

Basis for division of each stage and bad debt provision ratio

Changes in book balance with significant changes in loss reserves during the current period

Applicable Not applicable

#### 4) The Withdrawal, Recovered or Reversed Bad Debts Reserve during the Current Period

Withdrawal of Reserve for Bad Debts during the Current Period

Unit: RMB

Type	Opening Balance	Changed Amount during the Current Period				Closing Balance
		Accrual	Closing Balance	Write-off	Other	





Non-related party receivable	126,837,183.47	139,578,624.35	7,827,948.86	3,953.64		258,583,905.32
Total	126,837,183.47	139,578,624.35	7,827,948.86	3,953.64		258,583,905.32

Important amounts of bad debt provision reversed or recovered during the current period:

Unit: RMB

Company Name	Recovered or Reversed Amount	Reason for transfer	Way of Recovering	The basis for determining the original provision ratio for bad debts and its rationality

### 5) Other receivables actually written off in the current period

Unit: RMB

project	Write-off amount
Other receivables actually written off	3,953.64

Important amounts of of other receivables written-off:

Unit: RMB

Company Name	Nature of Other Receivables	Write-off Amount	Reason for Write-off	Fulfillment of Write-off Procedures	Whether the payment is generated by related-party transactions

Instructions on other receivables written-off:

### 6) Other Accounts Receivable of the Top Five Closing Balances Collected by Debtors

Unit: RMB

Company Name	The Nature of Account	Closing Balance	Age of Accounts Receivable	Proportion of the Total Closing Balance of Other Accounts	Closing Balance of the Allowance for Bad Debts



				Receivable	
Client1	Account Current	1,650,000,000.00	1-2 years	13.43%	82,500,000.00
Client 2	Account Current	1,345,857,906.63	Within 5 years	10.95%	
Client 3	Account Current	1,099,482,452.91	Within 1 yearsc	8.95%	
Client 4	Account Current	1,038,021,807.68	Within 2 years	8.45%	
Client 5	Account Current	840,540,726.60	Within 1 years	6.84%	
Total		5,973,902,893.82		48.62%	82,500,000.00

### 7) Presented in other receivables due to centralized management of funds

Unit: RMB

Other instructions:

### 3. Long-term Equity Investment

Unit: RMB

Item	Closing Balance			Opening Balance		
	Book Balance	Impairment Reserve	Book value	Book Balance	Impairment Reserve	Book Value
Investment in Subsidiaries	6,045,205,948. 66		6,045,205,948. 66	5,262,151,202. 85		5,262,151,202. 85
Investments in Associated and Joint Enterprises	52,230,364.12		52,230,364.12	52,250,702.17		52,250,702.17
Total	6,097,436,312. 78		6,097,436,312. 78	5,314,401,905. 02		5,314,401,905. 02

#### (1) Investment in Subsidiaries

Unit: RMB



Investee	Opening Balance (Book Value)	Opening Balance of Impairment Reserve	Increase or decrease during the current period				Closing Balance (Book Value)	Closing Balance of Impairment Reserve
			Additional Investment	Reduction in Investment	Accrual of Impairment Reserve	Other		
Beijing Oriental Yuhong Waterproof Engineering Co., LTD	84,637,764.13					- 11,623,728.44	73,014,035.69	
Xiong'an Dongfang Yuhong Construction Technology Co., LTD	863,307.25		2,500,000.00			- 109,876.77	3,253,430.48	
Liaoning Oriental Yuhong Construction Technology Co., LTD	2,261,034.95					- 1,341,263.54	919,771.41	
Henan Oriental Yuhong Building Materials Technology Co., LTD	7,438,064.58					- 5,580,469.07	1,857,595.51	
Tianjin Oriental Yuhong Waterproof Engineering	63,732,082.95					- 2,573,674.58	61,158,408.37	



g Co., LTD								
Tianjin Oriental Yuhong New Material Technology Co., LTD	153,773.16						153,773.16	
Tianjin Hongzhi New Material Co., LTD	10,667,915.18					- 387,886.80	10,280,028.38	
Zhongke Jiantong Engineering Technology Co., LTD	50,855,238.15						50,855,238.15	
Starletter (Beijing) Building Materials Testing Co., LTD	100,000.00		9,900,000.00				10,000,000.00	
Beijing Wuzhou Tuyuan Import and Export Trade Co., LTD	1,522,312.51						1,522,312.51	



