

Chapter IV Corporate Governance

I. Overview of Corporate Governance

During the reporting period, the company continuously improved its corporate governance structure, improved internal management and standardized operation in strict accordance with the requirements of the *Company Law*, the *Securities Law*, the *Code on Governance of Listed Companies*, the *Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange* and other relevant laws and regulations of the CSRC and the Shenzhen Stock Exchange, and the governance structure of the company was in compliance with the normative documents on the governance of listed companies issued by the CSRC, continue to improve the corporate governance system and enhance risk-prevention capacity, to safeguard the interests of the company and all shareholders. The company's governance structure is in compliance with the regulatory documents issued by the CSRC on the governance of listed companies, and the company's operation and management are carried out in strict accordance with the requirements of each system.

1. Formulation and Completion of Systems

The company strictly complies with the *Company Law*, the *Securities Law* and other laws and regulations, departmental regulations and relevant regulations issued by the CSRC and the Shenzhen Stock Exchange, and formulates, revises and improves the corporate governance system to regulate the operation of the company. During the reporting period, the Company formulated, revised and improved the corporate governance system and standardized the operation of the company, including the the *Articles of Association*, *Rules of Procedure of the General Meeting of Shareholders*, *Rules of Procedure of the Board of Directors*, *System of Annual Report of Independent Directors*, and the *Management System for Commodity Futures*.

2. Shareholders and Shareholders' Meeting

The company regulates the conduct of shareholders strictly in accordance with the *Code of Corporate Governance for Listed Companies*, the *Rules Governing the Listing of Stocks on Shenzhen Stock Exchange* and the *Articles of Association* of the company. The shareholders of the company exercise their rights as shareholders through the general meeting of shareholders, and no direct intervention in the operation and decision-making of the company beyond the general meeting of shareholders and the Board of Directors has occurred. During the reporting period, the company held a total of three shareholders' meetings, the convening and holding procedures, the qualifications of the attendees, the voting procedures, the voting result and the content of the resolutions were in compliance with the relevant provisions of the laws and regulations, the *Articles*

of Association and the Rules of Procedure for Shareholders' Meetings of the company.

3. Directors and Board of Directors

The 8th session of the Board of Directors of the company has 12 directors, including 4 independent directors. The election procedures of directors, the number of directors and the composition of the Board of Directors of the company are in compliance with the requirements of laws and regulations, and the directors perform their duties diligently and conscientiously to safeguard the legitimate rights and interests of the company and all shareholders. The independent directors are able to perform their work duties independently in strict accordance with the Articles of Association and the Independent Directors' System, and express independent opinions on matters such as the use of the company's fund raising, share incentive, employee stock ownership plan, occupying the company's funds by controlling shareholders and other related parties, external guarantees, re-election of the board of directors, appointment of senior management and internal audit chief, related transactions, convening the meeting of Independent Directors to conduct ex-ante review of estimated routine related transactions in 2024, fully leveraging the role of independent directors, to ensure the standardized operation of the company. During the reporting period, the company held a total of 14 meetings of the Board of Directors, the convening and holding procedures of the meetings, the qualification of the attendees, the voting procedures of the meetings, the voting results and the content of the resolutions were in compliance with the laws and regulations, the Articles of Association and the Rules of Procedure of the Board of Directors of the company. The Board of Directors has established four special committees for audit, remuneration and evaluation, nomination, and strategy, and has established and improved the rules of procedure with clear division of work among the committees to provide scientific and professional opinions for the board's decision-making and to ensure effective supervision of the management by the board.

4. Supervisor and Board of Supervisors

The 8th session of the Supervisory Board of the Company has three supervisors, including one employee representative supervisor. The selection procedures, number and composition of the Supervisory Board are in compliance with the relevant laws and regulations. The company's supervisors attend the supervisory meetings as required, perform their duties conscientiously, supervise and express opinions on material matters, affiliated transactions and financial position of the company, and safeguard the legitimate rights and interests of the company and its shareholders. During the reporting period, the company held a total of eight meetings of the Supervisory Board, the convening and holding procedures of the meetings, the qualification of the persons attending the meetings, the voting procedures of the meetings, the voting results and the content of the resolutions

were in compliance with the laws and regulations, the Articles of Association and the Rules of Procedure of the Supervisory Board of the company.

5. Controlling Shareholders and Listed Companies

Shareholders of the company shall abide by the Code of Corporate Governance for Listed Companies, Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 1 - Standard operation of listed companies on the main board and articles of incorporation to regulate their own behaviors. The company maintains independence from the controlling shareholder and the actual controller in terms of personnel, assets, finance, institutions and business, and the Board of Directors, Supervisory Board and other internal bodies of the company operate independently, and the company has independent and complete independent operation.

6. On performance Evaluation and Incentive and Restraint Mechanism

The company is committed to establishing and improving fair and transparent performance evaluation standards and incentive and restraint mechanisms for directors, supervisors and managers. The remuneration packages of the company's senior executives are proposed by the Remuneration and Evaluation Committee of the Board of Directors and considered and decided by the Board of Directors. The appointment of senior executives is open, transparent and in compliance with the laws and regulations.

7. Stakeholders, Environment Protection and Company Social Responsibility

The company fully respects and safeguards the legitimate rights and interests of stakeholders (creditors, employees, customers, suppliers, communities, etc.), attaches importance to the company's social responsibilities, strives to achieve a coordinated balance between the interests of shareholders, employees, society and other parties, and actively cooperates to jointly promote the sustainable and healthy development of the company.

In addition, the company actively fulfills its social responsibilities, takes its own business field as a key area of public welfare support, and gives back to the society in terms of education support, environmental protection, cultural promotion, and social care. Actively advocate and personally participate in public welfare and charity, with practical moves such as thorough promotion of waterproof knowledge in communities, public welfare projects regarding maintenance of housing leakage and relevant activities, the company makes every effort to contribute to the construction of a harmonious living environment.

8. Information Disclosure and Transparency

After the listing of the company, in accordance with the relevant regulations issued by CSRC and Shenzhen Stock Exchange, the company has formulated and improved the *Information Disclosure*

Management System, Annual Report Information Disclosure Liability Investigation System, Investor Relations Management Measures, Internal Reporting System for Material Information, Management System for External Information Users, Annual Financial Report Audit Procedures of the Audit Committee of the Board of Directors, Independent Directors Annual Work Report System, and Insider Information Management Systems. The company has designated the Secretary of the Board of Directors to be responsible for information disclosure, standardized the internal procedures for the transmission of material information, made clear provisions on the accountability for material errors in the disclosure of annual reports, and effectively fulfilled its information disclosure obligations. The company has designated *China Securities Journal, Securities Times* and Juchao Information website as the designated information disclosure media to make true, accurate, complete, timely and fair disclosure of its information to ensure that all shareholders have fair access to the relevant information of the company. In the meantime, the company attaches great importance to the management of investors relations, and has enhanced effective communication with the investors by giving performance presentations through online seminars, hosting investor open days, interactive Q&As, and opening investor hotlines. By conscientiously listening to the opinions and suggestions of the investors, the company achieved a benign interaction with the investors. By increasing the transparency of management, the company practically protected the benefit of the investors.

In summary, the actual situation of corporate governance does not differ from the requirements of the *Company Law* and the relevant regulations of the CSRC. The company will continue to strengthen corporate governance, establish a long-term mechanism for corporate governance, better improve the construction of the internal control system, strengthen the implementation, and lay a solid foundation for the company's sustainable, healthy and steady development.

Whether there are material differences between the actual state of corporate governance and the normative documents issued by the CSRC on the governance of listed companies

Yes No

The actual status of corporate governance does not differ materially from the normative documents issued by the CSRC on the governance of listed companies.

II. Independence of the Company in Relation to Controlling Shareholders in Terms of Business, Personnel, Assets, Organization and Finance

The controlling shareholder of the company is a natural person. The company maintains independence from the controlling shareholder and the beneficial owner in terms of personnel, assets, finance, institutions and business, and has independent and complete business and

independent operation capability.

1. Property

The company has independent and complete assets, production systems, auxiliary production systems and supporting facilities, and legally owns and has the right to use plants, land, equipment, as well as trademarks, non-patented technologies and other assets related to production and operation. The company has complete and legal property ownership and actual possession of its assets. There are no legal disputes or potential disputes. The company has not provided guarantees for shareholders, the beneficial owner and other enterprises controlled by them with its own assets, interests or reputation. There are no assets or funds being illegally occupied by shareholders, the beneficial owner and other enterprises controlled by them to the detriment of the company's interests.

2. Personnel

The company has established an independent and complete system for employment, appointment and dismissal, file and salary management. It also signed labor contracts with all employees, which are completely independent from the controlling shareholder in terms of labor, personnel and salary. The senior executives such as company president, vice president, head of finance, secretary of the Board of Directors are all remunerated by the company and do not hold any positions as controlling shareholders and affiliated companies.

The directors, supervisors and senior executives are elected by the general meeting of shareholders and the Board of Directors through legal procedures in strict accordance with the provisions of the *Company Law* and the *Articles of Association* of the company. The senior executives are appointed by the Board of Directors, and there is no case of controlling shareholders interfering with the decisions of the general meeting of shareholders and the Board of Directors regarding the appointment and removal of personnel.

3. Finance

The company has an independent financial accounting department with full-time financial personnel, and the company has a complete and independent financial accounting system. It has a separate bank account and an independent bank account number, and there is no sharing of bank accounts with the controlling shareholder. The company pays taxes independently in accordance with the law, and the tax rates are determined based on the provisions of the laws and regulations on taxation and the relevant preferential policies approved by the country. There are no cases of controlling shareholders interfering with financial decisions, appropriating the company's funds and interfering with the use of the company's funds, and there are no guarantees provided for

shareholders' units and their related parties.

4. Institutions

The company has independent production and operation and offices, and there is no mixed operation or co-location with the controlling shareholder and other related parties. The company has established an effective and sound corporate governance structure and organizational structure in accordance with the law, and there is no institutional mix-up with the controlling shareholder and other enterprises under its control, nor is there any interference by controlling shareholders and other enterprises under its control in the establishment of the company's institutions, and it has an independent and sound management structure and business operation system.

5. Business

The company is currently a system service provider of construction and building materials with the waterproof business as the core, and other diversified businesses as extension such as civil construction materials, mortar powder, building coatings, energy conservation and insulation materials, adhesives, pipe industry, construction restoration, nonwovens, specialty films, lotion. The company has independent and complete systems for operation and sales, technology R&D, financial accounting, labor and personnel, procurement of raw materials, production and construction, engineering management, and quality and safety management. It also has independent production and operation sites and a complete system for production, supply and marketing, being market-oriented and capable of operating independently.

The company does not rely on controlling shareholders or any other related parties for its business, and there is no competition or unfair affiliated transactions with controlling shareholders, the de facto controller and other enterprises under their control, nor does controlling shareholders use its controlling position to directly or indirectly interfere with the decision-making and production and operation of the company.

III. Competition in the same industry

Applicable Not applicable

IV. Annual general meeting and extraordinary general meeting held during the reporting period

1. Annual general meeting of shareholders in the reporting period

Meetings	Category	Investors' Participation Ratio	Meeting Date	Revealed Date	Resolution
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Annual Shareholders Meeting 2022	Annual Shareholders Meeting	41.26%	May 5th, 2023	May 6th, 2023	<i>Considered and approved: 1. 2022 Work Report of the Board of Directors; 2. 2022 Work Report of the Board of Supervisors; ; 3. 2022 Financial Results Report; 4. 2023 Financial Budget Report; 5. 2022 Profit Distribution Plan; 6. 2022 Full Annual Report and its Summary; 7. Proposal on Renewing the Appointment of Grant Thornton as the Company's Auditor in 2023; 8. Proposal on the Remuneration of Directors in 2022; 9. Proposal on the Remuneration of Supervisors in 2022; 10. Proposal on Applying for Comprehensive Credit Lines from</i>
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					<p><i>Banks and Other Financial Institutions; 11. Proposal on Providing Guarantee for Subsidiaries to Apply for Comprehensive Credit Extension from Banks and other Financial Institutions; 12. Proposal on External Guarantees; 13. Proposal on Providing Guarantee for the Wholly-owned Subsidiary; 14. Proposal on Changing Registered Capital; 15. Proposal on Amending the Articles of Association; 16. Proposal on Taking out Liability Insurance for Directors, Supervisors and Senior Management. 17. Proposal on Changing the Use</i></p>
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					<i>of Part of the Raised Funds and Permanently Supplementing Working Capital.</i>
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1st Extraordinary Shareholders' Meeting 2023	Extraordinary Shareholders' Meeting	41.03%	July 5th, 2023	July 6th, 2023	Considered and approved: 1. <i>Proposal on Issuing Asset Backed Notes for Accounts Receivable in 2023</i> ; 2. <i>Proposal on the Proposed Registration and Issuance of Asset Backed Securities.</i>
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2nd Extraordinary Shareholders' Meeting 2023	Extraordinary Shareholders' Meeting	40.29%	September 25th, 2023	September 26th, 2023	Considered and approved: 1. <i>Restricted Stock Incentive Plan (Draft Revised) of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. 2023 and its Summary</i> ; 2. <i>Revised Management Measures for the Implementation and Assessment of the 2023 Restricted Stock Incentive Plan of Beijing Oriental Yuhong Waterproof Technology Co., Ltd.</i> ; 3. <i>Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Handle Matters Related to the Company's 2023 Restricted Stock Incentive Plan</i> ; 4. <i>Restricted Stock Incentive Plan (Draft Second Revision) of</i>
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					<p><i>Beijing Oriental Yuhong Waterproof Technology Co., Ltd. Third and its Summary; 5. Implementation and Assessment Management Measures for the Third Restricted Stock Incentive Plan of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. (Second Revised Draft); 6. Proposal on Increasing the Registered Capital of the Company;</i></p> <p><i>7. Proposal on Changing the Company's Business Scope and Amending the Articles of Association.</i></p>
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2. Preferred shareholders whose voting rights have been restored request an extraordinary shareholders' meeting

