



Stock Code: 002271

Stock Name: Oriental Yuhong

Announcement No. 2023-034

BEIJING ORIENTAL YUHONG WATERPROOF TECHNOLOGY CO., LTD. FIRST QUARTERLY REPORT 2023

Beijing Oriental Yuhong Waterproof Technology Co., Ltd. (hereinafter referred to as the “Company”) and all the members of the Company’s Board of Directors hereby guarantee that the contents of this Report are true, accurate and complete and free of any misrepresentations, misleading statements or material omissions.

Important Notes:

1. The Board of Directors, the Supervisory Committee as well as the directors, supervisors and senior management of the Company hereby guarantee that the contents of this Report are true, accurate and complete and free of any misrepresentations, misleading statements or material omissions, and collectively and individually accept legal responsibility for such contents.
2. The Company’s legal representative, Chief Financial Officer (CFO), and person-in-charge of the Company’s accounting organ (equivalent to accounting manager) hereby guarantee that the financial statements carried in this Report are true, accurate and complete.
3. Indicate whether the financial statements in this Report have been audited by an independent auditor.

Yes No

This Report has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

**I Key Financial Information****(I) Key Accounting Data and Financial Indicators**

Indicate whether there is any retrospectively restated datum in the table below.

Yes No

	Q1 2023	Q1 2022	YoY change
Operating revenue (RMB)	7,494,548,302.46	6,308,586,697.46	18.80%
Net profit attributable to the listed company's shareholders (RMB)	385,537,995.41	317,225,196.33	21.53%
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	324,322,182.50	296,641,007.89	9.33%
Net cash generated from/used in operating activities (RMB)	-3,806,105,070.84	-4,784,387,562.47	20.45%
Basic earnings per share (RMB/share)	0.15	0.13	15.38%
Diluted earnings per share (RMB/share)	0.15	0.13	15.38%
Weighted average return on equity	1.43%	1.20%	0.23%
	31 March 2023	31 December 2022	Change
Total assets (RMB)	47,313,312,149.23	50,555,779,624.44	-6.41%
Equity attributable to the listed company's shareholders (RMB)	27,174,471,714.10	26,807,182,612.69	1.37%

(II) Exceptional Gains and Losses

Applicable Not applicable

Unit: RMB

Item	Q1 2023	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-2,031,719.73	
Government grants through profit or loss (exclusive of government grants given in the Company's ordinary course of business at fixed quotas or amounts as per the government's uniform standards)	69,056,669.92	
Gain or loss on fair-value changes on held-for-trading financial assets and liabilities & income from disposal of held-for-trading financial assets and liabilities and available-for-sale financial assets (exclusive of the effective portion of hedges that arise in the Company's ordinary course of business)	722,232.52	
Non-operating income and expense other than the above	9,994,501.06	
Less: Income tax effects	16,325,753.59	
Non-controlling interests effects (net of tax)	200,117.27	



Total	61,215,812.91
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Other items that meet the definition of exceptional gain/loss:

Applicable Not applicable

No such cases in the Reporting Period.

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

Applicable Not applicable

No such cases in the Reporting Period.

(III) Changes in Key Financial Statement Line Items and Explanation of why

Applicable Not applicable

1. The closing balance of monetary assets stood at RMB5,051,738,376.99, down 52.07% from the opening balance, primarily driven by the increased operating expenditures as a result of a larger business size of the Company and the repayment of bank loans.

2. The closing balance of other receivables stood at RMB3,692,204,759.86, up 72.21% from the opening balance, primarily driven by the payment of security deposits by the Company.

3. The closing balance of short-term borrowings stood at RMB4,167,174,892.00, down 33.37% from the opening balance, primarily driven by the repayment of bank loans.

4. Other income stood at RMB69,056,669.92 in the current period, up 215.35% year on year, primarily driven by the receipt of government subsidies and the amortization of deferred income.

5. Asset disposal income stood at RMB165,558.15 in the current period, down 49.18% year on year, primarily driven by the decreased asset disposals in the current period.

6. Net cash generated from/used in operating activities stood at RMB-3,806,105,070.84 in the current period, up 20.45% year on year, primarily driven by a year-on-year increase of 19.44% in cash proceeds from sale of commodities and rendering of services, which resulted in a higher operating cash inflow, and a year-on-year decrease of 19.53% in cash used in other operating activities.

7. Net cash generated from/used in investing activities stood at RMB-633,496,379.78 in the



current period, up 75.91% year on year, primarily driven by the decreased cash payments for the acquisition of fixed assets, intangible assets and other long-lived assets as well as for investments in the current period.

II Shareholder Information

(I) Numbers of Ordinary Shareholders and Preference Shareholders with Resumed Voting Rights as well as Holdings of Top 10 Shareholders

Unit: share

Number of ordinary shareholders		137,384	Number of preference shareholders with resumed voting rights (if any)		0	
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held	Restricted shares held	Shares in pledge, marked or frozen	
					Status	Shares
Li Weiguo	Domestic natural person	22.69%	571,332,887.00	428,499,665.00	In pledge	281,363,640.00
Hong Kong Securities Clearing Company Ltd.	Foreign legal person	11.32%	285,197,996.00	0.00		
Xu Limin	Domestic natural person	2.87%	72,269,250.00	54,201,937.00		
HFT Fortune Asset Management – 2021 Employee Stock Ownership Plan of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. – HFT Fortune-Oriental Yuhong Employee Stock Ownership Single Asset Management Plan	Other	1.96%	49,471,665.00	0.00		
UBS AG	Foreign legal person	1.86%	46,780,625.00	0.00		
DCP Management, Ltd. – DCP USD Fund II	Foreign legal person	1.83%	45,969,375.00	0.00		
China Merchants Bank Co., Ltd. – Ruiyuan Growth Value Mixed Securities	Other	1.59%	39,998,620.00	0.00		



Investment Fund						
Janchor Partners – Janchor Partners Pan – Asian Master Fund – RQFII	Foreign legal person	1.39%	34,974,679.00	0.00		
Jpmorgan Chase Bank, National Association	Foreign legal person	0.96%	24,294,335.00	0.00		
Goldman Sachs International-Self-owned fund	Foreign legal person	0.96%	24,144,751.00	0.00		
Top 10 unrestricted shareholders						
Name of shareholder	Unrestricted shares held	Shares by class				
		Class	Shares			
Hong Kong Securities Clearing Company Ltd.	285,197,996.00	RMB-denominated ordinary share	285,197,996.00			
Li Weiguo	142,833,222.00	RMB-denominated ordinary share	142,833,222.00			
HFT Fortune Asset Management – 2021 Employee Stock Ownership Plan of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. – HFT Fortune-Oriental Yuhong Employee Stock Ownership Single Asset Management Plan	49,471,665.00	RMB-denominated ordinary share	49,471,665.00			
UBS AG	46,780,625.00	RMB-denominated ordinary share	46,780,625.00			
DCP Management, Ltd. – DCP USD Fund II	45,969,375.00	RMB-denominated ordinary share	45,969,375.00			
China Merchants Bank Co., Ltd. – Ruiyuan Growth Value Mixed Securities Investment Fund	39,998,620.00	RMB-denominated ordinary share	39,998,620.00			
Janchor Partners – Janchor Partners Pan – Asian Master Fund – RQFII	34,974,679.00	RMB-denominated ordinary share	34,974,679.00			
Jpmorgan Chase Bank, National Association	24,294,335.00	RMB-denominated ordinary share	24,294,335.00			
Goldman Sachs International-Self-owned fund	24,144,751.00	RMB-denominated ordinary share	24,144,751.00			
Abu Dhabi Investment Authority	22,090,120.00	RMB-denominated ordinary share	22,090,120.00			
Related or acting-in-concert parties among the shareholders above	It is unknown whether there is any related party or acting-in-concert party as defined in the Measures for the Administration of the Takeover of Listed Companies among the shareholders above. The special account for repurchase among top 10 shareholders: as of 31 March 2023, the special securities account for repurchase of the Company holds 27,866,756 shares of the Company, accounting for 1.11% of total share capital of the Company.					
Top 10 shareholders involved in securities margin	Shareholder HFT Fortune Asset Management – 2021 Employee Stock					



trading (if any)	Ownership Plan of Beijing Oriental Yuhong Waterproof Technology Co., Ltd.—HFT Fortune-Oriental Yuhong Employee Stock Ownership Single Asset Management Plan purchased 49,471,665 shares in the Company through securities margin trading.
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(II) Number of Preference Shareholders and Shareholdings of Top 10 of Them

Applicable Not applicable

III Other Significant Events

Applicable Not applicable

(I) Implementation of the Third Restricted Share Incentive Plan

1. On 20 September 2019, the Company held the 5th Meeting of the 7th Board of Directors and the 5th Meeting of the 7th Supervisory Committee, and reviewed and approved the *Beijing Oriental Yuhong Waterproof Technology Co., Ltd. Third Restricted Share Incentive Plan (Draft)* and its summary. The incentive tool adopted by this plan is restricted shares, with the shares sourced from Oriental Yuhong's repurchase of its own shares in the secondary market and the issuance of A-shares common stock to the awardees. The plan intends to grant no more than 32,966,129 restricted shares to the awardees, representing approximately 2.21% of the total share capital of 1,492,087,952 shares as of the time of the announcement of the incentive plan draft. A total of 2,189 individuals were granted under this plan, with the grant price of the restricted shares set at RMB10.77 per share.

2. Based on the actual situation, the Company revised and improved the Company-level Performance Evaluation Content and the Explanation of the Scientific and Rational Setting of Evaluation Indicators in Chapter 5: Specific Contents of the Incentive Plan and Section 6: Granting and Lifting of Restricted Share Sales Conditions of the *Beijing Oriental Yuhong Waterproof Technology Co., Ltd. Third Restricted Share Incentive Plan (Draft)* and its summary announced on 21 September 2019. This resulted in the formation of the *Beijing Oriental Yuhong Waterproof Technology Co., Ltd. Third Restricted Share Incentive Plan (Draft Revision)* (hereinafter referred to as the *Third Restricted Share Incentive Plan*) and its summary, which were reviewed and approved by the 6th Meeting of the 7th Board of Directors and the 6th Meeting of the 7th Supervisory Committee held on 27 September 2019.

3. From 27 September to 8 October 2019, the Company conducted an internal announcement of the names and positions of the awardees of the Third Restricted Share Incentive Plan through the internal office system. As of the end of the announcement period, no objections were raised regarding the announced content.