Beijing Shunyi District Oriental Yuhong Vocational Skills Training School	5,000,000. 00						5,000,000. 00	
Beijing Oriental Yuhong Anticorrosi on Technolog y Co., LTD	21,000,000 .00		8,473,246. 30				29,473,246 .30	
Zhejiang Oriental Yuhong Technolog y Developm ent Co., LTD	128,000,00 0.00			128,000,00 0.00				
Shanghai Weltai New Material Co., LTD	10,901,727 .61			6,122,000. 00		- 4,779,727. 61		
Shanghai Oriental Yuhong Waterproof Technolog y Co., LTD	380,983,04 1.82					- 38,068,928 .66	342,914,11 3.16	



Shandong Oriental Yuhong Building Materials Technology Co., LTD	5,923,114.22					- 3,668,281.95	2,254,832.27	
Guangdong Oriental Yuhong Waterproof Engineering Co., LTD	104,798,484.80					- 14,097,910.63	90,700,574.17	
Shenzhen Oriental Yuhong Waterproof Engineering Co., LTD	71,300,837.29					- 6,977,858.28	64,322,979.01	
Sichuan Oriental Yuhong Waterproof Engineering Co., LTD	50,755,434.39					- 5,319,022.39	45,436,412.00	
Oriental Yuhong Building Materials (Guangdong) Co., LTD	69,773,345.44					- 9,987,492.99	59,785,852.45	



Hainan Oriental Yuhong Building Materials Technology Co., LTD	30,825,818.81					493,555.71	- 30,332,263.10	
Guangdong Oriental Yuhong Building Materials Technology Co., LTD	100,746,084.58					796,330.58	- 99,949,754.00	
Oriental Yuhong Civil Building Materials Co., LTD	112,764,127.99					26,302,006.37	- 86,462,121.62	
Hong Kong Oriental Yuhong Investment Co. LTD	1,075,380,759.90		145,652,400.00			15,257,883.25	- 1,205,775,276.65	
Fuda Energy Saving Technology Co., LTD	100,000,000.00						100,000,000.00	
Woniushan Energy Saving Group Co., LTD	130,450,554.81					8,685,500.97	- 121,765,053.84	



Oriental Yuhong Building Repair Technology Co., LTD	59,329,842.10					- 5,473,553.74	53,856,288.36	
Oriental Yuhong Sand Powder Technology Group Co., Ltd.	98,503,253.93		214,358,239.72			- 2,962,220.76	309,899,272.89	
Tiandingfeng Holdings Limited	120,985,811.01		60,000,000.00			- 3,187,123.34	177,798,687.67	
Beijing Hongyun Kiev Material Supply Chain Management Co., LTD	100,284,765.10					- 161,619.50	100,123,145.60	
Yueyang Oriental Yuhong Waterproof Technology Co., LTD	104,000,065.49					- 1,675,631.41	102,324,434.08	
Nantong Jinsinan film Material Co., LTD	79,143,569.14					- 365,260.07	78,778,309.07	





Tangshan Oriental Yuhong Waterproof Technolog y Co., LTD	156,521,15 4.51					- 1,877,223. 14	154,643,93 1.37	
Xianyang Oriental Yuhong Building Materials Co., LTD	84,174,681 .64					- 908,222.45	83,266,459 .19	
Wuhu Oriental Yuhong Building Materials Co., LTD	53,077,955 .80					- 854,221.19	52,223,734 .61	
Hangzhou Oriental Yuhong Building Materials Co., LTD	102,572,14 7.51					- 1,363,700. 80	101,208,44 6.71	
Qingdao Oriental Yuhong Building Materials Co., LTD	52,570,122 .13					- 1,181,622. 42	51,388,499 .71	
Henan Oriental Yuhong Building Materials Co., LTD	53,212,185 .32					- 1,078,156. 00	52,134,029 .32	