Applicable Not applicable

V. About Directors, Supervisors and Senior Managers

1. Basic Information

Name	Title	Working status	Gender	Age	Starting Date of Tenure	Ending Date of Tenure	Starting number of shares held in this period	Shares added in this period	Shares reduced in this period	Other changes of shares	Ending number of shares held in this period	Reasons for increases or decreases in shares
Li Weiguo	Male	Employed	Director, Chairman of the Board	59	October 12th, 2006	September 15th, 2025	571,332,887	0	0	0	571,332,887	-
Xu Limin	Male	Employed	Director, Vice Chairman of the Board	58	October 12th, 2006	September 15th, 2025	72,269,250	0	0	0	72,269,250	-
Xiang Jinming	Male	Employed	Director	60	October 12th, 2006	September 15th, 2025	22,169,323	0	0	0	22,169,323	-
Zhang Zhiping	Female	Employed	Director	53	May 26th, 2016	September 15th, 2025	986,963	0	0	0	986,963	-



Zhang Zhiping	Female	Employed	President	53	January 11th, 2019	September 15th, 2025	0	0	0	0	0	-
Zhang Ying	Female	Employed	Director	53	June 18th, 2010	September 15th, 2025	1,087,725	0	0	0	1,087,725	-
Zhang Ying	Female	Employed	Vice President	53	July 30th, 2019	September 15th, 2025	0	0	0	0	0	-
Zhang Hongtao	Male	Employed	Director	47	May 26th, 2016	September 15th, 2025	808,589	0	201,000	0	607,589	Reduce holding share via block trading
Zhang Hongtao	Male	Employed	Vice President	47	October 23rd, 2009	September 15th, 2025	0	0	0	0	0	-
Yang Haocheng	Male	Employed	Director	51	May 26th, 2016	September 15th, 2025	1,302,788	0	0	0	1,302,788	-
Wang Xiaoxia	Female	Employed	Director	48	July 29th, 2019	September 15th, 2025	270,622	0	0	0	270,622	-
Wang Xiaoxia	Female	Employed	Vice President	48	July 30th, 2019	September 15th, 2025	0	0	0	0	0	-



Cai Shaoyun	Female	Employed	Independent Director	59	September 14th, 2020	September 15th, 2025	0	0	0	0	0	-
Huang Qinglin	Male	Employed	Independent Director	58	July 29th, 2019	September 15th, 2025	0	0	0	0	0	-
Chen Guangjin	Male	Employed	Independent Director	59	July 29th, 2019	September 15th, 2025	0	0	0	0	0	-
Zhu Dongqing	Male	Employed	Independent Director	69	September 16th, 2022	September 15th, 2025	132,304	0	0	0	132,304	-
Wang Jin	Female	Employed	Supervisor	38	July 29th, 2019	September 15th, 2025	1,000	0	0	0	1,000	-
Wang Jin	Female	Employed	Chairman of the Supervisory Board	38	September 16th, 2022	September 15th, 2025	0	0	0	0	0	-
Zou Menglan	Female	Employed	Supervisor	29	July 29th, 2019	September 15th, 2025	0	0	0	0	0	-
Yan Jialei	Female	Employed	Employee Supervisor	40	July 29th, 2022	September 15th, 2025	300	0	0	0	300	-

Wang Wenping	Female	Employed	Vice President	51	March 13th, 2013	September 15th, 2025	837,483	0	0	0	837,483	-
Xu Wei	Female	Employed	CFO	44	September 25th, 2015	September 15th, 2025	842,644	0	0	0	842,644	-
Zhang Bei	Female	Employed	Vice President, Secretary of the Board	44	January 11th, 2019	September 15th, 2025	237,500	0	0	0	237,500	-
Total	--	--	--	--	--	--	672,279,378	0	201,000	0	672,078,378	--

During the reporting period, is there any resignation of directors and supervisors and dismissal of senior management during their term of office?

Yes No

Personnel Change: Directors, Supervisors, Senior Executives

Applicable Not Applicable

2. Profile and Working Experience

This part is about the educational background, major working experience, and major duties of present directors, supervisors, and senior executives:

(1) Director's Profile and Working Experience

The 8th Board of Directors sets 12 directors. They are Li Weiguo, Xu Limin, Xiang Jinming, Zhang Zhiping, Zhang Ying, Zhang Hongtao, Yang Haocheng, Wang Xiaoxia, Cai Zhaojun, Chen Guangjin, Huang Qinglin, Zhu Dongqing, thereinto Cai Zhaojun, Chen Guangjin, Huang Qinglin, and Zhu Dongqing are independent directors.

(2) Directors' Profile:

Mr. Li Weiguo, a Chinese national born in 1965, graduated from Hunan Agricultural University with a Bachelor's Degree. He has no permanent residence status outside China's mainland. He

joined Changsha County Vocational and Technical School in 1989 and Hunan University of Economics and Management in 1992 as a teacher. From 1993 to 1995, he worked for the Bureau of Statistics of Hunan Province. In 1995, he founded the Changsha Changhong Building Waterproof Engineering Co., Ltd. Li has been Oriental Yuhong's chairman of the board and the main founder of the company since 1998. He holds a concurrent post of the chairman of the board in Beijing GeoEnviron Engineering and Technology Inc., the executive director of Shenzhen Keir Hanxiang Industrial Co., Ltd., and the executive director and manager of Beijing Changyang Jingyuan Technology Co., Ltd. In July 2003, he was honored as one of Beijing's Top Ten Entrepreneurs, Beijing Model Worker in 2005, Top Ten Most Influential People of Zhongguancun in 2012, one of the Most Respected Entrepreneurs in November 2017. He was also on the list of the 2019, 2020 Top 100 CEO of China and was named Ernst& Young's World Entrepreneur of the Year in 2023. He is now the president of China National Building Waterproof Association and a vice president of the China Building Materials Federation.

Mr. Xu Limin, a Chinese national born in 1966. He graduated from Peking University with a Bachelor's Degree. He has no permanent residence status outside China's mainland. Xu, one of the main founders of Oriental Yuhong, has successively served as the deputy general manager, executive vice general manager and vice-chairman of the board in Oriental Yuhong. He is now the vice-chairman of the Board of Directors. Xu was a director of Beijing GeoEnviron Engineering and Technology Inc. from 2002 to 2009 and has been an executive director of Costar Culture & Media Co., Ltd. since 2011.

Mr. Xiang Jinming, a Chinese national born in 1964. He graduated from Chongqing University with a Bachelor's Degree. He has no permanent residence status outside China's mainland. Xiang, from 1988 to 1998, worked in Hunan Pharmaceutical Factory serving as a secretary of the Personnel Department, deputy director of the Business Administration Department, deputy general manager of the Supply and Marketing Company and the manager of the Import and Export Department. He was once honored with the title of "Excellent Manager of Self-operated Import and Export Enterprise in Changsha". From 1998 to 2001, Xiang served as the general manager of Hunan Oriental Yuhong Anti-corrosion, Insulation, and Waterproof Engineering Co., Ltd. In 2001, Xiang joined the Oriental Yuhong Waterproof Technology Co., Ltd. as the executive deputy general manager, managing director, and director successively. He is now one of the directors of the company, also serving as the president of the company's Overseas Strategic Development Group

Mrs. Zhang Zhiping, a Chinese national born in 1971, is a university graduate. She has no permanent residence outside China's mainland. From 1992 to 2001, she served successively as a

member and secretary of the CPC Youth League Committee of Beijing Aokelan Waterproof Engineering Co., Ltd. From 2001 to 2006, Zhang served successively as the sales manager and the head of the Technology Promotion Department of Beijing Carlisle Waterproofing Materials Co., Ltd. She joined Oriental Yuhong in August 2006 and successively served as the regional manager of the Distributor Management Department, department manager and vice president. Zhang is now the president and one of the directors of the company and serves concurrently as the president of Oriental Yuhong Civil Building Materials Group as well as the marketing director and director of the Marketing Technology Committee of the company.

Mrs. Zhang Ying, a Chinese national born in 1971, holds a Bachelor's Degree in Engineering from East China University of Science and Technology and a Master's Degree in Finance from Renmin University of China. She is a Certified Public Accountant, a Certified Asset Valuer, and a Certified Tax Agent in China. She has no permanent residence status outside China's mainland. From 1993 to 2008, she worked in Jingdu Tianhua Certified Public Accountants (now renamed as Grant Thornton Certified Public Accountants), successively serving as the project manager and department manager. From 2008 to 2009 she served as the audit manager of Reanda Certified Public Accountants LLP. Zhang joined Oriental Yuhong as CFO, director, and executive vice president. She is now the director and vice president of the company and a supervisor of Beijing Zhongguancun Bank Co., Ltd.

Mr. Zhang Hongtao, a Chinese national born in 1977, graduated with a Master's Degree from Tianjin University. He has no permanent residence status outside China's mainland. From 1998 to 2004, He worked in the Capital Branch of Tangshan Ceramic Group Co., Ltd. He joined Oriental Yuhong in August 2004, successively serving as the deputy manager of the Finance Department, the manager of the Securities Department with a concurrent post of the representative of securities affairs, and the secretary of the board. Zhang is now the vice president and a director of Oriental Yuhong. He is also the Executive Director of Northern District of Engineering and Building Materials Group as well as the chairman of the board in Hongsheng New Energy Co., Ltd.

Mr. Yang Haocheng, a Chinese national born in 1973, graduated from Hunan University, majoring in civil engineering and construction. He has no permanent residence status outside China's mainland. He joined Oriental Yuhong in 1998, successively serving as the manager and deputy general manager of the Engineering Department. Yang is also in charge of Oriental Yuhong's Regional Integration Company in Southern China and serves as the president of the Manufacturing Group of the company.

Mrs. Wang Xiaoxia, a Chinese national born in 1976, graduated from Nanjing University with a

Bachelor's Degree in Law. She has no permanent residence status outside China's mainland. From 2007 to 2009, she worked as a lawyer at Beijing Jingkai Law Firm. She joined Oriental Yuhong in March 2009, successively serving as the manager of the Risk Supervision Department, executive deputy director of the Legal Affairs Center. Wang is now the director and vice president of the company and concurrently serves as the director of Risk Management Center and as well as the president of Construction Materials Group of the company.

Mrs. Cai Zhaoyun, a Chinese national born in 1965, graduated from Xi 'an University of Architecture and Technology with a Bachelor's Degree in Engineering. She is a professor-level senior engineer and a national first-class registered architect. She has no permanent residence outside China's mainland. Cai was an assistant engineer of the Central Research Institute of Building and Construction from 1988 to 1994; an engineer and a senior engineer of China Jingye Engineering Co., Ltd. from 1994 to 2001; a chief architect of Beijing Jingye Architectural Design Institute from 2001 to 2004; the deputy chief architect of the Design Institute of China Jingye Engineering Co., Ltd. Now Cai is the chief architect in the Design Institute of China Jingye Engineering Co., Ltd.; the deputy chief engineer of the Central Research Institute of Building and Construction; a member of the Expert Committee of the National Engineering Construction Standardization and Design; the deputy secretary-general of the Technical Committee on Architectural Design of Standardization Administration of the Ministry of Housing and Urban-Rural Development; the secretary-general of the technological branch and the deputy director of the Metal Roofing Expert Committee of China Association of Building Waterproof; the executive councilor of the Industrial Building Branch of the Architectural Society of China; a member of the Registered Architects Branch of Architectural Society of China; the guest executive director and a member of the expert committee of the China Steel Construction Society; a standing member of the Standardization Working Committee of the China Engineering and Consulting Association, an Independent Director of Jiangsu Canlon Building Materials Co., Ltd and Duwei Union Group Co., Ltd.

Mr. Huang Qinglin, a Chinese national born in 1966, graduated from Victoria University Switzerland with a master degree in Business Administration. He is a Senior Economist, Certified Practising Accountant, Certified Public Valuer, Certified Enterprise Risk Manager and international accountant. He has no permanent residence status outside China's mainland. He served as the chief clerk and deputy director of the Audit Department of Hunan Province from 1992 to 2000; director, chief auditor, general manager, and chief accountant of Huayin Certified Public Accountants Co., Ltd. from 2000 to 2011; executive partner and president of Huayin Wuzhou

Certified Public Accountants (Special Ordinary Partnership) from 2012 to 2013; Now Huang is the executive partner and chief partner of CAC CPA Limited Liability Partnership. He also also serves as the outside director of State-owned Assets Supervision and Administration Commission of the State Council of PRC, director of The Chinese Institute of Certified Public Accountants(CICPA) and Beijing Institute of Certified Public Accountants, and independent director of Beijing AVIC Technology Co., Ltd.