4. On 15 October 2019, the Company held its 3rd Extraordinary Shareholders' General Meeting in 2019, and reviewed and approved the *Third Restricted Share Incentive Plan* and its summary, as well as the *Proposal for Authorizing the Board of Directors to Handle Matters Related to the Company's Third Restricted Share Incentive Plan*. The Board of Directors was authorized to determine the grant date for restricted shares, grant restricted shares to the awardees when they meet the conditions, and handle all necessary matters related to granting restricted shares.

5. On 11 November 2019, the Company held the 8th Meeting of the 7th Board of Directors and the 8th Meeting of the 7th Supervisory Committee, and reviewed and approved the *Proposal for Granting the Third Restricted Shares to the Awardees by Beijing Oriental Yuhong Waterproof Technology Co., Ltd.* According to the authorization of the Company's 3rd Extraordinary Shareholders' General Meeting in 2019, the Board of Directors deemed that the Company had met all the granting conditions stipulated in the *Third Restricted Share Incentive Plan* and determined 11 November 2019, as the grant date for the restricted shares. For the first time, 32,966,129 restricted shares were granted to 2,189 awardees. During the process of paying for the restricted shares after determining the grant date, 437 awardees gave up a total of 5,603,601 shares due to resignation and insufficient subscription funds. Therefore, the Company completed the granting of a total of 27,362,528 restricted shares to 1,752 awardees (including 3,822,369 new shares and the remaining 23,540,159 shares from repurchased public shares as a partial source of restricted shares). The listing date of the granted shares was 12 December 2019. In accordance with the requirements of the *Accounting Standards for Business Enterprises*, the implementation of restricted shares will have a certain impact on the Company's financial position and operating results in the coming years. Upon estimation, the total incentive cost for granting 27,362,528 restricted shares to the awardees is expected to be RMB353,294,700. The amortization of restricted share costs from 2019 to 2023 is shown in the table below:



Granted restricted shares (0,000 shares)	Total amortization expenses (RMB'0,000)	2019 (RMB'0,000)	2020 (RMB'0,000)	2021 (RMB'0,000)	2022 (RMB'0,000)	2023 (RMB'0,000)
2,736.25	35,329.47	2,504.55	17,198.58	8,967.31	4,751.49	1,907.55

Amortization costs will be charged in the regular gains and losses and will accordingly reduce the Company's net profit for the current period. The aforesaid final effect on the Company's financial position and operating results will be subject to the annual auditor's report issued by the accounting firm.

6. On 26 October 2020, the Company held the 21st Meeting of the 7th Board of Directors and the 15th Meeting of the 7th Board of Supervisors, respectively, and reviewed and approved the *Proposal for Adjusting the Repurchase Price of Restricted Shares in the Third Phase Restricted Stock Incentive Plan*. In view of the Company's 2019 annual equity distribution plan: based on the total share capital of 1,569,784,697 shares as of the equity registration date (12 June 2020), the Company will distribute RMB3.00 (inclusive of tax) in cash to all shareholders for every 10 shares held. The Company will not distribute bonus shares or convert capital reserve to share capital. The equity distribution program was implemented on 15 June 2020. As the cash dividends for the 2019 fiscal year from the granted third phase restricted shares were directly transferred to the incentive recipients' capital accounts through shareholder custodian securities companies (or other custodian institutions) on 15 June 2020, according to the provisions of the Company's *Third Restricted Share Incentive Plan*, the repurchase price of the restricted shares that have not yet been unlocked should be adjusted accordingly following the ex-dividend treatment of the Company's stock price due to the distribution of stock dividends. Therefore, the repurchase price of the restricted shares in the third phase restricted share incentive plan has been adjusted from RMB10.77 per share to RMB10.47 per share.

Meanwhile, considering the Company's equity distribution plan for the first half of 2020: based on the Company's total share capital of 1,569,784,697 shares as of 30 June 2020, the capital reserve will be used to issue 5 additional shares for every 10 shares held by all shareholders, totaling 784,892,348 additional shares. Following this capital increase, the Company's total share capital will rise to 2,354,677,045 shares. Additionally, no bonus shares will be distributed, and no cash dividends will be paid. The equity distribution program was implemented on 22 October

2020. As the shares converted from the granted third phase restricted shares for the first half of 2020 were directly credited to the shareholders' securities accounts on 22 October 2020, in accordance with the requirements of the Company's *Third Restricted Share Incentive Plan*, the repurchase price of the restricted shares that have not yet been unlocked should be adjusted accordingly following the ex-rights treatment of the Company's stock price due to the capital reserve conversion to share capital. Therefore, the repurchase price of the restricted shares in the third phase restricted share incentive plan has been adjusted from RMB10.47 per share to RMB6.98 per share.

7. On 26 October 2020, the Company held the 21st Meeting of the 7th Board of Directors and the 15th Meeting of the 7th Board of Supervisors, respectively, and reviewed and approved the *Proposal for Repurchasing and Canceling Some Restricted Shares in the Third Restricted Share Incentive Plan Granted to Incentive Recipients Who No Longer Meet the Incentive Conditions*. The Board of Directors, in accordance with the requirements of the *Third Restricted Share Incentive Plan*, decided to repurchase and cancel a total of 1,427,250 third phase restricted shares granted but not yet unlocked for some incentive recipients due to resignation, inability to perform their job duties, or failing performance evaluations resulting in job changes, based on the authorization of the Company's 2019 third extraordinary general meeting of shareholders.

8. On 7 December 2020, the Company held the 3rd Extraordinary General Meeting of Shareholders for 2020 and reviewed and approved the *Proposal for Repurchasing and Canceling Some Restricted Shares in the Third Restricted Share Incentive Plan Granted to Incentive Recipients Who No Longer Meet the Incentive Conditions*. In accordance with the requirements of the *Third Restricted Share Incentive Plan*, the general meeting of shareholders agreed that the Company should repurchase and cancel a total of 1,427,250 third phase restricted shares granted but not yet unlocked for some incentive recipients due to resignation, inability to perform their job duties, or failing performance evaluations resulting in job changes. The repurchase and cancellation procedures for the aforementioned restricted shares were completed on 4 January 2021. The amortization of restricted share costs for the years 2019-2023 is shown in the table below:

Granted restricted	Total	2019	2020	2021	2022	2023
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shares (0,000 shares)	amortization expenses (RMB'0,000)	(RMB'0,000)	(RMB'0,000)	(RMB'0,000)	(RMB'0,000)	(RMB'0,000)
2,641.10	34,100.93	2,417.46	16,600.52	8,655.48	4,586.26	1,841.21

Amortization costs will be charged in the regular gains and losses and will accordingly reduce the Company's net profit for the current period. The aforesaid final effect on the Company's financial position and operating results will be subject to the annual auditor's report issued by the accounting firm.

9. On 26 October 2021, the Company held the 44th Meeting of the 7th Board of Directors and the 24th Meeting of the 7th Board of Supervisors, respectively, and reviewed and approved the *Proposal for the Achievement of Lifting the Restriction Conditions in the First Lifting Restriction Period of the Third Restricted Share Incentive Plan*. In accordance with the requirements of the *Third Restricted Share Incentive Plan*, the Board of Directors believes that the lifting restriction conditions for the first lifting restriction period of the third phase restricted shares held by the incentive recipients have been met and agreed to lift the restrictions on 9,175,007 restricted shares for 1,598 incentive recipients. In accordance with the authorization of the Company's 3rd Extraordinary General Meeting of Shareholders in 2019, the Board of Directors completed the relevant unlocking procedures, and a total of 91.75007 million restricted shares were unlocked and listed for circulation on 8 December 2021.

10. On 26 October 2021, the Company held the 44th Meeting of the 7th Board of Directors and the 24th Meeting of the 7th Board of Supervisors, respectively, and reviewed and approved the *Proposal for Adjusting the Repurchase Price of Restricted Shares in the Third Phase Restricted Stock Incentive Plan*. Considering the company's 2020 annual equity distribution plan: based on the total share capital of 2,523,561,412 shares on the equity registration date (28 May 2021) when implementing the distribution plan, a cash dividend of RMB3.00 (inclusive of tax) will be distributed to all shareholders for every 10 shares held. The Company will not distribute bonus shares or convert capital reserve to share capital. The equity distribution program was implemented on 31 May 2021. Due to the fact that the incentive recipients have already received the cash dividends for the 2020 fiscal year from the third phase restricted shares granted to them, which were directly transferred to their capital accounts by the shareholder's custodian securities

company (or other custodian institutions) on 31 May 2021, in accordance with the provisions of the Company's *Third Restricted Share Incentive Plan*, after the Company carries out ex-dividend adjustments to the stock price upon distributing stock dividends, the repurchase price of the restricted shares that have not yet been unlocked should be adjusted accordingly. Therefore, the repurchase price of the restricted shares in the third phase restricted share incentive plan has been adjusted from RMB6.98 per share to RMB6.68 per share.

11. On 26 October 2021, the Company held the 44th Meeting of the 7th Board of Directors and the 24th Meeting of the 7th Board of Supervisors, respectively, and reviewed and approved the *Proposal for Repurchasing and Canceling Some Restricted Shares Granted but Not Yet Unlocked for Incentive Recipients Who No Longer Meet the Incentive Conditions of the Third Restricted Share Incentive Plan*. In accordance with the requirements of the Third Restricted Share Incentive Plan, due to some incentive recipients leaving the company, being unable to perform their job duties resulting in job changes, failing to meet or not fully meeting the 2020 annual individual performance assessment, the Board of Directors, authorized by the Company's 3rd Extraordinary General Meeting of Shareholders in 2019, decided to repurchase and cancel a total of 1,577,408 restricted shares granted but not yet unlocked, in whole or in part.

12. On 15 November 2021, the Company held the 4th Extraordinary General Meeting of Shareholders for 2021 and reviewed and approved the *Proposal for Repurchasing and Canceling Some Restricted Shares Granted but Not Yet Unlocked for Incentive Recipients Who No Longer Meet the Incentive Conditions of the Third Restricted Share Incentive Plan*. In accordance with the requirements of the *Third Restricted Share Incentive Plan*, due to some incentive recipients leaving the company, being unable to perform their job duties resulting in job changes, failing to meet or not fully meeting the 2020 annual individual performance assessment, the general meeting of shareholders agreed to repurchase and cancel a total of 1,577,408 restricted shares granted but not yet unlocked, in whole or in part, and completed the repurchase and cancellation procedures for the aforementioned restricted shares on 14 January 2022. The amortization of restricted share costs from 2019 to 2023 is shown in the table below:

Granted restricted shares (0,000 shares)	Total amortization expenses	2019 (RMB'0,000)	2020 (RMB'0,000)	2021 (RMB'0,000)	2022 (RMB'0,000)	2023 (RMB'0,000)



	(RMB'0,000)					
2,535.94	32,743.13	2,345.19	16,069.57	8,168.60	4,395.25	1,764.53

Amortization costs will be charged in the regular gains and losses and will accordingly reduce the company's net profit for the current period. The aforesaid final effect on the Company's financial position and operating results will be subject to the annual auditor's report issued by the accounting firm.