Jinzhou Oriental Yuhong Building Materials Co., LTD	155,998,15 1.95					- 1,153,688. 19	154,844,46 3.76	
Jingmen Oriental Yuhong Building Materials Co., LTD	53,109,029 .31					- 1,254,203. 06	51,854,826 .25	
Huizhou Oriental Yuhong Building Materials Co., LTD	104,719,39 5.73					- 980,681.84	103,738,71 3.89	
Zhejiang Oriental Yuhong Building Materials Technolog y Co., LTD	9,026,578. 61					- 2,301,872. 48	6,724,706. 13	
Kunming Fengxing Waterproof Material Co., LTD	148,513,36 1.79					- 3,864,628. 37	144,648,73 3.42	
Xuzhou Woniushan new Waterproof Material Co., LTD	94,414,624 .27					- 1,537,863. 60	92,876,760 .67	



Quanzhou Dongfang Yuhong Sand Powder Technolog y Co., Ltd.	519,795.90					- 179,115.09	340,680.81	
Zhanjiang Oriental Yuhong Sand Powder Technolog y Co., Ltd.	6,000,000. 00						6,000,000. 00	
Jilin Oriental Yuhong Building Materials Technolog y Co., LTD			1,000.00				1,000.00	
Chongqing Oriental Yuhong Building Materials Technolog y Co., LTD	2,156,146. 33					- 896,480.44	1,259,665. 89	
Oriental Yuhong Tile Roofing System Co., LTD	30,000,000 .00						30,000,000 .00	



Oriental Yuhong Building Materials Co., LTD	777,978.27		50,000,000.00				- 441,544.47	50,336,433.80
Guizhou Oriental Yuhong Building Materials Technology Co., LTD	1,500,000.00							1,500,000.00
Jinshi Nan Film (Shanghai) Technology Co., LTD	3,000,000.00		19,000,000.00					22,000,000.00
Guizhou Oriental Yuhong Building Materials Co., LTD	17,390,699.10							17,390,699.10
Hainan poly Smith Technology Co., LTD	500,000.00							500,000.00
Hongshi (Jiangsu) New Material Technology Co., LTD	139,199,990.40		127,000,000.00					266,199,990.40



Shenzhen Oriental Yuhong Construction Robot Co., LTD	1,159,905.10		460,000.00			-274,564.78	1,345,340.32	
Guangxi Oriental Yuhong Building Materials Technology Co., LTD	50,000,000.00						50,000,000.00	
Tianjin Hongyueyun Technology Co., LTD			5,000,000.00				5,000,000.00	
Hongsheng (Beijing) New Energy Technology Co., LTD	2,730,000.00		28,270,000.00				31,000,000.00	
Oriental Yuhong Pipe Technology Co., LTD	10,300,000.00		40,000,000.00				50,300,000.00	
Chenzhou Oriental Yuhong Building Materials Technology Co., LTD	35,010,000.00		14,990,000.00				50,000,000.00	



Wuhan Oriental Yuhong Kejian Building Materials Co., LTD	225,000,000.00						225,000,000.00	
Yangzhou Oriental Yuhong New Material Co., LTD	6,630,000.00		43,370,000.00				50,000,000.00	
Hongjia Industrial Coatings Co., LTD	50,000,000.00						50,000,000.00	
Fujian Oriental Yuhong Building Materials Technology Co., LTD	450,000.00						450,000.00	
Nanning Oriental Yuhong Waterproof Material Co., LTD	50,100,000.00					-100,000.00	50,000,000.00	
Fuzhou Oriental Yuhong Building Materials Co., LTD	27,000,000.00		450,000.00				27,450,000.00	