Mr. Chen Guangjin, a Chinese national born in 1965, graduated from Tianjin University with a Doctoral Degree in Chemical Engineering. He has no permanent residence status outside China's mainland. From 1995 to 1999, Chen served as associate professor and Master's supervisor in China University of Petroleum - Beijing. He has been a professor and doctoral supervisor of China University of Petroleum - Beijing since 2000.

Mr. Zhu Dongqing, born in 1955, professor-level senior engineer, postgraduate, Chinese nationality, without permanent overseas residence. From 1982 to 2015, he served successively as assistant engineer, director, assistant to the general manager, deputy general manager and general manager of China Construction Waterproof Material Company (renamed as China Chemical Building Materials Company and China National Building Material Waterproof Material Company); since 1998, he successively served as China Construction Waterproof Material Company Vice Chairman, Executive Vice Chairman, Secretary-General, and Chairman of the Association; Director of China Fiberglass Co., Ltd. from 1999 to 2002; Member of the Expert Committee of the Ministry of Housing and Urban-Rural Development, director of the editorial board of "China Building Waterproof" magazine, national Director of the Building Waterproof Materials Sub-Bidding Committee, an international member of the American Roofing Association; served as an independent director of Shenzhen Zhuobao Technology Co., Ltd., an independent director of Jiangsu Kailun Building Materials Co., Ltd., an independent director of Beijing Oriental Yuhong Waterproof Technology Co., Ltd., Independent director of Keshun Waterproof Technology Co., Ltd.; current Secretary-General of China Building Waterproof Association and concurrently independent director of Jiangsu Canlun Building Materials Co., Ltd.

2. Supervisors' Profile and Working Experience

The 8th Board of Supervisors sets three supervisors. They are Wang Jing、 Zou Menglan and Yan Jialei, while Yan Jialei is the employee supervisor. Their profile and working experience:

Mrs. Wang Jing, a Chinese national born in 1986, holds a Master's Degree. She has no permanent residence status outside China's mainland. She joined Oriental Yuhong in 2014 as the director of securities affairs of the Securities Department and now serves as the manager of the Securities

Department.

Mrs. Zou Menglan, a Chinese national born in 1995, holds a Master's Degree. She has no permanent residence status outside China's mainland. She joined Oriental Yuhong in 2017 as the cashier of securities affairs of the Securities Department and now serves as the Director of Finance and Financing of Financial Management Center.

Mrs. Yan Jialei, a Chinese national born in 1984, holds a Master's Degree. She has no permanent residence status outside China's mainland. She joined Oriental Yuhong in 2013 as the cashier of securities affairs of the Securities Department and now serves as the assets manager of the Securities Department.

3. Senior Executives' Profile and Working Experience

For Mrs. Zhang Zhiping, please refer to the section "Director's Profile and Working Experience".

For Mrs. Zhang Ying, please refer to the section "Director's Profile and Working Experience".

For Mr. Zhang Hongtao, please refer to the section "Director's Profile and Working Experience".

For Mrs. Wang Xiaoxia, please refer to the section "Director's Profile and Working Experience".

Mrs. Wang Wenping, a Chinese national born in 1973, graduated from Tsinghua University with a Master's Degree. She has no permanent residence status outside China's mainland. She once worked in Shandong Triangle Group as a technician, and in the sector of the CPC branch management, marketing management. She was the deputy manager of the Distribution Department, manager of the International Trade Department, marketing manager, assistant general manager, marketing director, human resources director, information director. She is now the vice president of Oriental Yuhong and the Chairman of the Mortar and Powder Group of the company and the general manager of the Overseas Business of Powder Group of the company. Mrs. Xu Wei, a Chinese national born in 1980, holds a Bachelor's Degree. She has no permanent residence status outside China's mainland. She used to serve as the manager of the Financial Department, assistant financial director and deputy financial director of Oriental Yuhong, and now serves as the company's CFO.

Mrs. Zhang Bei, a Chinese national born in 1980, holds a Master's Degree. She has no permanent residence status outside China's mainland. She used to serve as the manager of Securities Department at Beijing Unistrong Science & Technology Co., Ltd., manager of the Securities Department at Beijing Asia Pacific Anxun Technology Co., Ltd., assistant president of Boshen Medical Investment Co., Ltd., securities manager, vice president and secretary of the Board of Directors of Beijing Oriental Yuhong Waterproof Technology Co., Ltd., and secretary of the Board of Directors of Gravity Media Co., Ltd. She currently serves as Oriental Yuhong's vice president and secretary of the Board of Directors

Posts in Shareholding Companies

 Applicable Not Applicable

Concurrent Posts in Other Companies

 Applicable Not Applicable

Name	Other In-service Company's Name	Other In-service Company's Title	Starting Date of Tenure	Ending Date of Tenure	With or Without Salary
Li Weiguo	Beijing GeoEnviron Engineering & Technology, Inc.	Chairman of the Board	December 1, 2012	January 17, 2025	Yes
Li Weiguo	Shenzhen Keir Hanxiang Industrial Co., Ltd.	Executive Director	September 27, 2016		No
Li Weiguo	Beijing Changyang Jingyuan Technology Co., Ltd.	Executive Director, Manager	April 10, 2017		No
Li Weiguo	China National Building Waterproof Association	President	December 14, 2015	December 6, 2025	No
Li Weiguo	China National Building Waterproof Association	Vice President	October 23, 2020	October 22, 2025	No
Xu Limin	Costar Culture & Media Co., Ltd.	Executive Director	July 19, 2011		No
Zhang Ying	Beijing Zhongguancun Bank Co., Ltd.	Supervisor	May 10, 2017	October 31, 2026	No



Cai Zhaoyun	Central Research Institute of Building and Construction Co.,Ltd MCC Group	Chief Expert	December 1, 2018	December 31, 2024	Yes
Cai Zhaoyun	Expert Committee of the National Engineering Construction Standardization and Design	Member of the Committee	March 1, 2011		No
Cai Zhaoyun	Expert Committee of China Construction Metal Structure Association	Member of the Experts' Committee	December 6, 2012		No
Cai Zhaoyun	Expert Committee of ChinaBuilding Waterproofing Association	Deputy Director of the Experts' Committee	May 30, 2018	September 30, 2026	No
Cai Zhaoyun	Industrial Building Branch of the Architectural Society of China	Executive Director	August 1, 2013		No
Cai Zhaoyun	China Steel Construction Society	Guest Executive Director	October 1, 2019	December 31, 2024	No



Cai Zhaoyun	Jiangsu Canlon Construction Material Limited Liability Company	Independent Director	December 28, 2023	December 27, 2026	Yes
Cai Zhaoyun	Duowei Joint Group Liability Company	Independent Director	January 24,2024	January 23,2027	Yes
Huang Qinglin	State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality	Executive Partner	November 1, 2013		Yes
Huang Qinglin	State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality	Lead Partner	December 9, 2021		Yes
Huang Qinglin	State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality	External Director	March 1, 2015		Yes

Huang Qinglin	Beijing Institute of Certified Public Accountants	Director	July 30, 2011		No
Huang Qinglin	Beijing Zhonghang Kedian Measurement & Control Technology Co., Ltd.	Independent Director	January 22, 2022		Yes
Huang Qinglin	Beijing Institute of Certified Public Accountants	Director	December 5, 2023		No
Zhu Dongqing	China Waterproof Association	Director of the Committee	December 7, 2015		Yes
Zhu Dongqing	Jiangsu Canlon Construction Material Limited Liability Company	Independent Director	August 3, 2020	December 7, 2026	Yes
Description of employment in other units	N/A				

Punishment in the past three years by securities regulators to the current and outgoing directors during the reporting period, supervisors, and senior managers of Oriental Yuhong

Applicable Not Applicable

3. Personnel Remuneration of Directors, Supervisors and Senior Executives

The decision-making process, basis of determination and actual remuneration of the payment of directors, supervisors and senior executives

Decision-making process: The Remuneration and Evaluation Committee of the Board of Directors studies and formulates the remuneration policies and plans for the directors, supervisors and senior

executives of the company. The remuneration of directors and supervisors shall be implemented after consideration and approval by the general meeting of shareholders; the remuneration of senior executives shall be implemented after consideration and approval by the Board of Directors.

Basis of determination: The remuneration of directors and supervisors is determined in accordance with the standard of their positions in the company; the allowance of independent directors is RMB100,000/year before tax, which is paid annually in cash as a lump sum, and the travel expenses and office expenses incurred in the performance of their duties are borne by the company; the remuneration of senior executives is determined comprehensively in accordance with the duties performed by each of them and the year-end appraisal.

Actual payment status: Details of the actual remuneration paid to the directors, supervisors and senior executives during the reporting period are set out in the table below.

Details of the actual remuneration paid to directors, supervisors and senior executives during the reporting period are set out in the table below.

Unit: RMB 10,000

Name	Gender	Age	Title	Employment	Total Payment Before Tax	Whether Paid by Related-parties
Li Weiguo	Male	59	Chairman of the Board	Employed	85	Yes
Xu Limin	Male	58	Vice Chairman of the Board	Employed	54	No
Xiang Jinming	Male	60	Director	Employed	200	No
Zhang Zhiping	Female	53	Director and President	Employed	260	No
Zhang Ying	Female	53	Director and Vice President	Employed	200	No
Zhang Hongtao	Male	47	Director and Vice President	Employed	170	No
Yang Haocheng	Male	51	Director	Employed	200	No



Wang Xiaoxia	Female	48	Director, Vice President	Employed	120	No
Cai Zhaoyun	Female	59	Independent Director	Employed	10	No
Chen Guangjin	Male	59	Independent Director	Employed	10	No
Huang Qinglin	Male	58	Independent Director	Employed	10	No
Zhu Dongqing	Male	69	Independent Director	Employed	10	No
Wang Jing	Female	38	Chairman of the Supervisory Board	Employed	50.88	No
Zou Menglan	Female	29	Supervisor	Employed	27	No
Yan Jialei	Female	40	Employee Supervisor	Employed	22	No
Wang Wenping	Female	51	Vice President	Employed	150	No
Xu Wei	Female	44	Chief Financial Officer	Employed	95	No
Zhang Bei	Female	44	Vice President, Board Secretary	Employed	95	No
In total	--	--	--	--	1,768.88	--

Other information

Applicable Not Applicable

VI. Performance of duties by directors during the reporting period

1. Meetings of the Board of Directors during the reporting period

Meetings	Meeting Date	Revealed Date	Resolution
5th Meeting of the 8th Board of Directors	January 9th, 2023	January 10th, 2023	Considered and approved: 1. <i>Proposal on Temporarily Supplementing Working Capital Using Part of Idle Raised Funds.</i>

<p>6th Meeting of the 8th Board of Directors</p>	<p>April 12th, 2023</p>	<p>April 13th, 2023</p>	<p>Considered and approved: 1. 2022 Work Report of the Board of Directors; 2. 2022 CEO Work Report; 3. 2022 Financial Final Account Report; 4. 2023 Financial Budget Report; 5. 2022 Annual Profit Distribution Plan; 6. 2022 Full Annual Report and Its Summary; 7. Proposal on the Deposit and Use of Raised Funds in 2022; 8. Self-evaluation Report on Internal Control in 2022; 9. Proposal on the Renewal of Grant Thornton's Appointment as the Company's Auditor of 2023. 10. Proposal on Directors' Remuneration for 2022; 11. Proposal on the Remuneration of Senior Management in 2022; 12. Sustainable Development Report 2022; Proposal on Applying for Comprehensive Credit Lines from Banks and Other Financial Institutions; 14. Proposal on Providing Guarantees for Subsidiaries Applying for Comprehensive Credit Lines from Banks and Other Financial Institutions; 15. Proposal on External Guarantees; 16. Proposal on Providing Guarantees for Wholly-</p>
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			<p><i>Owned Subsidiaries;</i></p> <p><i>17. Proposal on Using Temporarily Idle Self-Owned Funds for Cash Management; 18. Proposal on Changing Accounting Policies; 19. Proposal on Changing Registered Capital; 20. Proposal on Amending the Articles of Association; 21. Proposal on Taking out Liability Insurance for Directors, Supervisors and Senior Management; 22. Proposal on Changing the Use of Part of the Raised Funds and Permanently Supplementing Working Capital; 23. Proposal on Carrying out Commodity Futures Hedging Business; 24. Proposal on Formulating the Commodity Futures Management System; 25. Feasibility Analysis Report on Carrying out Commodity Futures Hedging Business; 26. Proposal on Convening the 2022 Annual General Meeting of Shareholders.</i></p>
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<p>7th Meeting of the 8th Board of Directors</p>	<p>April 25th, 2023</p>	<p>April 26th, 2023</p>	<p>Considered and approved: 1. <i>The First Quarter Report 2022</i>; 2. <i>Proposal on the Cancellation of the Restricted Stocks That Have Been Granted to But Not Yet Unlocked for Incentive Objects Who No Longer Meet the Incentive Conditions in the 2022 Restricted Stock Incentive Plan.</i></p>
<p>8th Meeting of the 8th Board of Directors</p>	<p>June 6th, 2023</p>	<p>June 6th, 2023</p>	<p>Considered and approved: 1. <i>The 2023 Restricted Stock Incentive Plan (Draft) of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. and its summary</i>; 2. <i>Measures for the Implementation and Assessment Management of the 2023 Restricted Stock Incentive Plan of Beijing Oriental Yuhong Waterproof Technology Co., Ltd.</i>; 3. <i>Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Handle Matters Related to the 2023 Restricted Stock Incentive Plan of the Company</i>; 4. <i>Proposal on Adjusting the Exercise Price of the 2021 Stock Option Incentive Plan.</i></p>

