



Zhejiang Yongtai Technology Co., Ltd.

2023 Semi-Annual Report

August 2023

Section I Important Notice, Table of Contents, and Definitions

The Board of Directors, Board of Supervisors, directors, supervisors, and senior management of the Company warrant the truthfulness, accuracy and completeness of the contents of this semi-annual report and that there is no false representation, misleading statement contained herein or material omission from the report, for which they will assume joint and several liabilities.

Declaration by Wang Yingmei, the person in charge of the Company, Chen Lijie, the responsible person for accounting work, and Ni Xiaoyan, the person in charge of the accounting agency (accountant in charge): They warrant the truthfulness, accuracy, and completeness of the financial report set out in this semi-annual report.

All directors have attended the board meeting to deliberate this semi-annual report.

The forward-looking statements concerning future plans in this semi-annual report are planned matters and shall not constitute any commitment of the Company to investors. The investors and related persons shall maintain an adequate awareness of the risks and shall understand the differences between plans, forecasts and commitments.

In the “X. Risks faced by the Company and countermeasures” of the “Section III Management Discussion and Analysis” of this report, the Company

describes specifically the potential risks that may occur in the Company's business operations and countermeasures. Investors are advised to read the relevant content and pay attention to investment risks.

The Company decided not to pay cash dividends, bonus shares, or transfer of capital reserve fund into share capital.

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Contents of Reference Documents

- I. Financial statements containing the signatures and seals of the person in charge of the Company, the responsible person for accounting work and the person in charge of the accounting agency;
- II. Original copies of all company documents and original announcements made public in newspapers during the reporting period;
- III. Other relevant information.

Definitions

Definitions Items	Refer to	Definitions content
The Company, company	Refer to	Zhejiang Yongtai Technology Co., Ltd.
Controlling shareholder and actual controller	Refer to	Mr. He Renbao and Ms. Wang Yingmei are the couple
Yongtai Technology Holdings	Refer to	Zhejiang Yongtai Technology Holdings Co., Ltd., the wholly-owned company of the actual controller of the Company
Binhai Yongtai	Refer to	Binhai Yongtai Technology Co., Ltd., a subsidiary of the Company
Shandong Yongtai	Refer to	Shandong Zhanhua Yongtai Pharmaceutical Co., Ltd., a subsidiary of the Company
SYT pharm (Shanghai)	Refer to	SYT pharm (Shanghai) Inc., a subsidiary of the Company
Yongtai Pharma	Refer to	Zhejiang Yongtai Pharmaceutical Co., Ltd., a subsidiary of the Company
Yongtai New Material	Refer to	Zhejiang Yongtai New Material Co., Ltd., a subsidiary of the Company
Xinhui Mining	Refer to	Hainan Xinhui Mining Co., Ltd., a subsidiary of the Company
Youngtech Pharmaceuticals	Refer to	Youngtech Pharmaceuticals, Inc., a subsidiary of the Company
Shanghai E-Tong	Refer to	Shanghai E-Tong Chemical Co., Ltd., a subsidiary of the Company
Yongtai New Energy	Refer to	Zhejiang Yongtai New Energy Material Co., Ltd., a subsidiary of the Company
Yongtai Chiral	Refer to	Zhejiang Yongtai Chiral Medicine Technology Co., Ltd., a subsidiary of the Company
Zhejiang Chiral	Refer to	Zhejiang Chiral Medicine Chemicals Co., Ltd., a subsidiary of the Company
Foshan Soin	Refer to	Foshan Soin Chiralpharma Co., Ltd., a subsidiary of the Company
Yongtai Hi-tech	Refer to	Shaowu Yongtai Hi-tech Material Co., Ltd., a subsidiary of the Company
Chongqing Yongyuansheng	Refer to	Chongqing Yongyuansheng Technology Co., Ltd., a subsidiary of the Company
Binhai Meikang	Refer to	Binhai Meikang Pharmaceutical Co., Ltd., a subsidiary of the Company
Inner Mongolia Yongtai	Refer to	Inner Mongolia Yongtai Chemical Co., Ltd., a subsidiary of the Company
Inner Mongolia Hehui	Refer to	Inner Mongolia Hehui Technology Co., Ltd., a subsidiary of the Company
Hangzhou Yongtai	Refer to	Hangzhou Yongtai Biomedical Co., Ltd., a subsidiary of the Company
Yongtai Trading	Refer to	Zhejiang Yongtai Trading Co., Ltd., a subsidiary of the Company
Yongtai Fule Technology	Refer to	Zhejiang Yongtai Fule Technology Co., Ltd., a subsidiary of the Company
Yonghong Lithium Industry	Refer to	Shandong Yonghong Lithium Industry Technology Co., Ltd., a subsidiary of the Company
Yongtai Fuyuan	Refer to	Fujian Yongtai Fuyuan Technology Co., Ltd., a subsidiary of the Company
Fushine Pharmaceutical	Refer to	Jiangxi Fushine Pharmaceutical Co., Ltd.
Carelinker Medical	Refer to	Shanghai Carelinker Medical Technology Co., Ltd., a participating company of the Company
Anbison	Refer to	Shanghai Anbison Lab. Co., Ltd., a participating company of the Company
Jiangsu Subin	Refer to	Jiangsu Subin Agrochemical Co., Ltd., an indirectly controlled subsidiary of the Company
E-TONGCHEMICAL (HONGKONG)	Refer to	E-TONG CHEMICAL(HONG KONG)CO.,LIMITED, an indirectly controlled subsidiary of the Company
E-TONGCHEMICAL	Refer to	E-TONG CHEMICAL CO.,LIMITED, an indirectly controlled subsidiary of the Company
PT. ETONG	Refer to	PT.ETONG CHEMICAL INDONESIA, an indirectly controlled subsidiary of the Company

Definitions Items	Refer to	Definitions content
E-TONG CHEMICAL (PHILIPPINES)	Refer to	E-TONG CHEMICAL(PHILIPPINES)INC., an indirectly controlled subsidiary of the Company
Etong Agrotech Nigeria	Refer to	ETONG AGROTECH NIGERIA LIMITED, an indirectly controlled subsidiary of the Company
Etong Chemicals (Pvt.)	Refer to	ETONG CHEMICALS (PVT.) LTD., an indirectly controlled subsidiary of the Company
Agro Juntos Colombia	Refer to	AGRO JUNTOS COLOMBIA S.A.S., an indirectly controlled subsidiary of the Company
Farmaline Cropcare Bangladesh	Refer to	FARMALINE CROPCARE BANGLADESH LIMITED, an indirectly controlled subsidiary of the Company
Shanghai Youngcobe	Refer to	Shanghai Youngcobe Bio-pharma Co., Ltd., an indirectly controlled subsidiary of the Company
H&G (China)	Refer to	H&G (China) Chemical Ltd., an indirectly controlled subsidiary of the Company
Lithium battery and other materials	Refer to	Lithium battery materials, fluoro liquid-crystal intermediates, and other products produced and sold by the Company
Medicine type	Refer to	Pharmaceutical intermediates, pharmaceutical APIs, and pharmaceutical finished dosages, and other products produced and sold by the Company
Crop science product business	Refer to	Pesticide intermediates, crop science AIs, crop science formulations, and other products produced and sold by the Company
FDA	Refer to	U.S. Food and Drug Administration
ANDA	Refer to	Abbreviated New Drug Application
DMF	Refer to	Drug Master File (drug management file) is a technical document submitted by the manufacturer to the authority on pharmaceutical production, testing, packaging, and other related information, which currently is prepared in CTD format internationally. After the document is submitted to the authority, the authority will review it to ensure whether it meets regulatory requirements. If it does not meet such requirements, additional information will be required
VC	Refer to	Vinylene carbonate
FEC	Refer to	Fluoroethylene carbonate
Merck	Refer to	Merck KGaA, headquartered in Germany
Merck Sharp & Dohme	Refer to	Merck Sharp & Dohme Corp., headquartered in the United States
BASF	Refer to	BASF Group, headquartered in Germany
Bayer	Refer to	Bayer AG, headquartered in Germany
Sumitomo	Refer to	Sumitomo Corporation, headquartered in Japan
Syngenta	Refer to	Syngenta, headquartered in Basel, Switzerland
CATL	Refer to	Contemporary Amperex Technology Co., Ltd.
BYD	Refer to	BYD COMPANY LIMITED

Section II Company Profile and Key Financial Indicators

I. Company Profile

Stock abbreviation	Yongtai Technology	Stock code	002326
Stock exchange where stocks are listed	Shenzhen Stock Exchange		
Chinese name of the Company	浙江永太科技股份有限公司		
Chinese name abbreviation of the Company (if any)	永太科技		
Foreign name of the Company (if any)	Zhejiang Yongtai Technology Co., Ltd.		
Foreign name abbreviation of the Company (if any)	YONGTAI TECH.		
Legal representative of the Company	Wang Yingmei		

II. Contact Person and Contact Information

	Secretary of the Board of Directors	Representative of Securities Affairs
Name	Zhang Jiangshan	Wang Ying
Contact address	No. 1 Donghai Fourth Avenue, Linhai Park, Zhejiang Chemical API Base, Zhejiang Province, China	No. 1 Donghai Fourth Avenue, Linhai Park, Zhejiang Chemical API Base, Zhejiang Province, China
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III. Other Matters

1. Contact information of the Company

Whether the registered address, office address, postal code, website, and email, etc. of the Company changed during the reporting period

☐ Applicable ☒ Not applicable

There was no change in the registered address, office address, postal code, website, and email, etc. of the Company during the reporting period, with details as shown in the 2022 annual report.

2. Information disclosure and place for inspection

Whether the information disclosure and location of preparation and retention changed during the reporting period

☐ Applicable ☒ Not applicable

There was no change in the website, media name and website address of the stock exchange where the

Company disclosed its semi-annual report, and the place for inspection of the Company's semi-annual report during the reporting period, with details as shown in the 2022 annual report.

3. Other relevant information

Whether other relevant information changed during the reporting period

☐ Applicable ☒ Not applicable

IV. Major Accounting Data and Financial Indicators

Whether the Company needs to retroactively adjust or restate accounting data from previous years

☐ Yes ☒ No

Item	This reporting period	Same period last year	Increase/decrease in this reporting period as compared with the same period last year
Operating income (Yuan)	2,053,255,250.17	3,316,898,537.85	-38.10%
Net profit attributable to shareholders of the listed company (Yuan)	38,651,535.60	493,604,103.06	-92.17%
Net profit attributable to shareholders of the listed company after deducting non-recurring profits and losses (Yuan)	-42,064,337.50	488,873,482.24	-108.60%
Net cash flow from operating activities (Yuan)	-202,501,082.79	467,447,623.09	-143.32%
Basic earnings per share (Yuan/share)	0.04	0.56	-92.86%
Diluted earnings per share (Yuan/share)	0.04	0.56	-92.86%
Weighted average return on net assets	1.13%	13.16%	Decrease by 12.03 percentage points
Item	At the end of this reporting period	At the end of the previous year	Increase / decrease at the end of this reporting period compared to the end of the previous year
Total assets (Yuan)	11,438,493,373.41	11,354,490,240.65	0.74%
Net assets attributable to shareholders of the listed company (Yuan)	3,372,197,647.92	3,427,213,937.46	-1.61%

V. Differences in Accounting Data under Domestic and Foreign Accounting Standards

1. Differences in net profit and net assets in financial reports disclosed in accordance with international accounting standards and Chinese accounting standards

☐ Applicable ☒ Not applicable

There were no differences in net profit and net assets in financial reports disclosed in accordance with international accounting standards and Chinese accounting standards during the reporting period of the Company.

2. Differences in net profit and net assets in financial reports disclosed in accordance with overseas accounting standards and Chinese accounting standards

☐ Applicable ☒ Not applicable

There were no differences in net profit and net assets in financial reports disclosed in accordance with overseas accounting standards and Chinese accounting standards during the reporting period of the Company.

VI. Non-recurring profit and loss items and amounts

☒ Applicable ☐ Not applicable

Unit: yuan

Item	Amount	Explanation
Profits and losses from disposal of non-current assets (including the writing-off part of the assets with impairment provision withdrawn)	52,595,365.04	They were mainly the result of the disposal income generated from housing expropriation compensation of Shanghai E-tong and Shanghai Youngcobe during the reporting period;
Government subsidies included in the current profit and loss (closely related to the normal business of the Company, except for government subsidies that comply with national policies and regulations and continue to enjoy with fixed quota and quantity in accordance with certain standards)	58,965,871.72	They were mainly the result of receiving government compensation and rewards for relocation by Shanghai E-tong and Shanghai Youngcobe during the reporting period;
Profits and losses from change of fair values due to the holding of trading financial assets and trading financial liabilities, and investment incomes obtained from the disposals of trading financial assets, trading financial liabilities and sellable financial assets, except the effective hedging business relevant with the normal operating business of the Company	-3,006,097.47	
Non-operating income and expenses other than those mentioned above	-2,240,285.52	
Less: amount impacted of income tax	25,252,756.21	
Amount impacted of minority shareholders' equity (after tax)	346,224.46	
In total	80,715,873.10	

Specific situation of other profit and loss items that satisfy the definition of non-recurring profit and loss:

☐ Applicable ☒ Not applicable

There was no specific situation of other profit and loss items that satisfy the definition of non-recurring profit and loss in the Company.

Explanation of defining non-recurring profit and loss items set out in the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public - Non-Recurring Profit and Loss* as recurring profit and loss items

☐ Applicable ☒ Not applicable

There was no situation of defining non-recurring profit and loss items set out in the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public - Non-Recurring Profit and Loss* as recurring profit and loss items in the Company.

Section III Management Discussion and Analysis

I. Main businesses engaged by the Company during the reporting period

(I) Industry situation of the Company during the reporting period

(1) Lithium battery industry

In 2023, the new energy vehicle industry is moving steadily into the stage of high-quality development after the previous stage of rapid development, with operation mode gradually shifting from policy-driven to market-driven. The statistics from the China Association of Automobile Manufacturers indicates that the production and sales scale of new energy vehicles reached a new high in the first half of 2023, with a market share of 28.3%, but the growth rate declined. After a sharp rise due to a serious supply and demand imbalance in 2022, the price of upstream raw materials such as lithium carbonate fell in the first half of 2023. The price mechanism of lithium carbonate will also be further improved through the launch of lithium carbonate futures and options.

Meanwhile, the coordinated and stable development of the new energy vehicle industry chain has been increasingly emphasized: the Ministry of Industry and Information Technology and the State Administration for Market Regulation underscored the efforts of “strengthening supply and demand coordination to ensure the stability of the industry chain and supply chain” in the *Notice on Promoting the Coordinated and Stable Development of the Lithium Ion Battery Industry Chain and Supply Chain* issued in 2022. In the midst of the continuous development of the lithium battery industry, the Company will vigorously advance the progress of lithium battery material projects, increase investment in research and development, and strengthen cost control while stabilizing the scale of production and sales, so as to enhance the Company’s market competitiveness in the new energy materials sector.

(2) Pharmaceutical industry

The pharmaceutical industry is a strategic industry bearing on the national economy and standards of living, economic development and national security. Against the backdrop of the aging population in China, Chinese people have a growing demand for medicines and medical services with the increasing importance of medical care and the rising income level of the population. In this regard, the Chinese government has constantly reinforced the reform of the medical and healthcare system, and promoted the normalization and institutionalization of centralized volume-based procurement while picking up speed and broadening the scope, so as to drive the pharmaceutical industry to gradually shift from high-speed development to high-quality development.

According to data from the National Bureau of Statistics, the pharmaceutical manufacturing industry experience a year-on-year decline of 2.9% in income and 17.1% in total profit, in the first half of 2023. In the face of the development status of the pharmaceutical industry filled with opportunities and challenges, the Company will further develop on the basis of the vertically integrated industrial chain from intermediates, APIs to finished dosages to build a vertically integrated product chain. In the meantime, it will further expand the international market, promote the international projects of finished dosages, and vigorously advance the approval and consistency evaluation of generic drugs in the domestic market, so as to improve the profitability, stability and scalability of the pharmaceutical sector.

(3) Crop science industry

The need for crop science is closely related to human demand for food and other crops. In recent years, the crop science industry has played an increasingly prominent part in deepening agricultural development and safeguarding food security amid the growth of the world’s population and the continuous occurrence of pests and diseases.

Simultaneously, China's crop science industry is entering a new round of integration period with the increasing pressure of environmental protection and industry competition, and crop science will develop towards environmental protection, multi-market, digitalization, intelligence and other aspects. Those superior enterprises will occupy a more favorable position in the value reconstruction of the industrial chain, and gain more opportunities and broad development space. While enterprises with R&D capabilities, engineering capabilities, and advantages in the entire industrial chain will continuously enhance their market position in the crop science industry. The Company has built a vertically integrated industrial chain from intermediates, AIs to formulations in the crop science sector, and will constantly deepen the advantages of the industrial chain and technology in the future to consolidate its development foundation.

(II) Main business of the Company

The Company is a fluorinated pharmaceutical, crop science, and new energy materials manufacturer with fluorine-containing technology as the core, technological innovation as the impetus, and intelligent manufacturing as the driving force, which is able to provide customized R&D services, manufacturing and technical services for domestic and overseas customers with its vertically integrated industrial chain, a flexible and comprehensive production platform, and specialized R&D innovation teams.

(III) Main products and applications

The main products of the Company are divided into three categories based on their terminal application fields, including pharmaceutical product business, crop science product business and performance materials (new energy lithium battery materials and liquid crystal materials) business. The Company has a very rich range of fluorine-containing fine chemicals, which are mainly used in different terminal markets such as downstream pharmaceuticals, crop science, new energy and electronic materials, and supply diversified important raw materials for the products of domestic and foreign customers. Among them, pharmaceutical products include key fluorinated intermediates, pharmaceutical APIs and finished dosages in the fields of cardiovascular diseases, diabetes, central nervous system, anti-infection and anti-virus; crop science products mainly include intermediates in the fields of fluorine-containing herbicides, fungicides, insecticides, etc., as well as crop science AIs and crop science formulations; performance materials (new energy lithium battery materials and liquid crystal materials) products mainly include lithium battery materials, fluoro liquid-crystal intermediates, etc.

(IV) Business model of the Company

(1) Procurement model

A qualified supplier access system is adopted by the Company to determine the suppliers of raw materials. The evaluation of qualified suppliers is carried out at regular intervals, and the evaluation criteria mainly include supply price, timely supply status, packaging quality, after-sales service, cooperation, etc. The Company determines qualified suppliers as the objects of annual raw material procurement according to the evaluation results. The Company determines at least two qualified suppliers for each major raw material to ensure a stable supply of raw material.

The Production Department submits the next month's production and procurement plans to the general manager according to the inventory level and the production capacity of the current month, based on which, in turn, the general manager adjusts the procurement plan according to the market supply and demand, and issue the procurement plan to the Procurement Department after confirmation for implementation.

The procurement price of the Company's main raw materials is mainly determined through Invitation to Bid and commercial negotiations. The daily procurement of main raw materials is mainly conducted in the form of bidding quotation. A specific bidding department and personnel are responsible for organizing Invitation to Bid and bid opening to standardize the Company's procurement and minimize raw material procurement costs as much as possible. Certain special raw materials are procured at negotiated prices. If the supplier intends to adjust the price, a written request for price increase shall be issued in advance, so that the Company can respond in advance to changes in raw material prices and minimize the impact of cost fluctuations as much as possible.

(2) Production model

A production model of producing according to sales is adopted by the Company to formulate the next month's production plan based on the sales order volume. In addition, the Company will also prepare corresponding products in advance based on market conditions, while maintaining reasonable inventory levels based on sales forecasts. The sales orders, stocking, and reasonable inventory together constitute the planned production volume for next month.

The Production Department is responsible for formulating production plans, which prepares monthly production plans and distributes them to each workshop for implementation. The Quality Department supervises the quality issues throughout the production process and takes charge of product quality control. During the production process, centralized control is carried out, and quality inspection is performed before the finished products are put into storage, all of which shall pass the inspection.

(3) Sales model

A method of direct sales is adopted by the Company, and the Sales Department is responsible for domestic and international sales business. On the one hand, the Company has established a relatively wide customer base in the long-term operation process, with stable sales channels formed to ensure product sales. On the other hand, the Sales Department of the Company timely obtains market information, tracks customer needs, and formulates sales schemes based on market conditions and the actual production situation of the Company by means of network, and exhibitions, etc. The sales price of products is mainly determined based on market prices, and the production of products is also adjusted according to market trends.

(V) Overall operation

In the first half of 2023, the Company recorded an operating income of RMB2.053 billion, representing a decrease of 38.10% as compared to the corresponding period of the previous year, and the net profit attributable to shareholders of the listed company of RMB38.6515 million, representing a decrease of 92.17% as compared to the corresponding period of the previous year, and the net profit attributable to shareholders of the listed company after deducting non-recurring profits and losses of RMB -42.0643 million, representing a decrease of 108.60% as compared to the corresponding period of the previous year, which was mainly due to significant changes in the Company's lithium battery materials business.

During the reporting period, the Company's main product of lithium battery materials is lithium hexafluorophosphate. Although shipments have increased year on year, the market price of this product, affected by the change in upstream and downstream supply and demand in the short term, decreased significantly over the same period a year earlier, resulting in a dramatic decline in product sales revenue. On the other hand, the market price of upstream raw material lithium carbonate at the end of last year and the beginning of this reporting period was at a high level, with relatively large inventory of raw materials at the beginning of the period, resulting in a relatively high overall cost of lithium battery material products during the reporting period. Under the influence of falling sales prices and rising costs, the gross profit margin and gross profit of the products of the Company's lithium battery materials business decreased dramatically over the same period a year earlier in the first half of 2023. However, in view of the continuous development trend of downstream new energy vehicles, the Company's core competitiveness in the lithium battery materials business will continue to improve with the expanding production capacity and the extending product categories, further stabilizing its market position in the new energy vehicle industry chain.

During the reporting period, the gross profit margin level of the Company's pharmaceutical products rose slightly, with relatively stable profitability of the products. However, the overall sales volume decreased as a result of increased market competition and changes in downstream pharmaceutical terminal market demand. During the reporting period, the sales revenue of crop science products increased significantly from the same period last year, which was mainly due to the Company's continuous optimization of product structure and production costs, and increasing sales orders for some high-margin products during the reporting period.

During the reporting period, the non-recurring profits and losses incurred by the Company amounted to RMB80.7159 million, which were mainly the asset disposal income and government subsidies generated from the house demolition and compensation received by the subsidiaries Shanghai E-tong and Shanghai Youngcobe.

II. Analysis of core competitiveness

(I) Covering diversified industries horizontally and running through the entire industrial chain vertically to form a long-term competitive advantage

With a focus on fluorine-containing technology, the Company operates in the fields of inorganic and organic fluorine chemicals, and its diversified fine chemical industries include new energy lithium battery materials, pharmaceuticals and crop science. The Company has a rich range of product types throughout the vertically integrated industrial chains upstream, midstream, and downstream vertically by extending the pharmaceutical and crop science industrial chain to the downstream high value-added APIs and formulations, forming a vertically integrated industrial chain from intermediates, APIs to formulations, while extending lithium battery material products to raw materials for lithium fluoride upstream and electrolyte solution products downstream, forming a vertically integrated industrial chain from raw materials for lithium salts, lithium salts to electrolyte solutions, which allows for effectively improving the Company's operating efficiency, strengthening business collaboration, guaranteeing supply of raw materials, and enhancing cost advantages, further developing a long-term competitive advantage.

(II) Having several innovative technology platforms, specialized R&D innovation teams and a series of leading technology patents

As one of the first batch of national "High-Tech Enterprises" and "Patent Demonstration Enterprises in Zhejiang Province", the Company has R&D innovation platforms such as "National Level Enterprise R&D Center", "Postdoctoral Research Workstation", "Provincial Engineering Research Center", and "CNAS Certified Safety Laboratory", which has won the China Patent Gold Award and Patent Excellence Award, and has won multiple provincial and municipal science and technology awards. Besides, it has also applied for multiple "National Torch Plan Projects". With highly specialized R&D innovation teams, the Company has set up R&D centers in Taizhou, Hangzhou, Shanghai and the United States, and maintained good cooperation with several colleges & universities and scientific research institutions, building a perfect, leading and efficient R&D system through the close cooperation with a flurry of colleges & universities and industry experts. Upholding the R&D concept of continuous innovation of, the Company has mastered a number of industry-leading comprehensive and innovative technologies, including directional introduction of fluorine atom technology, chiral enzyme-catalyzed reaction technology, micro-channel reaction technology, green reaction technology and other advanced technologies.

(III) Possessing a product structure with complete series and variety, comprehensive production platforms

Through years of development, the Company has a wide variety of fluorobenzene intermediate products, which falls into several product series with nearly a hundred products, such as difluoro, trifluoro, pentafluoro, hexafluoro, ortho fluoro, and para fluoro. The vast majority of the products in the product chain can be sold as separate products, showing unique market resilience and broad space for adjustment and upgrading of product structure. In terms of lithium battery materials, the Company has operated raw materials for lithium salts, lithium salts, additives, electrolyte solutions and other products, with its business covering solid products, liquid products and other product forms. With comprehensive production platforms, the Company has formed several relatively sound product matrices to provide a variety of products with complete categories, with highly stable product quality, which is conducive to the centralized ordering of various products required by existing customers. The complete product structure is also conducive to attracting new customers for purchasing.

(IV) Producing various products from the same starting material, with obvious cost advantages

Different from other enterprises in the industry that use purchased intermediate chemicals as raw materials for production, the Company has realized the integration of production with its sound product chain. The production starts from the basic raw materials at the source to effectively reduce the production costs, avoid the joint and several effects of purchased intermediate products due to market supply shortage or price fluctuation, further guaranteeing the stable product quality. Meanwhile, the integration of production brings about more complementary products. Therefore, the Company can flexibly adjust the product

structure according to the market demand, so as to avoid risks and maximize its interests. With a rich product structure and proprietary cogeneration technology and equipment, the Company has realized the production model of “producing various products from the same starting material”, which can comprehensively utilize the by-products generated in the production process to produce other products with higher economic value, thereby reducing the overall production costs.

(V) Accumulating long-term and stable industry-leading partners

By means of strong technology, production strength and customized service capabilities, the Company has been recognized by many well-known enterprises at home and abroad, and currently has established stable cooperation with internationally renowned chemical enterprises such as Merck, BASF, Bayer, Sumitomo, Merck Sharp & Dohme and Syngenta, as well as a number of domestic well-known enterprises such as CATL and BYD. The Company has earned the trust of partners with outstanding product quality, good delivery records and strong technical strength. Moreover, it has successfully passed the audit verification conducted by partners with its stringent environmental protection, safety and quality assurance system, thus ensuring the stable cooperation and enhancing the trust of customers.

(VI) Having the ability to flexibly respond to different market demands with multiple production bases nationwide

The Company has 13 major production bases across the country, and its existing, in-progress and proposed production capacity is sufficient to support the growth of the Company’s core business in the future. In reliance on the sound industrial chain and product reserves, the Company can flexibly respond to different market demands through scientific and reasonable allocation of production capacity and synergistic operation of multiple production bases.