13. On 22 August 2022, the company held the 54th Meeting of the 7th Board of Directors and the 31st Meeting of the 7th Board of Supervisors, respectively, and reviewed and approved the *Proposal for the Achievement of Lifting the Restriction Conditions in the Second Lifting Restriction Period of the Third Restricted Share Incentive Plan*. In accordance with the requirements of the *Third Restricted Share Incentive Plan*, the Board of Directors believes that the lifting restriction conditions for the second lifting restriction period of the third phase restricted shares held by the incentive recipients have been met and agreed to lift the restrictions on 8,726,077 restricted shares for 1,552 incentive recipients. In accordance with the authorization of the Company's 3rd Extraordinary General Meeting of Shareholders in 2019, the Board of Directors completed the relevant unlocking procedures, and a total of 8,726,077 restricted shares were unlocked and listed for circulation on 8 September 2022.

14. On 29 August 2022, the Company held the 56th Meeting of the 7th Board of Directors and the 32nd Meeting of the 7th Board of Supervisors, respectively, and reviewed and approved the *Proposal for Adjusting the Repurchase Price of Restricted Shares in the Third Phase Restricted Stock Incentive Plan*. Considering the Company's 2021 annual equity distribution plan: based on the total share capital of 2,519,627,295 shares on the equity registration date (30 May 2022) when implementing the distribution plan, minus the Company's repurchased shares (11,248,664 shares) in the buyback account, the total share capital of 2,508,378,631 shares will be used as the basis for distributing RMB3.00 (inclusive of tax) to all shareholders for every 10 shares held. The Company will not distribute bonus shares or convert capital reserve to share capital. The equity distribution program was implemented on 31 May 2022. Due to the incentive recipients having already received the cash dividends for the 2021 fiscal year from the third phase restricted shares granted to them, which were directly transferred to their capital accounts by the shareholder's

custodian securities company (or other custodian institutions) on 31 May 2022, in accordance with the requirements of the Company's *Third Restricted Share Incentive Plan*, after the Company carries out ex-dividend adjustments to the stock price upon distributing stock dividends, the repurchase price of the restricted shares that have not yet been unlocked should be adjusted accordingly. Therefore, the repurchase price of the restricted shares in the third phase restricted share incentive plan has been adjusted from RMB6.68 per share to RMB6.38 per share.

15. On 29 August 2022, the company held the 56th Meeting of the 7th Board of Directors and the 32nd Meeting of the 7th Board of Supervisors, respectively, and reviewed and approved the *Proposal for Repurchasing and Canceling Some Restricted Shares Granted but Not Yet Unlocked for Incentive Recipients Who No Longer Meet the Incentive Conditions of the Third Restricted Share Incentive Plan*. In accordance with the requirements of the *Third Restricted Share Incentive Plan*, due to some incentive recipients leaving the Company, failing to meet or not fully meeting the 2021 annual individual performance assessment, the Board of Directors, authorized by the Company's 3rd Extraordinary General Meeting of Shareholders in 2019, decided to repurchase and cancel a total of 1,283,406 restricted shares granted but not yet unlocked, in whole or in part.

16. On 16 September 2022, the Company held the 1st Extraordinary general Meeting of Shareholders for 2022 and reviewed and approved the *Proposal for Repurchasing and Canceling Some Restricted Shares Granted but Not Yet Unlocked for Incentive Recipients Who No Longer Meet the Incentive Conditions of the Third Restricted Share Incentive Plan*. In accordance with the relevant provisions of the *Third Restricted Share Incentive Plan*, due to some incentive recipients leaving the Company, failing to meet or not fully meeting the 2021 annual individual performance assessment, the general meeting of shareholders agreed to repurchase and cancel a total of 1,283,406 restricted shares granted but not yet unlocked, in whole or in part. Among the aforementioned incentive recipients, one incentive recipient, Zhang Wei, currently holds 4,500 restricted shares from the third phase of the restricted share incentive plan, and 750 shares should be repurchased and canceled. Due to personal reasons, all the third phase restricted shares held by Zhang Wei were judicially frozen on 22 June 2021, and the Company is unable to repurchase and cancel the 750 restricted shares held by him at this time. Therefore, the total number of third phase restricted shares applied for repurchase and cancellation is 1,282,656. The Company

completed the repurchase and cancellation procedures for the aforementioned restricted shares on 22 November 2022. The amortization of restricted share costs from 2019 to 2023 is shown in the table below:

Granted restricted shares (0,000 shares)	Total amortization expenses (RMB'0,000)	2019 (RMB'0,000)	2020 (RMB'0,000)	2021 (RMB'0,000)	2022 (RMB'0,000)	2023 (RMB'0,000)
2,450.43	31,639.05	2,230.47	15,312.20	7,978.35	4,365.46	1,752.57

Amortization costs will be charged in the regular gains and losses and will accordingly reduce the Company's net profit for the current period. The aforesaid final effect on the Company's financial position and operating results will be subject to the annual auditor's report issued by the accounting firm.

(II) Implementation of the 2021 Share Option Incentive Plan

1. The Company held the 30th Meeting of the 7th Board of Directors and the 16th Meeting of the 7th Supervisory Committee on 26 March 2021 and reviewed and approved the *2021 Share Option Incentive Plan of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. (Draft)* (hereinafter referred to as the *2021 Share Option Incentive Plan*) and its summary. The incentive instrument adopted in the Incentive Plan is share options, and the shares are ordinary A-shares offered by the Company to awardees. According to the scheme, the Company intends to grant 52,004,500 share options to the awardees, and the underlying shares involved account for approximately 2.22% of the Company's total share capital (2,347,737,237 shares) as of the date of publication of the Incentive Plan draft. Each share option represents the right to purchase one ordinary A-share of the Company at the exercise price within the period of validity. The awardees covered by this scheme numbered 4,160, and the exercise price for the share options granted was RMB48.99 per share.

2. Between 27 March and 5 April 2021, the Company internally announced the names and positions of the awardees covered by the 2021 Share Option Incentive Plan in the internal office system. As of the expiration of the announcement period, no objections to the content announced were raised.

3. The Company held the 2nd Extraordinary Shareholders' Meeting of 2021 on 12 April 2021 and deliberated on and approved the *2021 Share Option Incentive Plan* and its summary, as well

as the *Proposal for Requesting the Shareholders' Meeting to Authorize the Board of Directors to Handle Matters Related to the 2021 Share Option Incentive Plan*. Therefore, the Board of Directors was authorized to determine the grant date for the share option Incentive Plan, grant share options to the awardees that meet the conditions, and go through all formalities for share option granting.

4. The Company held the 35th Meeting of the 7th Board of Directors and the 20th Meeting of the 7th Supervisory Committee on 26 April 2021 and reviewed and approved the *Proposal for Adjusting the List of Incentive Recipients and the Number of Share Options to Be Granted of the 2021 Share Option Incentive Plan* and the *Proposal for Granting Incentive Recipients the Share Options for 2021*. Considering that the 24 confirmed awardees gave up 249,000 share options that the Company intended to grant because they failed to meet the incentive conditions due to their resignations or position changes, the Board of Directors adjusted the list of awardees and the number of share options to be granted. Concurrently, it determined that 51,755,500 share options would be granted on 26 April 2021 to 4,136 awardees.

5. The Company completed the registration of the share option granting on 14 May 2021. During the registration of the share option granting after the grant date was determined, 55 awardees gave up 580,000 share options because they failed to meet the incentive conditions due to their resignations or position changes. Hence, the Company granted 51,175,500 share options to 4,081 awardees. In accordance with the relevant requirements of the *Accounting Standards for Business Enterprises*, the implementation of a Company's share option Incentive Plan will affect the Company's financial position and operating results in the following few years. By calculation, the anticipated total cost of the 51,175,500 share options granted to awardees as an incentive is RMB658,884,600, which is amortized over five years between 2021 and 2025 as follows:

Number of share options granted ('0,000 shares)	Total cost of the shares (RMB'0,000)	2021 (RMB'0,000)	2022 (RMB'0,000)	2023 (RMB'0,000)	2024 (RMB'0,000)	2025 (RMB'0,000)
5,117.55	65,888.46	21,203.00	22,934.09	13,338.68	6,803.85	1,608.83

Considering the principle of prudence in accounting, the circumstance where the granted share options will not be exercised is not considered for the aforesaid cost calculated and

amortized. The amortized cost will be recognized in the recurring profits and losses, and accordingly, the Company's net profits in the current period will be reduced. The aforesaid final effect on the Company's financial position and operating results will be subject to the annual auditor's report issued by the accounting firm.

6. The Company held the 37th Meeting of the 7th Board of Directors and the 21st Meeting of the 7th Supervisory Committee on 1 June 2021 and reviewed and approved the *Proposal for Adjusting the Exercise Price for the 2021 Share Option Incentive Plan*. As is stipulated in the Company's 2020 Equity Distribution Program, a cash dividend of RMB3.00 (tax-inclusive) per 10 shares will be distributed to all shareholders based on the total share capital of 2,523,561,412 shares as of the record date (28 May 2021) during the implementation of the distribution program. The Company will not distribute bonus shares or convert capital reserve to share capital. The equity distribution program was implemented on 31 May 2021. Considering that the equity distribution was implemented before the exercise of the *2021 Share Option Incentive Plan*, by the latter, the exercise price shall be adjusted accordingly in case of dividend payout, capitalization from capital reserve, bonus share distribution, share subdivision, allotment, or stock reverse split-up. Therefore, the exercise price for the 2021 Share Option Incentive Plan was lowered from RMB48.99 per share option to RMB48.69 per share option.