9th Meeting of the 8th Board of Directors	June 19th, 2023	June 20th, 2023	Considered and approved: <i>1. Proposal on Issuing Asset Backed Notes for Accounts Receivable for the Year 2023; 2. Proposal on the Proposed Registration and Issuance of Asset Backed Securities; 3. Proposal on Convening the First Extraordinary General Meeting of Shareholders in 2023.</i>
10th Meeting of the 8th Board of Directors	August 9th, 2023	August 10th, 2023	Considered and approved: <i>1. 2023 Semi-annual Report and Summary; 2. Proposal on 2023 Semi-annual Deposit and Use of Raised Funds.</i>

<p>11th Meeting of the 8th Board of Directors</p>	<p>September 9th, 2023</p>	<p>September 9th, 2023</p>	<p>Considered and approved: 1. <i>Beijing Oriental Yuhong Waterproof Technology Co., Ltd. 2023 Restricted Stock Incentive Plan (Revised Draft) and its Summary</i>; 2. <i>Revised Management Measures for the Implementation and Assessment of the 2023 Restricted Stock Incentive Plan of Beijing Oriental Yuhong Waterproof Technology Co., Ltd</i>; 3. <i>Beijing Oriental Yuhong Waterproof Technology Co., Ltd. Third Restricted Stock Incentive Plan (Draft Second Revision) and its summary</i>; 4. <i>The Implementation and Assessment Management Measures for the Third Restricted Stock Incentive Plan of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. (Second Revised Draft)</i>; 5. <i>Proposal on Increasing the Registered Capital of the Company</i>; 6. <i>Proposal on Changing the Business Scope of the Company and Amending the Articles of Association</i>; 7. <i>Proposal on Convening the Second Extraordinary General Meeting of Shareholders in 2023.</i></p>
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12th Meeting of the 8th Board of Directors	October 18th, 2023	October 19th, 2023	Considered and approved: 1. <i>Proposal on Bidding for State owned Land Use Rights and Authorizing Management to Sign Relevant Legal Documents.</i>
13th Meeting of the 8th Board of Directors	October 25th, 2023		Considered and approved: 1. <i>The Third Quarter Report of 2023.</i>
14th Meeting of the 8th Board of Directors	November 13th, 2023	November 14th, 2023	Considered and approved: 1. <i>Proposal on Repurchase of Company Shares.</i>
15th Meeting of the 8th Board of Directors	November 15th, 2023	November 16th, 2023	Considered and approved: 1. <i>Proposal on Transferring Partial Equity of Subsidiary Companies and Signing Equity Transfer Agreements.</i>
15th Meeting of the 8th Board of Directors	November 22th, 2023	November 23th, 2023	Considered and approved: 1. <i>Proposal on Investment and Construction of a New Materials Industrial Park Project in the County of Yongfeng, Ji'an, Jiangxi Province.</i>

17th Meeting of the 8th Board of Directors	December 1st, 2023	December 2nd, 2023	Considered and approved: 1. <i>Proposal on Terminating the Implementation of the 2023 Restricted Stock Incentive Plan</i> ; 2. <i>Proposal on Amending the Articles of Association of the Company</i> ; 3. <i>Proposal on Amending the Rules of Procedure of the General Meeting of Shareholders</i> ; 4. <i>Proposal on Amending the Rules of Procedure of the Board of Directors</i> ; 5. <i>Proposal on Amending the Independent Director System</i> ; 6. <i>Proposal on Amending the Work System for Annual Reports of Independent Directors</i> .
18th Meeting of the 8th Board of Directors	December 28th, 2023	December 29th, 2023	Considered and approved: 1. <i>Proposal on the Estimation of Routine Related Transactions in 2024</i> .

2. Attendance of directors at board meetings and shareholders' meetings

Attendance of Directors at Board of Directors' Meetings and Shareholders' Meetings							
Name of Directors	Number of Board Meetings to be Attended During the Reporting Period	Number of Board Meetings Attended On-site	Number of Board Meetings Attended Online	Number of Board Meetings Attended by Proxy	Number of Board Meeting Absences	Failure to Attend Two Consecutive Board Meetings in Person	Number of Shareholders' Meetings Attended
Li Weiguo	14	12	2	0	0	No	3
Xu Limin	14	14	0	0	0	No	3

Xiang Jinming	14	13	1	0	0	No	3
Zhang Zhiping	14	13	1	0	0	No	3
Zhang Ying	14	14	0	0	0	No	3
Zhang Hongtao	14	14	0	0	0	No	3
Yang Haocheng	14	13	1	0	0	No	0
Wang Xiaoxia	14	14	0	0	0	No	3
Cai Zhaoyun	14	13	1	0	0	No	0
Chen Guangjin	14	12	2	0	0	No	0
Huang Qinglin	14	14	0	0	0	No	1
Zhu Dongqing	14	13	1	0	0	No	1

Explanation of failure to attend two consecutive board meetings in person

Not applicable

3. Dissent by the board on matters relating to the company

Dissent by the board on matters relating to the company

Yes No

The directors did not raise any objection to the relevant matters of the Company during the reporting period.

4. Other explanations on the performance of duties by directors

Whether the recommendations of the directors on the company were adopted

Yes No

Description of the recommendations of the directors on the company that were adopted or not adopted.

During the reporting period, the company directors strictly adhere to the Company Act, " Securities Act, Listing Rules of Shenzhen Stock Exchange, The Articles of Incorporation, Rules of Procedure of Board of Directors and other laws and regulations and the provisions of the regulatory documents. The director is diligent and responsible in his or her duties put forward the precious opinion on the company's daily management decisions according to the actual situation of the company. The directors supervise and promote the implementation of the board of directors' resolutions, promote the standardized operation of the company, improve the level of corporate governance, guarantee the scientific decision-making of the company, so that the company can maintain a high quality and steady development trend. In accordance with relevant regulations, the independent directors of the company conscientiously perform their duties, actively attend relevant meetings, and seriously review various proposals of the board of directors. Independent directors put out fair, unbiased and independent opinions towards matters related to the major issues related to the use of company raised funds, occupation of company funds by controlling shareholders and other related parties, external guarantees, equity distribution, commodity futures hedging business, equity incentives, repurchase of company shares, related party transactions, etc. They provide prior approval opinions on hiring of an auditing firm for the company and convene the meeting of Independent Directors to conduct prior review of Estimation of Routine Related Transactions in 2024, fully leveraging the role of independent directors. They ensure the scientific and efficient decision-making of the board of directors of the company, and protects the legitimate rights and interests of the company and all shareholders, especially minority shareholders.

VII. Performance of duties of special committees under the Board of Directors during the reporting period

Committee Name	Members	Sessions	Date	Content	Important Comments and Suggestions Proposed	Other Performance of Duties	Objection Details (if any)
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Strategy Committee	Li Weiguo, Zhu Dongqing, Xu Limin	4	April 1 st , 2023	Considered and approved: 1. <i>Proposal on Carrying out Commodity Futures Hedging Business</i> ; 2. <i>Proposal on Formulating the Commodity Futures Management System</i> ; 3. <i>Feasibility Analysis Report on Carrying out Commodity Futures Hedging Business</i> .	The Strategy Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law</i> , <i>Securities Law</i> and the <i>Articles of Association and Rules of Procedures of the Board of Directors</i> . The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after thorough discussion.	N/A	N/A
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Strategy Committee	Li Weiguo, Zhu Dongqing, Xu Limin	4	October 16 th , 2023	Considered and approved: 1. <i>Proposal on Bidding for State owned Land Use Rights and Authorizing Management to Sign Relevant Legal Documents.</i>	The Strategy Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law, Securities Law</i> and the <i>Articles of Association and Rules of Procedures of the Board of Directors.</i> The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after thorough discussion.	N/A	N/A
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Strategy Committee	Li Weiguo, Zhu Dongqing, Xu Limin	4	November 8 th , 2023	Considered and approved: 1. <i>Proposal on Transferring Partial Equity of Subsidiary Companies and Signing Equity Transfer Agreements.</i>	The Strategy Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law, Securities Law and the Articles of Association and Rules of Procedures of the Board of Directors.</i> The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after thorough discussion.	N/A	N/A
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<p>Strategy Committee</p>	<p>Li Weiguo, Zhu Dongqing, Xu Limin</p>	<p>4</p>	<p>November 15th, 2023</p>	<p>Considered and approved: 1. <i>Proposal on Investment and Construction of a New Materials Industrial Park Project in the County of Yongfeng, Ji'an, Jiangxi Province.</i></p>	<p>The Strategy Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law, Securities Law</i> and the <i>Articles of Association and Rules of Procedures of the Board of Directors.</i> The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after thorough discussion.</p>	<p>N/A</p>	<p>N/A</p>
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Remuneratio n and Appraisal Committee	Huang Qinglin, Chen Guangjin, Li Weiguo	5	April 1 st , 2023	Considered and approved: 1. <i>Proposal on Directors’ Remunerati on for 2022</i> ; 2. <i>Proposal on the Remunerati on of Senior Manageme nt in 2022</i> ; 3. <i>Proposal on Taking out Liability Insurance for Directors, Supervisors and Senior Manageme nt.</i>	The Remuneratio n and Appraisal Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law, Securities Law and the Articles of Association and Rules of Procedures of the Board of Directors.</i> The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after	N/A	N/A
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					thorough discussion.		
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Remuneratio n and Appraisal Committee	Huang Qinglin, Chen Guangjin, Li Weiguo	5	April 18 th , 2023	Considered and approved: 1. <i>Proposal on Canceling Part of the 2021 Stock Option Incentive Plan for Incentive Objects that No longer meet the Exercise Conditions and have been granted but not yet exercised stock options.</i>	The Remuneratio n and Appraisal Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law,</i> <i>Securities Law</i> and the <i>Articles of Association and Rules of Procedures of the Board of Directors.</i> The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after	N/A	N/A
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					thorough discussion.		
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Remuneration and Appraisal Committee	Huang Qinglin, Chen Guangjin, Li Weiguo	5	May 30 th , 2023	Considered and approved: 1. <i>The 2023 Restricted Stock Incentive Plan (Draft) of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. and its Summary</i> ; 2. <i>Measures for the Implementation and Assessment Management of the 2023 Restricted Stock Incentive Plan of Beijing Oriental Yuhong Waterproof Technology Co., Ltd.</i> ; 3. <i>Proposal on Adjusting the Exercise Price of the 2021 Stock Option</i>	The Remuneration and Appraisal Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law, Securities Law and the Articles of Association and Rules of Procedures of the Board of Directors</i> . The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after	N/A	N/A
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				<i>Incentive Plan.</i>	thorough discussion.		
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Remuneratio n and Appraisal Committee	Huang Qinglin, Chen Guangjin, Li Weiguo	5	September 1 st , 2023	Considered and approved: 1. <i>Beijing Oriental Yuhong Waterproof Technology Co., Ltd. 2023 Restricted Stock Incentive Plan (Revised Draft) and its Summary</i> ; 2. <i>Revised Management Measures for the Implementat ion and Assessment of the 2023 Restricted Stock Incentive Plan of Beijing Oriental Yuhong Waterproof Technology Co., Ltd</i> ; 3. <i>Beijing Oriental Yuhong</i>	The Remuneratio n and Appraisal Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law, Securities Law</i> and the <i>Articles of Association and Rules of Procedures of the Board of Directors</i> . The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after	N/A	N/A
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				<p><i>Waterproof Technology Co., Ltd. Third Restricted Stock Incentive Plan (Draft Second Revision) and its summary; 4. The Implementation and Assessment Management Measures for the Third Restricted Stock Incentive Plan of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. (Second Revised Draft).</i></p>	<p>thorough discussion.</p>		
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Remuneration and Appraisal Committee	Huang Qinglin, Chen Guangjin, Li Weiguo	5	November 24 th , 2023	Considered and approved: 1. <i>Proposal on Terminating the Implementation of the 2023 Restricted Stock Incentive Plan.</i>	The Remuneration and Appraisal Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law, Securities Law and the Articles of Association and Rules of Procedures of the Board of Directors.</i> The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after	N/A	N/A
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					thorough discussion.		
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Audit Committee	Huang Qinglin, Cai Zhaoyun, Xu Limin	8	January 6 th , 2023	Considered and approved: 1. <i>Proposal on Temporary Supplementing Working Capital Using Part of Idle Raised Funds.</i>	The Audit Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law, Securities Law and the Articles of Association and Rules of Procedures of the Board of Directors.</i> The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after thorough discussion.	N/A	N/A
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Audit Committee	Huang Qinglin, Cai Zhaoyun, Xu Limin	8	April 1 st , 2023	Considered and approved: 1. <i>2022 Financial Final Account Report</i> ; 2. <i>2023 Financial Budget Report</i> ; 3. <i>2022 Annual Profit Distribution Plan</i> ; 4. <i>2022 Full Annual Report and Its Summary</i> ; 5. <i>Proposal on the Deposit and Use of Raised Funds in 2022</i> ; 6. <i>Self-evaluation Report on Internal Control in 2022</i> ; 7. <i>Proposal on the Renewal of Grant</i>	The Audit Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law, Securities Law</i> and the <i>Articles of Association and Rules of Procedures of the Board of Directors</i> . The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after thorough discussion.	N/A	N/A
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				<p><i>Thornton's Appointment as the Company's Auditor of 2023.</i></p> <p><i>8.Proposal on Changing Accounting Policies; 9. Proposal on Changing the Use of Part of the Raised Funds and Permanently Supplementing Working Capital.</i></p>			
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Audit Committee	Huang Qinglin, Cai Zhaoyun, Xu Limin	8	April 18 th , 2023	Considered and approved: 1. <i>The First Quarter Report of 2023.</i>	The Audit Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law, Securities Law</i> and the <i>Articles of Association</i> and <i>Rules of Procedures of the Board of Directors.</i> The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after thorough discussion.	N/A	N/A
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Audit Committee	Huang Qinglin, Cai Zhaoyun, Xu Limin	8	June 12 th , 2023	Considered and approved: 1. <i>Proposal on Issuing Asset Backed Notes for Accounts Receivable in 2023</i> ; 2. <i>Proposal on the Proposed Registration and Issuance of Asset Backed Securities</i> .	The Audit Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law, Securities Law</i> and the <i>Articles of Association and Rules of Procedures of the Board of Directors</i> . The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after thorough discussion.	N/A	N/A
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Audit Committee	Huang Qinglin, Cai Zhaoyun, Xu Limin	8	July 28 th , 2023	Considered and approved: 1. <i>2023 Semi-annual Report and Summary</i> ; 2. <i>Proposal on 2023 Semi-annual Deposit and Use of Raised Funds</i> .	The Audit Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law, Securities Law</i> and the <i>Articles of Association and Rules of Procedures of the Board of Directors</i> . The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after thorough discussion.	N/A	N/A
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Audit Committee	Huang Qinglin, Cai Zhaoyun, Xu Limin	8	October 18 th , 2023	Considered and approved: 1. <i>The Third Quarter Report of 2023.</i>	The Audit Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law, Securities Law and the Articles of Association and Rules of Procedures of the Board of Directors.</i> The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after thorough discussion.	N/A	N/A
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Audit Committee	Huang Qinglin, Cai Zhaoyun, Xu Limin	8	December 21 st , 2023	Considered and approved: 1. <i>Proposal on the Estimation of Routine Related Transactions in 2024.</i>	The Audit Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law, Securities Law and the Articles of Association and Rules of Procedures of the Board of Directors.</i> The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after thorough discussion.	N/A	N/A
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Audit Committee	Huang Qinglin, Cai Zhaoyun, Xu Limin	8	December 29 th , 2023	Considered and approved: 1. <i>Proposal on Temporarily Supplementing Working Capital Using Part of Idle Raised Funds.</i>	The Audit Committee carries out its work in strict accordance with the relevant laws and regulations such as the <i>Company Law, Securities Law</i> and the <i>Articles of Association and Rules of Procedures of the Board of Directors.</i> The committee made suggestions based on the actual condition of the company. All proposals have been passed unanimously after thorough discussion.	N/A	N/A
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VIII. Work of the Supervisory Board