III. Analysis of main businesses

Overview

Refer to “I. Main businesses engaged by the Company during the reporting period” for relevant information.

Year-on-year changes in major financial data

Unit: yuan

Item	This reporting period	Same period last year	Year-on-year increase/decrease	Reasons for change
Operating income	2,053,255,250.17	3,316,898,537.85	-38.10%	It was mainly due to the significant decrease in market prices of lithium battery materials over the same period a year earlier during the reporting period, resulting in a dramatic decline in product sales revenue;
Operating cost	1,650,173,197.91	2,206,864,638.61	-25.23%	It was mainly due to a year-on-year decrease in operating income and year-on-year decline in corresponding operating costs;
Marketing expenses	53,209,711.73	30,795,582.30	72.78%	It was mainly due to the recovery of convenient travel, and on-schedule convening of exhibitions during the reporting period, with increased participation of domestic and overseas businesses, resulting in rising investment in market development expenses, business entertainment expenses, and advertising expenses;
Management	286,914,306.21	276,667,285.63	3.70%	

expenses				
Financial expenses	44,301,216.62	29,354,094.94	50.92%	It was mainly due to a decrease in earnings caused by interest expense increase and changes in the U.S. dollar exchange rate during the reporting period;
Income tax expense	30,331,170.23	124,981,307.50	-75.73%	It was mainly due to a decrease in profits and provision for income tax during the reporting period;
R&D investment	76,157,702.13	85,848,557.06	-11.29%	
Net cash flow from operating activities	-202,501,082.79	467,447,623.09	-143.32%	It was mainly due to a year-on-year decrease in sales of commodities and a decline in cash received, as well as an increase in prepaid payments for raw material during the reporting period;
Net cash flow from investing activities	-170,617,062.82	-449,987,750.69	62.08%	It was mainly due to a decrease in investment in projects under construction, and the receipt of relocation compensation by two subsidiaries in Shanghai during the reporting period;
Net cash flow from financing activities	434,248,457.63	123,763,146.40	250.87%	It was mainly due to an increase in bank borrowings received during the reporting period;
Net increase in cash and cash equivalents	55,418,388.09	155,298,076.29	-64.31%	It was mainly due to a decrease in net cash flow from operating activities during the reporting period;
Other income	20,734,550.97	6,988,682.66	196.69%	It was mainly due to an increase in government subsidies received compared with the previous year during the reporting period;
Investment income	8,580,117.44	32,344,515.29	-73.47%	It was mainly due to no such event of the sale of Fushine Pharmaceutical's shares in the same period last year to generate investment income in the current period, and a year-on-year decrease in income from investment in Anbison in this reporting period;
Income from changes in fair value	-2,575,010.62	-10,272,349.87	74.93%	It was mainly due to the changes in the exchange rate of future foreign exchange settlement during the reporting period;
Credit impairment loss	8,169,150.69	-5,674,998.67	243.95%	It was mainly due to a decrease in the ending balance of accounts receivable and a decrease in the corresponding provision for bad debts during the reporting period;
Gain on disposal of assets	51,489,691.76	-2,730,492.38	1,985.73%	They were mainly the result of the disposal income generated from housing expropriation compensation of Shanghai E-tong and Shanghai Youngcobe during the reporting period;
Non-operating income	40,619,320.93	2,362,881.06	1,619.06%	It was mainly due to the receipt of government compensation and rewards for relocation by Shanghai E-tong and Shanghai Youngcobe during the reporting period;
Non-operating expenditure	3,522,612.42	2,009,888.59	75.26%	It was mainly due to an increase in non-public welfare donations and the disposal of raw materials upon expiration

				of the warranty period during the reporting period.
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Item	At the end of this reporting period	Opening balance	Year-on-year increase/decrease	Reasons for change
Assets held for sale	599,943.92	1,953,950.58	-69.30%	It was mainly due to the sale of Zijingang Apartments;
Non-current assets due within one year	0.00	30,000,000.00	-100.00%	It was mainly due to the maturity of time certificates of deposit;
Other non-current assets	234,248,794.09	126,960,096.65	84.51%	It was mainly due to an increase in advance payments for project works;
Transaction financial liabilities	8,530,378.15	5,808,202.02	46.87%	It was mainly due to the changes in the exchange rate of future foreign exchange settlement;
Remuneration payable to employees	33,199,509.15	71,266,645.34	-53.42%	It was mainly due to the payment of year-end bonus of last year;
Taxes payable	50,675,195.42	77,603,095.90	-34.70%	It was mainly due to the payment of income tax in the fourth quarter of last year;
Long-term loan	1,663,860,552.80	1,023,262,713.96	62.60%	It was mainly due to an increase in long-term bank loans;
Lease liabilities	0.00	876,313.54	-100.00%	It was mainly due to the lease liabilities due within one year;
Special reserves	5,312,402.65	2,375,120.26	123.67%	It was mainly due to a decrease in the use of reasonable reserves during the reporting period.

Significant changes in the composition or source of profits of the Company during the reporting period

☐ Applicable ☒ Not applicable

There were no significant changes in the composition or source of profits of the Company during the reporting period.

Composition of operating income

Unit: yuan

Item	This reporting period		Same period last year		Year-on-year increase/decrease
	Amount	Proportion in operating income	Amount	Proportion in operating income	
Total operating income	2,053,255,250.17	100%	3,316,898,537.85	100%	-38.10%
By industry					
Industry	1,303,000,373.64	63.46%	2,110,616,513.33	63.63%	-38.26%
Trade	750,254,876.53	36.54%	1,206,282,024.52	36.37%	-37.80%
By product					
Medicine type	585,517,328.97	28.51%	794,058,828.51	23.94%	-26.26%
Crop science product business	283,920,838.16	13.83%	186,876,288.72	5.63%	51.93%
Lithium battery and other materials	426,980,807.37	20.80%	1,008,888,071.78	30.42%	-57.68%
Trade	750,254,876.53	36.54%	1,206,282,024.52	36.37%	-37.80%
Others	6,581,399.14	0.32%	120,793,324.32	3.64%	-94.55%
By region					
Domestic	884,379,254.68	43.07%	1,998,949,874.91	60.27%	-55.76%
Abroad	1,168,875,995.49	56.93%	1,317,948,662.94	39.73%	-11.31%

Industries, products, or regions accounting for more than 10% of the Company's operating income or profit

☒ Applicable ☐ Not applicable

Unit: yuan

Item	Operating income	Operating cost	Gross profit margin	Increase or decrease in operating income over the same period a year earlier	Increase or decrease in operating costs over the same period a year earlier	Increase or decrease in gross profit margin over the same period a year earlier
By industry						
Industry	1,303,000,373.64	1,010,988,283.58	22.41%	-38.26%	-15.89%	-20.64%
Trade	750,254,876.53	639,184,914.33	14.80%	-37.80%	-36.40%	-1.89%
By product						
Medicine type	585,517,328.97	340,056,978.66	41.92%	-26.26%	-27.57%	1.05%
Crop science product business	283,920,838.16	202,166,900.55	28.79%	51.93%	35.57%	8.59%
Lithium battery and other materials	426,980,807.37	463,185,042.24	-8.48%	-57.68%	-12.47%	-56.03%
Trade	750,254,876.53	639,184,914.33	14.80%	-37.80%	-36.40%	-1.89%
By region						
Domestic	884,379,254.68	755,417,424.60	14.58%	-55.76%	-36.54%	-25.87%
Abroad	1,168,875,995.49	894,755,773.31	23.45%	-11.31%	-11.97%	0.57%

Company's main business data for the most recent period adjusted according to the caliber at the end of the reporting period if the statistical caliber of the Company's main business data is adjusted during the reporting period

☐ Applicable ☒ Not applicable**IV. Analysis of non-main businesses**☒ Applicable ☐ Not applicable

Unit: yuan

Item	Amount	Proportion to total profit	Explanation of the cause	Sustainable or not
Investment income	8,580,117.44	19.73%	It was mainly due to the investment income accounted for and recognized by equity method during the reporting period;	No
Profits and losses from changes in fair value	-2,575,010.62	-5.92%	It was mainly due to the changes in future locked exchange rates during the reporting period;	No
Non-operating income	40,619,320.93	93.40%	It was mainly due to the receipt of compensation and rewards for relocation by Shanghai E-tong and Shanghai Youngcobe during the reporting period;	No
Non-operating expenditure	3,522,612.42	8.10%	It was mainly due to an increase in non-public welfare donations and the disposal of raw materials upon expiration of the warranty period during	No

Item	Amount	Proportion to total profit	Explanation of the cause	Sustainable or not
			the reporting period.	

V. Analysis of assets and liabilities

1. Significant changes in asset composition

Unit: yuan

Item	At the end of this reporting period		At the end of the previous year		Increase or decrease in proportion	Explanation of significant changes
	Amount	Proportion to total assets	Amount	Proportion to total assets		
Monetary funds	913,836,684.15	7.99%	959,294,353.56	8.45%	-0.46%	No significant changes;
Accounts receivable	911,323,787.80	7.97%	1,097,584,586.54	9.67%	-1.70%	It was mainly due to a decrease in sales revenue in the current period;
Contract assets		0.00%	0.00	0.00%	0.00%	
Inventories	1,722,688,867.75	15.06%	1,656,002,531.68	14.58%	0.48%	No significant changes;
Real estate for investment purposes	23,621,779.62	0.21%	24,359,844.60	0.21%	0.00%	No significant changes;
Long-term equity investment	260,709,977.46	2.28%	247,198,773.17	2.18%	0.10%	No significant changes;
Fixed assets	3,111,527,589.16	27.20%	3,202,901,214.03	28.21%	-1.01%	No significant changes;
Construction in progress	2,144,438,438.72	18.75%	1,940,025,580.52	17.09%	1.66%	It was mainly due to the relatively low conversion of construction in process to fixed assets during the reporting period;
Right of use assets	963,286.72	0.01%	1,999,121.62	0.02%	-0.01%	No significant changes;
Short-term loan	1,748,883,887.24	15.29%	1,969,850,503.82	17.35%	-2.06%	It was mainly due to short-term borrowing repayments during the reporting period;
Contractual liabilities	922,610,824.35	8.07%	927,870,015.78	8.17%	-0.10%	No significant changes;
Long-term loan	1,663,860,552.80	14.55%	1,023,262,713.96	9.01%	5.54%	It was mainly due to an increase in long-term borrowings during the reporting period.

2. Major foreign assets

☐ Applicable ☒ Not applicable

3. Assets and liabilities measured at fair value
☒ Applicable ☐ Not applicable

Unit: yuan

Item	Opening balance	Profits and losses from changes in fair value in the current period	Accumulated changes in fair value recognized in equity	Impairment provision for the current period	Purchase amount for the current period	Sales amount for the current period	Other changes	Closing balance
Financial assets								
1. Trading financial assets (excluding derivative financial assets)	21,000,000.00				39,000,000.00	41,000,000.00		19,000,000.00
4. Investment in other equity instruments	67,185,167.43		38,534,095.43					67,185,167.43
Subtotal of financial assets	88,185,167.43		38,534,095.43		39,000,000.00	41,000,000.00		86,185,167.43
Financing receivables	225,377,836.70						-33,233,466.51	192,144,370.19
Total of the above items	313,563,004.13		38,534,095.43		39,000,000.00	41,000,000.00	-33,233,466.51	278,329,537.62
Financial liabilities	5,808,202.02	2,722,176.13						8,530,378.15

Whether there been any significant changes in the measurement attributes of the Company's main assets during the reporting period

☐ Yes ☒ No
4. Limitation of rights in assets as at the end of the reporting period

Unit: yuan

tem	Ending book value	Reasons for restrictions
Monetary funds	420,309,236.99	Refer to Section X Financial Report "VII. Notes to the Consolidated Financial Statements 1. Monetary Funds" for details
Accounts receivable	10,857,553.46	Used for loan pledge
Receivables financing	80,414,636.97	For issuing a pledge of bank acceptance bill
Receivables financing	10,000,000.00	Used for loan pledge
Fixed assets	1,474,502,464.82	For a mortgage

tem	Ending book value	Reasons for restrictions
Intangible assets	185,090,444.31	For a mortgage
Construction in progress	17,071,888.90	For a mortgage
Real estate for investment purposes	24,270,466.40	For a mortgage
In total	2,222,516,691.85	

VI. Analysis of investment

1. Overall situation

☒ Applicable ☐ Not applicable

Investment amount during the reporting period (Yuan)	Investment amount for the same period last year (Yuan)	Change amplitude
396,887,284.17	721,005,081.53	-44.95%

2. Significant equity investments obtained during the reporting period

☐ Applicable ☒ Not applicable

3. Significant non-equity investments in progress during the reporting period

☒ Applicable ☐ Not applicable

Unit: yuan

Project name	Investment method	Whether it is fixed-asset investment	Industry for project investment	Investment amount in this reporting period	Accumulated actual investment amount as of the end of the reporting period	Source of funds	Project progress	Expected revenue	Accumulated realized revenue as of the end of the reporting period	Reasons for not achieving planned progress and expected revenue	Disclosure date (if any)	Disclosure index (if any)
Yongtai Chiral's construction projects with an annual output of 4,340 tons of APIs and 600 million traditional Chinese medicine extracts	Self-build	Yes	APIs manufacturing projects and organic chemical raw materials manufacturing projects	10,614,660.18	476,077,192.26	Own funds or self-raised funds	59.51%	407,370,000.00	-37,937,331.30	Under construction	7 June 2017	<i>Announcement on the Proposed Use of Self-raised Funds to Invest in the Construction Projects With an Annual Output of 4,340 Tons of APIs and 600 million Traditional Chinese Medicine Extracts</i> (2017-41) on http://www.cninfo.com.cn
Inner Mongolia Yongtai Project	Self-build	Yes	Pharmaceutical intermediates, pesticide intermediates and AIs, lithium battery materials, etc.	226,685,392.80	2,017,775,443.29	Own funds or self-raised funds	95.00%	1,255,912,200.00	-33,246,231.18	Under construction	29 February 2020, 28 May 2021, 5 June 2021, 1 September 2021	(Announcement No.: 2020-011, 2021-030, 2021-031, 2021-065) on http://www.cninfo.com.cn
Yongtai Hi-tech 134,000t/a Liquid Lithium Salt Industrialization Project	Self-build	Yes	Electrolyte lithium salts	73,200,952.40	451,829,176.58	Own funds or self-raised funds	57.00%	669,560,000.00	0.00	Not applicable	15 October 2021	<i>Announcement on Adjusting the Construction Content of Subsidiaries' Projects and Investing in the Industrialization Project With an Annual Output of</i>

												134,000 Tons of Liquid Lithium Salts (2021-075) on http://www.cninfo.com.cn
In total	--	--	--	310,501,005.38	2,945,681,812.13	--	--	2,332,842,200.00	-71,183,562.48	--	--	--

4. Investment in financial assets

(1) Investment in securities

☐ Applicable ☒ Not applicable

There was no investment in securities by the Company during the reporting period.

(2) Investment in derivatives

☒ Applicable ☐ Not applicable

1) Investment in derivatives with the purpose of foreign exchange hedging during the reporting period

☒ Applicable ☐ Not applicable

Unit: RMB 10,000

Types of investment in derivatives	Beginning investment amount	Profits and losses from changes in fair value in the current period	Accumulated changes in fair value recognized in equity	Purchase amount during the reporting period	Sales amount during the reporting period	Ending investment amount	Ratio of ending investment amount to the Company's net assets at the end of the reporting period
Foreign exchange contracts	18,785.3	-257.5	0	25,255.79	20,928.8	23,112.29	6.85%
In total	18,785.3	-257.5	0	25,255.79	20,928.8	23,112.29	6.85%
Explanation of whether there have been significant changes in the accounting policies and specific accounting principles of the Company's foreign exchange hedging business during the reporting period compared to the previous reporting period			There are no significant changes in the accounting policies and specific accounting principles of the Company's derivatives during the reporting period compared to the previous reporting period.				
Explanation of actual profits and losses during the reporting period			The actual profits and losses from foreign exchange contracts during the reporting period is RMB -2,388,100.				
Explanation of hedging performance			The company can reduce foreign exchange market risks effectively, lock in the profits from export business orders,				

Types of investment in derivatives	Beginning investment amount	Profits and losses from changes in fair value in the current period	Accumulated changes in fair value recognized in equity	Purchase amount during the reporting period	Sales amount during the reporting period	Ending investment amount	Ratio of ending investment amount to the Company's net assets at the end of the reporting period
			and control foreign exchange risks in operation reasonably by conducting foreign exchange derivative business in an appropriate manner based on its specific circumstances.				
Source of funds for investment in derivatives			Own funds				
Explanation of risk analysis and control measures for derivative holdings during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)			The Company has established a stringent risk control system for investment in derivatives, including authorization, approval, operation and recording of transactions by appropriate personnel, as well as regular analysis and inspection of relevant risk factors by the management.				
In case of any changes in market prices or fair value of products of derivatives invested during the reporting period, the analysis of fair value of derivatives should disclose the specific methods used, relevant assumptions, and parameter settings			The Company performs recognition and measurement in accordance with the relevant provisions of <i>Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments</i> , <i>Accounting Standards for Business Enterprises No. 24 - Hedge Accounting</i> , and <i>Accounting Standards for Business Enterprises No. 37 - Presentation of Financial Instruments</i> . The fair value is determined according to the price provided or obtained by bank pricing service providers, which is measured and recognized quarterly, and the changes in fair value of future foreign exchange settlement business is mainly caused by differences in exchange rate fluctuation.				
Litigation situation (if applicable)			None				
Disclosure date of announcement by the Board of Directors for approval of investment in derivatives (if any)			26 April 2023				
Disclosure date of announcement by the shareholders' meeting for approval of investment in derivatives (if any)			17 May 2023				
Special opinions of independent directors on the Company's investment in derivatives and risk control			The approval process for the Company's foreign exchange hedging business complies with relevant laws, regulations, and the relevant provisions of the <i>Articles of Association</i> . The Company carries out foreign exchange hedging business based on the business background and for the purpose of avoiding and preventing exchange rate risks, which is conducive to mitigating the adverse impact of drastic exchange rates fluctuations on the Company's operations. The Company has implemented risk prevention measures effectively by strengthening internal control. The Company is faced by controllable risks in foreign exchange hedging business, and there is no situation that damages the interests of the Company and all shareholders.				

2) Investment in derivatives with the purpose of speculation during the reporting period

☐ Applicable ☒ Not applicable

There is no investment in derivatives with the purpose of speculation during the reporting period.

5. Usage of raised funds

☐ Applicable ☒ Not applicable

There was no use of raised funds by the Company during the reporting period.

VII. Material asset and equity disposal

1. Disposal of material assets

☐ Applicable ☒ Not applicable

No material assets were sold by the Company at the end of the reporting period.

2. Material Disposal of equity

☐ Applicable ☒ Not applicable

VIII. Analysis of principal subsidiaries and investees

☒ Applicable ☐ Not applicable

Condition of principal subsidiaries and investees with an impact on the Company's net profit of more than 10%

Unit: yuan

Company name	Company type	Major business	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Zhejiang Chiral Medicine Chemicals Co., Ltd.	Subsidiary company	Research, development, production, sales: pharmaceutical intermediates, APIs	20,348,152.00	536,193,622.58	373,680,384.07	226,920,266.57	66,502,177.59	57,902,815.39
Shanghai E-Tong Chemical Co., Ltd.	Subsidiary company	Chemical products, daily necessities wholesale and retail, goods import and export business	10,000,000.00	1,227,225,640.25	413,658,704.81	673,460,112.43	48,424,776.57	52,456,115.99
Shanghai Youngcobe Bio-pharma Co., Ltd.	Subsidiary company	Engage in the development of technology in the field of biology, medicine, pesticides and detection technology	1,000,000.00	31,997,015.27	11,834,730.61	390,855.47	35,207,354.33	35,429,875.38
Foshan Soin Chiralpharma Co., Ltd.	Subsidiary company	Production of chemical pharmaceutical preparations, proprietary Chinese medicine preparations, laboratory and diagnostic reagents, skin care and health products, lotions and consulting services, etc.	213,150,000.00	258,437,229.63	232,513,244.36	63,307,092.81	10,107,843.23	8,754,771.45
Etong Agrotech Nigeria	Subsidiary company	Trade	155,612.96	49,896,767.45	11,956,777.88	23,969,921.00	6,673,605.33	6,673,605.33
Binhai Meikang Pharmaceutical Co., Ltd.	Subsidiary company	Manufacturing of chemical APIs and chemical preparations	100,000,000.00	262,419,666.03	73,391,749.97	0.00	-4,679,948.56	-4,770,059.68
Zhejiang Yongtai Trading Co., Ltd.	Subsidiary company	Sales of chemical products, oil refining and special equipment for chemical production	100,000,000.00	95,854,562.16	95,304,562.16	99,796,459.99	-4,957,444.42	-4,909,624.83
Youngtech Pharmaceuticals, Inc.	Subsidiary company	Generic drug research and development, sales	91,578,205.28	29,643,521.74	-14,531,874.53	0.00	-5,688,069.99	-5,688,069.99
Zhejiang Yongtai New Energy Material Co., Ltd.	Subsidiary company	Electronic special materials manufacturing, basic chemical APIs manufacturing	250,000,000.00	350,190,473.41	103,102,179.91	66,157,344.22	-8,547,151.89	-6,442,558.19
Zhejiang Yongtai New Material Co., Ltd.	Subsidiary company	Manufacture and sales of anti-counterfeiting light variable liquid crystal trademark materials	100,000,000.00	113,688,834.91	2,279,275.57	0.00	-6,748,430.64	-7,112,950.09
Chongqing	Subsidiary	Research, production, sales:	170,000,000.00	207,295,769.37	123,047,003.97	0.00	-9,074,111.45	-9,076,023.35

Company name	Company type	Major business	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Yongyuansheng Technology Co., Ltd.	company	chemical APIs, dyes, synthetic materials, goods and technology import and export services						
Zhejiang Yongtai Pharmaceutical Co., Ltd.	Subsidiary company	Pharmaceutical manufacturing, import and export of goods and technologies	100,000,000.00	353,030,363.28	-146,056,972.93	38,139,883.01	-29,723,745.59	-29,385,604.98
Inner Mongolia Yongtai Chemical Co., Ltd.	Subsidiary company	Sale of chemical APIs and chemical products	491,000,000.00	2,602,078,138.76	519,698,226.40	85,394,707.58	-41,653,927.88	-33,246,231.18
Zhejiang Yongtai Chiral Medicine Technology Co., Ltd.	Subsidiary company	Pharmaceutical production, import and export of goods, import and export of technologies	100,000,000.00	700,736,192.25	20,702,805.95	48,369,092.62	-38,510,734.94	-37,937,331.30
Shaowu Yongtai Hi-tech Material Co., Ltd.	Subsidiary company	Lithium battery materials research, manufacturing, wholesale and retail, goods and technology import and export business	300,000,000.00	2,063,971,857.57	1,042,209,613.36	338,218,448.28	-103,696,417.78	-87,578,432.39
Shanghai Anbison Lab. Co., Ltd.	Participating companies	Scientific Research and Technical Services	12,500,000.00	1,014,902,816.19	933,894,170.56	144,357,542.36	65,178,578.56	60,074,695.24

Acquisition and disposal condition of subsidiaries during the reporting period

☒ Applicable ☐ Not applicable

Company name	Ways of acquisition and disposal of subsidiaries during the reporting period	Impact on overall production, operation and performance
Zhejiang Yongtai Fule Technology Co., Ltd.	Establishment	It will not have a material impact on the Company's financial condition and operating results in the short term.
Shandong Yonghong Lithium Industry Technology Co., Ltd.	Establishment	It will not have a material impact on the Company's financial condition and operating results in the short term.
Fujian Yongtai Fuyuan Technology Co., Ltd.	Establishment	It will not have a material impact on the Company's financial condition and operating results in the short term.
AGRO JUNTOS COLOMBIA S.A.S. (Agro Juntos Colombia)	Establishment	It will not have a material impact on the Company's financial condition and operating results in the short term.
FARMALINE CROPCARE BANGLADESH LIMITED (Farmaline Cropcare Bangladesh)	Establishment	It will not have a material impact on the Company's financial condition and operating results in the short term.

Description of principal subsidiaries and investees

(1) During the reporting period, although the Company's lithium battery materials segment saw a year-on-year increase in shipments, due to the impact of short-term changes in upstream and downstream supply and demand, the market price of lithium battery products has dropped significantly compared with the same period last year, resulting in a dramatic decrease in product sales revenue and gross profit margin. Subsidiaries Yongtai Hi-tech, Yongtai New Energy and Shanghai E-tong engaged in this type of business suffered losses or decreased in their net profits on a year-on-year basis during the reporting period.

(2) During the reporting period, part of the production capacity of subsidiaries Yongtai Chiral and Inner Mongolia Yongtai was under construction, and some of the production capacity had been put into operation and has not reached production. The overall operating income was relatively low, while the cost of depreciation of fixed assets, land amortization and other costs were relatively high, and profit has not yet been achieved. The production line of subsidiary Yongtai Pharma has been put into production, and some products have obtained drug approvals. Market orders are actively being promoted, with continuous investment in the research and development of new products, so the net profit during the reporting period is subject to loss.

(3) During the reporting period, the overall operation of the pharmaceutical subsidiary Zhejiang Chiral and Foshan Soin was sound, with the maintenance of relatively stable performance in the environment of intensifying market competition and changing downstream demand. The subsidiary Shanghai Youngcobe achieved profitability due to the proceeds from asset disposal and government subsidies generated by house demolition.

IX. Structured entities controlled by the Company

☐ Applicable ☒ Not applicable

X. Risks faced by the Company and countermeasures

1. Macroeconomic risks

The current international economic situation is complex and challenging, with global economy facing many uncertainties; The domestic economy has recovered steadily. However, as there is uncertainty about the impact of the complex international situation on the domestic economy, with the overall internal circulation still facing great pressure, the comprehensive recovery of the domestic economy still faces many challenges. Due to the external macroeconomic situation with complexity and change, there is also an uncertain impact on the development of enterprises.

The Company will prudently assess macroeconomic risks, and adjust its business strategy accordingly. With the national industrial development plan as guidance, investment will be increased in research and development, with research and development of new products, and exploration of new markets, thus ensuring the Company's sustainable development; Market sensitivity and forward-looking research should be increased, with the grasp of pace of industry changes, and it is required to adjust business

strategies in a timely manner. It is required to make full use of and tap superior resources to ensure the Company's stable development.

2. Risks of industry and market competition

The fine chemical industry where the Company is engaged and the downstream pharmaceutical, crop science and new energy materials industries have intense market competition, and technology iteration continues. The emergence of new technologies and new processes of domestic and foreign competitors will significantly impact the entire market, and pose challenges to the Company's market position in the industry.

The Company will continuously focus on the changes in the industry, continuously improve the Company's operation and management mechanism, with improvement of the ability to respond to market risks. R&D investment, technological innovation and process improvement will be strengthened, and it is required to continue to expand the R&D team, develop and master the industry's cutting-edge technologies in a timely manner, and strengthen the Company's technological advantages. Quality management and cost control will be strengthened, and better products and services will be provided for customers, with improvement of the Company's overall competitiveness.