Hubei Yuhong Xingfa New Material Co., LTD	28,800,000.00		3,188,899.84				31,988,899.84	
Nanjing Hongshan Construction Development Co., LTD	35,000,000.00						35,000,000.00	
Jiangsu Oriental Yuhong Investment Co., LTD	50,000,000.00						50,000,000.00	
Hongyi Enterprise Services Limited	41,431.94					-32,323.90	9,108.04	
Oriental Yuhong (America) Developments Ltd.	11,260,317.60		66,598,280.00				77,858,597.60	
Sichuan Building Materials			194,639,800.00			34,271,217.93	228,911,017.93	
Ningxia Architectural Design and Research Institute Co., LTD	215,694,000.00						215,694,000.00	



Xuzhou Oriental Yuhong New Material Co., LTD			50,000,000.00				50,000,000.00	
Long Island Oriental Yuhong Waterproof Technology Co., LTD			100,000.00				100,000.00	
Cangzhou Oriental Yuhong Construction Technology Co., LTD			50,000.00				50,000.00	
Beijing Top Beauty Bonstruction Technology Co., LTD	10,816,078.60					10,816,078.60	-	
Chongqing Oriental Yuhong Sand Powder Technology Co., Ltd.	123,339.75					123,339.75	-	
<b>Total</b>	5,262,151,202.85		1,084,001,865.86	134,122,000.00		166,825,120.05	-	6,045,205,948.66



## (2) Investments in Associated and Joint Enterprises

Unit: RMB

Investee	Opening Balance (Book Value)	Opening Balance of Impairment Reserve	Increase or decrease during the current period							Closing Balance (Book Value)	Closing Balance of Impairment Reserve	
			Addition Investment	Reduction Investment	Investment profit and loss recognized under equity method	Other Comprehensive Income	Other Changes in Equity	Declare the Payment of Cash Dividends or Profits	Accrual of Impairment Reserve			Other
I. Joint Venture												
II. Associated Enterprise												
Sichuan Building Material	37,409,115.98				-2,893,981.91						-34,515,134.07	



Foshan Jiantou Orient al Yuhon g Buildi ng Materi als Techn ology Co., Ltd.	14,841 ,586.1 9				924,64 4.13						15,766 ,230.3 2	
Yichan g Cheng fa Orient al Yuhon g Buildi ng Materi als Techn ology Co., LTD			980,00 0.00		531.34						980,53 1.34	



Xinjiang Architectural Design and Research Institute Co., LTD			31,000,000.00		1,034,499.01				-990,151.00		31,044,348.01	
Shanghai Weltai New material Co., LTD										4,451,346.20	4,439,254.45	
Subtotal	52,250,702.17		31,980,000.00		934,307.43	12,091.75			-990,151.00		52,230,364.12	
Total	52,250,702.17		31,980,000.00		934,307.43	12,091.75			-990,151.00		52,230,364.12	

The recoverable amount is determined as the net amount of the fair value less costs of disposal.

Applicable Not Applicable

The recoverable amount is determined based on the present value of expected future cash flows.

Applicable Not Applicable

Reasons for the differences between the above information and the information used in impairment testing in previous years or external information



Reasons for the differences between the information used in the Company's impairment testing in previous years and the actual amount of that year.

### (3) Other instructions

#### 4. Revenue and Cost

Unit: RMB

Item	Amount Incurred during the Current Period		Amount Incurred during the Last Period	
	Revenue	Cost	Revenue	Cost
Main Business	4,916,186,425.33	4,349,450,058.37	5,403,586,227.87	4,743,074,585.96
Other Business	166,786,440.26	95,789,027.11	275,755,005.73	135,811,667.45
Total	5,082,972,865.59	4,445,239,085.48	5,679,341,233.60	4,878,886,253.41

Breakdown of operating income and operating costs:

Unit: RMB

Classification of Contracts	Section 1		Section 2				Total	
	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost
Business Type								
Of Which:								
Classification by business area								
Of Which:								



Market or customer type								
Of Which:								
Contract type								
Of Which:								
Classification by time of commodity transfer								
Of Which:								
Classification by contract term								
Of Which:								
Classification by sales channel								
Of Which:								
Total								

Information related to performance obligations:



Item	Time to fulfill performance obligations	Important payment terms	Nature of the goods the company promises to transfer	Is (s)he the main responsible person?	Amounts borne by the company that are expected to be refunded to customers	Types of quality assurance provided by the company and related obligations
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Other instructions:

Information on Transaction Prices of the Remaining Allocated Obligations:

By the end of this reporting period, the income corresponding to the obligations fulfilled, which includes contracts signed, unfulfilled or partially unfulfilled obligations, is RMB 0.00. Among them, RMB is expected to confirm revenue for the year, RMB is expected to confirm revenue for the year, RMB is expected to confirm for the year.