Whether the Supervisory Committee found any risks during the supervision activities in the reporting period

Yes No

The Supervisory Committee has no objection to the supervisory matters during the reporting period.

IX. Overview of Employees

1. Number, professional composition and education level of employees

Number of working employees of parent company at the end of reporting period (persons)	1,729
Number of employees in major subsidiaries at the end of reporting period (persons)	11,007
Total number of in-service employees at the end of reporting Period (persons)	12,736
Total number of employees receiving remuneration in the current period (persons)	12,736
Number of retired employees of the parent company and major subsidiaries requiring expenses (persons)	19
Professional composition	
Professional composition categories	Number of employee in each professional area (persons)
Production staff	3,306
Sales	4,713
Technical staff	2,505
Financial staff	306
Administrative staff	1,906
In total	12,736
Education level	
Education level categories	Number (persons)

Master's degree and above	669
Bachelor	5,840
University College and below	6,227
In total	12,736

2. Payment System

The Remuneration and Evaluation Committee under the Board of Directors of the company initiates the annual salary measurement and adjustment based on the salary management system, the completion of the company's business performance and the job characteristics of positions. The company refers to the annual performance results, tilts to the core positions, combines the supply and demand situation in the domestic talent market, price index and other information to fully implement the broadband salary management system, carries out job value assessment for each position, determines the salary scale standard, and guarantees internal fairness. In addition, the company surveys employees about salary from time to time, and refers to external salary to adjust salaries annually, so as to ensure the competitiveness of the salary.

3. Training System

The company is committed to building a learning organization. Based on the needs of the organization and the personal development of employees, the company set up a business school to focus on the sustainable development of the organization and the ability of employees. The company values knowledge generation and adopts a combination of both internal extraction and external introduction to form organizational learning assets. The company pays attention to staff development, based on the needs of organizational and personal development of employees, the business school was established to focus on the continuous development of organizational and employee capabilities, forming a training model with internal development as the core and supplemented by external course resources; based on the needs of business development, focusing on key positions and key talent training and continuous empowerment of employees, which cover new employees and managers. The company also focuses on the business quality of front-line employees and increase the training and qualification of industrial workers through school-enterprise cooperation and the establishment of practical bases around the world. Embrace digitalization. Fully unleashing the potential of digitization, the company also works with external

suppliers to continuously optimize the training platform, enrich the training methods and increase the training content to promote the common growth of employees and the company.

4. Outsourcing Status

Applicable, Not applicable

X. Distribution of company profits and conversion of capital reserve fund into capital stock

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

Applicable Not-applicable

During the reporting period, the company thoroughly developed and implemented the company's profit distribution plan in strict accordance with the requirements of the *Self-Regulatory Guidelines No. 1 for Companies Listed on Shenzhen Stock Exchange—Standardized Operation of Main Board Listed Companies*, the Company's *Articles of Association* and other relevant laws and regulations. On May 5th, 2023, the 2022 annual shareholders meeting of the company approved the profit distribution plan for the year 2022. Based on the total share capital of 2,518,464,191 shares on the equity registration date (May 18th, 2023), after deducting the repurchased shares (27,866,756 shares) from the company's repurchase account, a total of 2,490,597,435 shares were distributed as cash dividends of 1.00 yuan (including tax) per 10 shares to all shareholders, totaling 249,0597,43.50 yuan (including tax). And it was completed on May 19th, 2023.

Special Notes on Cash Dividend Distribution Policies	
Whether the provisions of the Company's Articles of Association or the requirements of the resolutions made at general meeting are satisfied:	Yes
Whether definite criteria and proportions of dividends distribution are set out:	Yes
Whether relevant decision-making procedures and mechanisms are complete:	Yes
Whether independent directors have performed their duties and played their due role:	Yes
For those who do not receive cash dividends distribution, specific reasons should be disclosed by the company, as well as the measures to be taken next to enhance investor	Not applicable

returns:	
Whether minority shareholders can fully express their opinions and appeals, and have their legitimate rights and interests fully protected:	Yes
Whether relevant conditions and procedures are compliant and transparent where any adjustment or change is made to cash dividends distribution policies:	Not applicable

The Company is profitable during the reporting period and the parent company has positive profit available for distribution to shareholders but no cash dividend distribution plan has been proposed

Applicable Not applicable

Profit distribution and transfer of capital reserve into share capitals during the reporting period

Applicable Not applicable

Number of bonus shares for every 10 shares (share)	0
Amount of dividend for every 10 shares (RMB) (tax inclusive)	6
Base number of shares for proposed distribution plan (shares)	2,455,140,167
Amount of cash dividends distributed (RMB) (inclusive of tax)	1,473,084,100.00
Amount of cash dividends distributed in other ways (i.e. repurchase of shares) (RMB)	122,452,322.00
Total amount of cash dividends (incl. those distributed in other ways) (RMB)	1,595,536,422.20
Profit distributable (RMB)	1,861,191,678.26
Total cash dividends (including those distributed in other ways) as % of the total profits distributed	100%

Cash dividend distribution for the period
If the Company is at the growth stage of development and has significant capital expenditure arrangement, the proportion of cash dividends in the profit distribution shall be at least 20% when the profit distribution is made.
Detailed description of proposed plan for profit distribution or transfer of capital reserve
<p>According to the audit by Grant Thornton China, in 2023, the company achieved a net profit attributable to the owners of the parent company of 2, 273, 331, 266. 86 yuan, while the parent company achieved a net profit of 481, 375, 870.48 yuan. According to the provisions of the Company Law and the Articles of Association, a statutory surplus reserve of 48, 137, 587. 05 yuan shall be set aside based on 10% of the net profit realized by the parent company, plus the undistributed profit of 1, 677, 013, 138. 33 yuan at the beginning of the year, minus the actual distributed cash dividend of 249, 059, 743. 50 RMB for the year 2022. The total profit distributable for this year is 1, 861, 191, 678. 26 yuan.</p> <p>The 2023 profit distribution plan of the company is to distribute a cash dividend of 6 yuan (including tax) to all shareholders for every 10 shares, based on the total share capital on the equity registration date when the distribution plan is implemented in the future, minus the total share capital that has been repurchased in the company's repurchase special account. There will be no bonus shares or capital reserve converted into share capital. The company will not participate in profit distribution or capital reserve converted into share capital through the repurchase special account, and the remaining undistributed profits will be carried forward to future years. If there is a 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 date of equity registration, minus the total share capital of the repurchased shares in the company's repurchase special account, and the distribution ratio shall remain unchanged. This plan strictly complies with the provisions of the <i>Regulatory Guidelines No. 3 for Listed Companies - Cash Dividends for Listed Companies</i> of the China Securities Regulatory Commission, as well as the requirements of the Company's <i>Articles of Association</i>, and has legality, compliance, and rationality. The amount of cash dividend in the table is calculated based temporarily on the total share capital of the company as of the end of the reporting period, after deducting the repurchased shares in the company's repurchase special account. The company will distribute cash dividends to all shareholders based on the total share capital on the equity registration date when implementing the equity distribution plan, after deducting the repurchased shares in the company's repurchase special account.</p>

XI. Implementation of Company's equity incentive scheme, employee stock holding scheme and other employee incentive scheme

Applicable Not applicable

1. Equity Incentive

(1). The Implementation of Stage II Restricted Share Incentive Scheme

1. The Company held the 5th meeting of the 7th Board of Directors and the 5th meeting of the 7th Board of Supervisors respectively on September 20, 2019, reviewed and passed Beijing Oriental

Yuhong Waterproof Technology Co., Ltd. Phase III Restricted Stock Incentive Scheme (Draft) and its summary. The incentive scheme is in the form of restricted stock and the source of the stocks is Oriental Yuhong's buying back of the Company's stock from the secondary market and private equity placement of Class A ordinary shares to eligible participants; the scheme intends to grant no more than 329,661.29 million restricted stocks, accounting for 2.21% of the total equity of 1,492.087952 million shares of Oriental Yuhong when the incentive scheme was signed. 2189 eligible participants were involved in the initial grant of the incentive scheme and the price of the restricted stock is RMB10.77/share.

2. The Company revised and improved the "Chapter V Specifics Concerning Incentive Scheme", "VI. Conditions for Granting and Vesting Restricted Stock", "Performance Appraisal at Company Level" and "Sound and Reasonable Setting of Appraisal Indicators" in the abstract were explained. Commitment that repurchasing shares will not damage the debt performance ability and sustainable operation ability of listed companies. of *Stage III Restricted Stock Incentive Scheme (Draft) of Beijing Oriental Yuhong Waterproof Technology Co., Ltd.* and its summary announced on September 21, 2019, finalizing the *Stage II I Restricted Stock Incentive Scheme (Revised Draft) of Beijing Oriental Yuhong Waterproof Technology Co., Ltd.* (hereinafter referred to as the *Stage III Restricted Stock Incentive Scheme*) and its summary, and was deliberated and passed on September 27, 2019 at the Company's 6th meeting of the 7th Board of Directors and the 6th meeting of the 7th Board of Supervisors.

3. From September 27, to October 8, 2019, the company publicized the names and positions included in the third restricted stock incentive scheme within the company only through internal office system. As of the expiration of the publicity period, no objection was raised.

4. On October 15, 2019, the Company held the 3rd extraordinary general meeting of shareholders in 2019 to deliberate on and pass the *Stage III Restricted Stock Incentive Scheme* and its summary, as well as the *Proposal on the Request to the General Meeting of Shareholders to Authorize the Board of Directors to Proceed the Company's Stage III Restricted Stock Proposal Incentive Scheme*. The Board of Directors is authorized to determine the date for granting restricted stocks, granting restricted stocks to eligible participants when the latter meet the conditions, and to handle all related issues.

5. On November 11, 2019, the Company held, respectively, the 8th meeting of the 7th Board of Directors and the 8th meeting of 7th Board of Supervisors to deliberate and pass the *Proposal on Adjusting the Eligible Participants for Stage III Restricted Stock Incentive Scheme, Quantity and Price for Granting*. According to the authorization of the 3rd extraordinary general meeting of

shareholders in 2019. The Board of Directors of the Company believed that the conditions for granting restricted stocks was ready, and appointed November 11, 2019 as initial grant date. During the period of restricted stock payment after the grant date was confirmed, 437 eligible participants gave up a total of 5,603,601 shares due to resignation and insufficient funds. The Company had granted a total of 27.362528 million restricted stocks to 1,752 eligible participants (including the initial public offering of 3,822,369 shares, and the remaining 23,540,159 public shares bought back by the Company as part of the source of restricted stocks). The listing date of the granted shares was December 12, 2019. According to the relevant provisions of the *Accounting Standards for Enterprises*, the implementation of the Company's restricted stocks would have certain impact on the Company's financial position and operating results for the next few years. After calculation, it was estimated that the total incentive cost of 27.362 million restricted stocks initially granted to eligible participants was RMB 353,294,700. The cost amortization of restricted stocks from 2019 to 2023 is shown in the following chart:

Restricted shares granted (10,000 shares)	Total amortized expenses (RMB10,000)	2019 (RMB10,000)	2020 (RMB10,000)	2021 (RMB10,000)	2022 (RMB10,000)	2023 (RMB10,000)
2,736.25	35,329.47	2,504.55	17,198.58	8,967.31	4,751.49	1,907.55

The amortization costs will be listed in recurrent profit and loss, which will reduce current net profit accordingly. The final impact of the above on the Company's financial position and operating results shall be subject to the annual audit report issued by the accounting firm.