3. Raw material price fluctuation risk

In terms of the composition of the Company's main business costs, the cost of raw materials accounts for a relatively large proportion. Therefore, in case there are certain extent fluctuations for price of the main raw materials of the Company's product, these fluctuations will have a certain impact on the Company's production and operation. The Company's main customers are well-known enterprises at home and abroad, and the Company's product sales price is basically locked when the customer places an order. During the period from the time when customer place orders to the realization of sales, the significant fluctuation in the raw material prices will have a short-term impact on the Company's gross profit margin.

The Company will closely focus on changes in the economic situation, monitor the market price trend of main raw materials, adopt multi-party price comparison, bulk procurement and other measures to reasonably arrange inventory. While carrying out corresponding strategic reserves, the Company will actively seek in-depth cooperation with upstream suppliers, try to stabilize the purchase price of raw materials, and timely adjust the sales price of products, which can alleviate the risk caused by the rise in raw material prices to a certain extent. However, in case the price of main raw materials fluctuates sharply, it will still have a certain impact on the Company's product costs and profits.

4. Project construction risk

Prior to deciding to invest in the construction project, the Company has carried out in-depth market research and strict feasibility demonstration of the project products, and made prudent calculations and evaluations of the investment income, financial internal rate of return and payback period. However, the Company may be still affected by market demand, macro and industrial policies, changes in competitive conditions and technological updates in the process of project implementation, thus resulting in the risk of project termination, partial termination, change, unrecoverable initial investment, and production capacity and income falling short of expectations.

The Company will integrate resources, concentrate on promoting the construction progress of various projects, and endeavor to shorten the project construction time under the condition of ensuring the quality of project construction; It is required to always pay attention to the macroeconomic situation, market development status and policy trends, and connect production and market well to guarantee the achievement of the expected benefits for projects.

5. Safety and environmental protection risk

With the continuous advancement of national safety and environmental protection governance and under the promotion of the ecological civilization construction of the CPC Central Committee and the strategic goal of "carbon peaking and carbon neutrality", the policy requirements of energy conservation, emission reduction, safety and environmental protection have been

further enhanced. Supervision has been further strengthened. The environmental protection standards that are implemented by the Company will also be higher and stricter. The increasing costs of environmental protection governance lead to an increase in production and operation costs. The income level of the project might be affected.

The policy of energy conservation, emission reduction and green development will be strictly carried out by the Company. Environmental protection design and environmental protection investment will be taken into full account to upgrade the equipment and constantly enhance the safety and environmental protection level of the Company. In addition, the level of recycling and waste treatment of by-products that are produced in the production process will also be improved. The Company pays attention to industrial policies in time and learns national environmental laws and regulations as well as local policies to adapt to new environmental requirements.

6. Risk of foreign exchange rate changes

The export business of the Company is mainly settled in US dollars. In addition, the price of the export products of the Company and export sales revenue will be influenced by the fluctuation of RMB exchange rate. Therefore, it will bring uncertain risk to the operation performance of the Company to a certain extent. The export revenue and import costs of the Company will be directly affected if the RMB exchange rate fluctuates significantly against the US dollars. Moreover, it will cause foreign currency assets and foreign currency liabilities to generate exchange gains and losses. Therefore, the performance of the Company will be impacted to a certain extent.

The product price will be adjusted in time by the Company through shortening the quotation cycle. Customers and the Company jointly assume the relevant impact to avoid and prevent the risks caused by large exchange rate fluctuations by means of forward settlement and sale after the exchange rate changes exceed a certain range. However, the implementation effect of the above measures still has a certain lag and uncertainty. Certain exchange losses might occur in the export business of the Company. It might lead to the reduction in the profit of the Company.

Section IV Corporate Governance

I. Information on the annual general meeting and extraordinary general meeting held during the reporting period

1. General meeting of shareholders during the reporting period

Session of the meeting	Type of the meeting	Investor participation ratio	Date of holding the meeting	Disclosure date	Meeting resolution
Annual general meeting in 2022	Annual general meeting	32.43%	16 May 2023	17 May 2023	<i>Announcement of Resolutions of 2022 Annual General Meeting (2023-033)</i> was published in <i>Securities Times</i> , <i>China Securities Journal</i> , <i>Shanghai Securities Journal</i> , <i>Securities Daily</i> and Juchao Information Website.

2. Request for convening of extraordinary general meeting by preference shareholders with recovered voting rights.

☐ Applicable ☒ Not applicable

II. Changes in directors, supervisors and senior management of the Company

☐ Applicable ☒ Not applicable

There were no changes in the directors, supervisors and senior management of the Company during the reporting period. The detailed information is shown in the 2022 Annual Report.

III. Profit distribution and conversion of capital reserve into share capital during the reporting period

☐ Applicable ☒ Not applicable

The Company plans not to pay cash dividends, bonus shares, or convert accumulation fund to share capital in a half year.

IV. Implementation of the share incentive scheme, employee stock ownership plan or other employee incentives of the Company

☐ Applicable ☒ Not applicable

There is no share incentive scheme, employee stock ownership plan or other employee incentives and their implementation in the course of the reporting period in the Company.

Section V Environmental and Social Responsibility

I. Major environmental protection matters

Whether the listed company and its subsidiaries belong to the key pollutant discharge companies that have been announced by the environmental protection department

☒ Yes ☐ No

Relevant environmental protection policies and industry standards

The Company has a ledger of environmental protection regulations, policies and ledgers of industry standards to identify and obtain applicable new or revised safety and environmental protection laws and regulations of the Company. The list of laws and regulations are regularly updated and the compliance assessment is conducted for the Company in accordance with related laws and regulations. If there is practice against the laws and regulations, it should be rectified for acceptance in time.

Major environmental protection regulations and industry standards are listed as follows:

Serial number	Laws, regulations, standards and other requirements	Date of implementation of current version	Issued by
1	Environmental Protection Law of the People's Republic of China	2015.01.01	The 8 th Meeting of the Standing Committee of the 12 th National People's Congress
2	Law of the People's Republic of China on Evaluation of Environmental Effects	2018.12.29	The 7 th Meeting of the Standing Committee of the 13 th National People's Congress
3	Regulations of Zhejiang Province on Ecological Environmental Protection	2022.08.01	The 36 th Meeting of the Standing Committee of the 13 th Zhejiang Provincial People's Congress
4	Law of the People's Republic of China on Prevention and Control of Water Pollution	2018.01.01	The 28 th Meeting of the Standing Committee of the 12 th National People's Congress
5	Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution	2018.10.26	The 6 th Meeting of the Standing Committee of the 13 th National People's Congress
6	Law of the People's Republic of China on Prevention and Control of Pollution From Environmental Noise	2022.06.05	The 32 nd Meeting of the Standing Committee of the 13 th National People's Congress
7	Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste	2020.09.01	The 17 th Meeting of the Standing Committee of the 13 th National People's Congress
8	Measures for the Administration of Enterprise Environmental Information Disclosure by Law	2022.02.08	Ministry of Ecology and Environment

Environmental protection administrative licensing situation

The sewage discharge permit was obtained on 21 December 2021, and it will be valid until 20 December 2026 for YONGTAI TECH.

The sewage discharge permit was obtained on 17 March 2023, and is valid until 16 March 2028 for Yongtai Pharma.

The sewage discharge permit was obtained on 1 June 2020, and is valid until 31 May 2025 for Yongtai Chiral.

The sewage discharge permit was obtained on 19 December 2020, and is valid until 18 December 2025 for Zhejiang Chiral.

The sewage discharge permit was obtained on 16 June 2021, and is valid until 15 June 2026 for Chongqing Yongyuansheng.

The sewage discharge permit was obtained on 14 May 2021, and is valid until 13 May 2026 for Inner Mongolia Yongtai.

The sewage discharge permit was obtained on 28 October 2022, and it is valid until 27 October 2027 for Yongtai Hi-tech.

The sewage discharge permit was obtained on 10 September 2020, and it is valid until 9 September 2023 for Foshan Soin.

Industrial emission standards and specific situations of pollutant emissions involved in production and business activities

Name of company or subsidiary	Types of major pollutants and particular pollutants	Name of major pollutants and particular pollutants	Discharge way	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration/intensity	Pollutant discharge standards implemented	Total amount of discharge	Ratified total amount of discharge	Excessive discharge
Zhejiang Yongtai Technology Co., Ltd.	Water pollutants, air pollutants, soil pollutants	COD, ammonia nitrogen, VOCs, SO ₂ , NO _x	Wastewater : indirect discharge; Waste gas: organized emission	Wastewater : 2 Waste gas: 4	The wastewater discharge outlets of Plant I are located in the east of the plant, and the waste gas discharge outlets are located in the middle part of the Plant; The discharge outlets of wastewater and waste gas of Plant II are located in the southeast of the Plant	COD:≤500mg/L; Ammonia nitrogen:≤35mg/L; VOCs≤100mg/Nm ³ ; SO ₂ , NO _x :≤50mg/Nm ³	<i>Emission Standard of Air Pollutants for Pharmaceutical Industry</i> (DB33/310005-2021); <i>Emission Standards of Air Pollutants from Boilers</i> (GB13271-2014); <i>Integrated Wastewater Discharge Standard</i> (GB8978-1996) <i>Indirect Discharge Limits of Nitrogen and Phosphorus Pollutants from Industrial Enterprises Wastewater</i> (DB33/887-2013)	COD:16.87 Ammonia nitrogen:0.623 VOCs:1.543 SO ₂ :/ NO _x :0.588	COD:186.95 Ammonia nitrogen:13.08 VOCs:50.4 SO ₂ :/ NO _x :3.996	None
Zhejiang Yongtai Pharmaceutical Co., Ltd.	Soil pollutants, water pollutants, air pollutants	COD, ammonia nitrogen, non-methane hydrocarbon, particulate matter	Wastewater : indirect discharge; Waste gas: organized emission	Wastewater : 1 Waste gas: 4	The waste gas discharge outlets are distributed on the roof of the pharmacy building	COD:≤500mg/L; Ammonia nitrogen:≤35mg/L; Non-methane hydrocarbon: ≤120 mg/Nm ³ Particulate matter ≤120 mg/Nm ³	<i>Comprehensive Wastewater Discharge Standard</i> (GB8978-1996) level III standard; DB332015-2016	COD:0.608797 Ammonia nitrogen:0.010445	COD:1.22 Ammonia nitrogen:0.20	None
Zhejiang	Water	COD,	Wastewater	Wastewater	The wastewat	COD:≤500mg/L;	<i>Integrated</i>	COD:5.2881	COD:32.87	None

Name of company or subsidiary	Types of major pollutants and particular pollutants	Name of major pollutants and particular pollutants	Discharge way	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration/intensity	Pollutant discharge standards implemented	Total amount of discharge	Ratified total amount of discharge	Excessive discharge
Yongtai Chiral Medicine Technology Co., Ltd.	pollutants, air pollutants, soil pollutants	NH3-N, VOCs, SO2, NOx	: indirect discharge; Waste gas: organized emission	: 1 Waste gas: 2	er and rainwater discharge outlets are located in the southeast corner of the Plant; The waste gas discharge outlets are located on the east side of the Plant;	NH3-N ≤ 35 mg/L; VOCs ≤ 60 mg/m ³ ; SO2 ≤ 100 mg/m ³ ; NOx ≤ 200 mg/m ³	<i>Wastewater Discharge Standard</i> (GB8978-1996) <i>Indirect Discharge Limits of Nitrogen and Phosphorus Pollutants from Industrial Enterprises Wastewater</i> (DB33/887-2013); <i>Emission Standard of Air Pollutants for Pharmaceutical Industry</i> (GB37823-2019); <i>Emission Standard of Air Pollution for Pharmaceutical Industry Chemical Synthesis Products Category</i> (DB33/310005-2021); <i>Emission Standard for Odor Pollutants</i> (GB14554-93)	NH3-N: 0.026 VOCs: 0.683	Ammonia nitrogen: 4.93 VOCs: 39.6 SO2: 0.19 NOx: 7.2	
Zhejiang Chiral Medicine Chemicals Co., Ltd.	Water pollutants, air pollutants, soil pollutants	COD, ammonia nitrogen, VOCs	Wastewater : intermittent discharge Waste gas: organized emission	Wastewater : 1 Waste gas: 2	Wastewater: in-plant sewage station discharge tank Waste gas: waste gas discharge outlets of in-plant sewage station, waste gas discharge outlets on the roof	COD: 200mg/L Ammonia nitrogen: 10mg/L VOCs: 30mg/m ³	<i>Integrated Wastewater Discharge Standard</i> (GB8978-1996) <i>Indirect Discharge Limits of Nitrogen and Phosphorus Pollutants from Industrial Enterprises Wastewater</i> (DB33/887-2013); <i>Emission Standard of Air Pollutants for Pharmaceutical Industry</i> (GB37823-2019) <i>Emission Standard of Air Pollution for Pharmaceutical Industry Chemical Synthesis Products Category</i> (DB33/310005-2021);	COD: 9.1568 Ammonia nitrogen: 0.4578 VOCs: 2.376	COD: 29.55 Ammonia nitrogen: 2.069 VOCs: 12.365	None

Name of company or subsidiary	Types of major pollutants and particular pollutants	Name of major pollutants and particular pollutants	Discharge way	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration/intensity	Pollutant discharge standards implemented	Total amount of discharge	Ratified total amount of discharge	Excessive discharge
					of workshop VIII		<i>Emission Standard for Odor Pollutants</i> (GB14554-93)			
Chongqing Yongyuan Sheng Technology Co., Ltd.	Water pollutants, air pollutants	Particulate matter, COD, ammonia nitrogen	Wastewater : indirect discharge; Waste gas: organized emission	Wastewater : 1 Waste gas: 2	Wastewater: 1 sewage treatment station; Waste gas: 1 production workshop, 1 sewage treatment station	Particulate matter: 120 mg/Nm ³ COD:80mg/L Ammonia nitrogen:10mg/L	<i>Provincial Discharge Standard of Main Water Pollutants for Chemical Industry Park of Chongqing</i> (DB50/457—2012); <i>Integrated Wastewater Discharge Standard</i> (GB8978-1996) <i>Integrated Emission Standards of Air Pollutants in Chongqing</i> (DB 50/418-2016)	COD:0.05	Particulate matter: 0.172 COD:2.13 Ammonia nitrogen:0.26	None
Inner Mongolia Yongtai Chemical Co., Ltd.	Water pollutants, air pollutants, soil pollutants	COD, ammonia nitrogen, SO ₂ , NO _x , particulate matter	Wastewater : indirect discharge; Waste gas: organized emission	Wastewater : 1 Waste gas: 4	Wastewater: sewage station discharge outlets; Waste gas: 1 RTO discharge outlet, 2 boiler discharge outlets, 1 sewage treatment station discharge outlet	Wastewater: COD:≤500mg/L; Ammonia nitrogen:≤45mg/L; Boiler discharge outlet: SO ₂ ≤50mg/Nm ³ ; NO _x :≤150mg/Nm ³ ; ; Particulate matter ≤20mg/Nm ³ RTO discharge outlet: SO ₂ ≤200mg/Nm ³ ; NO _x :≤200mg/Nm ³ ; ; Particulate matter ≤20mg/Nm ³	<i>Emission Standard of Air Pollutants for Pharmaceutical Industry</i> (GB37823-2019); <i>Emission Standards of Air Pollutants from Boilers</i> (GB13271-2014); <i>Discharge Standard of Water Pollutants for Pharmaceutical Industry Chemical Synthesis Products Category</i> (GB21904-2008)	COD:4.902 Ammonia nitrogen:0.303 SO ₂ :0.2185 NO _x :2.6281 Particulate matter: 0.03545	COD:113.54 Ammonia nitrogen:11.196 SO ₂ :3.712 NO _x :47.045 Particulate matter: 7.37	None
Shaowu	Water	Particulate	Wastewater	Waste gas	The wastewater	COD:≤200mg/L;	<i>Emission Standards of</i>	COD:1.46	COD:4.837	None

Name of company or subsidiary	Types of major pollutants and particular pollutants	Name of major pollutants and particular pollutants	Discharge way	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration/intensity	Pollutant discharge standards implemented	Total amount of discharge	Ratified total amount of discharge	Excessive discharge
Yongtai Hi-tech Material Co., Ltd.	pollutants, air pollutants	matter, SO ₂ , NO _x , COD, ammonia nitrogen	: indirect discharge; Waste gas: organized emission	discharge outlets: 10; Wastewater discharge outlets: 2	er and rainwater discharge outlets are all at the southwest entrance of Plant I; Waste gas discharge outlets are distributed in warehouses, production workshops, etc.	Ammonia nitrogen:40mg/L	<i>Pollutants for Inorganic Chemical Industry</i> (GB31573-2015) <i>Emission Standard of Pollutants for Petroleum Chemistry Industry</i> (GB31571-2015) <i>Emission Standard of Volatile Organic Compounds for Industrial Enterprises</i> (DB35/1782-2018) Wastewater execution refers to the <i>Emission Standards of Pollutants for Inorganic Chemical Industry</i> (GB31573-2015) <i>Emission Standard of Pollutants for Petroleum Chemistry Industry</i> (GB31571-2015)	Ammonia nitrogen: 0.189;	Ammonia nitrogen:0.937 SO ₂ :1.626 NO _x :5.219 Particulate matter: 10.628	
Foshan Soin Chiralpharma Co., Ltd.	Water pollutants	COD, ammonia nitrogen, SO ₂ , NO _x , particulate matter	Wastewater : indirect discharge; Waste gas: organized emission	Wastewater : 1 Waste gas: 5	The wastewater discharge outlets are located under the wall in the northwest corner of the plant; Waste gas discharge outlet: 1 QC laboratory, 1 Chinese medicine	COD:130 mg/L Ammonia nitrogen:8 mg/L SO ₂ :50 mg/Nm ³ NO _x :150 mg/Nm ³ Particulate matter: 20 mg/Nm ³	Wastewater: <i>Discharge Standard of Water Pollutants for Pharmaceutical Industry Chinese Traditional Medicine Category</i> (GB21906-2008); Drainage Agreement; <i>Discharge Standard of Water Pollutants for Pharmaceutical Industry Mixing/ Compounding and Formulation Category</i> ; (GB-21908-2008) Waste gas:	COD:0.07253 Ammonia nitrogen:0.004124 SO ₂ :/ NO _x :0.4779 Particulate matter: /	COD:4.664 Ammonia nitrogen:0.287 SO ₂ :/ NO _x :/ Particulate matter: /	None

Name of company or subsidiary	Types of major pollutants and particular pollutants	Name of major pollutants and particular pollutants	Discharge way	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration/intensity	Pollutant discharge standards implemented	Total amount of discharge	Ratified total amount of discharge	Excessive discharge
					extraction pilot plant, 1 sewage station, 1 boiler room, 1 Chinese medicinal material pretreatment area		Emission Standards for Odor Pollutants (GB14554-93); <i>Emission Standards of Air Pollutants from Boilers</i> (DB44/765-2019); <i>Emission Standard of Air Pollutants for Pharmaceutical Industry</i> (GB37823-2019); <i>Emission Limits of Air Pollutants</i> (DB-44/27-2001)			

Treatment on pollutants

A set of wastewater treatment facilities is designed by the two plants of YONGTAI TECH. Plant I is subject to A/O process with a processing capacity of 600 t/d; Plant II is subject to A²/O process with a processing capacity of 1280 t/d. The two sets of wastewater treatment facilities are in normal use. After treatment, the wastewater will be discharged into the park sewage pipe and treated by the sewage treatment plant in the Park after reaching the takeover standard. There is a set of waste gas treatment facilities with a processing capacity of 20000m³/h in Plant I, which adopts the treatment process of regenerative thermal oxidizer. There is a set of end centralized facility as waste gas treatment facility with an air processing capacity of 50000m³/h, which adopts the process of two-stage spray + regenerative thermal oxidizer (RTO) + alkali spray, and a set of spare RTO with a processing capacity of 25000m³/h in the Plant II. The two sets of waste gas treatment facilities are in normal use.

The wastewater from the plant area of Yongtai Pharma is treated by the wastewater treatment facility in the Plant I of YONGTAI TECH. After treatment, the wastewater will be discharged into the park sewage pipe and treated by the sewage treatment plant in the Park after reaching the takeover standard. The waste gas has four sets of dust removal systems with a processing capacity of 9000m³/h, 3000m³/h, 3000m³/h, and 1200m³/h, respectively, and the treatment process of bag dust removal.

The sewage treatment in the plant area of Yongtai Chiral is provided with an A²/O biochemical treatment process, with a daily processing capacity of 1500t/d. After the quality differentiation and classification, the wastewater of the plant will be discharged into A²/O biochemical tank after MVR desalting pretreatment and ozone fenton catalytic oxidation pretreatment and then incorporated into the park sewage network after passing the plant treatment; There is a set of regenerative thermal oxidizer (RTO) purification device with a processing capacity of 20000 m³/h. High-concentration organic waste gas in the workshop will be discharged into the RTO incinerator after the pretreatments of absorption and condensation in the workshop, and the halogen waste will be discharged into the RTO incinerator after macroporous adsorption resin pretreatment. The waste gas with qualified disposal will reach the discharge standard after passing the online monitoring and detection. There is another set of waste gas absorption and purification device of bio-trickling filter + oxidation spray with a processing capacity of 30,000m³/h in the Plant. It is mainly used to dispose aerobic aeration tank of sewage station, low concentration waste gas in the temporary storage room for solid waste, and waste will reach the discharge standard after qualified disposal.

The Energy Engineering Design and Research Institute of Zhejiang University is entrusted by Zhejiang Chiral to design a set of wastewater treatment facilities with a processing capacity of 500t/d and the process of physicochemical + biochemical A/O; the wastewater treatment facilities are now in normal use, and the wastewater will be discharged into the urban sewage treatment plant for treatment after the disposal reaches the management standard. There are 2 waste gas discharge outlets in Zhejiang Chiral Medicine Chemicals Co., Ltd. The workshop waste gas is classified and collected according to pollution factors. The organic waste gas will be treated with a set of waste gas treatment facility of macroporous adsorption resin with a processing capacity of 3000m³/h, and the inorganic waste gas will be aggregated to a wastewater station for a three-stage spray treatment (acid washing + water washing + alkali washing) after the workshop pretreatment and will reach discharge standards after treatment.

The wastewater treatment in Chongqing Yongyuansheng is provided with the treatment scheme of “triple effect evaporator effluence → process wastewater regulating tank → air flotation → coagulation clarification tank → distribution tank 1 → forced hydrolysis → IC intake tower → IC anaerobic tower → anaerobic tank → one-stage anoxia tank → one-stage aerobic tank → secondary clarification → intermediate treatment tank → two-stage aerobic tank → three-stage aerobic tank → MBR membrane tank → nanofiltration intermediate water tank → nanofiltration system → RO system → up-to-standard discharge”. The comprehensive processing capacity is 500t/d, and the technical transformation of the wastewater treatment plant is completed. Now, it is being commissioned for operation to meet the discharge standard. Workshop waste gas is subject to the treatment process of “alkali spray + oxidation liquid spray + water spray + mist dehydrator + activated carbon adsorption - desorption - condensation”, and it will be discharged through a 25m exhaust pipe after treatment. A set of tail gas treatment device of the sewage treatment station in the Plant currently has the treatment process of “oxidation liquid spray + alkali spray + secondary

activated carbon adsorption treatment”. After basically reaching the discharge standard, the waste gas will be discharged through a 25m exhaust pipe after treatment.

A set of wastewater treatment facility with a processing capacity of 1,500 t/d was designed by Inner Mongolia Yongtai, which is provided with the process of “ozonation + anaerobic + A-section aeration/ precipitation + intermediate oxidation + anoxic + B-section aeration/ precipitation + denitrification”. The wastewater treatment facility is in normal use. After treatment, the wastewater will be discharged into the park sewage pipe and treated by the sewage treatment plant in the Park after reaching the takeover standard. There is a set of waste gas treatment facility with a processing capacity of 40,000m³/h, which is subject to the process of two-stage spray + regenerative thermal oxidizer (RTO) + alkali spray. The waste gas treatment facilities are in normal use.

There is a wastewater treatment station with a processing capacity of 650 t/d in Yongtai Hi-tech. The wastewater treatment facilities are in normal use. After treatment, the wastewater will be discharged into the park sewage pipe and treated by the sewage treatment plant in the Park after reaching the takeover standard. There are 10 waste gas discharge outlets, and the treatment of LiPF₆ waste gas is provided with the process of “three-stage water washing + three-stage alkaline wash water spraying”. It will be discharged through a 25m exhaust pipe after treatment. The lithium fluoride waste gas is subject to the process of “one-stage water washing + one-stage alkaline wash water spraying”, and it will be discharged through a 25m exhaust pipe after treatment. Point-to-point management approach will be adopted by the solid waste, and a qualified enterprise in the Park is entrusted for treatment.

Zhongshan Zhongbo Environmental Engineering Co., Ltd is entrusted by Foshan Soin to design a set of wastewater treatment facility with a process capacity of 100t/d and is subject to the UBF+ contact oxidation process. The wastewater treatment facilities are in normal use. After treatment, the wastewater will be discharged into the municipal sewage and treated by Dong Po Wastewater Treatment Plant after reaching the discharge standard. There is a set of waste gas treatment facility with a processing capacity of 12720m³/h in the QC laboratory, which is subject to the treatment process of the activated carbon adsorption; there is a set of waste gas treatment facility with a processing capacity of 25000m³/h in the Chinese medicine extraction pilot plant, which is subject to the treatment process of three-stage water spray absorption + activated carbon adsorption ; there is a set of odor treatment facilities with a processing capacity of 44000m³/h, which is subject to the treatment process of bio-trickling/ filter. The three sets of waste gas treatment facilities are in normal use.

Emergency response plan for abrupt environmental incidents

The emergency response plan for abrupt environmental incidents of YONGTAI TECH. (Plant I) has been prepared, and the preparation time is June 2023.

The emergency response plan for abrupt environmental incidents of YONGTAI TECH. (Plant II) has been prepared, and the preparation time is July 2021.

The emergency response plan for abrupt environmental incidents of Yongtai Pharma has been prepared, and the preparation time is February 2021.

The emergency response plan for abrupt environmental incidents of Yongtai Chiral has been prepared, and the preparation time is November 2021.

The preparation of an emergency response plan for abrupt environmental incidents of Zhejiang Chiral is entrusted by Hangzhou Xinzilian Technology Co., Ltd., and the preparation time is 15 September 2022.

The preparation of an emergency response plan for abrupt environmental incidents of Chongqing Yongyuansheng has been prepared, reviewed, and recorded, and the preparation time is August 2021.

The emergency response plan for abrupt environmental incidents of Inner Mongolia Yongtai has been prepared, and the preparation time is 10 May 2023.

The emergency response plan for abrupt environmental incidents of Yongtai Hi-tech has been prepared, and the preparation time is 5 January 2022.

The emergency response plan for abrupt environmental incidents of Foshan Soin has been prepared, and the preparation time is June 2023.