7. The Company held the 48th Meeting of the 7th Board of Directors and the 27th Meeting of the 7th Supervisory Committee on 27 April 2022 and reviewed and approved the *Proposal for the Achievement of Exercise Conditions of the First Exercise Schedule for the 2021 Share Option Incentive Plan* and *Proposal for Canceling the Share Options Granted to but Not Exercised by the Incentive Recipients Who Are No Longer Eligible for Exercise under the 2021 Share Option Incentive Plan*. In accordance with the requirements of the *2021 Share Option Incentive Plan*, the Board of Directors believed that the awardees had achieved the exercise conditions of the first exercise schedule for the 2021 Share Option Incentive Plan, and agreed to complete the procedure of voluntary exercise for 3,294 awardees for the first exercise schedule. A total of 9,125,945 share options were exercised at RMB48.69 per share option. The exercise period of the first exercise schedule of the *2021 Share Option Incentive Plan* started from 12 May 2022 to 25 April 2023, during which, 144,413 share options were exercised. Concurrently, in accordance with the

requirements of the 2021 Share Option Incentive Plan, considering that some awardees resigned or failed to meet the conditions or fully meet the conditions of the personal performance appraisal for 2021, the Board of Directors, with the authorization of the 2nd Extraordinary Shareholders' Meeting of 2021, decided that all or part of the 7,222,930 share options granted to but not exercised by the 1,737 awardees must not be exercised and shall be cancelled by the Company. The share option cancellation was completed on 9 May 2022. The share option cost is amortized over five years between 2021 and 2025 as follows:

Number of share options granted ('0,000 shares)	Total cost of the shares (RMB'0,000)	2021 (RMB'0,000)	2022 (RMB'0,000)	2023 (RMB'0,000)	2024 (RMB'0,000)	2025 (RMB'0,000)
4,395.26	57,203.46	17,517.63	19,949.13	12,103.22	6,173.66	1,459.82

Considering the principle of prudence in accounting, the circumstance where the granted share options will not be exercised is not considered for the aforesaid cost calculated and amortized. The amortized cost will be recognized in the recurring profits and losses, and accordingly, the Company's net profits in the current period will be reduced. The aforesaid final effect on the Company's financial position and operating results will be subject to the annual auditor's report issued by the accounting firm.

8. The Company held the 51st Meeting of the 7th Board of Directors and the 28th Meeting of the 7th Supervisory Committee on 23 May 2022 and reviewed and approved the *Proposal for Adjusting the Exercise Price for the 2021 Share Option Incentive Plan*. As is stipulated in the Company's 2021 Equity Distribution Program, a cash dividend of RMB3.00 (tax-inclusive) per 10 shares will be distributed to all shareholders based on the total share capital of 2,508,378,631 shares, a difference in the total share capital of 2,519,627,295 shares as of the record date (30 May 2022) during the implementation of the distribution program minus the 11,248,664 shares bought back in the Company's buyback account. The Company will not distribute bonus shares or convert capital reserve to share capital. In accordance with the requirements of the *2021 Share Option Incentive Plan*, the exercise price shall be adjusted accordingly in case of dividend payout, capitalization from capital reserve, bonus share distribution, share subdivision, allotment, or stock

reverse split-up before the exercise. Therefore, the exercise price for the 2021 Share Option Incentive Plan was lowered from RMB48.69 per share option to RMB48.39 per share option.

9. The Company held the 7th Meeting of the 8th Board of Directors and the 5th Meeting of the 8th Supervisory Committee on 25 April 2023 and reviewed and approved the *Proposal for Canceling the Share Options Granted to but Not Exercised by the Incentive Recipients Who Are No Longer Eligible for Exercise under the 2021 Share Option Incentive Plan*. In accordance with the requirements of the *Administrative Measures for Equity Incentive of Listed Companies* and the *2021 Share Option Incentive Plan*, considering that the first exercise period of the Company's *2021 Share Option Incentive Plan* started from 12 May 2022 to 25 April 2023, as of the expiration of the first exercise period, 8,013,782 share options held by 2,860 awardees had not been exercised, so they were cancelled by the Company. Among the awardees, 518 resigned, so they could not exercise all the 5,354,875 share options they had been granted. Hence, the shares were cancelled by the Company. As the exercise conditions for the second exercise schedule of the 2021 Share Option Incentive Plan were not met in terms of the corporate performance appraisal for 2022, the 10,146,500 share options held by 3,161 awardees to be exercised on the second exercise schedule could not be exercised and were cancelled by the Company. Therefore, the Board of Directors, with the authorization of the Second Extraordinary Shareholders' Meeting of 2021, decided that all or part of the 23,515,157 share options granted to but not exercised by the aforesaid awardees must not be exercised and shall be cancelled by the Company.

(III) Implementation of the 2021 Employee Stock Ownership Plan

1. The Company held the 30th Meeting of the 7th Board of Directors and the 16th Meeting of the 7th Supervisory Committee on 26 March 2021 and reviewed and approved the *2021 Employee Stock Ownership Plan of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. (Draft)* and its summary. The Company intended to develop an employee stock ownership plan covering 1,611 participants whose funds came from legal employee remuneration, self-raised funds, financing from financial institutions, and sources allowed by laws and regulations. The sum of the funds could not surpass RMB1.7 billion. After the employee stock ownership plan was developed, the asset management/trust product would be developed for management. By the calculation

based on the cap on the asset management/trust product scale of RMB3.4 billion and the closing price of the Company's stocks on 26 March 2021 of RMB50.00/share, the total number of underlying shares available for purchase and holding under the employee stock ownership plan was no more than 68 million. In other words, it could not exceed 2.90% of the Company's existing total share capital as of the date of the publication of the draft of the employee stock ownership plan.

2. On 31 March 2021, the Company's controlling shareholder, Mr. Li Weiguo, submitted the *Letter on the Request for Submitting an Extraordinary Proposal to the Second Extraordinary Shareholders' Meeting of 2021* to the Board of Directors and requested the Board to submit the *Proposal for the Financing of the 2021 Employee Stock Ownership Plan through Margin Trading and Securities Lending* as an extraordinary proposal to the 2nd Extraordinary Shareholders' Meeting of 2021 for deliberation. To expand financing channels and effectively implement the 2021 Employee Stock Ownership Plan, the Board of Directors agreed that an asset management institution was selected by the Company for management. Additionally, the institution shall develop a corresponding asset management plan and leverage legal means such as margin trading and securities lending to ensure that the ratio of funds raised through financing to self-raised funds shall not exceed 1:1. In other words, the sum of funds raised through financing shall be no more than RMB1.7 billion. The aforesaid proposal was approved and reviewed at the 31st Meeting of the 7th Board of Directors and the 17th Meeting of the 7th Supervisory Committee held on 31 March 2021.

3. The Company held the 2nd Extraordinary Shareholders' Meeting of 2021 on 12 April 2021 and deliberated on and approved the *2021 Employee Stock Ownership Plan of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. (Draft)* and its summary, the *Proposal for Requesting the Shareholders' Meeting to Authorize the Board of Directors to Handle Matters Related to the 2021 Employee Stock Ownership Plan*, and the *Proposal for the Financing of the 2021 Employee Stock Ownership Plan through Margin Trading and Securities Lending*. Therefore, the Board of Directors was authorized to handle all matters related to the employee stock ownership plan.

4. The Company appointed Shanghai HFT Fortune Asset Management Co., Ltd. to develop an asset management plan and manage the assets of the Company's 2021 Employee Stock



Ownership Plan. On 14 April 2021, the Company filed the asset management plan of the 2021 Employee Stock Ownership Plan at the Asset Management Association of China. On 15 April 2021, the Company opened a securities trading account at China Securities Depository and Clearing Corporation Limited, and the name of the securities trading account is "Fucheng HFT Asset Management-2021 Employee Stock Ownership Plan of Beijing Oriental Yuhong Waterproof Technology Co., Ltd.-Fucheng HFT Oriental Yuhong Employee Stock Ownership Single Asset Management Plan". In accordance with the actual payment of the self-raised funds under the 2021 Employee Stock Ownership Plan, the self-raised funds under the employee stock ownership plan reached RMB1,377,240,000, and the participants numbered 1,411. The Company disclosed the *Announcement on the Progress in the 2021 Employee Stock Ownership Plan* on 17 April, 30 April, and 29 May 2021, respectively, to disclose the progress in share purchase under the employee stock ownership plan.

5. As of 23 June 2021, share purchase under the 2021 Employee Stock Ownership Plan had been completed, and the securities trading account of the employee stock ownership plan had a total of 49,471,665 shares bought from the Company, accounting for 1.9604% of the Company's total share capital as of the date of purchase. Additionally, the total turnover reached RMB2,759,755,519.81, and the average trading price was RMB55.7846 per share. Specifically, 34,471,665 shares were bought from the Company through continuous auctions on the secondary market, accounting for 1.3660% of the Company's total share capital as of the date of purchase. Additionally, the total turnover reached RMB1,952,905,519.81, and the average trading price was RMB56.6525 per share. Moreover, the employee stock ownership plan accepted 15,000,000 shares transferred from the Company's controlling shareholder and actual controller, Mr. Li Weiguo, through a block trade, accounting for 0.5944% of the Company's total share capital as of the date of transfer. The total turnover reached RMB806,850,000.00, and the average trading price was RMB53.7900 per share. The aforesaid shares bought were locked up in accordance with relevant regulations for 12 months, starting from the date of the announcement that the last underlying shares were transferred to the employee stock ownership plan, namely from 23 June 2021 to 22 June 2022.

6. The Company held the 52nd Meeting of the 7th Board of Directors and the 29th Meeting of the 7th Supervisory Committee on 17 June 2022 and reviewed and approved the *Proposal for Extending the Lock-up Period of the 2021 Employee Stock Ownership Plan*. The Board of Directors, with the authorization of the 2nd Extraordinary Shareholders' Meeting of 2021, agreed to extend the lock-up period of the 2021 Employee Stock Ownership Plan by six months to 22 December 2022. Before the extension, the lock-up period was from 23 June 2021 to 22 June 2022. After the extension, the lock-up period was between 23 June 2021 and 22 December 2022. The extension of the lock-up period involved 1,411 people and 49,471,665 shares, accounting for 1.9635% of the Company's total share capital back then. Aside from the aforesaid lock-up period extension, no matters related to the 2021 Employee Stock Ownership Plan occurred.

7. The Company disclosed the *Announcement on the Expiration of the Lock-up Period of the 2021 Employee Stock Ownership Plan* on 23 December 2022, announcing that the lock-up period of the 2021 Employee Stock Ownership Plan expired on 22 December 2022. The Company will pay continuous attention to the subsequent development of the employee stock ownership plan and promptly perform information disclosure duties in strict accordance with laws and regulations.

(IV) The holding increase plan of the Company's controlling shareholder and actual controller

To promote sustained, stable, and sound corporate development, safeguard shareholders' interests, and boost investors' confidence, the Company's controlling shareholder and actual controller, Mr. Li Weiguo, based on his firm belief in the Company's development prospects and recognition of the Company's long-term value, intended to increase his holdings in the Company within six months since 24 August 2022 when the announcement on the holding increase plan was disclosed. The increased holdings reached no less than RMB50 million, and funds for increasing the holdings were his own funds.