6. On October 26, 2020, the Company held the 21st meeting of the 7th Board of Directors and the 15th meeting of 7th Board of Supervisors, deliberated on and passed *Proposals on the Adjustment of Buying Back Prices of the Restricted Shares Granted in Stage III Restricted Shares Incentive Scheme*. Considering the company's 2019 Equity Distribution Scheme: based on the company's existing total share capital of 1,569,784,697 shares, RMB 3 in cash was distributed to all shareholders for every 10 shares (including tax). The rights and interests had all been distributed on June 1, 2017.

Since the cash bonus in 2016 that the eligible participants should have received through the restricted shares granted in Stage II has been transferred into their capital account by shareholder custodian securities company (or other custodian institutions). As stipulated by Stage II Restricted

Shares Incentive Scheme, the Company shall make corresponding adjustments to the buying back price of the restricted shares after excluding the dividends of the company's share price while distributing stock dividends. Therefore, the buying back price of restricted stock granted for the first time is adjusted from RMB8.24/share to RMB8.09/share. In addition, the company didn't give out bonus shares or convert capital reserve into share capital. This equity distribution scheme was implemented on June 15, 2020. Since the cash bonus in 2019 that the eligible participants should have received through the restricted shares granted in Stage III has been transferred into their capital account by shareholder custodian securities company (or other custodian institutions), as stipulated by Stage III Restricted Shares Incentive Scheme, the Company shall make corresponding adjustments to the buying back price of the restricted shares after excluding the dividends of the company's share price while distributing stock dividends. Therefore, the buying back price of restricted stock granted is adjusted from RMB10.77/share to RMB10.47/share.

Company's equity distribution scheme for the first half of 2020 was based on the company's total share capital of 1,569,784,697 shares as of June 30, 2020 and the capital reserve would be transferred to all shareholders 5 shares for every 10 shares for a total increase of 784,892,348 shares. Company's total share capital will be increased to 2,354,677 after transferring. In addition, no bonus shares would be given out. Nor would cash dividends. This equity distribution scheme was implemented on October 22, 2020. Since the cash bonus for half part of 2020 that the eligible participants should have received through the restricted shares granted in Stage III has been transferred into their security account directly on October 22, 2020, as stipulated by Stage III Restricted Shares Incentive Scheme, the company shall make corresponding adjustments to the buying back price of the restricted shares that was still locked up after ex-righting of share prices through the conversion of capital reserve into share capital.

Therefore, the buying back price of restricted stock granted is adjusted from RMB10.47/share to RMB6.98/share.

7. On October 26, 2020, the Company held the 21st meeting of the 7th Board of Directors and the 15th meeting of 7th Board of Supervisors, deliberated on and passed *Proposals on the Adjustment of Buying Back Prices of the Restricted Shares Granted in Stage III Restricted Shares Incentive Scheme*. Based on the regulation of Stage III Restricted Shares Incentive Scheme, due to the resignation, under qualification, and changes in job of some eligible participants, the Board of Directors decided to buy back and write off 14,272,500 restricted shares granted yet to be unlocked,

and have completed relevant procedures for the aforesaid restricted shares on January 4, 2021 under the consent of the 3rd extraordinary general meeting of shareholders in 2019.

8. On December 7, 2020, the company held the third extraordinary shareholders' meeting 2020 to deliberate and pass the *Proposal on the Repurchase of Restricted Stock granted but not yet unlocked by Certain non-eligible incentive objects under the Cancellation of the Stage III Restricted Stock Incentive Plan*. According to the relevant provisions of the third restricted stock incentive scheme, due to resignation, incompetence or unqualified assessment, all of which resulted in job changes, the shareholders' meeting agreed that the company would buy back and cancel all the stage III restricted shares it had been granted but not yet unlocked, which totaled 1,427,250 shares, and completed the buyback and cancellation procedures for the above-mentioned restricted shares on January 4, 2021. See the following table for the amortization cost of restricted shares from 2019 to 2023:

Restricted shares granted (10,000 shares)	Total amortization expenses (RMB10,000)	2019 (RMB10,000)	2020 (RMB10,000)	2021 (RMB10,000)	2022 (RMB10,000)	2023 (RMB10,000)
2,641.10	34,100.93	2,417.46	16,600.52	8,655.48	4,586.26	1,841.21

The amortized cost will be charged in the current profit and loss, which will reduce the company's current net profit. The final result of the above-mentioned impact on the company's financial status and its operating results shall be subject to the annual audit report issued by the accounting firm.

9. On October 26th, 2021, the company held the 44th meeting of the 7th Board of Directors and the 24th meeting of the 7th Board of Supervisors respectively to deliberate and pass *the Proposal on the Fulfillment of the First Unlocking of Restricted Stock Incentive Scheme in the Stage III*. According to the relevant provisions of the Third Restricted Stock Incentive Scheme, the Board of Directors agreed that the conditions for the first release of the restricted shares held by the incentive objects in stage III had been met, and agreed to lift ban on 9,175,070 restricted shares for 1,598 of them. According to the authorization of the company's third extraordinary general meeting of shareholders in 2019, the board of directors completed the relevant unlocking procedures, with the result of total of 9,175,007 restricted shares were vested and got listed on December 8, 2021.

10. On October 26th, 2021, the Company held the 44th meeting of the 7th Board of Directors and the 24th meeting of the 7th Board of Supervisors respectively to deliberate and pass *the Proposal on*

Adjusting the Restricted Stock Buying-back Price of the Third Restricted Stock Incentive Scheme.

The company's annual equity distribution plan for 2020 is as following: based on the total share capital of date of record (May 28th, 2021) of 2,523,561,412 shares, a cash dividend of RMB 3.00 (tax inclusive) will be distributed to all shareholders for every 10 shares. In addition, the company would not give out bonus shares and convert capital reserve into share capital. This equity distribution plan was implemented on May 31, 2021. Since the cash bonus in 2020 that the eligible participants should have received through the restricted shares granted in Stage III has been transferred into their capital account by shareholder custodian securities company (or other custodian institutions), on May 31, 2021, as stipulated by Stage III Restricted Shares Incentive Scheme, the Company shall make corresponding adjustments to the buying back price of the restricted shares after excluding the dividends of the company's share price while distributing stock dividends. Therefore, the buy-back price of restricted shares in the third restricted stock incentive scheme was adjusted from 6.98 yuan/share to 6.68 yuan/share.

11. On October 26, 2021, the company held the 44th meeting of the 7th Board of Directors and the 24th meeting of the 7th Board of Supervisors respectively to deliberate and pass the *Proposal on the Repurchase of Restricted Stock granted but not yet unlocked by Certain non-eligible incentive objects under the Cancellation of the Stage III Restricted Stock Incentive Plan*. According to the relevant provisions of the Third Restricted Stock Incentive Scheme, the Board of Directors decided to buy back and cancel 1,577,408 shares of the third restricted stock that had been granted but not yet lifted for some incentive objects changed their positions due to resignation and incompetence, and the personal performance assessment in 2020 was not or fully up to standard.

12. On November 15, 2021, the company held the fourth extraordinary shareholders' meeting in 2021 to deliberate and pass the *Proposal on the Repurchase of Restricted Stock granted but not yet unlocked by Certain non-eligible incentive objects under the Cancellation of the Stage III Restricted Stock Incentive Plan*. According to the relevant provisions of the Third Restricted Stock Incentive Scheme, based on the ground that some incentive objects have changed their positions due to resignation and incompetence, and their personal performance assessment in 2020 is not up or fully up to the standard, the shareholders' general meeting concluded that the company would buy back and cancel all or part of the third restricted stock, totaling 1,577,408 shares, and completed the repurchase and cancellation procedures of the above restricted stock on January 14, 2022.

Restricted shares granted (10,000 shares)	Total amortization expenses (RMB10,000)	2019 (RMB10,000)	2020 (RMB10,000)	2021 (RMB10,000)	2022 (RMB10,000)	2023 (RMB10,000)
2,535.94	32,743.13	2,345.19	16,069.57	8,168.60	4,395.25	1,764.53

The amortized cost will be charged under the current profit and loss, which will reduce the company's current net profit. The final result of the above-mentioned impact on the company's financial status and operating results shall be subject to the annual audit report issued by the accounting firm.

13. On August 22, 2022, the company held the 54th meeting of the 7th Board of Directors and the 31st meeting of the 7th Board of Supervisors respectively to deliberate and pass the *Proposal on the Fulfillment of the Second Unlocking of the Stage III Restricted Stock Incentive Scheme*. According to the relevant provisions of the Third Restricted Stock Incentive Scheme, the Board of Directors considered that the conditions for lifting the sales of the third restricted stock held by the incentive objects during the second period of lifting the restricted sales have been met, and agreed to complete the lifting of the restricted sales of 8,726,077 restricted shares for 1,552 of them. According to the authorization of the company's third extraordinary general meeting of shareholders in 2019, the board of directors went through the relevant unlocking procedures. As a result, a total of 8,726,077 restricted shares were released and listed on September 8, 2022.

14. On August 29th, 2022, the company held the 56th meeting of the 7th Board of Directors and the 32nd meeting of the 7th Board of Supervisors respectively to deliberate and pass *the Proposal on Adjusting the Repurchase Price of Restricted Stock under Stage III Restricted Stock Incentive Scheme*. The company's annual equity distribution scheme for 2021 is as following: based on the total share capital of 2,519,627,295 shares at the date of recording (May 30, 2022) when the distribution plan is implemented, the total share capital of 2,508,378,631 shares deducted from the repurchased shares (11,248,664 shares) in the company's repurchase account will be distributed to all shareholders for every 10 shares. In addition, the company didn't not give out bonus shares or convert capital reserve into share capital. This equity distribution scheme was implemented on May 31, 2022. As the cash dividend in 2021 earned by the incentive object due to the granted restricted shares in the third phase was directly transferred to its capital account on May 31, 2022 through the shareholder custody securities company (or other custody institutions), according to the provisions

of the Third Restricted Stock Incentive Scheme, the company shall adjust the repurchase price of the restricted shares that have not been lifted after the company distributes stock dividends to exceed the company's stock price. Therefore, the repurchase price of restricted stocks in the third restricted stock incentive plan was adjusted from 6.68 yuan/share to 6.38 yuan/share.

15. On August 29, 2022, the company held the 56th meeting of the 7th Board of Directors and the 32nd meeting of the 7th Board of Supervisors respectively, to deliberate and pass *the Proposal on the Repurchase of Restricted Stock granted but not yet unlocked by Certain non-eligible incentive objects under the Cancellation of the Stage III Restricted Stock Incentive Plan*. According to the relevant provisions of the Third Restricted Stock Incentive Scheme, due to the resignation of some incentive object, the unqualified performance assessment in 2021 or the failure to fully meet certain standards, the board of directors decided to buy back and cancel all or part of the restricted shares in the third phase which has been granted but not lifted according to the authorization of the third extraordinary general meeting of shareholders in 2019, totaling 1,283,406 shares.

16. On September 16, 2022, the company held the first extraordinary shareholders' meeting in 2022, to deliberate and pass the *Proposal on the Repurchase of Restricted Stock granted but not yet unlocked by Certain non-eligible incentive objects under the Cancellation of the Stage III Restricted Stock Incentive Plan*. According to the relevant provisions of the Third Restricted Stock Incentive Scheme, the shareholders' meeting agreed that the company would buy back and cancel 1,283,406 shares of all or part of the third restricted stock that it has been granted but has not yet lifted due to reasons such as the resignation of some incentive object, the unqualified performance assessment in 2021, and so on. One of the aforementioned incentive objects, namely, Zhang Wei, currently holds 0.45 million shares of incentive restricted shares of the company's third-phase restricted stock equity, which should be repurchased and canceled this time. Due to personal reasons, all the third-phase restricted shares held by Zhang Wei were frozen by the judiciary injunction on June 22, 2021. The direct result was that company could not repurchase or cancel the 0.75 million restricted shares held by him. Therefore, the third-phase restricted shares applied for repurchase and cancellation this time are 1,282,656 shares. On November 22nd, 2022, the Company completed the repurchase cancellation procedures of the above-mentioned restricted shares, and the amortization cost of restricted shares from 2019 to 2023 is shown in the following table:

Restricted shares granted (10,000 shares)	Total amortization expenses (RMB10,000)	2019 (RMB10,000)	2020 (RMB10,000)	2021 (RMB10,000)	2022 (RMB10,000)	2023 (RMB10,000)
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2,450.43	31,639.05	2,230.47	15,312.20	7,978.35	4,365.46	1,752.57
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The amortized cost will be charged under the current profit and loss, which will reduce the company's current net profit. The final result of the above-mentioned impact on the company's financial status and operating results shall be subject to the annual audit report issued by the accounting firm.