Relevant conditions of the input for environmental governance and protection and payment of environmental protection taxes

The Company and the holding subsidiaries attach importance to environmental protection. The on-site management is strengthened and efflux pollutants are effectively controlled by carrying out special work such as the investigation of environmental risks and hidden dangers and standardized management of hazardous wastes. In addition, the Company continuously improves and completes the environmental protection infrastructure, constantly improves the level of pollution prevention and control, and pays environmental protection tax according to relevant laws and regulations. The cost of environmental governance and protection invested by the Company and its subsidiaries is RMB 45,683,600, and the environmental protection tax is RMB 26,400 in the first half of 2023.

Environmental self-monitoring program

There are 20 environmental protection personnel in YONGTAI TECH., including 4 testing personnel. There is a laboratory and an instrument room with an area of 30 square meters, equipped with PH meters, COD dissolvers, spectrophotometers, 2 atmospheric samplers, gas chromatograph, laboratory conductivity meters and other testing instruments. In addition, the Company is equipped with the online monitoring system of wastewater and waste gas, and has entrusted qualified organizations to monitor the waste gas and wastewater every month. All the indicators at the air outlet of the waste gas treatment facilities (non-methane hydrocarbons, fluoride, nitrobenzene, odor concentration) comply with the national standards for the emission of waste gases; and all the indicators of the rainwater outlets of the two plants (chemical oxygen demand, PH, ammonia nitrogen, and total phosphorus) comply with the national standards.

The wastewater in Yongtai Pharma is disposed by the Plant I of YONGTAI TECH. and wastewater and waste gas should be monitored regularly by a testing company with testing qualification. The monitoring is made every half of one year, and the testing indicators are all in line with the relevant national emission standards.

There are 16 environmental protection personnel in Yongtai Chiral, including 2 detection personnel. There is a laboratory and an instrument room with an area of 35 square meters, equipped with PH meters, COD dissolvers, spectrophotometers, one atmospheric sampler, COD meters, total nitrogen meters, total phosphorus meters, conductivity meters and other testing instruments. In addition, the Company has the online monitoring system of wastewater and waste gas, and has entrusted a qualified organization to monitor the waste gas and wastewater every month. The indicators of waste gas and wastewater discharge (non-methane hydrocarbons, COD, ammonia nitrogen, etc.) in the plant are all in line with the national emission standards; the indicators of rainwater discharge (COD, ammonia nitrogen, total phosphorus, etc.) in the plant are all in line with the national standards.

There are 7 environmental protection personnel in Zhejiang Chiral, including 2 detection personnel. There is a laboratory and an instrument room having the area of 20 square meters, equipped with ph meters, COD meters, spectrophotometers and other testing instruments. In addition, the Company has set up the online monitoring system of wastewater and waste gas, and entrusted Hangzhou Tianliang Inspection Technology Co., Ltd. to monitor the waste gas and wastewater every month, and the indicators are in line with the national emission standards.

There is one environmental protection person in Chongqing Yongyuansheng, with the online monitoring system of wastewater and waste gas provided to monitor online monitoring items. The outlet indicators of waste gas treatment facilities (particulate matter) are in line with the national emission standards; all indicators of plant rainwater outlet and wastewater outlet (PH value, ammonia nitrogen, COD) are in line with national and local standards. For items which cannot be monitored by the online monitoring system, the Company has prepared an environmental self-monitoring program. The Program has been filed in the Chongqing Pollution Source Monitoring Data Release Platform, while a qualified third party (Chongqing Tianhang Inspection Technology Co., Ltd.) has been entrusted to monitor relevant data (the monitoring is made every day, month, quarter, half of year,

year). The test results are regularly released on the monitoring platform, and the current test results are all in line with the standards.

There are 14 environmental protection personnel in Inner Mongolia Yongtai, including 1 detection person. There is a laboratory having the area of 30 square meters, equipped with pH meters, COD digestion instruments, COD analyzers and other instruments. The Company has the on-line monitoring system of wastewater and waste gas, and all the indicators are in line with national standards. The Company has formulated 2023 monitoring program, and has entrusted a qualified third party to carry out the monitoring in accordance with the monitoring program.

There are 16 environmental protection personnel in Yongtai Hi-tech, including 2 testing personnel. There is a laboratory, equipped with pH meters, spectrophotometers and so on. In addition, the Company has the online monitoring system of wastewater, and has entrusted a testing company with testing qualifications to carry out the regular monitoring of waste gas and wastewater, and the monitoring frequency is for the quarter or day, in which the outlet indicators of waste gas treatment facilities (particulate matter, SO₂, NO_x) are in line with the relevant national emission standards; the outlet indicators of wastewater treatment facilities (COD, ammonia nitrogen) are in line with the relevant national emission standards.

Foshan Soin employed a third-party professional monitoring agency to monitor all indicators according to the requirements of the National Emissions License, and all indicators are in line with the standards.

Administrative penalties imposed for environmental issues during the reporting period

Name of company or subsidiary	Reason for penalty	Circumstances of violation	Result of punishment	Impact on the production and operation of the listed company	Rectification measures of the Company
Shaowu Yongtai Hi-tech Material Co., Ltd.	Failure to collect early-stage rainwater as required, with rainwater discharged directly	Violation of the <i>Regulations on Prevention and Control of Water Pollution in Fujian Province</i>	Fine of RMB 56,251	No significant impact	Actively rectify and standardize operation

Other environmental information to be disclosed

None.

Measures taken to reduce carbon emissions and its effects during the reporting period

☐ Applicable ☒ Not applicable

Other environmental protection information

None.

II. Situation of social responsibility

The Company focuses on the fulfillment of social responsibility. Therefore, the Company vigorously supports the construction of local economy, insists on actively repaying the society with contributions to social welfare and charity. In addition, the Company is endeavoring to realize a dynamic balance between economic, social and environmental responsibilities in order to achieve a healthy and harmonious development between the Company and its shareholders, the Company and its employees, the Company and the society, as well as the Company and the environment.

1. Adequately safeguard rights and interests of shareholders and creditors

The Company has established a relatively well-established corporate governance structure with a completed internal control system. Platform for investor interaction has also been established and improved, in which an information platform open to all shareholders has been constructed in terms of mechanism. The platform truly achieves fair, just and open environment, and legitimate rights and interests formulated by laws, regulations and rules are available. The Company discloses information timely

and accurately in strict accordance with the requirements of laws and regulations, *Articles of Association* and relevant systems of the Company, so as to ensure that all shareholders of the Company are provided with equal access to the Company's information, which protects the legitimate rights and interests of all shareholders. Meanwhile, the Company communicates with investors in a variety of ways such as online performance explanation session, investor calls, and interactive platform for investors, which ensures the transparency and openness of the Company's information.

2. Care about employees with emphasis on their rights and interests

The Company strictly abides by the relevant national laws and regulations such as *Labor Law*, which is mainly reflected in the Company's signing of written employment contracts with its employees, paying all kinds of social insurance in accordance with the law, and continuously increasing the investment in informatization of the production workshop to improve the working environment of the employees. Meanwhile, the Company also carries out regular employee occupational health examination, providing employees with labor protection appliance and further improving the salary assessment system. All of these have improved the Company's sustainable development ability, enabling the Company's management, core technical personnel and shareholders to form a community of interest, which improves the cohesion and combat effectiveness of the enterprise.

3. Operate in a fair manner to protect the rights of suppliers, customers and consumers

The Company has always insisted on operating in compliance with the law. Business dealings with customers and suppliers are undertaken in strict compliance with national laws and regulations, social and commercial ethics, honesty and trustworthiness. In addition, it always accepts the supervision of the government and the public as well as assumes social responsibility. A series of internal control systems, such as the *Sales Management Measures* and *Purchasing Management Measures*, have been established and improved by the Company to standardize business operations and provide institutional safeguards for fair operations. The Company endeavors to achieve harmonious win-win situation with suppliers and customers, in which they jointly create value and share results, with emphasis on communication and coordination with all relevant parties, so as to co-construct a platform of trust and cooperation.

4. Focus on environmental protection

The Company places significant emphasis on environmental protection with rigorous implementation of the development approaches of energy conservation and emission reduction for green development. The Company regards environmental protection as an important task. The Company strictly complies with the relevant national environmental protection laws and regulations as well as regulations related to local environmental protection. Equipment improvement and process modification are continuously conducted by the Company, which reduces the emissions of three wastes. For the management of three wastes, the Company strictly implements the national standards to ensure that the three wastes are discharged after reaching the standards. The Company requires that all investment projects shall be subject to environmental protection and safety requirements. Environment protection design and environment protection inputs shall be fully taken into account. Meanwhile, the "three simultaneous" system for environment protection and safety should be strictly enforced to ensure that investment projects and environment protection and safety supporting facilities are put into use together.

5. Proactively participate in social welfare services

Focusing on the creation of social value, the Company consciously pays attention to the fulfillment of social responsibility by proactively participating in social welfare activities with an active engagement in social welfare and charitable undertakings, in an effort to create harmonious public relations. The Company has provided necessary support to local education, culture, science, health and poverty alleviation within its capacity, contributing to local economic construction and social development.

The Company constantly keeps the mission firmly in mind to build up a clear awareness of social responsibility and highly emphasizes the practice of corporate social responsibility. Management of social responsibility has been continuously strengthened. Besides, the Company has persevered in incorporating the concept of social responsibility into the development strategy of the

Company, as well as in implementing the fulfillment of corporate social responsibility into every aspect and parts of its daily operation and management.

Section VI Significant Events

I. Undertakings made by the Company's actual controllers, shareholders, related parties, acquirers, the Company and other undertaking relating parties during the reporting period and those remaining unfulfilled for an unspecified period of time as of the end of the reporting period

☐ Applicable ☒ Not applicable

The Company has no undertakings that have been made by the Company's actual controllers, shareholders, related parties, acquirers, the Company and other undertaking relating parties during the reporting period and those remaining unfulfilled for an unspecified period of time as of the end of the reporting period.

II. Non-operational appropriation by controlling shareholders and other related parties for funds of the listed company

☐ Applicable ☒ Not applicable

The Company does not have any non-operational appropriation by controlling shareholders and other related parties for funds of the listed company during the reporting period.

III. Illegal external guarantee

☐ Applicable ☒ Not applicable

The Company has no illegal external guarantees during the reporting period.

IV. Appointment and dismissal of accounting firms

Whether the semi-annual financial report has been audited

☐ Yes ☒ No

The semi-annual report of the Company is unaudited.

V. Explanation of the Board of Directors and the Board of Supervisors on the “non-standard audit report” issued by the accounting firm for the reporting period

☐ Applicable ☒ Not applicable

VI. Explanation of the Board of Directors on the situation related to the “non-standard audit report” of the previous year

☐ Applicable ☒ Not applicable

VII. Matters related to bankruptcy and reorganization

☐ Applicable ☒ Not applicable

The Company has not experienced any bankruptcy and reorganization related matters during the reporting period.

VIII. Litigation matters

Significant litigation and arbitration matters

☐ Applicable ☒ Not applicable

The Company had no significant litigation or arbitration matters during the reporting period.

Other litigation matters

☒ Applicable ☐ Not applicable

Basic information on litigation (arbitration)	Amount of money involved (ten thousand)	whether or not an estimated liability has been generated	Progress of litigation (arbitration)	Outcome and impact of litigation (arbitration) trial	Enforcement of litigation (arbitration) judgments	Disclosure date	Index for disclosure
Litigation for which the Company does not reach the criteria for disclosure of significant litigation	562.31	No	Amount of money involved in closed or mediated cases is RMB 1,084,900; the amount of money involved in open cases is RMB 4,538,200	Part of the case has been closed and part of the case is under trial. However, there is no significant impact on the Company's operations	Not applicable	Not applicable	Not applicable

IX. Penalties and rectification

☐ Applicable ☒ Not applicable

X. Credit Worthiness of the Company and its controlling shareholders and actual controllers

☒ Applicable ☐ Not applicable

There is no case in which the Company, its controlling shareholders and actual controllers failed to fulfill the effective judgments from the court, and due liabilities of a large amount are unpaid during the reporting period.

XI. Material related party transactions

1. Related party transactions related to daily operations

☐ Applicable ☒ Not applicable

No related party transactions related to daily operations occurred during the reporting period.

2. Related party transactions in relation to the acquisition or disposal of assets or equity interests

☐ Applicable ☒ Not applicable

No related party transactions in relation to the acquisition or disposal of assets or equity interests occurred during the reporting period.

3. Related party transactions of joint investments

☐ Applicable ☒ Not applicable

No related transactions of joint investment occurred during the reporting period.

4. Related claims and debts transactions

☐ Applicable ☒ Not applicable

No related claims and debts transactions existed during the reporting period.

5. Transactions with financial companies with which the Company has a relationship

☐ Applicable ☒ Not applicable

No deposit, loan, facility or other financial business exists between the Company and the financial company with which the Company has a relationship and the related parties.

6. Transactions between the financial company held by the Company and related parties

☐ Applicable ☒ Not applicable

No deposit, loan, facility or other financial business exists between the financial company held by the Company and related parties.

7. Other material related party transactions

☐ Applicable ☒ Not applicable

No other material related party transactions occurred during the reporting period of the Company.

XII. Material contracts and their fulfillment

1. Trusteeship, contracting and leasing matters

(1) Trusteeship

☐ Applicable ☒ Not applicable

No trusteeship existed during the reporting period of the Company.

(2) Contracting

☐ Applicable ☒ Not applicable

No contracting existed during the reporting period of the Company.

(3) Leasing

☒ Applicable ☐ Not applicable

Description of the leasing

1. As the lessee

Unit: yuan

Item	Amount in the current period	Amount of previous period
Interest expense on lease liabilities	24,373.84	55,905.56
Short-term lease expenses included in the cost of the related assets or in the current profits and losses for simplified treatment	1,035,834.90	1,080,793.32
Total cash outflow associated with leases (tax-inclusive)	1,864,127.75	1,944,708.00

2. As the lessor

(1) Operating lease

Unit: yuan

Item	Amount in the current period	Amount of previous period
Operating lease income	587,032.04	587,032.04

Items generating profit or loss for the Company amounting to 10% or more of the total profit in the reporting period of the Company

☐ Applicable ☒ Not applicable

No leasing items that generated profit or loss for the Company amounting to 10% or more of the total profit in the reporting period of the Company.

2. Material guarantees

☒ Applicable ☐ Not applicable

External guarantees of the Company and its subsidiaries (excluding guarantees to subsidiaries)										
Name of the guaranteed object	Date of disclosure of announcement relating to the amount of guarantee	Amount of guarantee	Date of actual occurrence	Actual amount of guarantee	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Fulfillment or not	Guarantee for related parties or not
Guarantee provided by the Company for subsidiaries										
Name of the guaranteed object	Date of disclosure of announcement relating to the amount of guarantee	Amount of guarantee	Date of actual occurrence	Actual amount of guarantee	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Fulfillment or not	Guarantee for related parties or not
Inner Mongolia Yongtai Chemical Co., Ltd.	17 May 2023	130,000	15 June 2022	10,000	Joint and several liability guarantee			1 year	Yes	No
			8 June 2022	10,000	Joint and several liability guarantee			1 year	Yes	No
Shanghai E-Tong Chemical Co., Ltd.	14 May 2022	33,000	20 January 2022	4,000	Joint and several liability guarantee			1 year	Yes	No
Shaowu Yongtai Hi-tech Material Co., Ltd.	17 May 2023	105,000	15 June 2022	12,480	Joint and several liability guarantee			90 months	Yes	No
Zhejiang Chiral Medicine Chemicals Co., Ltd.	14 May 2022	17,000	16 December 2019	5,500	Joint and several liability guarantee			3 years	Yes	No
Zhejiang Yongtai Chiral Medicine Technology Co., Ltd.	14 May 2022	30,000	11 June 2020	17,000	Joint and several liability guarantee			30 months	Yes	No
Zhejiang Yongtai New Energy	17 May 2023	40,000	30 January 2021	0	Joint and several liability			3 years	Yes	No

Material Co., Ltd.					guarantee					
Inner Mongolia Yongtai Chemical Co., Ltd.	17 May 2023	130,000	8 October 2020	30,000	Joint and several liability guarantee			6 years	No	No
			13 June 2023	40,000	Joint and several liability guarantee			6 years	No	No
			29 September 2022	20,000	Joint and several liability guarantee			1 year	No	No
Shandong Zhanhua Yongtai Pharmaceutical Co., Ltd.	17 May 2023	5,000	8 April 2022	4,081.31	Joint and several liability guarantee			30 months	No	No
Shanghai E-Tong Chemical Co., Ltd.	17 May 2023	45,000	25 January 2022	17,000	Joint and several liability guarantee			3 years	No	No
			1 November 2022	5,000	Joint and several liability guarantee			1 year	No	No
			1 February 2023	4,800	Joint and several liability guarantee			18 months	No	No
			9 January 2023	4,900	Joint and several liability guarantee			3 years	No	No
Shaowu Yongtai Hi-tech Material Co., Ltd.	17 May 2023	105,000	13 June 2022	13,000	Joint and several liability guarantee			3 years	No	No
			20 December 2021	7,000	Joint and several liability guarantee			3 years	No	No
			15 June 2022	7,000	Joint and several liability guarantee			1 year	No	No
			29 September 2022	40,000	Joint and several liability guarantee			6 years	No	No
Zhejiang Chiral	17 May 2023	15,000	31 January 2023	5,500	Joint and several			3 years	No	No

Medicine Chemicals Co., Ltd.					liability guarantee					
			19 May 2021	5,000	Joint and several liability guarantee			3 years	No	No
Zhejiang Yongtai Chiral Medicine Technology Co., Ltd.	17 May 2023	30,000	10 April 2023	17,000	Joint and several liability guarantee			3 years	No	No
			24 November 2022	5,000	Joint and several liability guarantee			3 years	No	No
Zhejiang Yongtai New Energy Material Co., Ltd.	17 May 2023	40,000	29 September 2022	20,000	Joint and several liability guarantee			4 years	No	No
Chongqing Yongyuansheng Technology Co., Ltd.	17 May 2023	5,000	19 October 2020	487.18	Joint and several liability guarantee		Counter guarantee has been provided by its minority shareholders	3 years	No	No
Total amount of approvals of guarantees to subsidiaries during the reporting period (B1)		375,000		Total amount of guarantees to subsidiaries actually incurred during the reporting period (B2)		72,200				
Total amount of guarantees to subsidiaries approved at the end of the reporting period (B3)		375,000		Total actual balance of guarantees to subsidiaries at the end of the reporting period (B4)		245,768.49				
Guarantees by subsidiaries to subsidiaries										
Object of guarantee Name	Date of disclosure of announcement relating to the amount of guarantee	Amount of guarantee	Date of actual occurrence	Actual amount of guarantee	Guarantee Type	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Fulfillment or not	Guarantee for related parties or not
Total amount of Company's guarantee (i.e., total of the first three major items)										
Total amount of approvals of guarantees during the reporting period (A1+B1+C1)		375,000		Total amount of guarantees actually incurred during the reporting period (A2+B2+C2)		72,200				
Total amount of guarantees approved at		375,000		Total actual balance of		245,768.49				

the end of the reporting period (A3+B3+C3)		guarantees at the end of the reporting period (A4+B4+C4)	
Ratio of total amount of actual guarantees (i.e. A4+B4+C4) to the net assets of the Company			72.88%
Of which:			
Balance of guarantees in favor of shareholders, actual controllers and their related parties (D)			0
Balance of guarantees provided directly or indirectly for the debts of guaranteed objects with asset-liability ratios exceeding 70% (E)			112,000
Amount of the portion of total amount of guarantees exceeding 50% of net assets (F)			77,200
Total amount of the above three guarantees (D+E+F)			127,200
Description of the occurrence of guarantee liabilities or evidence of the possibility of joint and several liquidation liabilities during the reporting period in respect of unexpired guarantee contracts (if any)			None
Description of violation of prescribed procedures in providing external guarantees (if any)			None

Description of the specific circumstances of the adoption of composite method of guarantee:

None.

3. Entrusted financial management

☐ Applicable ☒ Not applicable

No entrusted financial management existed during the reporting period of the Company.

4. Other material contracts

☒ Applicable ☐ Not applicable

Name of contract ing	Name of the contracting	Subject matter of the contract	Date of contract conclusi	Book value of assets involved in the contract	Appraisal value of assets involved in	Name of appraisal agency	Valuati on date (if any)	Pricing principle	Transacti on price (RMB in ten	Relate d party transa	Releva nt Relati	Impleme ntation as of the end of	Disclosu re date	Index for disclosure
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company	party		on	(RMB in ten thousand) (if any)	the contract (RMB in ten thousand) (if any)	(if any)			thousand)	ctions or not	on	the reporting period		
Zhejiang Yongtai Technology Co., Ltd.	Contemporary Amperex Technology Co., Ltd.	Lithium hexafluoro phosphate, lithium bis(fluorosulfonyl)imide (LIFSI), vinylene carbonate (VC)	31 July 2021	—	—	None	—	The transaction pricing principle is to determine the final transaction price based on the principle of marketization, with full reference to the fair market price, and taking into account the actual costs, expenses and other factors.	—	No	None	Under implementation	3 August 2021	<i>Announcement on the Material Procurement Agreement between the Company and CATL (Announcement No.: 2021-054)</i>

XIII. Description of other significant events

☒ Applicable ☐ Not applicable

1. With the aim of expanding the Company's international financing channels, meeting the needs of the Company's business development at home and abroad, and upgrading the Company's internationalized brand and corporate image, the Company issued Global Depositary Receipts (hereinafter referred to as the "GDRs") and listed them on the London Stock Exchange plc. The Company received the *Approval of Zhejiang Yongtai Technology Co., Ltd. to Issue Global Depositary Receipts and Be Listed on the London Stock Exchange plc* (ZJXX [2023] No. 684) from the China Securities Regulatory Commission on 31 March 2023, and received the approval from the UK's Financial Conduct Authority (Financial Conduct Authority) on 6 July 2023 at London time, and was listed on the London Stock Exchange plc on 11 July 2023 at London time. For details, please refer to the relevant announcements published by the Company on 1 April, 7 July and 12 July 2023 on *Securities Times*, *China Securities Journal*, *Shanghai Securities News*, *Securities Daily* and Juchao Information Website (<http://www.cninfo.com.cn>).

2. For establishing a new base for the pharmaceutical sector of the Company, the Company and the Management Committee of Hangzhou Airport Economic Demonstration Zone signed the *Agreement on Inviting and Landing of High-end Pharmaceutical Preparation Base Project*, in which the Company and its indirectly controlled subsidiary E-TONG CHEMICAL CO., LIMITED jointly set up a project company Hangzhou Yongtai Chiral Biopharmaceutical Co., Ltd. in Hangzhou Airport Economic Demonstration Zone and invested in the High-end Pharmaceutical Preparation Base Project of YONGTAI TECH., with a total project investment of RMB 1.15 billion. For details, please refer to the relevant announcements published by the Company on 5 May 2023 and 29 July 2023 on *Securities Times*, *China Securities Journal*, *Shanghai Securities News*, *Securities Daily* and Juchao Information Website (<http://www.cninfo.com.cn>).

XIV. Significant events of the Company's subsidiaries

☒ Applicable ☐ Not applicable

1. Zhejiang Yongtai Pharmaceutical Co., Ltd. received a registration certificate from the Ministry of Health & Family Welfare of the Central Drugs Standard Control Organization of India regarding the raw material medicine Siagliptin phosphate. For details, please refer to the relevant announcements published by the Company on 1 April 2023 in the *Securities Times*, *China Securities Journal*, *Shanghai Securities News*, *Securities Daily* and the Juchao Information Website (<http://www.cninfo.com.cn>).

2. Zhejiang Yongtai Fule Technology Co., Ltd. and the Shanghai Institute of Organic Chemistry of the Chinese Academy of Sciences signed the *Technology Transfer Contract* for the transfer of the preparation technology of fluorine-containing cooling medium (fluoride) series products. For details, please refer to the relevant announcements published by the Company on 22 April 2023 in the *Securities Times*, *China Securities Journal*, *Shanghai Securities News*, *Securities Daily* and the Juchao Information Website (<http://www.cninfo.com.cn>).

3. To meet the needs of the construction of the western extension project of Shanghai Metro Line 12, part of the properties of Shanghai Youngcobe Bio-pharma Co., Ltd. and Shanghai E-tong Chemical Co., Ltd. were expropriated, with a total compensation of RMB 60,586,825 and RMB 60,180,085, according to the *Compensation Agreement for Expropriation of Non-residential Houses on State-owned Land* signed with the Relocation and Resettlement Office of the People's Government of Dongjing Town of Songjiang District, respectively. For details, please refer to the relevant announcements published by the Company on 26 April 2023 on *Securities Times*, *China Securities Journal*, *Shanghai Securities News*, *Securities Daily* and Juchao Information Website (<http://www.cninfo.com.cn>).

4. Zhejiang Yongtai Chiral Medicine Technology Co., Ltd. has changed its business scope due to business development. For details, please refer to the relevant announcement published by the Company on 9 May 2023 on *Securities Times*, *China Securities Journal*, *Shanghai Securities News*, *Securities Daily* and Juchao Information Website (<http://www.cninfo.com.cn>).

Section VII Changes in Shares and Information on Shareholders

I. Changes in shares

1. Changes in shares

Unit: Shares

	Before this change		Increase/decrease of this change (+, -)					After this change	
	Number of shares	Percentage	Issue of new shares	Bonus issue	Capital reserve converted to share	Others	Subtotal	Number of shares	Percentage
I. Restricted shares	229,250,094	26.15%				-119,522,234	-119,522,234	109,727,860	12.52%
1. Shares held by state									
2. Shares held by state-owned legal persons									
3. Shares held by other domestic investors	229,250,094	26.15%				-119,522,234	-119,522,234	109,727,860	12.52%
Of which: Shares held by domestic legal persons									
Shares held by domestic natural persons	229,250,094	26.15%				-119,522,234	-119,522,234	109,727,860	12.52%
4. Shares held by foreign investors									
Of which: Shares held by foreign legal persons									
Shares held by overseas natural persons									
Non-restricted shares	647,316,201	73.85%				119,522,234	119,522,234	766,838,435	87.48%
1. RMB ordinary shares	647,316,201	73.85%				119,522,234	119,522,234	766,838,435	87.48%
2. Foreign shares listed in the PRC									
3. Foreign shares listed overseas									
4. Others									
III. Total number of	876,566,295	100.00						876,566,295	100.00

shares		%						5	%
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Reasons for changes in shares

☒ Applicable ☐ Not applicable

A decrease of 119,522,234 shares in the Company's restricted shares during the reporting period was attributable to the change in the lock-up shares of the senior management.