Major contract changes or major transaction price adjustments

Unit: RMB

Item	Accounting treatment method	Amount of impact on revenue
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Other instructions:

## 5. Investment Revenue

Unit: RMB

Item	Amount Incurred during the Current Period	Amount Incurred during the Last Period
Returns on Long-term Equity Investment Calculated by Cost Method	1,120,131,440.00	1,820,131,440.00
Returns Generated from Long-term Equity Investment Calculated by Equity Method	-934,307.43	6,256,208.54
Returns Generated from the Disposal of Long-term Equity Investment	-1,130,309.95	-9,637.54
Returns from Trading Financial Assets during the Holding Period	17,484,820.63	6,384,843.30



Investment income from disposal of other debt investments	572,897.66	
Dividend Income from Other Equity Instrument Investments during the Holding Period	149,356.03	
Investment Income from Disposal of Financial Assets		-15,818,875.90
Investment Gains from the Disposal of Other Non-current Financial Assets	-45,271,522.89	8,535,499.59
Total	1,091,002,374.05	1,825,479,477.99

## 6. Other

### XX. Additional Material

#### 1. Detailed Table on the Current Non-recurring Profits and Losses

Applicable  Not Applicable

Unit: RMB

Item	Amount	Specification
Profits and Losses on the Disposal of Liquid Assets	-9,050,594.86	
Government subsidies included in the current profits and losses (except the government subsidies which are closely related to the businesses of enterprises as well as those that are fixed or quantified in accordance to the national standard)	198,403,539.07	



In addition to the effective hedging business related to the normal business of the company, the profit and loss from changes in fair value arising from holding trading financial assets and trading financial liabilities, as well as the investment income obtained from the disposal of trading financial assets, trading financial liabilities and available for sale financial assets	-10,930,453.26	
Capital occupation fee charged to non-financial enterprises included in current profits and losses	200,432,770.60	
Reversal of allowance for impairment of receivables separately tested	161,524,064.23	
Revenue and Cost Other Than Those Mentioned Above	5,645,778.81	
Minus: Amount Affected by the Income Tax	100,611,307.04	
Amount of the Equity Impact from the Minority Shareholders	12,806,724.71	
Total	432,607,072.84	--

Details of other profit and loss items that meet the definition of non-recurring profit and loss:

Applicable  Not Applicable

The Company has no specific circumstances of other profit and loss items that meet the definition of non-recurring profit and loss.

Description of defining the non-recurring profit and loss items listed in the *Explanatory Announcement No. 1 on Information Disclosure of Companies Security-Offering to the Public--- Non-recurring Gains and Losses* as recurring profit and loss items

Applicable Not Applicable





## 2. Returns on Net Assets and Earnings Per Share

Profits during the Reporting Period	Weighted Average Return on Net Assets	Earnings Per Share	
		Basic Earnings Per Share (RMB/per share)	Basic Earnings Per Share (RMB/per share)
Net Profits Attributed to the Company's Ordinary Shareholders	8.24%	0.91	0.90
Net Profits Attributed to the Company's Ordinary Shareholders After Deducting Non-Recurring Gains and Losses	6.47%	0.72	0.71

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

### (1) Differences in net profit and net assets in the financial report disclosed in accordance with both the International Accounting Standards and the Chinese Accounting Standards

Applicable  Not applicable

### (2) Differences in net profit and net assets in the financial report disclosed in accordance with both foreign accounting standards and Chinese accounting standards

Applicable  Not applicable

**(3) Explanation of reasons for differences in accounting data under domestic and foreign accounting standards. If differences are adjusted for data that have been audited by an overseas audit institution, the name of the overseas institution should be indicated.**