17. In light of the real situation, the company revised the Company-level performance appraisal requirements as well as the well-conceived and reasonable explanation of the appraisal index setting in Chapter V of the Third Restricted Stock Incentive Scheme and its abstract, and formed the Third Restricted Stock Incentive Scheme of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. (the second revised draft). It was deliberated on and approved by the 11th meeting of the 8th Board of Directors, the 8th meeting of the 8th Board of Supervisors and the 2nd Extraordinary General Meeting of Shareholders in 2023 held on September 28th, 2023.

(II) Implementation of the stock option incentive Scheme in 2021

1. On March 26th, 2021, the Company held the 30th meeting of the 7th Board of Directors and the 16th meeting of the 7th Board of Supervisors respectively, to deliberate and pass the Proposal of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. 2021 Stock Option Incentive Scheme (Draft) (hereinafter referred to as "2021 Stock Option Incentive Scheme") and its abstract. The incentive tool used in this incentive scheme is stock option, with the stock source being the company's directional issuance of Class A-share to the incentive object. This scheme intends to grant 52,004,500 stock options to the incentive object, with underlying stocks involved accounting for about 2.22% of the company's total share capital of 2,347,737,237 shares at the time when the draft incentive plan is announced. Each stock option has the right to purchase one Class A-share of the company at the exercise price within the validity period. There were 4,160 incentive objects granted under this scheme, with the exercise price of stock options being 48.99 yuan/share.

2. From March 27th, to April 5th, 2021, the company publicized the names and positions of the incentive objects of the 2021 stock option incentive scheme through the internal office system. By the end of the expiration of the publicity period, there was no objection raised.

3. On April 12, 2021, the company held the second extraordinary shareholders' meeting in 2021, which deliberated and passed the 2021 Stock Option Incentive scheme and its abstract, and the Proposal on Requesting the Shareholders' Meeting to Authorize the Board of Directors to handle matters related to the Company's 2021 Stock Option Incentive Scheme. The Board of Directors

were authorized to decide the grant date of the stock option incentive scheme, grant stock options to the incentive object when they meet the requirements, and handle all the necessary matters for granting stock options.

4. On April 26, 2021, the company held the 35th meeting of the 7th Board of Directors and the 20th meeting of the 7th Board of Supervisors, to deliberate and pass the Proposal on Adjusting the List of Incentive Objects and the Number of Granted Stock Options in 2021 and the Proposal on Granting Stock Options in 2021 to Incentive Objects. In view of the fact that due to the resignation or job change of some incentive objects under the incentive scheme 249,000 stock options granted by the company were abandoned, the Board of Directors thus adjusted the list of incentive objects and the number of stock options granted this time. They decided that the date of the grant of stock options was April 26, 2021, and 51,755,500 stock options were granted to 4,136 incentive objects.

5. On May 14, 2021, the company completed the grant registration of stock options. In the process of the registration of stock option grant after the grant date, 55 incentive objects abandoned 580,000 stock options due to resignation or job change, so in fact the company granted 51,175,500 stock options to 4,081 incentive objects. According to the relevant provisions of the Accounting Standards for Business Enterprises, the implementation of the company's stock option incentive scheme will have a certain impact on the company's financial situation and operating results in the next few years. After calculation, it is estimated that the total incentive cost of 51,175,500 stock options granted to the incentive object is 658,884,600 yuan, so the amortization cost of stock option from 2021 to 2025 is shown in the following table:

Granted shares (Ten thousand share)	Total share payment expenses (Ten thousand yuan)	2021 (Ten thousand yuan)	2022 (Ten thousand yuan)	2023 (Ten thousand yuan)	2024 (Ten thousand yuan)	2025 (Ten thousand yuan)
5,117.55	65,888.46	21,203.00	22,934.09	13,338.68	6,803.85	1,608.83

The above-mentioned cost measurement and amortization are based on the principle of accounting prudence, without considering the granted stock options that are not exercised in the future. The amortized cost will be charged under the current profit and loss, which will reduce the company's current net profit. The final result of the above-mentioned impact on the company's financial status and operating results shall be subject to the annual audit report issued by the accounting firm.

6. On June 1, 2021, the company held the 37th meeting of the 7th Board of Directors and the 21st

meeting of the 7th Board of Supervisors, which deliberated and passed the Proposal on Adjusting the Exercise Price of the 2021 Stock Option Incentive Scheme. In view of the fact that the company's annual equity distribution scheme for 2020 was based on the total share capital of 2,523,561,412 shares on the date of record (May 28, 2021) at the time when the distribution plan was implemented, a cash dividend of 3.00 yuan (tax inclusive) was distributed to all shareholders for every 10 shares. The company didn't give out bonus shares. Nor did they converted capital reserve into share capital. This equity distribution scheme has been implemented by the end of May 31, 2021. Since this distribution of rights and interests occurred before the exercise of the stock option incentive scheme in 2021, according to the provisions of the Stock Option Incentive Scheme in 2021, should there be any dividend distribution, capitalization of capital reserve, stock dividend distribution, share splitting, rights issue or share reduction before the exercise, the exercise price of the stock option incentive scheme in 2021 should be adjusted accordingly. Therefore, the exercise price of the stock option incentive scheme in 2021 was adjusted from 48.99 yuan/share to 48.69 yuan.

7. On April 27th, 2022, the company held the 48th meeting of the 7th Board of Directors and the 27th meeting of the 7th Board of Supervisors, which deliberated and passed the Proposal on Fulfillment of Exercise Conditions in the First Exercise Period of the 2021 Stock Option Incentive Scheme and the Proposal on Cancellation of Stock Options which have been granted but not yet exercised by some incentive objects in the 2021 Stock Option Incentive Scheme. According to the relevant provisions of the Company's "2021 Stock Option Incentive Scheme", the Board of Directors believes that the exercise conditions of the first exercise period of the 2021 stock option incentive scheme held by the incentive objects have been fulfilled, and agreed to handle the independent exercise procedures for 3,294 incentive objects in the first exercise period. The actual number of stock options exercised is 9,125,945 with the exercise price being 48.69 yuan/share. The first exercise period of the 2021 stock option incentive Scheme is from May 12, 2022 to April 25, 2023. During the first exercise period, the actual number of incentive objects who have exercised is 144,413. According to the relevant provisions of the Company's 2021 Stock Option Incentive Scheme, due to the resignation, or the failure to meet the standards in performance assessment in 2021, the Board of Directors decided, with the authorization from the second extraordinary shareholders' meeting in 2021, that all or part of the 1,737 incentive objects that have been granted but not yet exercised, which totaled 7,222,930, shall not be exercised, and the Company shall cancel them. The cancellation of this stock option was completed on May 9, 2022. The amortization cost of stock option from 2021 to 2025 is shown in the following table:

Granted shares (Ten thousand share)	Total share payment expenses (Ten thousand yuan)	2021 (Ten thousand yuan)	2022 (Ten thousand yuan)	2023 (Ten thousand yuan)	2024 (Ten thousand yuan)	2025 (Ten thousand yuan)
4,395.26	57,203.46	17,517.63	19,949.13	12,103.22	6,173.66	1,459.82

The above-mentioned cost measurement and amortization are based on the principle of accounting prudence, without considering the granted stock options that will not be exercised in the future. The amortized cost will be charged under the current profit and loss, which will reduce the company's current net profit. The final result of the above-mentioned impact on the company's financial status and operating results shall be subject to the annual audit report issued by the accounting firm.

8. On May 23, 2022, the company held the 51st meeting of the 7th Board of Directors and the 28th meeting of the 7th Board of Supervisors, to deliberate and pass the Proposal on Adjusting the Exercise Price of the 2021 Stock Option Incentive Scheme. In view of the fact that the company's annual equity distribution Scheme for 2021 is as following: based on the total share capital of 2,508,378,631 shares after deducting the repurchased shares (11,248,664 shares) from 2,519,627,295 shares in the company's repurchase account at the date of record when the distribution scheme was implemented, 3.00 yuan in cash (tax inclusive) was distributed to all shareholders for every 10 shares. The company didn't give out bonus shares or converted capital reserve into share capital. According to the provisions of the 2021 Stock Option Incentive Scheme, the exercise price should be adjusted accordingly should any following matters occur such as dividend distribution, capitalization of capital reserve, stock dividend distribution, share splitting, rights issue or share reduction before exercise. Therefore, the exercise price of the 2021 Stock Option Incentive Scheme was adjusted from 48.69 yuan/share to 48.39 yuan/share.

9. On April 25th, 2023, the company held the 7th meeting of the 8th Board of Directors and the 5th meeting of the 8th Board of Supervisors, which deliberated and passed the Proposal on Canceling the Stock Options which have been granted but not exercised by some incentive objects under the 2021 Stock Option Incentive Scheme. According to the Measures for the Administration of Equity Incentives of Listed Companies, the 2021 Stock Option Incentive Scheme together with other relevant regulations and in view of the fact that the first exercise period of the company's 2021

stock option incentive scheme is from April 25, 2022 to May 12, 2023, as of the expiration of the first exercise period, the company would cancel a total of 8,013,782 unexercised stock options held by 2,860 incentive objects. Among the incentive objects, 518 incentive objects have resigned, and given that all the stock options granted to them have not yet been exercised, which totaled 5,354,875, the company would cancel them. As the second exercise period of the stock option incentive scheme in 2021 corresponded to the company-level performance assessment in 2022 and the assessment in question failed to meet the exercise conditions, the company would cancel 10,146,500 stock options held by a total of 3,161 incentive objects. To sum up, according to the authorization from the second extraordinary general meeting of shareholders in 2021, the Board of Directors decided that the company would cancel all or part of the stock options that have been granted to the aforementioned incentive objects but have not been exercised given those incentive objects had no right to exercise them, totaling 23,515,157 shares. The cancellation of stock options was completed on June 5, 2023. The amortization cost of stock option from 2021 to 2025 is shown in the following table:

Granted Shares (Ten thousand share)	Total share payment expenses (Ten thousand yuan)	2021 (Ten thousand yuan)	2022 (Ten thousand yuan)	2023 (Ten thousand yuan)	2024 (Ten thousand yuan)	2025 (Ten thousand yuan)
2,043.74	29,575.04	5,788.37	8,582.42	8,532.36	5,395.97	1,275.92

The above-mentioned cost measurement and amortization are based on the principle of accounting prudence, without considering the granted stock options that will not be exercised in the future. The amortized cost will be charged under the current profit and loss, which will reduce the company's current net profit. The final result of the above-mentioned impact on the company's financial status and operating results shall be subject to the annual audit report issued by the accounting firm.

10. On June 6, 2023, the company held the 8th meeting of the 8th Board of Directors and the 6th meeting of the 8th Board of Supervisors, which deliberated and passed the Proposal on Adjusting the Exercise Price of the 2021 Stock Option Incentive Scheme. In view of the fact that the company's annual equity distribution plan for 2022 is as following: based on the total share capital of 2,490,597,435 shares after deducting the repurchased shares (27,866,756 shares) from 2,518,464,191 shares in the company's repurchase account at the date of record when the

distribution scheme was implemented, 1.00 yuan in cash (tax inclusive) was distributed to all shareholders for every 10 shares. The company did not give out bonus shares or converted capital reserve into share capital. According to the provisions of the 2021 Stock Option Incentive Scheme, the exercise price should be adjusted accordingly should any such matter occur as dividend distribution, capitalization of capital reserve, stock dividend distribution, share splitting, rights issue or share reduction before exercise. Therefore, the exercise price of the 2021 Stock Option Incentive Plan was adjusted from 48.39 yuan/share to 48.29 yuan/share.

(III) Implementation of the Restricted Stock Incentive Scheme in 2023

1. On June 6th, 2023, the Company held the 8th meeting of the 8th Board of Directors and the 6th meeting of the 8th Board of Supervisors, respectively, which deliberated and passed the 2023 Restricted Stock Incentive Scheme (Draft) of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. and its summary as well as other proposals. The incentive tool used in this incentive scheme was restricted stock, with the stock source being the company's own repurchase of the company's shares from the secondary market and the class A-share stock issued to the incentive object. This incentive scheme intended to grant 80,877,270 restricted shares to the incentive object, accounting for about 3.2114% of the company's total share capital of 2,518,464,191 shares when the draft incentive scheme was announced. Among them, 64,701,820 shares were granted for the first time, accounting for about 80.% of the total rights granted this time. 16,175,450 shares were reserved for grant, accounting for about 20% of the total rights granted this time. A total of 7,266 incentive objects were involved in the first grant with the grant price for restricted shares being 13.86 yuan/share.

2. In light of the real situation, the company adjusted the "List of Incentive Objects of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. 2023 Restricted Stock Incentive Scheme" which was announced on June 6, 2023. In order to better play the incentive role of this scheme, the company revised Beijing Oriental Yuhong Waterproof Technology Co., Ltd. 2023 Restricted Stock Incentive Scheme (Draft) and its abstract such as "Article 5 and Article 6, Paragraph 1 of Special Tips", "Chapter 4 Determination Basis and Scope of Incentive Objects, Paragraph 1 of the Scope of Incentive Objects", "Chapter 5 Specific Contents of Incentive Scheme, Paragraphs 1 and 3 of the Target Stock of Incentive Scheme, and Restricted Stock Distribution of Incentive Objects", the related contents of "Chapter V Specific Contents of Incentive Plan (VI), Company Level Performance Assessment Requirements for Granting and Removing Restricted Stock Conditions" and "Chapter V Specific Contents of Incentive Plan (VIII), Accounting Treatment of Restricted Stock (II)" to form "Beijing Oriental Yuhong Waterproof Technology Co., Ltd. 2023 Restricted



Stock Incentive Scheme (Revised Draft)" (hereinafter referred to as "2023 Restricted Stock Incentive Scheme") and its related contents. It was deliberated and approved by the 11th meeting of the 8th Board of Directors and the 8th meeting of the 8th Board of Supervisors on September 8th, 2023.