Approval of share changes

☐ Applicable ☒ Not applicable

Transfer of share changes

☐ Applicable ☒ Not applicable

Progress of implementation of share buyback

☐ Applicable ☒ Not applicable

Progress in the implementation of reducing the repurchased shares by means of centralized bidding method

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

Other disclosures deemed necessary by the Company or required by securities regulatory authorities

☐ Applicable ☒ Not applicable

2. Changes in restricted shares

☒ Applicable ☐ Not applicable

Unit: Shares

Name of shareholder	Number of restricted shares at the beginning of the period	Number of restricted shares released during the period	Number of increase of restricted shares during the period	Number of restricted shares at the end of the period	Reason for restriction	Date for release of restricted stock trade
Shares locked up by senior management	229,250,094	119,522,234	0	109,727,860	Shares locked up by senior management	The number of shares held each year to be released from lock-up is subject to <i>No. 10 Guidelines on Self-Regulation for Listed Companies by Shenzhen Stock Exchange - Management of Changes in Shares</i> .
In total	229,250,094	119,522,234	0	109,727,860	--	--

II. Issuance and listing of securities

☐ Applicable ☒ Not applicable

III. Number of shareholders and shareholdings of the Company

Unit: Shares

Total number of ordinary shareholders at the end of the reporting period		143,409		Total number of preferred shareholders with voting rights restored (if any) at the end of the reporting period			0	
Ordinary shareholders holding more than 5% of the shares or the top 10 ordinary shareholders' shareholdings								
Name of shareholder	Nature of shareholders	Sharehold ing ratio	Number of ordinary shares held at the end of the reporting period	Increase or decrease during the reporting period	Number of ordinary shares held with limited sales conditions	Number of ordinary shares held with unlimited sales conditions	Pledge, mark or freeze	
							Status of shares	Quantity
Wang Yingmei	Domestic natural persons	16.46%	144,248,400	0	108,186,300	36,062,100	Pledge	41,658,000
He Renbao	Domestic natural persons	12.71%	111,400,000	0	0	111,400,000	Pledge	37,500,600
Zhejiang Yongtai Technology Holdings Co., Ltd.	Domestic non-state-owne d legal person	1.47%	12,887,500	0	0	12,887,500		
Hong Kong Securities Clearing Co., Ltd.	Overseas legal person	1.40%	12,298,172	-7,100,484	0	12,298,172		
Jin Ying	Domestic natural persons	0.71%	6,251,180	492,900	0	6,251,180		
Shanghai Axing Investment Management Co., Ltd. - Axing Gezhi No.12 Private Equity Investment Fund	Others	0.52%	4,530,000	0	0	4,530,000		
Agricultural Bank of China Limited - CSI 500 ETF	Others	0.37%	3,236,207	-802,000	0	3,236,207		
Zheng Xiaoju	Domestic natural persons	0.34%	3,006,737	314,900	0	3,006,737		
Industrial and Commercial Bank of China Limited – Wanjia CSI 500 Enhanced Initiated Securities Investment Fund	Others	0.31%	2,733,283	2,733,283	0	2,733,283		
Mai Wangqiu	Domestic natural persons	0.27%	2,326,900	26,200	0	2,326,900		
Information on strategic investors or general corporations becoming the top 10 common shareholders (if any) due to the placing of new shares		None						
Description of the above shareholders' relationship or concerted action		Mr. He Renbao, Ms. Wang Yingmei, Zhejiang Yongtai Technology Holdings Co., Ltd. and Shanghai Axing Investment Management Co., Ltd. – Axing Gezhi No.12 Private Equity Investment Fund are parties acting in concert. Among them, Mr. He Renbao and Ms. Wang Yingmei are spouses, who collectively held 100% equity interest in Zhejiang Yongtai Technology Holdings Co., Ltd., and Mr.						

	Kuang He, the son of both of them, held 100% equity interest in Shanghai Axing Investment Management Co., Ltd. – Axing Gezhi No.12 Private Equity Investment Fund. Other than this, it is unknown to the Company whether the remaining shareholders mentioned above are related to each other or are acting in concert.		
Description of the above shareholders involved in proxy/trustee voting rights and waiver of voting rights	None		
Special description of the existence of repurchase special accounts among the top 10 shareholders (if any)	None		
Shareholdings of the top 10 shareholders of ordinary shares with unlimited sales conditions			
Name of shareholder	Number of ordinary shares held with unlimited sales conditions at the end of the reporting period		Type of shares
		Type of shares	Quantity
He Renbao	111,400,000	RMB ordinary shares	111,400,000
Wang Yingmei	36,062,100	RMB ordinary shares	36,062,100
Zhejiang Yongtai Technology Holdings Co., Ltd.	12,887,500	RMB ordinary shares	12,887,500
Hong Kong Securities Clearing Co., Ltd.	12,298,172	RMB ordinary shares	12,298,172
Jin Ying	6,251,180	RMB ordinary shares	6,251,180
Shanghai Axing Investment Management Co., Ltd. - Axing Gezhi No.12 Private Equity Investment Fund	4,530,000	RMB ordinary shares	4,530,000
Agricultural Bank of China Limited - CSI 500 ETF	3,236,207	RMB ordinary shares	3,236,207
Zheng Xiaoju	3,006,737	RMB ordinary shares	3,006,737
Industrial and Commercial Bank of China Limited – Wanjia CSI 500 Enhanced Initiated Securities Investment Fund	2,733,283	RMB ordinary shares	2,733,283
Mai Wangqiu	2,326,900	RMB ordinary shares	2,326,900
Description of the affiliation or acting in concert among the top 10 shareholders of ordinary shares with unlimited sales conditions, and between the top 10 shareholders of ordinary shares with unlimited sales conditions and the top 10 shareholders of ordinary shares	Mr. He Renbao, Ms. Wang Yingmei, Zhejiang Yongtai Technology Holdings Co., Ltd. and Shanghai Axing Investment Management Co., Ltd. – Axing Gezhi No.12 Private Equity Investment Fund are parties acting in concert. Among them, Mr. He Renbao and Ms. Wang Yingmei are spouses, who collectively held 100% equity interest in Zhejiang Yongtai Technology Holdings Co., Ltd., and Mr. Kuang He, the son of both of them, held 100% equity interest in Shanghai Axing Investment Management Co., Ltd. – Axing Gezhi No.12 Private Equity Investment Fund. Other than this, it was unknown to the Company whether the remaining shareholders mentioned above are related to each other or are acting in concert, and it was also unknown to the Company whether the top 10 shareholders of circulating stock with unlimited sales conditions and the top 10 shareholders of ordinary shares are related to each other or are acting in concert.		
Description of participation in securities margin trading business by the top 10 ordinary shareholders (if any)	5,110,172 Shares were held by Jin Ying through an investor credit securities account; 2,330,000 Shares were held by Shanghai Axing Investment Management Co., Ltd. – Axing Gezhi No.12 Private Equity Investment Fund through an investor credit securities account; and 2,605,919 Shares were held by Zheng Xiaoju through an investor credit securities account.		

Engagement of agreed repurchase transactions by the Company's top 10 ordinary shareholders and top 10 ordinary shareholders with unlimited sales conditions during the reporting period

☐ Yes ☒ No

There were no agreed repurchase transactions by the Company's top 10 ordinary shareholders and top 10 ordinary shareholders with unlimited sales conditions during the reporting period.

IV. Changes in shareholdings of directors, supervisors and senior management

☐ Applicable ☒ Not applicable

There were no changes in the shareholdings of the Company's directors, supervisors and senior management during the reporting period, which can be referred to the 2022 Annual Report for details.

V. Changes in controlling shareholders or actual controllers

Changes in controlling shareholders during the reporting period

☐ Applicable ☒ Not applicable

No changes in controlling shareholders occurred during the reporting period of the Company.

Changes in actual controller during the reporting period

☐ Applicable ☒ Not applicable

No changes in actual controller occurred during the reporting period of the Company.

Section VIII Preference Shares

☐ Applicable ☒ Not applicable

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

Section IX Bonds Information

☐ Applicable ☒ Not applicable

Section X Financial Report

I. Audit Report

Whether the semi-annual report is audited or not

☐ Yes ☒ No

The semi-annual financial report of the Company was not audited.

II. Financial Statement

The unit of the statement in the financial notes is: RMB

1. Consolidated Balance Sheet

Prepared by: Zhejiang Yongtai Technology Co., Ltd.

30 June 2023

Unit: yuan

Item	30 June 2023	1 January 2023
Current assets:		
Monetary funds	913,836,684.15	959,294,353.56
Deposit reservation for balance		
Lending funds		
Transactional financial assets	19,000,000.00	21,000,000.00
Derivative financial assets		
Notes receivable		
Accounts receivable	911,323,787.80	1,097,584,586.54
Receivables financing	192,144,370.19	225,377,836.70
Advance payment	194,199,840.36	157,811,227.73
Premium receivable		
Reinsurance receivables		
Reinsurance contract reserves receivable		
Other receivables	75,529,011.92	62,889,080.49
Of which: Interest receivable		
Dividend receivable		
Purchase of resale financial assets		
Inventories	1,722,688,867.75	1,656,002,531.68
Contract assets		
Assets held for sale	599,943.92	1,953,950.58
Non-current assets due within one year		30,000,000.00
Other current assets	270,838,896.11	256,303,048.29

Item	30 June 2023	1 January 2023
Total current assets	4,300,161,402.20	4,468,216,615.57
Non-current assets:		
Loans and advances issued		
Debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investment	260,709,977.46	247,198,773.17
Investment in other equity instruments	67,185,167.43	67,185,167.43
Other non-current financial assets		
Real estate for investment purposes	23,621,779.62	24,359,844.60
Fixed assets	3,111,527,589.16	3,202,901,214.03
Construction in progress	2,144,438,438.72	1,940,025,580.52
Productive biological assets		
Oil and gas assets		
Right of use assets	963,286.72	1,999,121.62
Intangible assets	443,526,330.71	425,885,715.20
Development expenditure	125,057,048.83	113,725,541.88
Goodwill	600,936,834.86	600,936,834.86
Long-term deferred expenses	9,505,673.29	11,585,854.49
Deferred income tax assets	116,611,050.32	123,509,880.63
Other non-current assets	234,248,794.09	126,960,096.65
Total non-current assets	7,138,331,971.21	6,886,273,625.08
Total assets	11,438,493,373.41	11,354,490,240.65
Current liabilities:		
Short-term loan	1,748,883,887.24	1,969,850,503.82
Borrowings from the Central Bank		
Borrowing funds		
Transaction financial liabilities	8,530,378.15	5,808,202.02
Derivative financial liabilities		
Notes payable	915,756,442.22	1,004,476,920.61
Accounts payable	689,575,040.65	958,233,008.51
Advance payment		
Contractual liabilities	922,610,824.35	927,870,015.78
Financial assets sold for repurchase		
Savings absorption and interbank deposits		
Acting trading securities		
Acting underwriting securities		
Remuneration payable to employees	33,199,509.15	71,266,645.34
Taxes payable	25,768,722.75	77,603,095.90
Other payables	40,749,607.20	51,450,665.61
Of which: Interest payable		

Item	30 June 2023	1 January 2023
Dividend payable		
Handling charges and commissions payable		
Accounts payable reinsurance		
Liabilities held for sale		
Non-current liabilities due within one year	762,965,782.75	591,940,858.91
Other current liabilities	113,830,524.53	107,773,134.09
Total current liabilities	5,261,870,718.99	5,766,273,050.59
Non-current liabilities:		
Provision for insurance contracts		
Long-term loan	1,663,860,552.80	1,023,262,713.96
Bonds payable		
Of which: Preferred shares		
Perpetual debt		
Lease liabilities		876,313.54
Long-term payables	691,958,429.30	670,855,040.50
Long-term remuneration payable to employees		
Estimated liabilities	144,145.00	144,145.00
Deferred benefits	139,274,324.67	130,900,287.43
Deferred income tax liabilities	15,863,019.85	16,390,363.86
Other non-current liabilities		
Total non-current liabilities	2,511,100,471.62	1,842,428,864.29
Total liabilities	7,772,971,190.61	7,608,701,914.88
Owner's equity:		
Capital stock	876,566,295.00	876,566,295.00
Other equity instruments		
Of which: Preferred shares		
Perpetual debt		
Capital reserves	208,995,086.37	208,995,086.37
Less: treasury shares		
Other comprehensive incomes	60,531,140.58	69,479,618.61
Special reserves	5,312,402.65	2,375,120.26
Surplus reserves	212,549,555.18	212,549,555.18
General risk provision		
Retained earnings	2,008,243,168.14	2,057,248,262.04
Total owner's equity attributable to the parent company	3,372,197,647.92	3,427,213,937.46
Equity of minority shareholders	293,324,534.88	318,574,388.31
Total owner's equity	3,665,522,182.80	3,745,788,325.77
Total liabilities and owner's equity	11,438,493,373.41	11,354,490,240.65

Legal representative: Wang Yingmei
accounting agency: Ni Xiaoyan

Person in charge of accounting work: Chen Lijie

Head of

2. Balance Sheet of Parent Company

Unit: yuan

Item	30 June 2023	1 January 2023
Current assets:		
Monetary funds	315,589,434.48	331,088,834.32
Transactional financial assets		
Derivative financial assets		
Notes receivable		70,000,000.00
Accounts receivable	196,420,962.48	314,053,350.17
Receivables financing	42,263,272.17	45,951,644.49
Advance payment	62,755,471.54	24,248,471.09
Other receivables	2,221,000,998.04	1,977,970,478.10
Of which: Interest receivable		
Dividend receivable		
Inventories	511,569,662.87	517,476,220.65
Contract assets		
Assets held for sale	599,943.92	1,953,950.58
Non-current assets due within one year		30,000,000.00
Other current assets	55,715,401.03	52,614,108.14
Total current assets	3,405,915,146.53	3,365,357,057.54
Non-current assets:		
Debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investment	3,173,881,347.21	2,903,854,074.85
Investment in other equity instruments	67,185,167.43	67,185,167.43
Other non-current financial assets		
Real estate for investment purposes	54,036,189.14	55,454,005.34
Fixed assets	578,386,316.48	617,674,029.05
Construction in progress	29,689,533.61	15,899,512.71
Productive biological assets		
Oil and gas assets		
Right of use assets		
Intangible assets	33,433,072.96	33,579,553.76
Development expenditure		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	70,606,584.11	61,741,583.04
Other non-current assets	331,379,646.35	341,943,197.33
Total non-current assets	4,338,597,857.29	4,097,331,123.51
Total assets	7,744,513,003.82	7,462,688,181.05
Current liabilities:		

Item	30 June 2023	1 January 2023
Short-term loan	1,034,542,507.84	1,170,401,008.61
Transaction financial liabilities	7,447,218.30	4,725,042.17
Derivative financial liabilities		
Notes payable	436,550,778.26	467,291,229.71
Accounts payable	103,536,487.50	141,455,837.51
Advance payment		
Contractual liabilities	705,083,867.33	711,827,337.50
Remuneration payable to employees	11,042,176.53	26,917,922.45
Taxes payable	6,064,781.27	10,442,421.18
Other payables	364,903,858.78	385,114,621.47
Of which: Interest payable		
Dividend payable		
Liabilities held for sale		
Non-current liabilities due within one year	510,603,388.97	365,586,562.58
Other current liabilities	91,633,355.01	92,382,772.36
Total current liabilities	3,271,408,419.79	3,376,144,755.54
Non-current liabilities:		
Long-term loan	953,409,531.57	586,470,000.00
Bonds payable		
Of which: Preferred shares		
Perpetual debt		
Lease liabilities		
Long-term payables	3,322,441.28	16,698,793.65
Long-term remuneration payable to employees		
Estimated liabilities		
Deferred benefits	14,315,366.68	6,815,968.98
Deferred income tax liabilities	5,746,311.29	5,746,311.29
Other non-current liabilities		
Total non-current liabilities	976,793,650.82	615,731,073.92
Total liabilities	4,248,202,070.61	3,991,875,829.46
Owner's equity:		
Capital stock	876,566,295.00	876,566,295.00
Other equity instruments		
Of which: Preferred shares		
Perpetual debt		
Capital reserves	872,979,345.22	872,979,345.22
Less: treasury shares		
Other comprehensive incomes	63,425,271.91	63,425,271.91
Special reserves		
Surplus reserves	209,741,527.78	209,741,527.78
Retained earnings	1,473,598,493.30	1,448,099,911.68
Total owner's equity	3,496,310,933.21	3,470,812,351.59
Total liabilities and owner's equity	7,744,513,003.82	7,462,688,181.05

3. Consolidated Income Statement

Unit: yuan

Item	Semi-annual 2023	Semi-annual 2022
I. Total operating income	2,053,255,250.17	3,316,898,537.85
Of which: Operating revenue	2,053,255,250.17	3,316,898,537.85
Interest income		
Premium earned		
Incomes for handling charges and commissions		
II. Total operating cost	2,133,261,220.46	2,648,933,144.05
Including: Operating costs	1,650,173,197.91	2,206,864,638.61
Interest expenses		
Expenditures for handling charges and commissions		
Surrender value		
Net amount of compensation expenses		
Net insurance liability reserve withdrawn		
Policyholder dividend expense		
Reinsurance expenses		
Taxes and surcharges	22,505,085.86	19,402,985.51
Marketing expenses	53,209,711.73	30,795,582.30
Management expenses	286,914,306.21	276,667,285.63
R&D expenses	76,157,702.13	85,848,557.06
Financial expenses	44,301,216.62	29,354,094.94
Of which: Interest expense	76,521,928.36	64,433,892.84
Interest income	10,925,439.51	2,760,658.96
Plus: Other income	20,734,550.97	6,988,682.66
Income from investment (loss expressed with "-")	8,580,117.44	32,344,515.29
Of which: investment benefits to the associated enterprise and joint venture		
Income from derecognition of financial assets measured at amortized cost		
Exchange gain (loss expressed with "-")		
Net exposure hedging income (loss expressed with "-")		
Income from changes in fair value (loss expressed with "-")	-2,575,010.62	-10,272,349.87
Credit impairment loss (loss expressed with "-")	8,169,150.69	-5,674,998.67
Asset impairment loss (loss expressed with "-")		
Income from disposal of assets (loss expressed with "-")	51,489,691.76	-2,730,492.38
III. Operating profit (loss expressed with "-")	6,392,529.95	688,620,750.83
Plus: non-operating income	40,619,320.93	2,362,881.06
Less: non-operating expenses	3,522,612.42	2,009,888.59

Item	Semi-annual 2023	Semi-annual 2022
IV. Total profit (total loss expressed with "-")	43,489,238.46	688,973,743.30
Less: income tax expense	30,331,170.23	124,981,307.50
V. Net profit (net loss expressed with "-")	13,158,068.23	563,992,435.80
(I) Classification by business continuity		
1. Net profit from going concern (net loss expressed with "-")	12,176,541.40	570,265,239.39
2. Net profit from discontinued operations (net loss expressed with "-")	981,526.83	-6,272,803.59
(II) Classification by ownership		
1. Net profit attributable to shareholders of the parent company (net loss expressed with "-")	38,651,535.60	493,604,103.06
2. Minority shareholders' profits and losses (net loss expressed with "-")	-25,493,467.37	70,388,332.74
VI. Net after-tax amount of other comprehensive incomes	-8,948,478.03	2,762,593.04
Net after-tax amount of other comprehensive income attributable to the owner of the parent company	-8,948,478.03	2,762,593.04
(I) Other comprehensive incomes not to be reclassified into profits and losses		
1. Remeasurement of changes in defined benefit plans		
2. Other comprehensive income that cannot be transferred to profits and losses under equity method		
3. Changes in fair value of other equity instrument investments		
4. Changes in fair value of enterprise's own credit risk		
5. Others		
(II) Other comprehensive incomes to be reclassified into profits and losses	-8,948,478.03	2,762,593.04
1. Other comprehensive income that can be transferred to profits and losses under equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Cash flow hedging reserve		
6. The balance arisen from the translation of foreign currency financial statements	-8,948,478.03	2,762,593.04
7. Others		
Net after-tax amount of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	4,209,590.20	566,755,028.84
Total comprehensive incomes attributable to the parent company's owners	29,703,057.57	496,366,696.10
Total comprehensive incomes attributable to minority shareholders	-25,493,467.37	70,388,332.74
VIII. Earnings per share:		
(I) Basic earnings per share	0.04	0.56
(II) Diluted earnings per share	0.04	0.56

In the event of a business combination under the same control during the current period, the net profit realized by the party to be combined before the combination was: RMB0.00, and the net profit realized by the party to be combined during the previous period was: RMB0.00.

Legal representative: Wang Yingmei

Person in charge of accounting work: Chen Lijie

Head of accounting agency: Ni Xiaoyan

4. Profit Statement of Parent Company

Unit: yuan

Item	Semi-annual 2023	Semi-annual 2022
I. Operating income	735,652,656.06	1,101,849,959.59
Less: operating costs	531,829,805.29	770,897,122.90
Taxes and surcharges	7,567,332.66	6,164,492.16
Marketing expenses	7,198,128.30	3,398,685.65
Management expenses	100,614,226.84	125,335,143.31
R&D expenses	42,906,070.50	33,142,987.27
Financial expenses	25,417,947.29	29,087,626.52
Of which: Interest expense	45,204,212.72	48,555,413.50
Interest income	8,886,445.81	6,028,294.80
Plus: Other income	2,686,280.10	185,387.26
Income from investment (loss expressed with "-")	138,401,769.10	31,607,386.43
Of which: investment benefits to the associated enterprise and joint venture		
Gains (losses) on derecognition of financial assets measured at amortized cost ("losses" are presented as "-")		
Net exposure hedging income (loss expressed with "-")		
Income from changes in fair value (loss expressed with "-")	-2,575,010.62	-10,272,349.87
Credit impairment loss (loss expressed with "-")	-49,087,086.64	-26,545,538.18
Asset impairment loss (loss expressed with "-")		
Income from disposal of assets (loss expressed with "-")	436,025.26	-243,607.83
II. Operating profit (loss expressed with "-")	109,981,122.38	128,555,179.59
Plus: non-operating income	9,505.08	135,790.00
Less: non-operating expenses	1,666,848.76	1,670,959.35
III. Total profit (total loss expressed with "-")	108,323,778.70	127,020,010.24
Less: income tax expense	-4,831,432.42	23,963,114.90
IV. Net profit (net loss expressed with "-")	113,155,211.12	103,056,895.34
(I) Net profit from going concern (net loss expressed with "-")		
(II) Net profit from discontinued operations (net loss expressed with "-")		
V. Net after-tax amount of other comprehensive incomes		
(I) Other comprehensive incomes not to be reclassified into profits and losses		
1. Remeasurement of changes in defined benefit plans		
2. Other comprehensive income that cannot be transferred to profits and losses under equity method		

Item	Semi-annual 2023	Semi-annual 2022
3. Changes in fair value of other equity instrument investments		
4. Changes in fair value of enterprise's own credit risk		
5. Others		
(II) Other comprehensive incomes to be reclassified into profits and losses		
1. Other comprehensive income that can be transferred to profits and losses under equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Cash flow hedging reserve		
6. The balance arisen from the translation of foreign currency financial statements		
7. Others		
VI. Total comprehensive income	113,155,211.12	103,056,895.34
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated Statement of Cash Flow

Unit: yuan

Item	Semi-annual 2023	Semi-annual 2022
I. Cash flow from operating activities:		
Cash received from sales of goods or rendering of labor services	1,664,322,267.62	2,494,245,116.15
Net increase in customer bank deposits and interbank deposits		
Net increase in borrowing from the Central Bank		
Net increase in loans from other financial institutions		
Cash received from premiums obtained from original insurance contracts		
Net cash received from reinsurance business		
Net increase of policy holder deposits and investment funds		
Cash received from interests, handling charges and commissions		
Net increase in borrowing funds		
Net increase in repurchase business capital		
Net cash received from agency purchases and sales of securities		
Refunds of taxes	81,444,751.04	183,668,629.24
Other cash received related to operating activities	92,691,798.93	25,928,522.95
Sub-total of cash inflows from operating activities	1,838,458,817.59	2,703,842,268.34
Cash payments for purchasing goods and receiving labor services	1,500,403,856.44	1,589,368,031.15

Item	Semi-annual 2023	Semi-annual 2022
Net increase in customer loans and advances		
Net increase of deposits in the Central Bank and other financial institutions		
Cash payments for original insurance contract claims		
Net increase in lending funds		
Cash payments for interests, handling charges and commissions		
Cash payments for the policyholder dividends		
Cash paid to and on behalf of employees	245,296,280.92	233,968,833.73
All types of taxes paid	105,624,123.47	192,311,856.02
Other cash payments related to operating activities	189,635,639.55	220,745,924.35
Sub-total of cash outflows from operating activities	2,040,959,900.38	2,236,394,645.25
Net cash flow from operating activities	-202,501,082.79	467,447,623.09
II. Cash flow from investment activities:		
Cash received from investment recovery	41,000,000.00	150,289,057.14
Cash received from returns on investments	1,363,616.58	19,668,839.44
Net cash received from disposal of fixed assets, intangible assets & other long-term assets	91,130,021.00	28,225,391.67
Net cash received from the disposal of subsidiaries and other business entities		
Other cash received relating to investment activities		
Sub-total of cash inflows from investment activities	133,493,637.58	198,183,288.25
Cash paid to acquire fixed assets, intangible assets & other long-term assets	260,610,700.40	592,671,038.94
Cash paid to acquire investments	43,500,000.00	55,500,000.00
Net increase in pledge loans		
Net cash payments for the acquisition of subsidiaries and other business entities		
Other cash payments related to investing activities		
Sub-total of cash outflows from investment activities	304,110,700.40	648,171,038.94
Net cash flow from investing activities	-170,617,062.82	-449,987,750.69
III. Cash flow from financing activities:		
Cash received from capital contributions		
Of which: cash received from minority shareholders' investment in subsidiaries		
Cash received from borrowings	1,841,526,699.98	1,339,919,048.00
Other cash received related to financing activities	136,600,000.00	
Sub-total of cash inflows from financing activities	1,978,126,699.98	1,339,919,048.00
Cash payments for debt repayment	1,357,597,543.68	1,063,330,841.09
Cash payments for distributing dividends, profits or paying interest	183,280,698.67	152,825,060.51
Of which: share dividends and profits paid to minority shareholders by subsidiaries		
Other cash payments related to financing activities	3,000,000.00	
Sub-total of cash outflows from financing activities	1,543,878,242.35	1,216,155,901.60
Net cash flow from financing activities	434,248,457.63	123,763,146.40
IV. Impact of currency fluctuation on cash and cash	-5,711,923.93	14,075,057.49

Item	Semi-annual 2023	Semi-annual 2022
equivalents		
V. Net increase in cash and cash equivalents	55,418,388.09	155,298,076.29
Plus: Cash and cash equivalents balance at the beginning of the period	438,109,059.07	366,794,196.10
VI. Cash and cash equivalents balance at the end of the period	493,527,447.16	522,092,272.39