Between 24 August 2022 and 23 February 2023, Mr. Li Weiguo increased his holdings by 1,880,050 shares in the Company through the call auction in the trading system of the Shenzhen Stock Exchange, accounting for 0.07% of the Company's total share capital during the holding increase. Additionally, the increased holdings reached RMB50,408,000 (excluding trading costs), and the average price of the increased holdings was RMB26.81 per share. As of 23 February 2023,

the implementation period of the holding increase plan had expired, so the implementation of the holding increase plan had been completed.

(V) External Investments in Production, R&D and Headquarters Base Projects

As of the date of disclosure of this Report, the progress of the Company's external investments in production, R&D and headquarters base projects is shown as follows:

1. Wuhu City of Anhui Invested in the Building of the Project of Green Construction Materials (Wuhu) Industry Demonstration Park

On 30 June 2020, the Company signed the *Project Investment Agreement* with the People's Government of Sanshan District of Wuhu City in Anhui Province. The agreement stipulated that the Company should invest RMB1 billion in the building of the manufacturing project of new energy-saving sealing materials (first-phase), new waterproof building materials and new functional coating materials (second-phase), and green civil construction materials and functional fillers (third-phase) in Sanshan District of Wuhu City. The construction period of such a project was estimated to last for 48 months. On 17 August 2020, the Company held the 14th Meeting of the 7th Board of Directors, reviewed and approved the *Proposal for Investment in Establishing a Wholly-owned Subsidiary and Building the Project of Green Construction Materials (Wuhu) Industry Demonstration Park in Sanshan District of Wuhu City in Anhui*, and agreed that the Company should invest RMB50 million with its equity funds in establishing Anhui Oriental Yuhong Construction Materials Co., Ltd., a wholly-owned subsidiary, in Sanshan District of Wuhu City (the details are subject to approval and registration by business department). In addition, the Company intended to take the subsidiary as the implementation entity of the project to invest no more than RMB1 billion with self-financing funds in building the project of Oriental Yuhong Green Construction Materials (Wuhu) Industry Demonstration Park in Sanshan District of Wuhu City. In the same month, Wuhu Oriental Yuhong New Materials Technology Co., Ltd., the implementation entity of the project, was founded. As of the date of disclosure of this Report, the production lines of the first and second phases have been put into operation.

2. Huadu District of Guangzhou City Invested in the Building of the Project of Green Construction Materials Industry Park

On 14 July 2020, the Company signed the *Corporation Agreement* with People's Government of Huadu District of Guangzhou City. The agreement stipulated that the Company should invest RMB3 billion in the building of the project of Oriental Yuhong Greater Bay Area Green Construction Materials Industry Park and International Green Construction Materials Centre in Huadu District of Guangzhou City. The construction period of such a project was estimated to last for 36 months. On 7 August 2020, the Company held the 13th Meeting of the 7th Board of Directors, reviewed and approved the *Proposal for Investment in Establishing Wholly-owned Subsidiaries and Building the Project of Green Construction Materials Industry Park in Huadu District of Guangzhou City*, and agreed that the Company should invest RMB100 million respectively with its equity funds in establishing Guangdong Oriental Yuhong Construction Materials Co., Ltd., Guangdong Oriental Yuhong Construction Technology Co., Ltd., and Fuda Energy-saving Technology Co., Ltd., which were wholly-owned subsidiaries, in Huadu District of Guangzhou City (hereinafter referred to as "related project companies", and the details are subject to approval and registration by business department). Besides, the Company planned to take the related project companies as implementation entities to invest RMB3 billion with self-financing funds in building of the project of Oriental Yuhong Greater Bay Area Green Construction Materials Industry Park and International Green Construction Materials Centre in Huadu District of Guangzhou City. Related project companies have been founded in 2020. As of the date of disclosure of this Report, several production lines of the Oriental Yuhong Greater Bay Area Green Construction Materials Industry Park have been put into operation. The land bidding of the International Green Construction Materials Center was completed in 2021. The Real Property Ownership Certificate and the Construction Land Planning License have been obtained, with various work in continuous progress.

3. Yangpu of Hainan Invested in the Building of the Project of Green New Materials Comprehensive Industry Park

On 13 August 2020, the Company signed the *Project Investment Agreement* with the Management Committee of Yangpu Economic Development Zone of Hainan. The agreement stipulated that the Company should invest RMB1 billion in the building of the project of Oriental Yuhong Hainan Yangpu Green New Materials Comprehensive Industry Park in Yangpu

Economic Development Zone of Hainan. On 28 August 2020, the Company held the 15th Meeting of the 7th Board of Directors, reviewed and approved the *Proposal for External Investment in Building of the Project of Green New Materials Comprehensive Industry Park in Yangpu of Hainan*, and agreed that the Company should invest RMB50 million with its equity funds in establishing Yangpu Oriental Yuhong Construction Materials Co., Ltd., a wholly-owned subsidiary, in Yangpu Economic Development Zone of Hainan. Meanwhile, the Company planned to take the Yangpu Oriental Yuhong Construction Materials Co., Ltd. as the implementation entity to invest no more than RMB1 billion with self-financing funds in building the project of Oriental Yuhong Hainan Yangpu Green New Materials Comprehensive Industry Park in Yangpu Economic Development Zone of Hainan. On 14 September 2020, the aforementioned matters were reviewed and approved at the 1st Extraordinary General Meeting of 2020. In the same month, Yangpu Oriental Yuhong Construction Materials Co., Ltd., the implementation entity of the project, was founded. As of the date of disclosure of this Report, several production lines of Hainan Yangpu Green New Materials Comprehensive Industry Park have been put into operation.

4. Qidong of Nantong in Jiangsu Invested in the Building of the Project of New Construction Materials Production Base

On 21 August 2020, the Company signed the *Investment Agreement* with the People's Government of Qidong of Nantong in Jiangsu. The agreement stipulated that the Company should invest RMB2 billion in the building of the project of New Construction Materials Production Base in Qidong, with specific construction contents of modified bituminous waterproof sheet material, waterproof coating (water), specialized mortar, civil green construction material and Hongyun logistics and warehousing. The project was carried out in accordance with the principle of one-time planning and phased implementation. Of which, the construction period of the first phase was estimated to be 18 months from the date of commencement. On 28 August 2020, the Company held the 15th Meeting of the 7th Board of Directors, reviewed and approved the *Proposal for External Investment in Building the Project of New Construction Materials Production Base in Qidong of Nantong in Jiangsu*, and agreed that the Company should invest RMB100 million with its equity funds in establishing Nantong Oriental Yuhong Construction

Materials Co., Ltd., a wholly-owned subsidiary, in Qidong of Nantong in Jiangsu. Meanwhile, the Company intended to take the Nantong Oriental Yuhong Construction Materials Co., Ltd. as the implementation entity to invest no more than RMB2 billion with self-financing funds in building the project of New Construction Materials Production Base in Qidong of Nantong in Jiangsu. In accordance with the actual business picture and development plan, combined with the development of regional market and the Company's future capacity layout plan, the Company intended to change the use of raised funds in the production base project of Nantong Oriental Yuhong Construction Materials Co., Ltd., and leverage the remaining funds for the permanent replenishment of current funds. Such a matter has been reviewed and approved at the 6th Meeting of the 8th Board of Directors on 12 April 2023, which needs to be submitted to the Company's general meetings of shareholders for approval.

5. Project of Green Construction Production Base and Chengdu-Chongqing Regional Headquarter in Jiangjin District of Chongqing

On 3 September 2020, the Company signed the *Project Investment Agreement* with the People's Government of Jiangjin District of Chongqing City. The agreement stipulated that the Company should invest RMB1.4 billion in the building of the project of Oriental Yuhong Green Construction Materials Production Base and Chengdu-Chongqing Regional Headquarter in Jiangjin District of Chongqing. On 14 September 2020, the Company held the 16th Meeting of the 7th Board of Directors, reviewed and approved the Proposal for Investment in Establishing a Wholly-owned Subsidiary and Building the *Project of Green Construction Production Base and Chengdu-Chongqing Regional Headquarter in Jiangjin District of Chongqing*, and agreed that Tianjin Hongzhi New Materials Co., Ltd., a wholly-owned subsidiary of the Company, should invest RMB50 million with its equity funds in establishing its wholly-owned subsidiary, Chongqing Oriental Yuhong Construction Materials Co., Ltd. Meanwhile, the Company planned to take Chongqing Oriental Yuhong Construction Materials Co., Ltd. as the main implementation entity to invest no more than RMB1.4 billion with self-financing funds in building the project of Oriental Yuhong Green Construction Production Base and Chengdu-Chongqing Regional Headquarter in Jiangjin District of Chongqing. In September 2020, Chongqing Oriental Yuhong Construction Materials Co., Ltd., the implementation entity of the project, was founded. As of the

data of disclosure of this Report, several production lines of Oriental Yuhong Green Construction Production Base in Jiangjin District of Chongqing have been put into operation.

6. Project of Changde Tiandingfeng Non-woven Fabrics

On 18 September 2020, Tiandingfeng Holdings Co., Ltd., a wholly-owned subsidiary of the Company, signed the *Project Investment Agreement* with West Dongting Management District of Changde City in Hunan Province. The agreement stipulated that the Company should invest approximately RMB1.6 billion in building the project of Changde Tiandingfeng Non-woven Fabrics in West Dongting Management District Industrial Park of Changde, with specific construction contents of industrial non-woven fabrics (non-woven fabrics), filler base fabrics and relative raw materials, and constructing 18 production lines of polyester filler base fabrics in the production base. On 22 September 2020, the Company held the 18th Meeting of the 7th Board of Directors, reviewed and approved the *Proposal for External Investment in Building Changde Tiandingfeng Non-woven Fabrics Project in Changde City of Hunan Province*, and agreed that the Company should take Changde Tiandingfeng Non-woven Fabrics Co., Ltd., a second-level wholly-owned subsidiary of the Company, as the implementation entity of the project to invest no more than RMB1.6 billion with self-financing funds in building the project of Changde Tiandingfeng Non-woven Fabrics in West Dongting Management District Industrial Park of Changde. In September 2020, Changde Tiandingfeng Non-woven Fabrics Co., Ltd., the implementation entity of the project, was founded. As of the date of disclosure of this Report, several production lines of Changde Tiandingfeng Non-woven Fabrics have been put into operation.