3. From September 9 to 18, 2023, the company publicized the names and positions of the incentive objects of the restricted stock incentive plan in 2023 through the internal office system. As of the expiration of the publicity period, there was no objection raised.

4. On September 25th, 2023, the company held the second extraordinary shareholders' meeting in 2023, which deliberated and passed the 2023 Restricted Stock Incentive Scheme and its abstract, and the Proposal on Requesting the Shareholders' Meeting to Authorize the Board of Directors to Handle Matters Related to the Company's 2023 Restricted Stock Incentive Scheme. The Board of Directors were authorized to determine the grant date of the restricted stock incentive scheme, grant restricted stock to the incentive object when they would meet some requirements, and handle all the necessary matters for granting restricted stock.

5. On December 1, 2023, the company held the 17th meeting of the 8th Board of Directors and the 10th meeting of the 8th Board of Supervisors, which deliberated and passed the Proposal on Termination of the 2023 Restricted Stock Incentive Scheme, and they agreed to terminate the implementation of the company's 2023 Restricted Stock Incentive Scheme, the related 2023 Restricted Stock Incentive Scheme and its abstract, and the implementation assessment of Beijing Oriental Yuhong Waterproof Technology Co., Ltd.

Equity incentives granted to directors and senior executives during the reporting period

Applicable Not applicable

Unit: Share

Name	Title	Number of Stock Options Held at the Beginning of the Year	Number of Stock Options Granted During the Reporting Period	Number of Exercisable Shares During the Reporting Period	Number of Exercised Shares During the Reporting Period	Strike Price for Exercised Shares During the Reporting Period (RMB /share)	Number of Stock Options Held at the End of the Year	Market Price at the End of the Reporting Period (RMB /share)	Number of Restricted Shares Held at the Beginning of the Year	Number of Shares Unlocked in this Period	Number of Restricted Shares Newly Granted During the Reporting Period	Grant Price of Restricted Shares (RMB /share)	Number of Restricted Shares Held at the End of the Year
Zhang Bei	Vice President, Secretary of the Board of Directors	0	0	0	0	0	0	19.2	93,750	0	0	6.38	93,750
Total	--	0	0	0	0	--	0	--	93,750	0	0	--	93,750
Remarks (if any)	No												

Evaluation mechanism and incentive of senior management

The Company has established the appraisal, incentive and restraint mechanism for senior management, strictly assesses and evaluates the performance of job duties and business completion of the senior management of the Company, and all senior management of the Company are appointed by the Board of Directors, responsible to the Board of Directors and undertake the instructions issued by the Board of Directors. The income of senior management personnel is

directly linked to their work performance. After the end of the year, the remuneration and appraisal committee of the Board of Directors of the Company will formulate the remuneration implementation plan based on the year-end appraisal of senior management personnel and implement it after approval by the Board of Directors.

2. Implementation of Employee Stock Ownership Plan

√ Applicable □ Not applicable

All effective employee stock ownership during the reporting period

Scope of Staff	Number of Staff	Number of Shares Held	Change Information	Proportion of the Total Share Capital of a Listed Company	Fund Source for Implementation of the Plan
Directors, supervisors, senior management, middle management and other core business backbone employees	1,411	2,000,000	Not applicable N/A	0.08%	Legal remuneration of the Company's employees, self-financing, financing by financial institutions and other means permitted by laws and regulations, etc.

Stock holdings of directors, supervisors and senior management in Employee Stock Ownership Plan during the reporting period

Name	Title	Number of Shares Held at the Beginning of the Reporting Period	Number of Shares Held at the End of the Reporting Period	Proportion of the Total Share Capital of a Listed Company
Zhang Zhiping	Director, President	361,143	14,522	0.00%
Zhang Ying	Director, Vice President	267,147	10,891	0.00%

Zhang Hongtao	Director, Vice President	74,207	2,904	0.00%
Wang Xiaoxia	Director, Vice President	267,147	10,891	0.00%
Yang Haocheng	Director	361,143	14,522	0.00%
Wang Wenping	Vice President	361,143	14,522	0.00%
Xu Wei	CFO	222,622	9,076	0.00%

Change of asset management institution during the reporting period

Applicable Not applicable

Change in equity due to disposal of holder's shares, etc. during the reporting period

Applicable Not applicable

During the reporting period, the company's 2021 employee stock ownership scheme reduced its shareholding by 47,471,665 shares through centralized bidding transactions, which accounted for 1.88% of the company's total share capital. According to laws and regulations and the relevant provisions of the 2021 employee stock ownership scheme (Draft), the company's 2021 employee stock ownership scheme strictly abode by the market trading rules and the regulations stipulating that it was not allowed to buy or sell shares during the information-sensitive period. By the end of the reporting period, in 2021, the employee stock ownership held 2,000,000 shares of the company. As of the disclosure date of this report, the duration of the employee stock ownership scheme in 2021 has not expired. The company will continue to follow the progress of the employee stock ownership scheme in 2021 and fulfill its information disclosure obligations in a timely manner in strict accordance with relevant laws and regulations.

The exercise of shareholders' rights during the reporting period

During the reporting period, the company exercised the shareholders' right to participate in the cash dividend in 2022 under the 2021 employee stock ownership scheme. Failing to participate in the voting rights of the shareholders' meeting and exercising other shareholders' rights.

Other relevant information and explanation of Employee Stock Ownership Plan during the reporting period

Applicable Not applicable

During the reporting period, if the holder of the Employee Stock Ownership Plan resigns, retires,

dies or is otherwise no longer suitable to continue to participate in the Plan, the management committee established by the Company's Employee Stock Ownership Plan will dispose of the shares of the holder in accordance with the *2021 Employee Stock Ownership Plan of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. (draft)* and other relevant provisions to ensure that the relevant disposal is in accordance with the agreement of the Employee Stock Ownership Plan.

Change in members of management committee of the Employee Stock Ownership Plan

Applicable Not applicable

Financial influence of Employee Stock Ownership Plan on the listed Company during the reporting period and related accounting treatment

Applicable Not applicable

Termination of Employee Stock Ownership Plan during the reporting period

Applicable Not applicable

Other description

3. Other employee incentive measures

Applicable Not applicable

XII. Establishment and Implementation of Internal Control During the Reporting Period

1. Establishment and implementation of internal control

The objectives of the Company's internal control are to provide reasonable assurance of legal compliance in operation and management, safety of assets, truthfulness and integrity of financial reports and related information, improve operational efficiency and effectiveness, and promote the achievement of development strategies. The Company has established a sound and effective internal control in accordance with the provisions of the *Basic Internal Control Norms for Enterprises* and its supporting guidelines and other internal control regulatory requirements. The Shareholders' Meeting is the highest authority of the Company, the Board of Directors of the Company is responsible for the establishment and effective implementation of internal control, the Board of Supervisor supervises the establishment and implementation of internal control by the Board of Directors, and the management is responsible for organizing and leading the daily operation of the internal control of the Company. The Board of Directors has set up four special committees, namely the Audit Committee, the Strategy Committee, the Nomination Committee and the Remuneration and Appraisal Committee, which perform their duties in accordance with the relevant laws and regulations and the working rules of each committee and provide recommendations and opinions to the Board of Directors for decision-making. Except for the Strategy Committee, which is chaired by

the Chairman of the Company, the other three committees are chaired by independent directors. The president is responsible to the Board of Directors for ensuring the normal operation of the Company by directing.

The Audit Committee of the Board of Directors, the Board of Supervisors and the Audit Department have evaluated the internal control at the company level and in important business processes, further improved the internal control documents and the internal control system, formed and improved the institutional framework of corporate governance, which provide a good guarantee for the effective operation of the Company's internal control. The existing internal control system of the Company complies with the requirements of national laws, regulations and securities regulatory authorities, covers the main aspects of the Company's operation and management, and meets the current production and operation needs of the Company. It is continuously and strictly implemented in the Company's operation and management, and plays a fine control and preventive role in each process and link of the Company's operation, thus effectively enhancing the standardized operation of the Company and promoting the high-quality and sound development of the Company.

During the reporting period, the company evaluated the effectiveness of internal control as of the benchmark date mentioned in the internal control evaluation report in line with the standard system of business internal control as well as evaluation method concerning internal control, coupled with the daily supervision and special supervision over internal control. The departments, businesses and matters within the evaluation scope and some high-risk areas covered the main aspects of the company's operation and management, with no significant omissions. According to the identification of major internal control deficiencies, as of the base date of the internal control evaluation report, the company has no major internal control deficiencies in either financial reports or non-financial reports.

2. Details of major internal control defects found during the reporting period

Yes No

XIII. The Company's Management Control over the Subsidiaries During the Reporting Period

Company name	Integration plan	Integration progress	Matters during Integration	Measures taken	Progress	Following plans
No	No	No	No	No	No	No

**XIV. Internal Control Self-Evaluation Report or Internal Control Audit Report****1. Internal control self-evaluation report**

Date of disclosure of the full internal control attestation report	April 14,2024	
Full disclosure index of internal control assurance report	http://www.cninfo.com.cn	
Total assets of units included in evaluation as a percentage of the total assets of the company's consolidated financial statements	98.00%	
The ratio of the operating revenues of the units included in the evaluation to the operating revenues of the company's consolidated financial statements	98.00%	
Defect Identification Standards		
Category	Financial Report	Non-financial Report

Qualitative Standards	<p>Deficiencies with the following characteristics are identified as material deficiencies: ①The company's directors, supervisors and senior management conduct fraud, causing material losses and adverse effects; ②The company has major violations of laws and regulations and liability accidents in terms of financial accounting, asset management, capital operation, information disclosure, product quality, production safety and environmental protection, etc., causing the company to suffer from material losses and adverse effects, or being subject to major administrative supervision penalties; ③The company's audit committee and internal audit organizations failed to perform effective supervision functions, causing material losses to the company; ④The financial statements of the company have been or are likely to be issued adverse opinion or disclaimer opinion by a certified public accountant. If the results of condition ①②③ are not significant but important, the deficiencies are identified as material deficiencies. If the results of condition ①②③ are neither significant nor important, the deficiencies are considered as general deficiencies.</p>	<p>Deficiencies with the following characteristics and causing significant impact are identified as material deficiencies: ①Violation of national laws, administrative regulations and normative documents; ②Loss of management personnel and technical personnel in key positions; ③ Lack of institutional control or failure of institutional systems in terms of key businesses areas involved in the company's production and operation; ④ Failure of internal control on information disclosure, resulting in the company being publicly condemned by the regulatory authorities; ⑤The unsatisfying results of internal control evaluation, especially when the result is material deficiencies or material deficiencies that have not been rectified. If the results of the above are not significant but important, the deficiencies are identified as material deficiencies. If the results of the above are neither significant nor important, the deficiencies are considered as general deficiencies.</p>
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Quantitative Standards	<p>Based on the 2022 Consolidated Financial Statements, the quantitative standards for determining the importance of misstatements (including omissions) in the company's consolidated financial statements are as follows:</p> <p>Significant deficiency: misstatement $\geq 10\%$ of pre-tax profit;</p> <p>Important deficiency: 5% of pre-tax profit \leq misstatement $< 10\%$ of pre-tax profit; General deficiency: misstatement $< 5\%$ of pre-tax profit.</p>	<p>Referring to the quantitative standards for internal control deficiencies in financial reporting, the quantitative standards for determining the importance of internal control deficiencies in non-financial reporting are as follows:</p> <p>Significant deficiency: misstatements $\geq 10\%$ of pre-tax profits;</p> <p>Important deficiency: 5% of pre-tax profits \leq misstatements $< 10\%$ of pre-tax profit;</p> <p>General deficiency: misstatement $< 5\%$ of pre-tax profit.</p>
Number of Significant Deficiencies in Financial Reporting (pcs)		0
Number of Non-financial Reporting Significant Deficiencies (pcs)		0
Number of Significant Deficiencies in Financial Reporting (pcs)		0
Number of Non-financial Reporting Significant Deficiencies (pcs)		0

2. Internal control audit report

Applicable Not applicable

Deliberations in Internal Control Audit Report	
As of December 31, 2023, the company has effectively maintained the internal control related to financial statements established in accordance with the <i>Basic Standards for Enterprise Internal Control</i> in all material respects.	
Disclosure of Internal Control Audit report	Disclosure
Full Disclosure Date of Internal Control Audit Report	April 19, 2024
Full Disclosure Index of Internal Control Audit Report	http://www.cninfo.com.cn
Types of Opinions on Internal Control Audit Report	No reserved opinions



Significant Deficiencies in Non-Financial Report	No
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The accounting firm issued an internal control audit report with non-standard opinions

Yes No

The internal control audit report issued by the accounting firm is consistent with the self-evaluation report of the board of directors

Yes No

XV. The rectification of self-examination problems in the special actions of listed company governance

Not applicable