6. Cash Flow Statement of Parent Company

Unit: yuan

Item	Semi-annual 2023	Semi-annual 2022
I. Cash flow from operating activities:		
Cash received from sales of goods or rendering of labor services	778,472,243.55	1,067,418,238.87
Refunds of taxes	24,773,671.87	20,682,340.25
Other cash received related to operating activities	139,818,989.44	193,143,086.47
Sub-total of cash inflows from operating activities	943,064,904.86	1,281,243,665.59
Cash payments for purchasing goods and receiving labor services	619,652,881.19	437,597,900.64
Cash paid to and on behalf of employees	87,267,902.84	87,616,553.48
All types of taxes paid	11,317,556.69	36,809,211.28
Other cash payments related to operating activities	524,713,545.52	711,691,682.90
Sub-total of cash outflows from operating activities	1,242,951,886.24	1,273,715,348.30
Net cash flow from operating activities	-299,886,981.38	7,528,317.29
II. Cash flow from investment activities:		
Cash received from investment recovery		106,289,057.14
Cash received from returns on investments	131,363,616.58	4,116,839.44
Net cash received from disposal of fixed assets, intangible assets & other long-term assets	604,139.50	-243,607.83
Net cash received from the disposal of subsidiaries and other business entities		
Other cash received relating to investment activities		
Sub-total of cash inflows from investment activities	131,967,756.08	110,162,288.75
Cash paid to acquire fixed assets, intangible assets & other long-term assets	40,953,387.28	44,132,196.89
Cash paid to acquire investments	9,688,692.57	1,270,276.19
Net cash payments for the acquisition of subsidiaries and other business entities		
Other cash payments related to investing activities		
Sub-total of cash outflows from investment activities	50,642,079.85	45,402,473.08
Net cash flow from investing activities	81,325,676.23	64,759,815.67
III. Cash flow from financing activities:		
Cash received from capital contributions		
Cash received from borrowings	1,221,730,000.00	968,948,528.00
Other cash received related to financing activities		
Sub-total of cash inflows from financing activities	1,221,730,000.00	968,948,528.00
Cash payments for debt repayment	851,578,203.64	840,745,784.91
Cash payments for distributing dividends, profits or paying interest	144,549,083.78	136,986,351.59
Other cash payments related to financing		

Item	Semi-annual 2023	Semi-annual 2022
activities		
Sub-total of cash outflows from financing activities	996,127,287.42	977,732,136.50
Net cash flow from financing activities	225,602,712.58	-8,783,608.50
IV. Impact of currency fluctuation on cash and cash equivalents	3,056,128.72	4,084,097.69
V. Net increase in cash and cash equivalents	10,097,536.15	67,588,622.15
Plus: Cash and cash equivalents balance at the beginning of the period	183,097,370.13	228,546,832.40
VI. Cash and cash equivalents balance at the end of the period	193,194,906.28	296,135,454.55

7. Consolidated Statement of Changes in Owner's Equity

Amount in the current period

Unit: yuan

Item	Semi-annual 2023														
	Owner's equity attributable to the parent company												Equity of minority shareholders	Total owner's equity	
	Capital stock	Other equity Instruments			Capital reserves	Less: treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	General risk provision	Retained earnings	Others			Subtotal
		Preferred shares	Perpetual debt	Others											
I. Balance at the end of the last year	876,566,295.00				208,995,086.37		69,479,618.61	2,375,120.26	212,549,555.18		2,057,248,262.04		3,427,213,937.46	318,574,388.31	3,745,788,325.77
Plus: Changes in accounting policies															
Correction of prior errors															
Business merger under the same control															
Others															
II. Balance at the beginning of the year	876,566,295.00				208,995,086.37		69,479,618.61	2,375,120.26	212,549,555.18		2,057,248,262.04		3,427,213,937.46	318,574,388.31	3,745,788,325.77
III. Increase/decrease amount of the current period (decrease expressed with "-")							-8,948,478.03	2,937,282.39			-49,005,093.90		-55,016,289.54	-25,249,853.43	-80,266,142.97
(I) Total comprehensive income							-8,948,478.03				38,651,535.60		29,703,057.57	-25,493,467.37	4,209,590.20

Item	Semi-annual 2023														
	Owner's equity attributable to the parent company												Equity of minority shareholders	Total owner's equity	
	Capital stock	Other equity Instruments			Capital reserves	Less: treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	General risk provision	Retained earnings	Others			Subtotal
		Preferred shares	Perpetual debt	Others											
(II) Capital contributed or withdrawn by owners															
1. Capital contribution by owners															
2. Capital contribution by holders of other equity instruments															
3. Amount of share payment included into owner's equity															
4. Others															
(III) Distribution of profits											-87,656,629.50		-87,656,629.50		-87,656,629.50
1. Appropriation to surplus reserves															
2. Appropriation to general risk reserves															
3. Distribution to owners (or											-87,656,629.50		-87,656,629.50		-87,656,629.50

Item	Semi-annual 2023														
	Owner's equity attributable to the parent company													Equity of minority shareholders	Total owner's equity
	Capital stock	Other equity Instruments			Capital reserves	Less: treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	General risk provision	Retained earnings	Others	Subtotal		
		Preferred shares	Perpetual debt	Others											
shareholders)															
4. Others															
(IV) Transfer within owner's equity															
1. Capital reserve converted into capital (or share capital)															
2. Surplus reserve converted into capital (or share capital)															
3. Surplus reserves to cover losses															
4. Changes in defined benefit plans carried forward to retained earnings															
5. Other comprehensive income carried forward to															

Item	Semi-annual 2023														
	Owner's equity attributable to the parent company													Equity of minority shareholders	Total owner's equity
	Capital stock	Other equity Instruments			Capital reserves	Less: treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	General risk provision	Retained earnings	Others	Subtotal		
		Preferred shares	Perpetual debt	Others											
retained earnings															
6. Others															
(V) Special reserve								2,937,282.39					2,937,282.39	243,613.94	3,180,896.33
1. Withdrawal in the current period								12,519,967.08					12,519,967.08	479,933.46	12,999,900.54
2. Use in the current period								9,582,684.69					9,582,684.69	236,319.52	9,819,004.21
(VI) Others															
IV. Ending balance of the current period	876,566,295.00				208,995,086.37		60,531,140.58	5,312,402.65	212,549,555.18		2,008,243,168.14		3,372,197,647.92	293,324,534.88	3,665,522,182.80

Amount of the previous year

Unit: yuan

Item	Semi-annual 2022													
	Owner's equity attributable to the parent company													Equity of minority shareholders
	Capital stock	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	General risk provision	Retained earnings	Others	Subtotal	
		Preferr ed shares	Perpet ual debt	Others										
I. Balance at the end of the last year	876,566,295.00				771,657,893.90		70,187,494.69	447,664.21	198,416,907.56		1,605,109,202.90		3,522,385,458.26	212,272,573.74
Plus: Changes in accounting policies														
Correction of prior errors														
Business merger under the same control														
Others														
II. Balance at the beginning of the year	876,566,295.00				771,657,893.90		70,187,494.69	447,664.21	198,416,907.56		1,605,109,202.90		3,522,385,458.26	212,272,573.74
III. Increase/decrease amount of the current period (decrease expressed with "-")							2,762,593.04	597,745.80			405,947,473.56		409,307,812.40	70,388,332.74
(I) Total comprehensive income							2,762,593.04				493,604,103.06		496,366,696.10	566,755,028.84
(II) Capital														

Item	Semi-annual 2022														
	Owner's equity attributable to the parent company													Equity of minority shareholders	Total owner's equity
	Capital stock	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	General risk provision	Retained earnings	Others	Subtotal		
contributed or withdrawn by owners															
1. Capital contribution by owners															
2. Capital contribution by holders of other equity instruments															
3. Amount of share payment included into owner's equity															
4. Others															
(III) Distribution of profits											-87,656,629.50		-87,656,629.50		-87,656,629.50
1. Appropriation to surplus reserves															
2. Appropriation to general risk reserves															
3. Distribution to owners (or shareholders)											-87,656,629.50		-87,656,629.50		-87,656,629.50
4. Others															
(IV) Transfer within owner's equity															

Item	Semi-annual 2022														
	Owner's equity attributable to the parent company													Equity of minority shareholders	Total owner's equity
	Capital stock	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	General risk provision	Retained earnings	Others	Subtotal		
		Preferred shares	Perpetual debt	Others											
1. Capital reserve converted into capital (or share capital)															
2. Surplus reserve converted into capital (or share capital)															
3. Surplus reserves to cover losses															
4. Changes in defined benefit plans carried forward to retained earnings															
5. Other comprehensive income carried forward to retained earnings															
6. Others															
(V) Special reserve								597,745.80					597,745.80		597,745.80
1. Withdrawal in the current period								14,141,210.92					14,141,210.92		14,141,210.92
2. Use in the current period								13,543,465.12					13,543,465.12		13,543,465.12
(VI) Others															

Item	Semi-annual 2022													
	Owner's equity attributable to the parent company													Equity of minority shareholders
	Capital stock	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	General risk provision	Retained earnings	Others	Subtotal	
IV. Ending balance of the current period	876,566,295.00				771,657,893.90		72,950,087.73	1,045,410.01	198,416,907.56		2,011,056,676.46		3,931,693,270.66	282,660,906.48
														4,214,354,177.14

8. Statement of Changes in Owners' Equity of Parent Company

Amount in the current period

Unit: yuan

Item	Semi-annual 2023											
	Capital stock	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Retained earnings	Others	Total owner's equity
		Preferred shares	Perpetual debt	Others								
I. Balance at the end of the last year	876,566,295.00				872,979,345.22		63,425,271.91		209,741,527.78	1,448,099,911.68		3,470,812,351.59
Plus: Changes in accounting policies												
Correction of prior errors												
Others												
II. Balance at the beginning of the year	876,566,295.00				872,979,345.22		63,425,271.91		209,741,527.78	1,448,099,911.68		3,470,812,351.59
III. Increase/decrease amount of the current period (decrease expressed with "-")										25,498,581.62		25,498,581.62
(I) Total comprehensive income										113,155,211.12		113,155,211.12
(II) Capital contributed or withdrawn by owners												

Item	Semi-annual 2023											
	Capital stock	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Retained earnings	Others	Total owner's equity
		Preferred shares	Perpetual debt	Others								
1. Capital contribution by owners												
2. Capital contribution by holders of other equity instruments												
3. Amount of share payment included into owner's equity												
4. Others												
(III) Distribution of profits										-87,656,629.50		-87,656,629.50
1. Appropriation to surplus reserves												
2. Distribution to owners (or shareholders)										-87,656,629.50		-87,656,629.50
3. Others												
(IV) Transfer within owner's equity												
1. Capital reserve converted into capital (or share capital)												
2. Surplus reserve converted into capital (or share capital)												
3. Surplus reserves to cover losses												
4. Changes in defined benefit plans carried forward to retained earnings												
5. Other comprehensive income carried forward to retained earnings												
6. Others												
(V) Special reserve												
1. Withdrawal in the current period								4,434,394.00				4,434,394.00
2. Use in the current period								4,434,394.00				4,434,394.00
(VI) Others												
IV. Ending balance of the current	876,566,295.00				872,979,345.		63,425,271.91		209,741,527.78	1,473,598,493.30		3,496,310,933.21

Item	Semi-annual 2023											
	Capital stock	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Retained earnings	Others	Total owner's equity
		Preferred shares	Perpetual debt	Others								
period					22							

Amount of the previous year

Unit: yuan

Item	Semi-annual 2022											
	Capital stock	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Retained earnings	Others	Total owner's equity
		Preferred shares	Perpetual debt	Others								
I. Balance at the end of the last year	876,566,295.00				872,979,345.22		70,539,052.63		195,608,880.16	1,408,562,712.60		3,424,256,285.61
Plus: Changes in accounting policies												
Correction of prior errors												
Others												
II. Balance at the beginning of the year	876,566,295.00				872,979,345.22		70,539,052.63		195,608,880.16	1,408,562,712.60		3,424,256,285.61
III. Increase/decrease amount of the current period (decrease expressed with "-")										15,400,265.84		15,400,265.84
(I) Total comprehensive income										103,056,895.34		103,056,895.34
(II) Capital contributed or withdrawn by owners												
1. Capital contribution by owners												
2. Capital contribution by holders of other equity instruments												
3. Amount of share payment included into owner's equity												
4. Others												
(III) Distribution of profits										-87,656,629.50		-87,656,629.50
1. Appropriation to surplus reserves												

Item	Semi-annual 2022											
	Capital stock	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Retained earnings	Others	Total owner's equity
		Preferred shares	Perpet ual debt	Other s								
2. Distribution to owners (or shareholders)										-87,656,629.50		-87,656,629.50
3. Others												
(IV) Transfer within owner's equity												
1. Capital reserve converted into capital (or share capital)												
2. Surplus reserve converted into capital (or share capital)												
3. Surplus reserves to cover losses												
4. Changes in defined benefit plans carried forward to retained earnings												
5. Other comprehensive income carried forward to retained earnings												
6. Others												
(V) Special reserve												
1. Withdrawal in the current period								8,101,861.45				8,101,861.45
2. Use in the current period								8,101,861.45				8,101,861.45
(VI) Others												
IV. Ending balance of the current period	876,566,295.00				872,979,345.22		70,539,052.63		195,608,880.16	1,423,962,978.44		3,439,656,551.45

III. Basic Information about the Company

(I) Company profile

Zhejiang Yongtai Technology Co., Ltd. (hereinafter referred to as “Company” or “the Company” or “YONGTAI TECH.”) is a company limited by shares through overall change from original Zhejiang Yongtai Chemical Co., Ltd., with Zhejiang Yongtai Technology Holdings Co., Ltd. (formerly Linhai City Yongtai Investment Co., Ltd.) and 25 natural persons such as Wang Yingmei, He Renbao, Liu Hong as sponsors and total share capital amount of 100 million shares (the face value per share is RMB 1). Unified social credit code of business license of the Company: 91330000719525000X. The Company was listed in Shenzhen Stock Exchange in December 2009. Industry: Chemical raw materials and chemical products manufacturing industry.

As of 30 June 2023, the Company has issued a cumulative total of 876,566,295 shares, with a registered capital of RMB 87,566,295, registered office at No.1 Donghai Fifth Avenue, Linhai Park, Zhejiang Chemical Raw Material Medicine Base, and head office at No.1 Donghai Fifth Avenue, Linhai Park, Zhejiang Chemical Raw Material Medicine Base. The Company’s principal business activities are the manufacture and sale of organic intermediates and the sale of pesticides. Actual controllers of the Company are the couple He Renbao and Wang Yingmei.

The financial statements have been approved by the Board of Directors of the Company for reporting on 30 August 2023.

(II) Scope of consolidated financial statements

Subsidiaries within the scope of the consolidated financial statements of the Company as of 30 June 2023 are as follows:

Name of subsidiary
Binhai Yongtai Technology Co., Ltd. (hereinafter referred to as “Binhai Yongtai”)
Shanghai E-Tong Chemical Co., Ltd. (hereinafter referred to as “Shanghai E-Tong”)
Shaowu Yongtai Hi-tech Material Co., Ltd. (hereinafter referred to as “Yongtai Hi-tech”)
Hainan Xinhui Mining Co., Ltd. (hereinafter referred to as “Xinhui Mining”)
Zhejiang Yongtai Pharmaceutical Co., Ltd. (hereinafter referred to as “Yongtai Pharma”)
Youngtech Pharmaceuticals Co., Ltd. (hereinafter referred to as “Youngtech Pharmaceuticals”)
Shandong Zhanhua Yongtai Pharmaceutical Co., Ltd. (hereinafter referred to as “Shandong Yongtai”)
Zhejiang Yongtai New Material Co., Ltd. (hereinafter referred to as “Yongtai New Material”)
SYT pharm (Shanghai) Inc. (hereinafter referred to as “SYT pharm (Shanghai)”)
Zhejiang Yongtai New Energy Material Co., Ltd. (hereinafter referred to as “Yongtai New Energy”)
Shanghai Youngcobe Bio-pharma Co., Ltd. (hereinafter referred to as “Shanghai Youngcobe”)
E-TONGCHEMICAL (HONGKONG) CO., LIMITED (hereinafter referred to as “E-TONGCHEMICAL (HONGKONG)”)
Zhejiang Chiral Medicine Chemicals Co., Ltd. (hereinafter referred to as “Zhejiang Chiral”)
Foshan Soin Chiralpharma Co., Ltd. (hereinafter referred to as “Foshan Soin”)
Zhejiang Yongtai Chiral Medicine Technology Co., Ltd. (hereinafter referred to as “Yongtai Chiral”)
Chongqing Yongyuansheng Technology Co., Ltd. (hereinafter referred to as “Chongqing Yongyuansheng”)
Jiangsu Subin Agrochemical Co., Ltd. (hereinafter referred to as “Jiangsu Subin”)
H&G (China) Chemical Ltd. (hereinafter referred to as “H&G (China)”)
Binhai Meikang Pharmaceutical Co., Ltd. (hereinafter referred to as “Binhai Meikang”)

Name of subsidiary
Inner Mongolia Yongtai Chemical Co., Ltd. (hereinafter referred to as “Inner Mongolia Yongtai”)
E-TONGCHEMICAL CO., LIMITED (hereinafter referred to as “E-TONGCHEMICAL”)
Inner Mongolia Hehui Technology Co., Ltd. (hereinafter referred to as “Inner Mongolia Hehui”)
Hangzhou Yongtai Biomedicine Co., Ltd. (hereinafter referred to as “Hangzhou Yongtai”)
PT. ETONG CHEMICAL INDONESIA (hereinafter referred to as “PT. ETONG”)
Zhejiang Yongtai Trading Co., Ltd. (hereinafter referred to as “Yongtai Trading”)
E-TONG CHEMICAL (PHILIPPINES) INC. (hereinafter referred to as “E-TONG CHEMICAL (PHILIPPINES)”)
ETONG AGROTECH NIGERIA LIMITED (hereinafter referred to as “Etong Agrotech Nigeria”)
ETONG CHEMICALS (PVT.) LTD. (hereinafter referred to as “Etong Chemicals (Pvt.)”)
LIDEAL MINES LIMITED (hereinafter referred to as “Lideal Mines”)
AGRO JUNTOS COLOMBIA S.A.S. (hereinafter referred to as “Agro Juntos Colombia”)
FARMALINE CROPCARE BANGLADESH LIMITED (hereinafter referred to as “Farmaline Cropcare Bangladesh”)
Zhejiang Yongtai Fule Technology Co., Ltd. (hereinafter referred to as “Yongtai Fule Technology”)
Shandong Yonghong Lithium Industry Technology Co., Ltd. (hereinafter referred to as “Yonghong Lithium Industry”)
Fujian Yongtai Fuyuan Technology Co., Ltd. (hereinafter referred to as “Yongtai Fuyuan”)

See "Note IX. Interests in Other Entities" for details of the Company's subsidiaries.

See "Note VIII. Changes in Consolidation Scope" for details of changes in consolidation scope in the current reporting period.

IV. The basis for the formulation of financial statements

1. Preparation basis

The financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises - Basic Standards and various specific accounting standards, guidelines for the application of accounting standards for enterprises, interpretations of accounting standards for enterprises and other related regulations (hereinafter collectively referred to as "Accounting Standards for Business Enterprises") issued by the Ministry of Finance, and the relevant provisions of Disclosure and Reporting Rules for Companies Issuing Public Securities No. 15 – General Provisions on Financial Reporting of China Securities Regulatory Commission.

2. Continuing operations

The financial statements are prepared on a going-concern basis.

The Company has the ability of sustainable operation for at least 12 months since the end of the reporting period, and there are no major matters affecting its ability of sustainable operation.

V. Significant accounting policies and accounting estimates

Specific accounting policies and accounting estimates tips:

The Company has formulated specific accounting policies and accounting estimates for transactions or matters such as bad debt reserve for receivables, depreciation of fixed assets, amortization of intangible assets and revenue recognition in accordance with the actual production and operation characteristics.

1. The declaration on compliance with the Accounting Standards for Business Enterprises

These financial statements comply with the requirements of the Accounting Standards for Business Enterprises issued by the Ministry of Finance and give a true and complete view of the consolidated and parent company's financial positions as of 30 June 2023 and the consolidated and parent company's business performance and cash flows for January-June 2023.

2. Accounting period

The fiscal year is from January 1 to December 31 of the Gregorian calendar.

3. Business cycle

The business cycle of the Company is 12 months.

4. Bookkeeping standard currency

The Company adopts RMB as the bookkeeping base currency. The subsidiaries of the Company have determined their bookkeeping standard currencies according to the major economic environments in which they operate. Among them, the bookkeeping standard currencies of the Company's American subsidiary Youngtech Pharmaceuticals, and the Hong Kong sub-subsidiaries E-Tong Chemical (Hong Kong) Co., Limited and E-Tong Chemical Co., Limited are U.S. Dollars, the bookkeeping standard currency of the Indonesian sub-subsidiary PT. Etong Chemical Indonesia is Rupiah, and the bookkeeping standard currencies of the Filipino sub-subsidiary E-tong Chemical (Philippines) Inc. is Philippine Peso, the bookkeeping standard currency of the Nigerian sub-subsidiaries Etong Agrotech Nigeria and Lideal Mines is Nigerian Naira, the bookkeeping standard currency of Pakistan's sub-subsidiary Etong Chemicals (Pvt.) Ltd. is Pakistani Rupee, and the bookkeeping standard currency of the Colombian sub-subsidiary Agro Juntos Colombia is Colombian Peso, the bookkeeping standard currency of Bangladeshi sub-subsidiary Farmaline Cropcare Bangladesh is Bangladesh Taka, and the bookkeeping standard currencies of the rest of the subsidiaries are all in RMB.

These financial statements are presented in RMB.

5. The accounting treatment method for business mergers under the same control and those not under the same control

Business mergers under the same control: Assets and liabilities acquired by a merging party in a business merger (including goodwill resulting from the acquisition of the merged party by the ultimate controlling party) are measured at the book value of the merged party's assets and liabilities in the consolidated financial statements of the ultimate controlling party at the date of the merger. As for the balance between the net assets book value obtained and the merger consideration book value paid during a merger (or the total book value of the shares issued), the additional paid-in capital in capital reserve shall be adjusted. If the additional paid-in capital in capital reserve is not sufficient for offset, the retained earnings shall be adjusted.

Business combinations not under common control: The cost of the combination is the fair value of assets given, liabilities incurred or assumed, and equity securities issued by the purchaser at the acquisition date in order to obtain control of the acquiree. Goodwill is recognized as the positive difference between the merger cost and the share of the fair value of the acquiree's

identifiable net assets acquired in the merger; the difference between the merger cost and the share of the fair value of the acquiree's identifiable net assets acquired in a merger is included into the current profits and losses. Each identifiable asset, liability and contingent liability of the acquiree acquired in a merger that qualifies for recognition is measured at fair value at the date of acquisition.

Directly related costs incurred for a business merger are included into the current profits and losses as incurred; transaction costs for the issuance of equity securities or debt securities for a business merger are included into the initial recognition amount of the equity securities or debt securities.

6. Preparation Method of Consolidated Financial Statements

1. Scope of consolidation

The scope of consolidation in the consolidated financial statements is determined based on control, and the scope of consolidation includes the Company and all of its subsidiaries. Control refers to that the Company has power over investees and has a variable return through participation in the related activities of the investees, and has the ability to use the power over the investees to affect its return amount.

2. Procedure of consolidation

The Company considers the entire enterprise group as one accounting entity, and prepares consolidated financial statements in accordance with uniform accounting policies to reflect the financial position, business performance and cash flows of the enterprise group as a whole. The effects of internal transactions that occurred between the Company and its subsidiaries and between subsidiaries are offset. If an internal transaction indicates that there is an impairment loss on the related asset, the full amount of such loss is recognized. If a subsidiary adopts accounting policies and accounting periods that are not consistent with those of the Company, the subsidiary's accounting policies and accounting periods shall be adjusted according to those of the Company as necessary in preparing the consolidated financial statements.

The shares held by minority shareholders in owner's equity, the current net profits and losses and the current comprehensive income of subsidiaries, are separately listed under the items of owner's equity in the Consolidated Balance Sheet, net profit and total comprehensive income in the Consolidated Income Statement. The balance of current loss borne by minority shareholders of the subsidiary subtracting the shares enjoyed by minority shareholders from period-beginning owner's equity of the subsidiary shall offset against the equity of minority shareholders.

(1) Increase in subsidiaries or business

In the reporting period, if a subsidiary or any business is added as a result of a business merger under the same control, the operating results and cash flows of the subsidiary or business from the beginning of the current consolidation period to the end of the reporting period are included in the consolidated financial statements, while the opening balance of the consolidated financial statements and the related items in the comparative statements are adjusted as if the merged reporting entity had been in existence since the point when the ultimate controlling party began to control it.

If additional investments enable control over an investee under the same control, the equity investment held before the acquisition of control of the merged party, and the relevant profits and losses, other comprehensive income and other changes in net assets that have been confirmed from the date when the original equity is acquired or the date when the merging party and the merged party are under the same control (whichever is later) to the merger date will write down the opening retained earnings or current profits and losses for the period of comparative statement, respectively.

In the reporting period, if a subsidiary or any business is added as a result of a business merger not under the same control, each identifiable asset, liability and contingent liability determined at the date of acquisition based on their fair value are included in the consolidated financial statements from the date of acquisition.

Where the investees not under the same control can be controlled due to additional investment or other reasons, the Company shall

re-measure the acquiree's equity held before the date of purchase according to the fair value of the equity at the date of purchase, and include the difference between the fair value and its book value into the current investment income. Other comprehensive income related to the equity of the acquiree held before the acquisition date, which can be reclassified into profits and losses in the future, and other changes in owners' equity under the equity method accounting are converted into the current investment income of the acquisition date.

(2) Disposal of subsidiaries

① General treatment method

If the control right over the investee is lost due to the disposal of partial equity investment or other reasons, the Company shall re-measure the remaining equity investment after disposal according to the fair value on the date of losing control right. The sum of the consideration acquired by the disposal of equity and the fair value of the remaining equity minus the sum of the shares of the net assets of the original subsidiary continuing to calculate from the date of purchase or merger according to the original shareholding ratios and the goodwill, such obtained difference shall be included into the investment income on that very period of losing the control right. Other comprehensive income related to the equity investment of the original subsidiary that can be reclassified into profits and losses in the future, and other changes in owners' equity under the equity method accounting are converted into the current investment income when the control right is lost.

② Disposal of subsidiaries step by step

If the terms, conditions, and economic impacts on various transactions of disposing the equity investment of subsidiaries conform to one or more of the following situations provided that the equity investment of subsidiaries is disposed step by step through multiple transactions until the loss of control right, it usually indicates that the multiple transactions shall be taken as a package deal:

- i. These transactions are made simultaneously or in consideration of each other's influence;
- ii. These transactions as a whole can achieve a complete business result;
- iii. The occurrence of a transaction depends on the occurrence of at least one of other transactions;
- iv. A transaction is uneconomical individually, but it is economical when you consider it with other transactions.

Where the transactions are part of a package, the transactions are conducted with accounting treatment method as one disposal of subsidiaries with loss of control; the difference between each disposal price and the share of the net assets of the subsidiary corresponding to the disposal of the investment prior to the loss of control is included into the consolidated financial statements as other comprehensive income and is transferred into the current profits and losses when control is lost.

Where the respective transactions are not part of a package, the equity investment in the subsidiary is conducted with accounting treatment method as a partial disposal without loss of control until such time as control is lost; upon loss of control, accounting is performed in accordance with the general method for disposal of subsidiaries.

(3) Purchasing non-controlling interests of subsidiaries

The stock premium in the capital reserves in the Consolidated Balance Sheet is adjusted according to the difference between the long-term equity investment newly-obtained by the Company for the purchase of non-controlling interests and the net asset share continuously calculated from the purchase date or the merger date of subsidiaries that shall be enjoyed by the Company by calculating as per the newly-increased shareholding ratio; when the stock premium in the capital reserves is not sufficient to offset, the retained earnings shall be adjusted.