7. Projects of Shandong Regional Headquarter and Green Construction Materials Production Base in Tianqiao District of Jinan City

On 21 December 2020, the Company signed the *Corporation Framework Agreement* with the People's Government of Tianqiao District of Jinan City. After friendly negotiation between two parties, the Company and the People's Government of Tianqiao District of Jinan City further discussed and refined the investment plan of the project, and concluded the Project Entry Agreement on the basis of the original *Corporation Framework Agreement* on 4 January 2021. The agreement stipulated that the Company should invest RMB900 million in building the



projects of Oriental Yuhong Shandong Regional Headquarter and Green Construction Material Production Base. Specifically, the investment in regional headquarter was estimated to be RMB100 million, and its construction contents included the realization of functions such as office, conference, training, R&D, presentation, reception, settlement and residence of the Company and its subsidiaries and brands. While the investment in production base was estimated to be RMB800 million, and its construction contents included the R&D and production of new waterproof materials for buildings, energy-saving and heat preservation sealing materials, specialized mortar, green civil construction materials and other products. On 4 January 2021, the Company held the 25th Meeting of the 7th Board of Directors, reviewed and approved the *Proposal for Investment in Establishing a Wholly-owned Subsidiary and Building the Projects of Shandong Regional Headquarter and Green Construction Production Base in Tianqiao District of Jinan City in Shandong Province*, and agreed that the Company should invest RMB100 million with its equity funds to establish the Shandong Oriental Yuhong Construction Technology Co., Ltd., a wholly-owned subsidiary, in Tianqiao District of Jinan City (the details are subject to approval and registration by business department), and take this company as the implementation entity of the project to invest no more than RMB100 million with its self-financing funds in building the project of Oriental Yuhong Shandong Regional Headquarter. In addition, the Company agreed that Oriental Yuhong Construction Materials Co., Ltd., a wholly-owned subsidiary of the Company, should invest RMB100 million in establishing its wholly-owned subsidiary, Jinan Oriental Yuhong Construction Materials Co., Ltd. (the details are subject to approval and registration by business department), and take this company as the implementation entity of the project to invest no more than RMB800 million in building the project of Oriental Yuhong Green Construction Materials Production Base in Tianqiao District of Jinan City in Shandong Province. In January 2021, Shandong Oriental Yuhong Construction Materials Technology Co., Ltd. and Jinan Oriental Yuhong Construction Materials Co., Ltd., which were implementation entities of the projects of Shandong Regional Headquarter and Green Construction Materials Production Base, were founded. As of the date of disclosure of this Report, several production lines of Oriental Yuhong Green Construction Materials Production Base have been continuously put into operation, with various work in continuous progress.

8. Project of Oriental Yuhong Tongliao Green New Materials Production Base in Horqin Left Rear Banner of Tongliao City in Inner Mongolia

On 31 March 2021, the Company signed the *Investment Agreement* with the People's Government of Horqin Left Rear Banner. The agreement stipulated that the Company should invest RMB2 billion in building the project of Oriental Yuhong Tongliao Green New Materials Production Base in Horqin Left Rear Banner of Tongliao City in Inner Mongolia. The project was divided into three phases of investment and construction. The investment of the first phase was estimated to be RMB600 million, with construction focusing on production lines for silica sand processing, energy-saving and environment-friendly wall materials and environmentally friendly construction coating, which should start in June 2021 and be put into operation in August 2022. The investments of the second and the third phases are RMB600 million and RMB800 million respectively. For the construction content, the production capacity would be increased on the basis on the production scale of the first phase and the second phase. The investment was estimated to be completed in June 2024. On 10 May 2021, the Company held the 36th Meeting of the 7th Board of Directors, reviewed and approved the *Proposal for Investment in Establishing a Wholly-owned Subsidiary and Building the Project of Green New Materials Production Base in Horqin Left Rear banner of Tongliao City in Inner Mongolia*, and agreed that Oriental Yuhong Sand Powder Technology Co., Ltd., the Company's sub-subsidiary, should invest RMB50 million with its equity funds in establishing its wholly-owned subsidiary, Tongliao Oriental Yuhong Sand Powder Technology Co., Ltd., and take it as the implementation entity of the project to invest no more than RMB2 billion in building the project of Oriental Yuhong Tongliao Green New Materials Production Base in Horqin Left Rear Banner of Tongliao City in Inner Mongolia. On May 2021, Tongliao Oriental Yuhong Sand Powder Technology Co., Ltd., the implementation entity of the project, was founded. As of now, the environmental impact assessment report and the energy consumption assessment report have been completed. Meanwhile, the Land Use Permit, the Construction Land Planning License and the Construction Engineering Planning License have been obtained, with various work in continuous progress.

9. Project of Oriental Yuhong Zhangjiagang Green Construction Materials Intelligent Production Base in Daxin Town of Zhangjiagang City.

On 27 May 2021, the Company signed the Project Investment Agreement with the People's Government of Daxin Town of Zhangjiagang City. The agreement stipulated that the Company should invest RMB2 billion in building the project of Oriental Yuhong Zhangjiagang Green Construction Materials Intelligent Production Base in Daxin Town of Zhangjiagang City, promoting R&D and production projects including but not limited to waterproof, energy-saving and heat preservation materials, civil construction materials, specialized mortar, powder and other materials. For the construction period, the Construction Permit should be obtained within three months after the Company won the bid for the land, and the construction should be initiated within one month after the Construction Permit was obtained and the project shall be put into operation within 24 months. On 2 July 2021, the Company held the 39th Meeting of the 7th Board of Directors, reviewed and approved the *Proposal for Investment in Establishing a Wholly-owned Subsidiary and Building the Project of Green Construction Materials Intelligent Production Base in Daxin Town of Zhangjiagang City*, agreed that the Company's wholly-owned subsidiary Oriental Yuhong Construction Materials Co., Ltd. should invest RMB50 million with its equity funds in establishing Zhangjiagang Oriental Yuhong Construction Materials Co., Ltd., a wholly-owned subsidiary in Daxin Town of Zhangjiagang City, and take this company as the implementation entity of the project to invest no more than RMB2 billion with its self-financing funds in building the project of Oriental Yuhong Zhangjiagang Green Construction Materials Intelligent Production Base in Daxin Town of Zhangjiagang City. In July 2021, the implementation entity of the project has been founded. As of the date of disclosure of this Report, the first phase of the project has successfully finished test run with materials.

10. Project of Oriental Yuhong Green Construction Materials Production Base in Chenzhou City of Hunan Province

On 7 June 2021, the Company signed the *Project Investment Agreement* with the Management Committee of Chenzhou Economic Development Zone of Hunan Province. The agreement stipulated that the Company intended to invest RMB1 billion in the project of building the Oriental Yuhong Green Construction Materials Production Base in Chenzhou Economic Development Zone of Hunan Province with the aim of promoting the R&D and production projects for products including but not limited to waterproofing sheets, special mortar and

prefabricated (aerated) materials. For each phase of the project, the construction should be initiated within three months. After the construction was initiated, it should be completed and put into operation within 12 months. After a phase of the project was put into operation, the designated production objectives should be achieved within one year. On 27 April 2022, the Company held the 48th meeting of the 7th Board of Directors, reviewed and approved the Proposal for Investment in the *Project of Building a Green Construction Materials Production Base in Chenzhou City of Hunan Province*, and agreed that Chenzhou Oriental Yuhong Construction Materials Technology Co., Ltd., a wholly-owned subsidiary of the Company, should be appointed as the main implementation entity of the project to invest RMB1 billion of its self-raised funds in the project of building the Oriental Yuhong Green Construction Materials Production Base in Chenzhou City of Hunan Province. While the environmental impact assessment report, the safety assessment report and other required reports have been completed, the project has been in the construction phase now.

11. Project of Oriental Yuhong Green New Construction Materials R&D and Production Base in Zhenjiang Economic and Technological Development Zone of Jiangsu Province

On 9 June 2021, the Company signed the *Project Investment Agreement* with the Management Committee of Zhenjiang Economic and Technological Development Zone. The agreement stipulated that the Company intended to invest RMB3 billion in the project of building the Oriental Yuhong Green New Construction Materials R&D and Production Base in Zhenjiang Economic and Technological Development Zone with the aim of promoting the R&D and production projects for products including but not limited to novel waterproofing construction materials, novel wall materials, novel functional coating materials, and special mortar. After the Company was granted the Land Use Permit for the project by the Management Committee of Zhenjiang Economic and Technological Development Zone, the project should be initiated within three months. After the construction was initiated, the first production line should be completed and put into operation within ten months, and the entire project should be completed within 24 months. On 11 June 2021, the Company held the 38th meeting of the 7th Board of Directors, reviewed and approved the *Proposal for the Project of Establishing a Wholly-owned Subsidiary of the Company and Building a Green New Construction Materials R&D and Production Base in*



Zhenjiang City of Jiangsu Province, and agreed that Oriental Yuhong Construction Materials Co., Ltd., a wholly-owned subsidiary of the Company, should invest RMB100 million in the establishment of a wholly-owned subsidiary, namely Zhenjiang Oriental Yuhong Construction Materials Co., Ltd. and appoint it as the implementation entity of the project to invest no more than RMB3 billion of its self-raised funds in the project of building the Oriental Yuhong Green New Construction Materials R&D and Production Base in Zhenjiang Economic and Technological Development Zone. On 29 June 2021, the aforementioned matters were reviewed and approved at the 3rd Extraordinary General Meeting of 2021. In July 2021, Zhenjiang Oriental Yuhong Construction Materials Co., Ltd., the implementation entity of the project, was established. Currently, the project of Oriental Yuhong Green New Construction Materials R&D and Production Base in Zhenjiang City, Jiangsu Province, has obtained the Land Use Permit with corresponding tasks in continuous progress.