(4) Disposing partly the equity investment in subsidiaries without losing the control right

For the difference between the disposal price and the share of net assets of the subsidiary corresponding to the disposal of the long-term equity investment calculated on an ongoing basis from the date of acquisition or the date of merger, adjust the stock premium in capital surplus in the Consolidated Balance Sheet, and if the stock premium in capital surplus is not sufficient for write-down, adjust the retained earnings.

7. Confirmation standard of cash and cash equivalent

Cash refers to the Company's cash on hand and deposits that are available for payment at any time. Cash equivalents refer to the short-term and highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

8. Foreign currency business and conversion of foreign currency statements

1. Foreign currency business

Foreign currency business is charged to an account in RMB using the spot rate on the date of the transaction as the conversion rate. The balances of foreign monetary items at the balance sheet date are converted as per the spot rate at the balance sheet date, and the resulting exchange differences are included into the current profits and losses, except for those arising from special borrowings in foreign currencies related to the acquisition of assets eligible for capitalization, which are treated in accordance with the principle of capitalization of borrowing costs.

2. Conversion of foreign currency financial statements

Asset and liability items of balance sheet are converted using the spot rate at the balance sheet date; items of owners' equity, except for "retained earnings", are converted using the spot rate at the time of occurrence. Income and expense items in the income statement are converted using the approximate exchange rate of the spot exchange rate on the transaction date.

During the disposal of overseas operation, the balance arising from the translation of foreign currency financial statements related to the overseas operation shall be transferred from owner's equity items to the disposal of current profits and losses.

9. Financial instruments

The Company recognizes a financial asset, a financial liability or an equity instrument when it becomes a party to a financial instrument contract.

1. Classification of financial instruments

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

The Company classifies financial assets that meet the following criteria and that are not designated to be measured at fair value whose changes are included into the current profits and losses as financial assets measured at amortized cost:

- Business model is targeted at collecting contractual cash flows;
- Contractual cash flows only pay for the principal and the interest based on the outstanding principal amount.

The Company classifies financial assets that meet the following criteria and that are not designated to be measured at fair value whose changes are included into the current profits and losses as financial assets that measured at fair value whose changes are included into other comprehensive income (debt instruments):

- A business model with the objective of both collecting the contractual cash flows and selling the financial asset;
- Contractual cash flows only pay for the principal and the interest based on the outstanding principal amount.

For investments in non-trading equity instruments, the Company may, on initial recognition, irrevocably designate them as financial assets measured at fair value whose changes are included into other comprehensive income (equity instruments). The designation is made based on a single investment and the underlying investment meets the definition of an equity instrument from the perspective of the issuer.

Except for the above-mentioned financial assets measured at amortized cost and financial assets measured at fair value whose

changes are included into other comprehensive income, the Company classifies all remaining financial assets as financial assets measured at fair value whose changes are included into the current profits and losses. On initial recognition, if it is possible to eliminate or significantly reduce the accounting mismatch, the Company may irrevocably designate financial assets that would otherwise be classified as financial assets measured at amortized cost or at fair value whose changes are included into other comprehensive income as financial assets measured at fair value whose changes are included into the current profits and losses.

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

For those financial liabilities, if one of the following conditions is met, they may be designated, on initial recognition, as financial liabilities measured at fair value whose changes are included into the current profits and losses:

- 1) The designation can eliminate or significantly reduce accounting mismatches.
- 2) According to enterprise's risk management or investment strategy as set out in formal written documents, management and performance evaluation of a portfolio of financial liabilities or a portfolio of financial assets and financial liabilities are conducted on a fair value basis. And within the enterprise, report to key management personnel on this basis.

The financial liability contains embedded derivatives that are subject to separate spin-off.

2. Determination basis and measurement method of financial instruments

(1) Financial assets measured at amortized cost

Financial assets measured at amortized cost, including notes receivable, accounts receivable, other receivables, long-term receivables and debt investments, are initially measured at fair value, with related transaction costs included in the initial recognition amount; accounts receivable that do not contain a significant financing component and those that the Company has decided not to consider a financing component of more than one year are initially measured at the contractual transaction price.

Interest calculated using the effective interest method during the holding period is included into the current profits and losses.

During recovery or disposal, the difference between the acquired price and the book value of the financial assets shall be included into the current profits and losses.

(2) Financial assets measured at fair value with their changes included into other comprehensive income (debt instruments)

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

Upon derecognition, the cumulative gain or loss previously included into other comprehensive income is transferred from other comprehensive income and included into the current profits and losses.

(3) Financial assets measured at fair value with their changes included into other comprehensive income (equity instruments)

Financial assets measured at fair value whose changes are included into other comprehensive income (equity instruments), including investments in other equity instruments, are initially measured at fair value, with related transaction costs included into the initial recognition amount. The financial asset is subsequently measured at fair value, with changes in fair value included into other comprehensive income. Dividends received are included into the current profits and losses.

Upon derecognition, the cumulative gain or loss previously included into other comprehensive income is transferred from other comprehensive income and included in retained earnings.

(4) Financial assets measured at fair value with their changes included into the current profits and losses

Financial assets measured at fair value whose changes are included into the current profits and losses, including financial assets held for trading, derivative financial assets and other non-current financial assets, are initially measured at fair value, with related transaction costs included into the current profits and losses. The financial asset is subsequently measured at fair value, with

changes in fair value included into the current profits and losses.

(5) Financial liabilities measured at fair value with their changes included into the current profits and losses

Financial liabilities measured at fair value whose changes are included into the current profits and losses, including financial liabilities held for trading and derivative financial liabilities, are initially measured at fair value, with related transaction costs included into the current profits and losses. The financial liability is subsequently measured at fair value, with changes in fair value included into the current profits and losses.

On derecognition, the difference between its book value and the consideration paid is included into the current profits and losses.

(6) Financial liabilities measured at amortized cost

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

Interest calculated using the effective interest method during the holding period is included into the current profits and losses.

On derecognition, the difference between the consideration paid and the book value of the financial liability is included into the current profits and losses.

3. Derecognition of financial assets and transfer of financial assets

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

- Termination of contractual rights to receive cash flows from financial assets;
- The financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred to the transfer-in side;
- The financial asset has been transferred. Although the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial assets, it does not retain control over the financial asset.

A financial asset is not derecognized when a transfer of the financial asset occurs and substantially all the risks and rewards of ownership of the financial asset are retained.

In the event of determining whether the transfer of financial assets meets the termination recognition conditions of the aforesaid financial assets, the principle of substance over form shall be adopted.

The Company divides the financial asset transfer zone into the overall transfer and partial transfer of financial assets. If the transfer of an entire financial asset satisfies the conditions for stopping recognition, the difference between the amounts of the following two items shall be included into the current profits and losses:

- (1) The book value of the transferred financial assets;
- (2) The sum of the consideration received for the transfer and the cumulative amount of changes in fair value originally recognized directly in owners' equity (in the case where the financial asset involved in the transfer is a financial asset (debt instrument) measured at fair value whose changes are included into other comprehensive income).

Where partial transfer of financial assets satisfies the termination recognition conditions, the entire book value of the transferred financial assets shall be apportioned between the part for which termination is determined and the part for which termination is not determined as per respective relative fair values, and the difference between the following two items shall be included into the current profits and losses:

- (1) The book value of the derecognized part;
- (2) The sum of the consideration for the derecognized portion and the amount corresponding to the derecognized portion of the cumulative amount of changes in fair value originally recognized directly in owners' equity (in the case where the financial asset involved in the transfer is a financial asset (debt instrument) measured at fair value whose changes are included into other comprehensive income).

Where the transfer of financial assets does not meet the recognition conditions, the financial assets shall be continually confirmed,

and the received consideration is confirmed as one financial liability.

4. Derecognition of financial liabilities

When the prevailing obligations of a financial liability are relieved in whole or in part, the financial liability can be derecognized in whole or in part. Where the Company enters into an agreement with a creditor so as to substitute the existing financial liability by way of new financial liability, and if the contract terms regarding the new financial liability are substantially different from that regarding the existing financial liability, it shall derecognize the existing financial liability, and shall recognize the new financial liability at the same time.

Where an enterprise makes substantial revisions to some or all of the contractual stipulations of the existing financial liability, it shall terminate the recognition of the existing financial liability or part of it, and at the same time recognize the financial liability after revising the contractual stipulations as a new financial liability.

Where the recognition of a financial liability is fully or partially terminated, the difference between the book value of financial liability which has been terminated from recognition and the paid considerations (including the non-cash assets it has transferred out and the new financial liabilities it has assumed) shall be included into the current profits and losses.

Where our enterprise buys back part of its financial liabilities, it shall distribute, on the buy-back day, the carrying amount of the whole financial liabilities according to the comparatively fair value of the part that continues to be recognized and the part whose recognition has already been terminated. The difference between the carrying amount which is distributed to the part whose recognition has terminated and the considerations it has paid (including the non-cash assets it has transferred out and the new financial liabilities it has assumed) shall be included into the current profits and losses.

5. Method for determining the fair value of financial assets and financial liabilities

If there are active financial instruments, the fair value is determined using quoted prices in an active market. If there are no active financial instruments, the fair value is determined using valuation techniques. In its valuation, the Company uses valuation techniques that are applicable in the current circumstances and supported by sufficient available data and other information, selects inputs that are consistent with the characteristics of the asset or liability considered by market participants in transactions for the relevant asset or liability, and gives preference to the use of relevant observable inputs. Unobservable inputs are used only if the relevant observable inputs are not available or not practical to obtain.

6. Test Methods and Accounting treatment methods for Impairment of Financial Assets

The Company estimates expected credit losses on financial assets measured at amortized cost, financial assets measured at fair value whose changes are included into other comprehensive income (debt instruments) and financial guarantee contracts, etc., either individually or in combination.

The Company recognizes expected credit losses by calculating the probability-weighted amount of the present value of the difference between the cash flows receivable under the contract and the cash flows expected to be received, taking into account reasonable and substantiated information about past events, current conditions and forecasts of future economic conditions, weighted by the risk of default.

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

The Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the risk of default of the financial instrument at the balance sheet date with the risk of default at the date of initial recognition to determine the relative change in the risk of default over the expected life of the financial instrument. The Company considers that the credit risk of a financial instrument has increased significantly when it is normally more than 30 days past due, unless there is conclusive evidence that the credit risk of the financial instrument has not increased significantly since initial

recognition.

If the credit risk of a financial instrument is low at the balance sheet date, the Company considers that the credit risk of the financial instrument has not increased significantly since initial recognition.

If there is objective evidence that a financial asset is impaired on a credit basis, the Company provides for impairment of that financial asset on a single basis.

For receivables and contract assets resulting from transactions governed by Accounting Standards for Business Enterprises No. 14 - Revenue (2017), the Company consistently measures its provision for losses at an amount equal to the expected credit loss over the entire life of the asset, whether or not it contains a significant financing component.

For lease receivables, the Company has chosen to always measure its provision for losses at an amount equal to the expected credit loss over the entire life of the duration.

If the Company no longer has a reasonable expectation that the contractual cash flows from a financial asset will be fully or partially recovered, the book balance of the financial asset is written down directly.

10. Inventories

1. Classification and cost of inventories

Inventory is classified as: materials in transit, raw materials, revolving materials, goods in stock, products in process, issued goods, materials for entrusted processing, etc.

Inventories are initially measured at cost. The cost of inventories includes the cost of purchase, processing costs and other expenditures incurred in bringing the inventories to their present location and condition.

2. Pricing method of issued inventory

Inventories are valued by weighted average method when they are delivered.

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

On the balance sheet date, the inventory is measured at the lower of the cost or the net realizable value. When the cost of inventories is higher than their net realizable value, a provision for inventory decline should be made. Net realizable value refers to the amount after deducting the cost to be incurred upon estimation until the completion, the estimated sales expenses, and related taxes from the estimated selling price of inventory in daily activities.

The net realizable value of finished goods, finished goods and materials for sale and other merchandise inventories used directly for sale, in the normal course of production and operation, is determined as the estimated selling price of such inventories, less estimated selling expenses and related taxes; the net realizable value of inventories of materials subject to processing is determined in the normal course of production operations as the estimated selling price of the finished goods produced, less the estimated costs to be incurred for completion, estimated selling expenses and related taxes; the net realizable value of inventories held for the execution of sales contracts or labor contracts is calculated based on the contract price. If the quantity of inventories held is more than the quantity ordered in the sales contract, the net realizable value of the excess inventories is calculated based on the general sales price.

After the provision for decline in value of inventory, if the factors affecting the previous write-down of inventory value have disappeared, resulting in the net realizable value of the inventory being higher than its book value, the provision for decline in value of inventory is reversed within the original provision amount, and the amount reversed is included into the current profits and losses.

4. Inventory system for inventories

The perpetual inventory system is used.

5. Amortization method of low-value consumables and packaging

- (1) Low value consumables adopt one-off write-off method;
- (2) The packaging uses one-time direct amortized method.

11. Contract assets

1. Methods and criteria for recognition of contract assets

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

2. Method of determining expected credit losses on contract assets and accounting treatment method

The determining method and accounting treatment method for the expected credit losses on contract assets are detailed in "Note V (IX) 6. Test Methods and Accounting Treatment Methods for Impairment of Financial Assets".

12. Contract cost

Contract costs include contract performance costs and contract acquisition costs.

Costs incurred by the Company to perform a contract that are not regulated by relevant standards such as inventory, fixed assets or intangible assets are recognized as an asset of contract performance cost when the following conditions are met:

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

Incremental costs incurred by the Company to acquire a contract that are expected to be recovered are recognized as assets of contract acquisition costs.

Assets related to contract costs are amortized using the same basis as revenue recognition for the goods or services to which those asset relate; however, if the amortization period of contract acquisition costs does not exceed one year, the Company recognizes them in the current profits and losses when they are incurred.

If the book value of an asset related to contract costs is greater than the difference between the following two items, the Company makes a provision for impairment for the excess and recognizes it as an impairment loss on the asset:

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

If there is a subsequent change in the impairment factors in previous periods, such that the aforementioned difference is higher than the book value of the asset, the Company reverses the provision for impairment and recognizes it in the current profits and losses, provided that the book value of the asset after the reversal does not exceed the book value of the asset at the date of reversal assuming no provision for impairment was made.

13. Assets held for sale

A non-current asset or disposal group whose book value is recovered principally through sale (including exchange of non-monetary assets with commercial substance) rather than through continuing use is classified as held for sale.

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

- (1) In accordance with the practice in similar transactions for the sale of such assets or disposal groups, they can be sold

immediately in their current condition;

(2) The sale is highly likely to occur, i.e., the Company has resolved on a sale plan and obtained firm purchase commitments, and the sale is expected to be completed within one year. Where the relevant regulations require the approval of the relevant authority or regulatory authority of the Company before the sale can be made, such approval has been obtained.

If the book value of a non-current asset (excluding financial assets, deferred income tax assets and assets resulting from employee compensation) or disposal group classified as held for sale is higher than the fair value less costs to sell, the book value is written down to the net value of fair value less costs to sell, and the write-down amount is recognized as an impairment loss on the asset and included into the current profit and loss, together with a provision for impairment of assets held for sale.

14. Long-term equity investment

1. Judgment standards for same control and great influence

The same control refers to the control commonly owned for a certain arrangement according to the relevant agreement, in which the related activities of such arrangement can be decided only after the consensus of participants who share the control right. Where the Company and other joint ventures implement same control over the invested unit and have the right to the net assets of the invested unit, the invested unit is the joint venture of the Company.

Significant impact refers to the power to participate in making decisions on the financial and operating policies of an invested unit, but not to control or do joint control together with other parties over the formulation of these policies. Where the Company can have significant influence on an invested unit, the invested unit is the associated enterprise of the Company.

2. Determination of initial investment cost

(1) Long-term equity investment formed by business merger

For long-term equity investment in subsidiaries acquired through business merger under the same control, the initial investment cost of long-term equity investment at the date of merger is based on the share of the owner's equity of the merged party in the book value of the consolidated financial statements of the final controlling party. For the difference between the initial investment cost of the long-term equity investment and the book value of the consideration paid, the stock premium in capital surplus shall be adjusted; if the stock premium in capital surplus is not sufficient for write-down, the retained earnings shall be adjusted. If it is possible to exercise control over an investee under the same control due to additional investment, for the difference between the initial investment cost of the long-term equity investment recognized in accordance with the above principle and the sum of the book value of the long-term equity investment before merger and the book value of the consideration paid for further acquisition of shares at the date of merger, adjust the stock premium, and if the stock premium is not sufficient for write-down, the retained earnings shall be written down.

For long-term equity investments in subsidiaries formed by business mergers not under the same control, the initial investment cost of long-term equity investments is based on the merger cost determined at the date of acquisition. Where the invested units not under the same control can be controlled due to additional investment or other reasons, the sum of the book value of the equity investment originally held and the newly added investment cost shall be taken as the initial investment cost.

(2) Long-term equity investments acquired through means other than business mergers

The initial cost of a long-term equity investment obtained by making payment in cash shall be the purchase cost actually paid.

The initial cost of a long-term equity investment obtained based on issuing equity securities shall be the fair value of the equity securities issued.

3. Confirmation method of subsequent measurement and profits and losses

(1) Long-term equity investment accounted by cost method

The Company accounts for its long-term equity investments in subsidiaries using the cost approach, unless the investments qualify as held for sale. Except for the actual paid price when acquiring investment or, the cash dividends or profits that has declared but

not yet released in the consideration, the Company shall recognize the current investment income according to the cash dividends or profits issued by the invested unit.

(2) Long-term equity investment accounted by equity method

The long-term equity investment in associated enterprises and joint ventures shall be accounted by equity method. For the positive difference between the initial investment cost and the share of the fair value of the identifiable net assets of the investee at the time of investment, the initial investment cost of the long-term equity investment is not adjusted; for the negative difference between the initial investment cost and the share of the fair value of the identifiable net assets of the investee at the time of investment, it shall be included into the current profits and losses, and the cost of long-term equity investments is adjusted.

The Company recognizes investment income and other comprehensive income in accordance with its share of the net profit or loss realized by the investee and other comprehensive income that shall be shared or born, respectively, while adjusting the book value of the long-term equity investment; the portion of the entitlement shall be calculated based on the profit or cash dividends declared by the investee, with a corresponding reduction in the book value of the long-term equity investment; for changes in the ownership interest of the investee other than net profit or loss, other comprehensive income and profit distribution ("changes in other owners' equity"), adjust the book value of the long-term equity investment and recognize them in owners' equity.

In recognizing the share of the investee's net income or loss, other comprehensive income and other changes in owners' equity, the fair value of the investee's identifiable net assets at the time the investment is acquired is used as the basis for recognition, and the net income and other comprehensive income of the investee are adjusted in accordance with the Company's accounting policies and accounting periods.

Unrealized gains or losses on internal transactions between the Company and associated enterprises or joint ventures that are attributable to the Company based on their proportionate share are offset, and investment income is recognized on this basis, except when the assets invested or sold constitute a business. The unrealized internal transaction losses with the invested unit, which belongs to the impairment loss of assets, shall be recognized in full.

For the net loss incurred by joint ventures or associated enterprises, the Company, except for the obligation to assume additional losses, is limited to a write-down to zero of the book value of the long-term equity investment and other long-term interests that substantially constitute the net investment in joint ventures or associated enterprises. If joint ventures or associated enterprises later realize net profit, the Company resumes the recognition of attributable share of income after the attributable share of income makes up for the unrecognized attributable share of loss.

(3) Disposal of long-term equity investment

When disposing of a long-term equity investment, the difference between its book value and the actual purchase price shall be included into the current profits and losses.

If a long-term equity investment accounted with the equity method is partially disposed of and the remaining equity interest is still accounted with the equity method, other comprehensive income recognized under the former equity method is carried forward in proportion to the corresponding percentage using the same basis as the direct disposal of the related assets or liabilities by the investee, and other changes in owners' equity are carried forward to profit or loss in proportion to the current period.

If the common control or significant influence over the investee is lost due to the disposal of the equity investment, etc., other comprehensive income recognized as a result of the equity method accounting for the original equity investment is conducted with accounting treatment method on the same basis as the direct disposal of the related assets or liabilities by the investee upon the termination of the equity method accounting, and all changes in other owners' equity are transferred to current profits and losses upon the termination of the equity method accounting.

If control over the investee is lost due to the disposal of part of the equity investment, the remaining equity interest that can exercise joint control or significant influence over the investee is accounted with the equity method when preparing the individual financial statements, and the remaining equity interest is adjusted as if it had been accounted with the equity method from the time of acquisition, and other comprehensive income recognized prior to the acquisition of control over the investee is recognized using

the same basis as that used for the direct disposal of the related assets or liabilities by the investee, and the changes in other owners' equity recognized as a result of the adoption of the equity method of accounting are carried forward proportionately to current profits and losses; if the remaining equity interest cannot exercise joint control or significant influence over the investee, it is recognized as a financial asset, and the difference between its fair value and its book value at the date of loss of control is included into the current profits and losses, and all other comprehensive income and other changes in owners' equity recognized before control of the investee is obtained are carried forward.

Disposal of equity investments in subsidiaries through multiple transactions in steps until the loss of control, where they are a package transaction, each transaction is conducted with accounting treatment method as one disposal of equity investments in subsidiaries with loss of control; the difference between the disposal price and the book value of the long-term equity investment corresponding to the equity interest disposed of for each disposal prior to the loss of control is recognized as other comprehensive income in the individual financial statements first, and is transferred to the current profits and losses when control is lost. If the transaction is not part of a package, each transaction is conducted with accounting treatment method separately.

15. Real estate for investment purposes

Investment property measurement model

Cost method of measurement

Depreciation or amortization method

Investment properties are real estate held for rental income or capital appreciation, or both, and include land use rights that have been leased, land use rights that are held and intended to be transferred after appreciation, and buildings that have been leased (including buildings that will be used for leasing after completion of self-construction or development activities and buildings that will be used for leasing in the future while under construction or development).

Subsequent expenditures related to investment properties are included in the cost of investment properties when it is probable that the related economic benefits will flow in and their cost can be measured reliably; otherwise, it is included into the current profits and losses as incurred.

The Company measures the existing investment real estate using the cost model. The investment real estate - rental building measured at cost model shall be adopted with the same depreciation policies as the fixed assets of the Company, and the rental land use right shall be subject to the same amortization policies as the intangible assets.

16. Fixed assets

1. Recognition conditions

Fixed assets refer to the tangible assets which are held for producing commodities, providing labor services, leasing or operation management and have a service life of over one fiscal year. Fixed assets are recognized when the following conditions are met simultaneously:

- (1) The economic benefits pertinent to the fixed asset are likely to flow into the enterprise;
- (2) The cost of the fixed asset can be measured reliably.

Fixed assets are initially measured at cost (and the effect of expected abandonment cost factors shall be considered).

Subsequent expenditures related to fixed assets are included in the cost of fixed assets when it is probable that the economic benefits associated with them will flow in and their cost can be measured reliably; derecognition of the book value for the replaced portion; all other subsequent expenses are included into the current profits and losses as incurred.

A fixed asset shall be derecognized when it is in a state of disposal or when no economic benefits are expected to arise from its use or disposal. The amount obtained after deducting the book value and relevant taxes from the disposal income from the sale,

transfer, scrapping or damage of fixed assets shall be included into the current profits and losses.

2. Depreciation method

Category	Depreciation method	Depreciable life	Residual value rate	Annual depreciation rate
House and building	Straight-line method	20 years	5%	4.75%
Machinery equipment	Straight-line method	2-10 years	5%	47.50-9.50%
Electronic equipment and others	Straight-line method	5-10 years	5%	19.00-9.50%
Transportation equipment	Straight-line method	5 years	5%	19.00%

The Company is required to comply with the disclosure requirements set out in *No. 3 Guidelines on Self-Regulation of Listed Companies by Shenzhen Stock Exchange - Disclosure of Industry Information* in respect of “businesses related to the chemical industry”.

17. Construction in progress

The Company is required to comply with the disclosure requirements set out in *No. 3 Guidelines on Self-Regulation of Listed Companies by Shenzhen Stock Exchange - Disclosure of Industry Information* in respect of “businesses related to the chemical industry”.

Construction in progress is measured at the actual cost incurred. Actual costs include construction costs, installation costs, borrowing costs eligible for capitalization and other necessary expenditures incurred to bring construction in progress to its intended serviceable condition. Construction in progress is transferred to fixed assets when it reaches its intended useable state and provision for depreciation starts from the following month.

18. Borrowing costs

1. Confirmation principles for capitalization of borrowing costs

Where the borrowing costs incurred to the Company can be directly attributable to the acquisition and construction or production of assets eligible for capitalization, they shall be capitalized and included into the costs of relevant assets. Other borrowing costs shall be recognized as expenses based on the incurred amount and shall be included into the current profits and losses.

Assets eligible for capitalization refer to the fixed assets, investment real estate, inventories, and other assets, of which the acquisition and construction or production may take quite a long time to get ready for its intended use or sale.

2. Capitalization period of borrowing costs

Capitalization period refers to the period from the commencement to the cessation of capitalization of the borrowing costs, excluding the period of suspension of capitalization of the borrowing costs.

The borrowing costs shall not be capitalized unless they meet the following conditions simultaneously:

- (1) The asset expenditure has already incurred, which shall include cash payment, transfer of non-cash assets or interest-bearing debts for the acquisition and construction or production of assets eligible for capitalization;
- (2) The borrowing costs have already been incurred;
- (3) The acquisition and construction or production activities which are necessary to prepare the asset for its intended use or sale have already started.

When the qualified asset under acquisition and construction or production is ready for the intended use or sale, the capitalization of the borrowing costs shall be ceased.

3. Suspension of capitalization period

Capitalization of borrowing costs is suspended if an unusual interruption occurs during the acquisition or production of an asset eligible for capitalization and the interruption lasts for more than three consecutive months; if the interruption is necessary to bring the asset acquired or produced that is eligible for capitalization to its intended useable or marketable condition, the borrowing costs continue to be capitalized. The borrowing costs incurred during the interruption shall be recognized as the current profits and losses and shall not be capitalized until the acquisition and construction or production of the asset restarts.

4. Calculation of capitalization rate and capitalization amount of borrowing costs

For the special borrowings borrowed for the acquisition and construction or production of assets eligible for capitalization, the capitalization amount of borrowing costs is determined by the borrowing costs actually incurred in the current period of the special borrowings minus the interest income obtained from the unused borrowing funds deposited in the bank or the investment income obtained from temporary investment.

Where a general borrowing is used for the acquisition and construction or production of assets eligible for capitalization, the Company shall calculate and determine the to-be-capitalized amount of borrowing costs on the general borrowing by multiplying the weighted average of cumulative asset expenditure exceeding the asset expenditure of special loan by the capitalization rate of the general borrowing used. The capitalization rate shall be calculated and determined based on the weighted average real interest rate of the general borrowing.

In the current period of capitalization, the exchange difference of principal and interest of special foreign currency borrowings shall be capitalized and included into the cost of assets eligible for capitalization. Exchange differences arising from the principal amount of foreign currency borrowings other than specialized foreign currency borrowings and their interest are included into the current profits and losses.