12. The VAE Emulsion and VAEP Powder Project in Yangzhou Chemical Industry Park of Jiangsu Province

On 10 July 2021, the Company signed the *Investment Agreement* with the Management Office of Yangzhou Chemical Industry Park of Jiangsu Province. The agreement stipulated that the Company intended to invest RMB2.5 billion in the 400,000-ton-per-year Ethylene Vinyl Acetate Copolymer Adhesive (VAE Emulsion) and 100,000-ton-per-year Ethylene Vinyl Acetate Copolymer Redispersible Powder (VAEP Powder) Project in Yangzhou Chemical Industry Park of Jiangsu Province. The project was expected to undergo in two phases. For the first Phase, the Company intended to complete the 120,000-ton-per-year VAE Emulsion Sub-project and the 50,000-ton-per-year VAEP Powder Sub-project within 16 months after the requirements for construction were satisfied. For the second Phase, the Company intended to complete the 280,000-ton-per-year VAE Emulsion Sub-project and the second 50,000-ton-per-year VAEP Powder Sub-project no later than 1 October 2025. On 23 July 2021, the Company held the 40th Meeting of the 7th Board of Directors, reviewed and approved the *Proposal for Establishing a Wholly-owned Subsidiary of the Company and Implementing the VAE Emulsion and VAEP Powder Project in Yangzhou City of Jiangsu Province*, and agreed that the Company and HK Oriental Yuhong Investment Co., Ltd. ("HK Oriental Yuhong"), a wholly-owned subsidiary of the

Company, jointly invested RMB1 billion in the establishment of a subsidiary, namely Hong Shi (Jiangsu) New Material Technology Co., Ltd. ("Hong Shi New Material Company") and appoint it as the implementation entity of the project. Specifically, the Company intended to invest RMB600 million in the acquisition of 60% interest in Hong Shi New Material Company, while HK Oriental Yuhong intended to invest RMB400 million of its own funds in the acquisition of 40% interest in Hong Shi New Material Company. On 7 September 2021, the Company held the 42nd Meeting of the 7th Board of Directors, reviewed and approved the *Proposal for Capital Increase in a Wholly-owned Subsidiary of the Company*. The Company intended to additionally invest USD60 million of its own funds (approximately equivalent to RMB388,212,000) in HK Oriental Yuhong. After the capital increase, the registered capital of HK Oriental Yuhong would increase from USD120 million to USD180 million. Meanwhile, as a shareholder of Hong Shi New Material Company, HK Oriental Yuhong would also complete capital contribution in accordance with the capital contribution plan specified in the agreement on investment in the VAE Emulsion and VAEP Powder Project after it received the additional capital and completed the approval procedures of market administrations related to commerce, foreign exchange management and other relevant aspects, so as to effectively facilitate the progress in the VAE Emulsion and VAEP Powder Project. In July 2021, Hong Shi (Jiangsu) New Material Technology Co., Ltd., the implementation entity of the project, was established. As of now, the environmental impact assessment report, the safety assessment report and other required reports have been completed and the project has been in the construction phase.

13. The Wuhan Oriental Yuhong Green Construction Materials Production Base Project and the Hubei Oriental Yuhong Regional Headquarters Project

On 19 January 2022, the Company signed the *Project Investment Agreement* with the People's Government of Xinzhou District of Wuhan City. The agreement stipulated that the Company intended to invest RMB2 billion in the Wuhan Oriental Yuhong Green Construction Materials Production Base Project and the Hubei Oriental Yuhong Regional Headquarters Project in Wuhan City. In terms of the former project, the Company aimed to promote the R&D and production projects for products including but not limited to high-polymer waterproofing sheets, water-based waterproofing coating materials, fine sand, autoclaved lightweight concrete materials,



special mortar, roof tile systems and high-end plaster products. In terms of the latter project, the Company aimed to establish the offices of the Company, its subsidiaries and its brands, as well as various regional functional centers of the Company in Hubei Province, such as the sales center, the settlement center, the conference center, the training center and the R&D center. The two projects adopted the construction strategy of "overall planning and phased implementation". For each phase of the former project, the Company should initiate construction within three months after the Construction Permit was obtained. After the construction was initiated, the project should be completed and put into operation within 24 months. On 11 April 2022, the Company held the 47th meeting of the 7th Board of Directors, reviewed and approved the *Proposal for Investment in the Wuhan Oriental Yuhong Green Construction Materials Production Base Project and the Hubei Oriental Yuhong Regional Headquarters Project in Wuhan City of Hubei Province*, and agreed that Wuhan Oriental Yuhong Mortar & Powder Technology Co., Ltd., a wholly-owned subsidiary of the Company, should be appointed as the main implementation entity of the projects to invest no more than RMB2 billion of its self-raised funds in the Wuhan Oriental Yuhong Green Construction Materials Production Base Project and the Hubei Oriental Yuhong Regional Headquarters Project in Wuhan City. On 5 May 2022, the Company held the 49th Meeting of the 7th Board of Directors, and reviewed and approved the Proposal for Changing the Implementation Entity of the Wuhan Oriental Yuhong Green Construction Materials Production Base Project and the Hubei Oriental Yuhong Regional Headquarters Project. The Company intended to change the implementation entity of the projects to Wuhan Oriental Yuhong Ke Jian Construction Materials Co., Ltd. ("Wuhan Oriental Yuhong"), one of the Company's holding subsidiaries, so as to conduct more effective construction and operation for the Wuhan Oriental Yuhong Green Construction Materials Production Base Project and the Hubei Oriental Yuhong Regional Headquarters Project. The registered capital of Wuhan Oriental Yuhong is RMB250 million. The Company invested RMB225 million of its own funds in the acquisition of 90% interest of Wuhan Oriental Yuhong, while China Construction Third Engineering Bureau Group Co., Ltd. invested RMB25 million of its own funds in the acquisition of 10% interest of Wuhan Oriental Yuhong. As of the date of disclosure of this Report, the Wuhan Oriental Yuhong Green Construction Materials Production Base Project has obtained the Land Use Permit, the



Construction Land Planning License and other required certificates, and the corresponding tasks have been in continuous progress.

14. Project of Oriental Yuhong Green Construction Materials Production Base in Nanyang City of Henan Province

On 28 April 2022, the Company signed the *Project Investment Agreement* with the People's Government of Nanzhao County of Nanyang City in Henan Province. The agreement stipulated that the Company intended to invest RMB1 billion in the project of building the Oriental Yuhong Green Construction Materials Production Base in Nanzhao County of Nanyang City in Henan Province with the aim of promoting the R&D and production projects for products including but not limited to waterproofing & energy-saving materials, civil construction materials, special mortar, construction powder materials and construction coating materials. Based on the construction strategy of "overall planning, phased land supply, phased land bids and phased implementation", the project was expected to undergo in two phases. The total investment in the first Phase and the second Phase of the project was both RMB500 million. For each phase of the project, the Company should initiate construction within three months after the Construction Permit was obtained. After the construction was initiated, the first production line should be put into operation within ten months, and others should be put into operation in approximately 24 months. On 23 May 2022, the Company held the 51st Meeting of the 7th Board of Directors, reviewed and approved the *Proposal for Investment in the Project of Establishing a Wholly-owned Subsidiary of the Company and Building a Green Construction Materials Production Base in Nanzhao County of Nanyang City in Henan Province*, and agreed that Oriental Yuhong Mortar & Powder Technology Investment Co., Ltd., a tier-2 wholly-owned subsidiary of the Company, should invest RMB10 million of its own funds in establishing a wholly-owned subsidiary in Nanzhao County of Nanyang City in Henan Province, namely Nanyang Oriental Yuhong Construction Materials Technology Co., Ltd., and appoint it as the main implementation entity of the project to invest no more than RMB1 billion of its self-raised funds in the project of Oriental Yuhong Green Construction Materials Production Base in Nanzhao County of Nanyang City in Henan Province. Nanyang Oriental Yuhong Construction Materials Technology Co., Ltd., the implementation entity of the project has completed business registration and won the bid for the



land of the project. As of the date of disclosure of this Report, the corresponding tasks have been in continuous progress.

15. The Fuzhou Oriental Yuhong Green Construction Materials Production Base Project and the Fujian Oriental Yuhong Regional Headquarters Project

On 14 January 2022, the Company signed the *Project Investment Agreement* with the People's Government of Minqing County of Fuzhou City in Fujian Province. The agreement stipulated that the Company intended to invest RMB1.2 billion in the Fuzhou Oriental Yuhong Green Construction Materials Production Base Project and the Fujian Oriental Yuhong Regional Headquarters Project in Minqing County of Fuzhou City in Fujian Province. In terms of the former project, the Company aimed to promote the R&D and production projects for products including but not limited to waterproofing, energy-saving & thermal insulating materials, civil construction materials, special mortar and construction coating materials. In terms of the latter project, the Company intended to establish Fujian Oriental Yuhong Construction Materials Technology Co., Ltd. and use it as the regional sales and settlement headquarters of the Company in Fujian Province. The total investment in the first Phase and the second Phase of the former project was both RMB600 million. For each phase of the project, the Company should obtain the Construction Permit within nine months after the Land Use Permit was obtained. After the Construction Permit was obtained, the construction should be initiated within one month. After the construction was initiated, the project should pass the acceptance inspection and be put into operation within 24 months. The implementation plan for the latter project should be determined separately based on the status of market development. On 28 October 2022, the Company held the 3rd Meeting of the 8th Board of Directors, reviewed and approved the *Proposal for Investment in the Fuzhou Oriental Yuhong Green Construction Materials Production Base Project and the Fujian Oriental Yuhong Regional Headquarters Project in Minqing County of Fuzhou City in Fujian Province*, and agreed that Fuzhou Oriental Yuhong Construction Materials Co., Ltd., a wholly-owned subsidiary of the Company, and Fujian Oriental Yuhong Construction Materials Technology Co., Ltd., another wholly-owned subsidiary of the Company, should be appointed as the implementation entity of the projects to invest no more than RMB1.2 billion of its self-raised funds in the Fuzhou Oriental Yuhong Green Construction Materials Production Base Project and



the Fujian Oriental Yuhong Regional Headquarters Project in Minqing County of Fuzhou City. As of the date of disclosure of this Report, the bid for the land of the Fuzhou Oriental Yuhong Green Construction Materials Production Base Project has been won with corresponding tasks in continuous progress.

Overview of significant event	Date of disclosure	Website for disclosure
Plan of the Company's controlling shareholder and actual controller to increase holdings	24 February 2023	http://www.cninfo.com.cn
The 2021 Share Option Incentive Plan	26 April 2023	http://www.cninfo.com.cn

IV Quarterly Financial Statements

(I) Financial Statements

1. Consolidated Balance Sheet

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

31 March 2023

Unit: RMB

Item	31 March 2023	1 January 2023
Current assets:		
Monetary assets	5,051,738,376.99	10,539,216,758.55
Settlement reserve		
Loans to other banks and financial institutions		
Held-for-trading financial assets	638,997,223.93	607,088,731.43
Derivative financial assets		
Notes receivable	426,932,672.74	508,238,462.51
Accounts receivable	11,800,579,687.66	10,878,566,767.30
Receivables financing	1,221,033,255.26	1,591,548,416.80
Prepayments	839,417,798.50	844,966,767.95
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	3,692,204,759.86	2,144,045,524.14
Including: Interest receivable		
Dividends receivable		6,384,843.30
Financial assets purchased under resale agreements		
Inventories	1,934,516,528.91	1,574,778,289.08
Contract assets	2,675,643,938.94	3,039,361,835.80
Assets held for sale		
Current portion of non-current assets		
Other current assets	516,807,008.33	618,478,594.62
Total current assets	28,797,871,251.12	32,346,290,148.18
Non-current assets:		
Loans and advances to customers		
Debt investments	1,650,000,000.00	1,650,000,000.00



Other debt investments		
Long-term receivables		
Long-term equity investments	204,392,208.47	199,982,208.47
Investments in other equity instruments	307,181,767.02	285,181,767.02
Other non-current financial assets	62,291,189.09	62,588,195.83
Investment property		
Fixed assets	8,725,716,727.37	8,563,291,329.36
Construction in progress	2,265,037,490.27	2,049,330,481.21
Productive living assets		
Oil and gas assets		
Right-of-use assets	158,425,073.14	169,202,828.43
Intangible assets	2,112,332,349.74	2,191,235,059.64
Development costs		
Goodwill	150,279,890.81	150,279,890.81
Long-term prepaid expense	74,563,245.28	72,932,831.46
Deferred income tax assets	678,258,246.28	697,047,337.37
Other non-current assets	2,126,962,710.64	2,118,417,546.66
Total non-current assets	18,515,440,898.11	18,209,489,476.26
Total assets	47,313,312,149.23	50,555,779,624.44
Current liabilities:		
Short-term borrowings	4,167,174,892.00	6,254,330,925.83
Borrowings from the central bank		
Loans from other banks and financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	611,820,365.77	588,252,536.00
Accounts payable	3,486,936,125.36	3,900,933,993.77
Advances from customers	0.00	
Contract liabilities	2,583,899,586.21	3,323,551,390.16
Financial assets sold under repurchase agreements		
Customer deposits and deposits from other banks and financial institutions		
Payables for acting trading of securities		
Payables for underwriting of securities		
Employee benefits payable	93,128,748.38	122,873,318.12
Taxes and levies payable	561,022,335.24	627,685,861.18
Other payables	5,223,059,492.58	6,186,392,139.52
Including: Interest payable	0.00	
Dividends payable	39,800.00	39,800.00
Fees and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	526,842,272.25	578,359,075.32
Other current liabilities	321,230,904.51	379,020,870.56
Total current liabilities	17,575,114,722.30	21,961,400,110.46
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	1,333,716,319.45	543,920,486.11
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	138,305,683.17	150,551,421.42
Long-term payables	53,882,911.11	54,020,000.00



Long-term employee benefits payable		
Provisions	38,653,133.19	36,446,059.05
Deferred income	599,931,310.34	610,423,884.71
Deferred income tax liabilities	10,532,512.91	10,532,512.91
Other non-current liabilities	0.00	
Total non-current liabilities	2,175,021,870.17	1,405,894,364.20
Total liabilities	19,750,136,592.47	23,367,294,474.66
Owners' equity:		
Share capital	2,518,464,191.00	2,518,464,191.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	10,701,710,682.62	10,721,493,283.54
Less: Treasury stock	1,121,608,787.15	1,121,608,787.15
Other comprehensive income	25,591,347.35	24,057,640.43
Specific reserve		
Surplus reserves	543,827,204.85	543,827,204.85
General reserve		
Retained earnings	14,506,487,075.43	14,120,949,080.02
Total equity attributable to owners of the Company as the parent	27,174,471,714.10	26,807,182,612.69
Non-controlling interests	388,703,842.66	381,302,537.09
Total owners' equity	27,563,175,556.76	27,188,485,149.78
Total liabilities and owners' equity	47,313,312,149.23	50,555,779,624.44

Legal representative: Li Weiguo

Chief Financial Officer: Xu Wei

Person-in-charge of the Company's accounting organ: Xu Wei

2. Consolidated Income Statement

Unit: RMB

Item	Q1 2023	Q1 2022
1. Revenues	7,494,548,302.46	6,308,586,697.46
Including: Operating revenue	7,494,548,302.46	6,308,586,697.46
Interest revenue		
Insurance premium income		
Fee and commission income		
2. Costs and expenses	6,856,285,410.47	5,782,728,330.56
Including: Cost of sales	5,346,569,475.70	4,524,251,262.36
Interest costs		
Fee and commission expense		
Surrenders		
Net insurance claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and levies	61,161,985.81	55,789,181.33
Selling expense	751,199,324.28	626,859,749.19
Administrative expense	556,013,918.26	443,125,691.22
R&D expense	108,597,053.49	99,239,812.39
Finance costs	32,743,652.93	33,462,634.07
Including: Interest costs	23,449,315.17	67,434,407.63



Interest revenue	19,392,215.88	44,735,667.74
Add: Other income	69,056,669.92	21,898,763.57
Return on investment (“-” for loss)	1,019,239.26	833,604.35
Including: Share of profit or loss of joint ventures and associates	6,433,503.63	
Income from the derecognition of financial assets at amortized cost (“-” for loss)		
Exchange gain (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)	-297,006.74	
Credit impairment loss (“-” for loss)	-200,167,200.02	-171,130,746.84
Asset impairment loss (“-” for loss)	23,086,428.05	23,753,100.89
Asset disposal income (“-” for loss)	165,558.15	325,778.79
3. Operating profit (“-” for loss)	531,126,580.61	401,538,867.66
Add: Non-operating income	11,805,720.57	10,518,759.25
Less: Non-operating expense	4,008,497.39	6,152,251.40
4. Profit before tax (“-” for loss)	538,923,803.79	405,905,375.51
Less: Income tax expense	161,236,459.27	94,961,529.92
5. Net profit (“-” for net loss)	377,687,344.52	310,943,845.59
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	377,687,344.52	310,943,845.59
5.1.2 Net profit from discontinued operations (“-” for net loss)		
5.2 By ownership		
5.2.1 Net profit attributable to owners of the Company as the parent	385,537,995.41	317,225,196.33
5.2.1 Net profit attributable to non-controlling interests	-7,850,650.89	-6,281,350.74
6. Other comprehensive income, net of tax	1,533,706.92	6,888,788.34
Attributable to owners of the Company as the parent	1,533,706.92	6,888,788.34
6.1 Items that will not be reclassified to profit or loss		
6.1.1 Changes caused by remeasurements on defined benefit schemes		
6.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
6.1.3 Changes in the fair value of investments in other equity instruments		
6.1.4 Changes in the fair value arising from changes in own credit risk		
6.1.5 Other		
6.2 Items that will be reclassified to profit or loss	1,533,706.92	6,888,788.34
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
6.2.2 Changes in the fair value of other debt investments		
6.2.3 Other comprehensive income arising from the reclassification of financial assets		
6.2.4 Credit impairment		



allowance for other debt investments		
6.2.5 Reserve for cash flow hedges		
6.2.6 Differences arising from the translation of foreign currency-denominated financial statements	1,533,706.92	6,888,788.34
6.2.7 Other		
Attributable to non-controlling interests		
7. Total comprehensive income	379,221,051.44	317,832,633.93
Attributable to owners of the Company as the parent	387,071,702.33	324,113,984.67
Attributable to non-controlling interests	-7,850,650.89	-6,281,350.74
8. Earnings per share		
8.1 Basic earnings per share	0.15	0.13
8.2 Diluted earnings per share	0.15	0.13

Where business combinations under common control occurred in the current period, the net profit achieved by the acquirees before the combinations was RMB0.00, with the amount for the same period of last year being RMB0.00.

Legal representative: Li Weiguo

Chief Financial Officer: Xu Wei

Person-in-charge of the Company's accounting organ: Xu Wei

3. Consolidated Cash Flow Statement

Unit: RMB

Item	Q1 2023	Q1 2022
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	8,221,290,267.32	6,883,223,598.73
Net increase in customer deposits and deposits from other banks and financial institutions		
Net increase in borrowings from the central bank		
Net increase in loans from other financial institutions		
Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Interest, fees and commissions received		
Net increase in loans from other banks and financial institutions		
Net increase in proceeds from repurchase transactions		
Net proceeds from acting trading of securities		
Tax and levy rebates	19,995,249.51	5,552,083.79
Cash generated from other operating activities	51,695,273.50	19,223,095.20
Subtotal of cash generated from operating activities	8,292,980,790.33	6,907,998,777.72
Payments for commodities and services	7,694,962,562.97	6,546,263,720.74
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and other banks and financial institutions		
Payments for claims on original insurance contracts		



Net increase in loans to other banks and financial institutions		
Interest, fees and commissions paid		
Policy dividends paid		
Cash paid to and for employees	785,416,170.85	769,432,085.76
Taxes and levies paid	755,658,238.01	818,723,541.13
Cash used in other operating activities	2,863,048,889.34	3,557,966,992.56
Subtotal of cash used in operating activities	12,099,085,861.17	11,692,386,340.19
Net cash generated from/used in operating activities	-3,806,105,070.84	-4,784,387,562.47
2. Cash flows from investing activities:		
Proceeds from disinvestment	7,970,816.33	1,149,000,000.00
Return on investment	7,404,082.54	833,604.35
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets		
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities	475,747.17	44,735,667.74
Subtotal of cash generated from investing activities	15,850,646.04	1,194,569,272.09
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	594,831,255.41	1,824,361,954.93
Payments for investments	52,318,492.50	2,000,000,000.00
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	2,197,277.91	
Subtotal of cash used in investing activities	649,347,025.82	3,824,361,954.93
Net cash generated from/used in investing activities	-633,496,379.78	-2,629,792,682.84
3. Cash flows from financing activities:		
Capital contributions received		
Including: Capital contributions by non-controlling interests to subsidiaries		
Borrowings received	2,090,035,000.00	1,682,390,000.00
Cash generated from other financing activities	271,126,252.13	550,000,000.00
Subtotal of cash generated from financing activities	2,361,161,252.13	2,232,390,000.00
Repayment of borrowings	3,437,395,200.49	3,199,956,898.44
Interest and dividends paid	36,586,427.44	67,434,407.63
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities		124,613,148.19
Subtotal of cash used in financing activities	3,473,981,627.93	3,392,004,454.26
Net cash generated from/used in financing activities	-1,112,820,375.80	-1,159,614,454.26
4. Effect of foreign exchange rates changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	-5,552,421,826.42	-8,573,794,699.57
Add: Cash and cash equivalents, beginning of the period	9,740,507,537.27	14,858,317,762.67
6. Cash and cash equivalents, end of the period	4,188,085,710.85	6,284,523,063.10



(II) Independent Auditor's Report

Indicate by tick mark whether the financial statements above have been audited by an independent auditor.

Yes No

These financial statements have not been audited by such an auditor.

The Board of Directors

Beijing Oriental Yuhong Waterproof Technology Co., Ltd.

26 April 2023