19. Intangible assets

(1) Valuation method, service life, impairment testing

1. Pricing method of intangible assets

(1) Intangible asset acquired by the Company is measured initially upon the cost;

The cost of outsourced intangible asset includes purchase price, related taxes, and other expenditures directly attributable to making such asset reach intended use.

(2) Subsequent measurement

Analyze and judge the service life of intangible assets when obtaining them.

For intangible assets with finite useful lives, amortize over the period that provides economic benefits to the enterprise; intangible assets with an indefinite useful life are not amortized if it is not foreseeable that they will provide economic benefits to the enterprise.

2. Service life estimation for the intangible assets with limited service life

Item	Estimated service life	Amortization method	Basis
Land-use right	40-50 years	Straight-line method	Land-use Right Certificate
Trademarks	10 years	Straight-line method	Estimated useful life
Patent and proprietary technology	5-10 years	Straight-line method	Estimated useful life
Software and others (pollution discharge license, production permission, etc.)	5-10 years	Straight-line method	Estimated useful life

3. Basis for determining intangible assets with indefinite useful lives and procedures for reviewing their useful lives

The Company has no intangible assets with uncertain service life as of the balance sheet date.

(2) Accounting policy of internal research and development expenditures

The expenditures of the internal R&D project of the Company are divided into the expenditure in the research stage and the expenditure in the development stage.

Research stage: the stage of creative and planned investigation and research activities conducted to acquire and understand new scientific or technical knowledge.

Development stage: the stage of application of the research findings or other knowledge to certain plan or design to manufacture new or substantially improved materials, devices or products before commercial production or application.

1. Specific conditions for capitalization of development stage expenditures

The expenditure of research stage shall be included into the current profits and losses as incurred. The expenditure in the development stage is recognized as intangible assets if the following conditions are met, and the expenditure in the development stage that cannot meet the following conditions is included into the current profits and losses:

- (1) It is technically feasible to finish the intangible assets for use or sale;
- (2) It is intended to finish and use or sell the intangible assets;
- (3) The means for intangible assets to generate economic benefits include: proving that the products produced using such intangible asset have market or that the intangible asset has market itself. Where the intangible asset is used internally, its usefulness can be proved;
- (4) There is sufficient support of technological and financial resources and other resources to complete the development of the intangible assets, and the ability to use or sell the intangible assets;
- (5) The expenditure ascribed to the development stage of the intangible assets can be reliably measured.

If it is not possible to distinguish the expenditure in the research stage from the expenditure in the development stage, all R&D expenditures incurred are included into the current profits and losses.

20. Impairment of long-term assets

Long-term equity investments, investment real estate, fixed assets, construction in progress, right-of-use assets, intangible assets with finite useful lives, oil and gas assets, and other long-term assets measured using the cost model are tested for impairment if there are indicators of impairment at the balance sheet date. If the result of the impairment test indicates that the recoverable amount of an asset is less than its book value, a provision for impairment is made for the difference and included into the impairment loss. The recoverable amount is the higher of the asset's fair value less costs of disposal and the present value of the asset's estimated future cash flows. The provision for asset impairment is calculated and recognized on an individual asset basis. If it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group is determined using the asset group to which the asset belongs. An asset group is the smallest combination of assets that can generate cash inflows independently.

For goodwill resulting from a business merger, intangible assets with indefinite useful lives, and intangible assets that have not yet reached a useable condition, impairment tests are performed at least at the end of each year, regardless of whether there is an indication of impairment.

The Company performs goodwill impairment tests and the book value of goodwill arising from a business merger is allocated to the relevant asset group from the date of purchase in accordance with a reasonable method; if it is difficult to be allocated to the relevant asset group, it is allocated to the relevant asset group portfolio. A related asset group or asset group portfolio is an asset group or asset group portfolio that can benefit from the synergistic effects of a business merger.

When making an impairment test on the relevant asset groups or combinations of asset groups containing goodwill, if any evidence shows that the impairment of asset groups or combinations of asset groups is possible, the Company shall first make an

impairment test on the asset groups or combinations of asset groups not containing goodwill, calculate the recoverable amount, compare it with the relevant carrying value, and recognize the corresponding impairment loss. The asset group or asset group portfolio containing goodwill is then subjected to an impairment test to compare its book value with the recoverable amount. If the recoverable amount is less than the book value, the impairment loss is first reduced by the book value of the goodwill allocated to the asset group or asset group portfolio, and then according to the proportionate share of the book value of each asset other than goodwill in the asset group or asset group portfolio, the book value of other assets is then reduced in proportion. Once recognized, the above impairment loss on assets is not reversed in the future accounting periods.

21. Long-term deferred expenses

Long-term unallocated expense is an expense that has been incurred but should be borne by the current and future periods and is allocated over a period of more than one year.

The amortization period and amortization method for each expense are:

Item	Amortization method	Amortization period
Equipment transformation	Average amortization in the benefit period	4-5 years
Decoration fee	Average amortization in the benefit period	3-5 years
Others	Average amortization in the benefit period	2-5 years

22. Contract liabilities

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

23. Employee compensation

1. The accounting treatment method for short-term compensation

During the accounting period that employees of the Company provide services, the Company confirms the short-term compensation actually incurred as liability and includes it into the current profits and losses or related asset cost.

The social insurance premiums and housing fund paid by the Company for its employees, as well as the labor union funds and employee education funds withdrawn in accordance with regulations, are used to determine the corresponding amount of employee compensation based on the prescribed accrual basis and accrual ratio during the accounting period in which the employees provide services to the Company.

Employee benefits incurred by the Company are included into the current profits and losses or to the cost of related assets when actually incurred, based on the actual amount incurred, of which non-monetary benefits are measured at fair value.

2. The accounting treatment method for post-employment benefits

(1) Defined contribution plan

The Company shall pay basic endowment insurance and unemployment insurance for employees according to the relevant regulations of local government. During the accounting period that employees provide services to the Company, the payable amount shall be calculated according to the payment base and proportion specified locally and confirmed as liability and included into the current profits and losses or related asset cost. In addition, the Company participates in corporate pension plans/supplementary pension funds approved by the relevant state authorities. The Company pays a certain proportion of the total wages of employees to the annuity plan/local social insurance institutions, with corresponding expenditures included into the

current profit and loss or related asset cost.

(2) Defined benefit plan

The Company attributes the welfare obligations generated from defined benefit plan through the formula determined according to the expected cumulative benefit unit to the period that employees provide services and includes them into the current profits and losses or related asset cost.

The deficit or surplus formed by deducting the fair value of asset in the defined benefit plan from the present value of defined benefiting obligation shall be confirmed as a net liability or net asset of defined benefit plan. If there is surplus in the defined benefit plan, the Company shall measure the net asset of defined benefit plan according to the lower of the surplus in the defined benefit plan and the asset ceiling.

All defined benefiting obligations, including the obligation expected to be paid within 12 months after the end of annual reporting period that employees provide services, shall be discounted according to the national debt matched with the term and currency of defined benefiting obligation on the balance sheet date or the market return of high-quality corporate bonds that are active in the market.

The service costs generated from defined benefit plan or the net interests of net liabilities or net assets in the defined benefit plan shall be included into the current profits and losses or related asset costs; the changes generated from the re-measured net liabilities or net assets in the defined benefit plan shall be included into other comprehensive incomes and shall not be transferred back to the profits and losses during the subsequent accounting period, and the parts originally charged into other comprehensive incomes shall all be carried over to the retained earnings within the range of equity interest when the original defined benefit plan is terminated.

During the settlement of defined benefit plan, the settlement gains or losses shall be confirmed according to the difference between the present value of defined benefiting obligation determined on the settlement date and the settlement price.

3. The accounting treatment method for termination benefits

When the Company provides termination benefits to employees, it recognizes a liability for employee compensation arising from termination benefits at the earlier of the following, and includes it in the current profits and losses: When the Company cannot unilaterally withdraw termination benefits provided as a result of a plan for termination of employment or a proposal for redundancy; When the Company recognizes costs or expenses related to a restructuring involving the payment of termination benefits.

24. Lease liabilities

At the commencement date of the lease term, the Company recognizes a lease liability for leases other than short-term leases and leases of low-value assets. The lease liability is initially measured at the present value of the lease payments outstanding. Lease payments include:

- Fixed payments (including material fixed payments), net of amounts related to lease incentives, if lease incentives exist;
- Variable lease payments that depend on an index or rate;
- Estimated payments due based on the residual value of guarantees provided by the Company;
- The exercise price of the purchase option, provided that the Company reasonably determines that it will exercise the option;
- The amount required to be paid to exercise the option to terminate the lease is subject to the lease term reflecting that the Company will exercise the option to terminate the lease.

The Company uses the implicit rate of the lease as the discount rate, but if the implicit rate of the lease cannot be reasonably determined, the Company's incremental borrowing rate is used as the discount rate.

The Company calculates the interest expense on the lease liability for each period of the lease term at a fixed periodic interest rate, which is included into the current profits and losses or to the cost of the related asset.

Variable lease payments that are not included into the measurement of the lease liability are included into the current profits and losses or the cost of the related assets when they are actually incurred.

After the commencement date of the lease term, the Company remeasures the lease liability and adjusts the corresponding right-of-use asset if the book value of the right-of-use asset has been reduced to zero, but if the lease liability still needs to be further reduced, the difference is included into the current profits and losses:

- When there is a change in the valuation of the purchase option, lease renewal option or termination option, or when the actual exercise of the aforementioned options is not consistent with the original valuation, the Company re-measures the lease liability at the present value calculated by the changed lease payments and the revised discount rate;
- When there is a change in the substantive fixed payment amount, a change in the amount expected to be payable for the guaranteed residual value, or a change in the index or rate used to determine the lease payment amount, the Company remeasures the lease liability at the present value of the lease payment amount after the change and the original discount rate. However, if the changes in lease payments result from changes in floating interest rates, the present value is calculated using the revised discount rate.

25. Projected liabilities

Where the obligations related to the contingencies meet the following conditions simultaneously, the Company shall confirm them as estimated liabilities:

- (1) The obligation is a current obligation undertaken by the Company;
- (2) It is likely to cause any economic benefit to flow out of the Company because of the performance of the obligation;
- (3) The amount of the obligation can be measured reliably.

Estimated liabilities shall be initially measured in accordance with the best estimate of the necessary expenditures for the performance of the related current obligation.

To determine the best estimate, the Company shall take into overall consideration the risks, uncertainty, time value of money, and other factors pertinent to the contingencies. If the time value of money is of great significance, the best estimate shall be determined after discounting the relevant future outflow of cash.

In case required expenditure has a continuous scope and the occurrence possibilities of all results within the scope are the same, the optimal estimations shall be determined according to the median within the scope. Under other conditions, the optimal estimations shall be determined according to the following conditions:

- If the contingency involves a single item, it shall be determined according to the most likely amount.
- If the contingency involves multiple items, it shall be determined according to various possible results and relevant probability calculation.

If all or part of the expenditures required to pay off estimated liabilities are expected to be compensated by a third party, the compensation amount shall be recognized separately as an asset when it is basically determined that it can be received, and the recognized compensation amount shall not exceed the book value of the provisions.

The Company reviews the book value of estimated liabilities at the balance sheet date and adjusts the book value in accordance with the current best estimate if there is conclusive evidence that the book value does not reflect the current best estimate.

26. Share-based payment

The Company's share-based payments are transactions in which equity instruments are granted or liabilities determined based on equity instruments are assumed to obtain services from employees or other parties. The share-based payment of the Company is

divided into equity settled share-based payment and cash settled share-based payment.

1. Equity-settled share-based payment and equity instrument

The equity-settled share-based payment in return for employee services shall be measured at the fair value of the equity instruments granted to the employees. For share-based payment transactions that are immediately exercisable upon grant, the fair value of the equity instruments is recorded at the relevant cost or expense on the grant date, with a corresponding increase in capital surplus. For share-based payment transactions in which the services are in process after the grant or the rights are exercised only after the required performance conditions are met, at each balance sheet date during the waiting period, the Company recognizes the services acquired in the current period as related costs or expenses, and, based on the best estimate of the number of exercisable equity instruments and the fair value at the grant date, increases capital surplus accordingly.

If clauses of equity-settled share-based payment are modified, the acquired service shall be confirmed at least according to the conditions of unmodified clauses. Moreover, in case of any modification to the fair value of granted equity instrument or of any changes in favor of employees on the date of modification due to any increase, the increase of acquired services shall be confirmed.

If a grant of equity instruments is cancelled during the waiting period, the Company treats the cancellation of the granted equity instruments as accelerated exercise of right and recognizes the amount to be recognized over the remaining waiting period immediately in the current profits and losses, and recognizes the capital surplus at the same time. However, if new equity instrument is granted and it is identified on the grant date of new equity instrument that the granted new equity instrument is used to replace the cancelled equity instrument, the granted alternative equity instrument shall be treated in the same manner as to treat the modification to the terms and conditions of the original equity instruments.

2. Cash-settled share-based payment and equity instrument

A cash-settled share-based payment shall be measured in accordance with the fair value of liability calculated and confirmed based on the shares or other equity instruments undertaken by the Company. For share-based payment transactions that are immediately exercisable upon grant, the Company recognizes the related cost or expense at the grant date at the fair value of the liability assumed, with a corresponding increase in the liability. For share-based payment transactions in which the services are in process after the grant or the rights are exercised only after the required performance conditions are met, at each balance sheet date during the waiting period, the Company recognizes the services acquired in the current period as related costs or expenses, and, based on the best estimate of the circumstances of exercisable equity and the fair value of the liability assumed by the Company, recognizes them in the liability accordingly. The Company shall, on each balance sheet date and on each account date prior to the settlement of the relevant liabilities, re-measure the fair values of the liabilities and include the changes into the current profit and loss.

If the Company modifies the terms and conditions of a cash-settled share-based payment agreement so that it becomes an equity-settled share-based payment, on the date of modification (regardless of whether it occurs within the waiting period or after the end of the waiting period), the Company measures the equity-settled share-based payment at the fair value on the date of the equity instrument granted, and recognizes the services acquired in capital surplus, and derecognizes the liability recognized for the cash-settled share-based payment on the date of modification, with the difference between the two recognized in profit or loss for the period. If the waiting period is prolonged or shortened due to a modification, the Company accounts for the modification in accordance with the modified waiting period.

27. Revenues

The Company is required to comply with the disclosure requirements set out in *No. 3 Guidelines on Self-Regulation of Listed Companies by Shenzhen Stock Exchange - Disclosure of Industry Information* in respect of “businesses related to the chemical industry”.

1. Accounting policies used for revenue recognition and measurement

The Company recognizes revenue when it has fulfilled its performance obligations under the contract, that is, when the customer obtains control of the related goods or services. Gaining control of the relevant goods or services means being able to dominate the use of the goods or services and derive almost total economic benefit from them.

If a contract contains two or more performance obligations, the Company allocates the transaction price to each individual performance obligation on the contract commencement date in the relative proportion of the individual selling price of the goods or services promised by each individual performance obligation. The Company measures revenue based on the transaction price allocated to each individual performance obligation.

The transaction price is the amount of consideration to which the Company expects to be entitled as a result of the transfer of goods or services to the customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to the customer. The Company determines the transaction price in accordance with the terms of the contract and its past customary practices, and considers the impact of variable consideration, the existence of significant financing components in the contract, non-cash consideration, and consideration payable to customers in determining the transaction price. The Company determines the transaction price that includes variable consideration by an amount that does not exceed the amount for which it is highly probable that there will be no material reversal of the cumulative recognized revenue when the relevant uncertainty is removed. If there is a significant financing component in the contract, the Company determines the transaction price based on the amount payable in cash assuming that the customer will pay for the goods or services as soon as control is obtained, and amortizes the difference between this transaction price and the contract consideration using the effective interest method over the term of the contract.

Performance obligations are fulfilled within a certain time period if one of the following conditions is met, otherwise, performance obligations are fulfilled at a certain point of time:

- The customer acquires and consumes the economic benefits of the Company's performance at the same time as the Company's performance.
- The customer can control the goods-in-process in the course of the Company's performance.
- The goods produced in the course of the Company's performance are irreplaceable and the Company is entitled to receive payment for the cumulative portion of performance completed to date throughout the term of the contract.

For performance obligations to be performed within a certain period, the Company recognizes revenue in accordance with the progress of performance during that period, except when the progress of performance cannot be reasonably determined. The Company uses the output method or input method to determine the performance schedule considering the nature of the goods or services. When the performance schedule cannot be reasonably determined and the costs incurred are expected to be compensated, the Company recognizes the revenue according to the amount of costs incurred until the performance schedule can be reasonably determined.

For performance obligations performed at a certain point of time, the Company recognizes revenue at the point of time when the customer obtains control of the related goods or services. In determining whether a customer has acquired control of goods or services, the Company considers the following indications:

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

28. Government subsidies

1. Type

Government subsidies, which are monetary or non-monetary assets acquired by the Company from the government without consideration, are classified as asset-related government subsidies and revenue-related government subsidies.

The government subsidies pertinent to assets mean the government subsidies that are obtained by the Company used for purchase and construction or forming long-term assets in other ways. The government subsidies pertinent to income refer to all the government subsidies except those pertinent to assets.

The specific criteria for the Company to classify government subsidies as asset-related are: government subsidies that are used for the acquisition, construction or other formation of long-term assets as stipulated in the government subsidy documents, or where the expenditures incurred by the grant recipients are mainly used for the acquisition, construction or other formation of long-term assets, are classified as asset-related government subsidies.

The specific criteria for the Company to classify government subsidies as revenue-related are: government subsidies obtained in accordance with government subsidy documents are classified as revenue-related government subsidies if the government subsidies are wholly or mainly used for reimbursement of expenses or losses incurred in subsequent periods or have already been incurred.

The basis for the Company to classify a government subsidy as asset-related or revenue-related when the government document does not specify the recipient of the grant is the supplemental statement issued by the government department that issued the grant, which is used as the basis for classifying the grant as asset-related or revenue-related.

2. Confirm time point

Government subsidies are recognized when the Company can meet the conditions attached to them and can receive them.

3. Accounting treatment

Government subsidies related to assets are written down to the book value of the related assets or recognized as deferred income. For those recognized as deferred income, they are included into the current profit and loss over the useful life of the related assets in accordance with a reasonable and systematic method (Those relates to the Company's ordinary activities are included into other income; those not related to the Company's ordinary activities are included into non-operating income);

Government subsidies related to revenue that are used to compensate the Company for related costs or losses in subsequent periods are recognized as deferred revenue and, when the related costs or losses are recognized, included into the current profit and loss (Those relates to the Company's ordinary activities are included into other income; those not related to the Company's ordinary activities are included into non-operating income) or writing down related costs or losses; Those used to compensate the Company for related costs or losses already incurred are recognized directly in the current profit and loss (Those relates to the Company's ordinary activities are included into other income; those not related to the Company's ordinary activities are included into non-operating income) or writing down related costs or losses.

The Company distinguishes between the following two scenarios for accounting for policy-based preferential loan subsidies obtained:

- (1) If the financial discount funds are allocated to the lending bank, and the lending bank provides loans to the Company at the policy preferential interest rate, the Company uses the actual amount received as the recorded value of the loan and calculates the related borrowing costs in accordance with the principal amount of the loan and the policy preferential interest rate.
- (2) If the financial discount funds are directly allocated to the Company, the Company will write down the corresponding subsidies against the related borrowing costs.

29. The deferred income tax assets / the deferred income tax liabilities

Income taxes consist of current income taxes and deferred income taxes. The Company recognizes current income tax and deferred income tax in the current profits and losses, except for income tax arising from business mergers and transactions or events directly included into owners' equity (including other comprehensive income).

Deferred income tax assets and deferred income tax liabilities are recognized based on the difference between the tax basis of the assets and liabilities and their book values (temporary differences).

For the confirmation of deferred income tax assets for the deductible temporary difference, the taxable income that may be obtained in future periods and is used to offset the deductible temporary difference shall prevail. As for any deductible loss or tax deduction that can be carried forward to the next year, the corresponding deferred income tax assets shall be determined to the extent that the amount of future taxable income to be offset by the deductible loss or tax deduction to be likely obtained.

For the taxable temporary differences, except in special cases, the deferred income tax liabilities shall be confirmed.

Special circumstances in which deferred income tax assets or deferred income tax liabilities are not recognized include:

- Initial recognition of goodwill;
- A transaction or event that neither is a business merger nor, when it occurs, affects accounting profit and taxable income (or deductible loss).

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associated enterprises and joint ventures, unless the Company can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are recognized for deductible temporary differences associated with investments in subsidiaries, associated enterprises and joint ventures when it is probable that the temporary differences will reverse in the foreseeable future and it is probable that future taxable income will be available against which the deductible temporary differences can be utilized.

On the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates applicable to the periods when the related assets are expected to be recovered or the related liabilities to be settled, in accordance with the provisions of the tax law.

At the balance sheet date, the Company reviews the book value of deferred tax assets. The book value of deferred tax assets is written down if it is more likely than not that sufficient taxable income will not be available in future periods to deduct the benefit of the deferred tax assets. When it is probable to obtain sufficient taxable income taxes, such write-down amount shall be reversed.

If the Company has the legal right to settle by the net amount and intends to settle by the net amount or acquire assets and pay off liabilities simultaneously, the current income tax assets and current income tax liabilities of the Company shall be listed according to the net amount after offset.

At the balance sheet date, deferred tax assets and deferred tax liabilities are presented as net of offsetting amounts when both of the following conditions are met:

- The taxable entity has the legal right to settle current income tax assets and current income tax liabilities on a net basis;
- Deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same tax authority on the same taxable entity or on different taxable entities, but in each future period in which it is significant that the deferred income tax assets and liabilities reverse, the taxable entities involved intend to settle the current income tax assets and liabilities on a net basis or acquire the assets and settle the liabilities at the same time.

30. Leases

1. Accounting treatment methods for operating leases

Lease receipts under operating leases are recognized as rental income on a straight-line basis over the respective periods of the lease term. The Company capitalizes the initial direct costs incurred in connection with operating leases, which are allocated to current profits and losses over the lease term on the same basis as rental income is recognized. Variable lease payments not included in the lease receipts are included into the current profits and losses when they are actually incurred. If an operating lease is changed, the Company accounts for it as a new lease from the effective date of the change, and the amount of lease receipts received in advance or receivable in connection with the lease before the change is considered to be the amount of receipts for the new lease.

2. Accounting treatment of financial leases

On the inception date of the lease, the Company recognizes finance lease receivables for finance leases and derecognizes the finance lease assets. When the Company makes initial measurement of finance lease receivables, the net lease investment is used as the recorded value of the finance lease receivables. The net investment in leases is the sum of the unguaranteed residual value and the present value of the lease receipts not yet received at the commencement date of the lease term discounted at the implicit rate of the lease.

The Company calculates and recognizes interest income for each period of the lease term based on a fixed periodic interest rate. Derecognition and impairment of finance lease receivables are conducted with accounting treatment method in accordance with "Note V (IX) Financial Instruments".

Variable lease payments not included in the net lease investment measurement are included into the current profits and losses when they are actually incurred.

When a change in a finance lease occurs and all of the following conditions are met, the Company will account for the change as a separate lease:

- The lease change expands the scope of lease by adding one or more rights to use the leased assets;
- The increased consideration is equivalent to the separate price of the expanded portion of the lease adjusted for the circumstances of the contract.

If a change in a finance lease is not conducted with accounting treatment method as a separate lease, the Company treats the changed lease separately in the following circumstances:

- If the change becomes effective on the commencement date of the lease and the lease would have been classified as an operating lease, the Company accounts for it as a new lease from the effective date of the lease change and uses the net investment in the lease prior to the effective date of the lease change as the book value of the leased asset;
- If the change becomes effective on the commencement date of the lease, the lease will be classified as a finance lease, and the Company will conduct accounting treatment method in accordance with the policy of amending or renegotiating the contract as described in "Note V (IX) Financial Instruments".

31. Other significant accounting policies and accounting estimates

1. Sale-and-leaseback

The Company assesses whether the transfer of assets in sale-and-leaseback transactions is a sale in accordance with the principles described in "Note V (XXVII) Revenue".

(1) As the lessee

If the asset transfer in the after-sales leaseback transaction belongs to sales, the Company, namely the lessee, shall measure the use right assets formed by the after-sales leaseback according to the part related to the use right acquired by leaseback in the book value of original assets, and only recognizes relevant gains or losses for the rights transferred to the lessor. If the asset transfer in the leaseback transaction does not belong to sales, the Company, namely the lessee, will continue to recognize the transferred asset and a financial liability equal to the transfer income. See "Note V (IX) Financial Instruments" for details of the accounting

treatment of financial liabilities.

(2) As the lessor

If the asset transfer in the after-sales leaseback transaction belongs to sales, the Company, namely the lessor, shall carry out accounting treatment for the asset purchase and asset lease according to the aforementioned policy of "2. The Company as the lessor"; if the asset transfer in the after-sales leaseback transaction does not belong to sales, the Company, as the lessor, does not recognize the transferred asset, but recognizes a financial asset equal to the transfer income. See "Note V (IX) Financial Instruments" for details of the accounting treatment of financial assets.

2. Discontinued operations

A discontinued operation is a separately distinguishable component that meets one of the following conditions and which has been disposed of by the Company or classified by the Company as held for sale:

- (1) The component represents a separate principal business or a separate principal area of operation;
- (2) The component is part of an associated plan for the proposed disposal of a separate major business or a separate major operating area;
- (3) The component is a subsidiary acquired exclusively for resale.

Gains or losses from continuing operations and gains or losses from discontinued operations are presented separately in the income statement. Operating gains and losses such as impairment losses and reversals of amounts from discontinued operations and gains and losses on disposals are reported as gains and losses from discontinued operations. For discontinued operations presented in the current period, the Company restates the information previously reported as gain or loss from continuing operations in the current period financial statements as gain or loss from discontinued operations in the comparable accounting period.

3. Hedge accounting

(1) Classification of hedging

- (1) Fair value hedge is a hedge of the exposure to changes in the fair value of a recognized asset or liability for which there is an unrecognized firm commitment (other than foreign exchange risk).
- (2) Cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability, a probable forecasted transaction, or the foreign exchange risk associated with an unrecognized firm commitment.
- (3) Hedge of a net investment in a foreign operation is a hedge of the exposure to foreign exchange risk of a net investment in a foreign operation. Net investment in a foreign operation is an enterprise's equity share in the net assets of a foreign operation.

(2) Designation of hedging relationship and determination of hedge effectiveness

At the inception of a hedging relationship, the Company had a formal designation of the hedging relationship and prepared a formal written document regarding the hedging relationship, risk management objectives and hedging strategies. This document sets out the nature of hedging instruments and their quantities, the nature of hedged items and their quantities, the nature of hedged risks, the type of hedges, and the Company's evaluation of the effectiveness of the hedging instruments. Hedge effectiveness is the extent to which changes in the fair value or cash flows of the hedging instrument are able to offset changes in the fair value or cash flows of the hedged item arising from the hedged risk.

The Company has evaluated hedge effectiveness on an ongoing basis to determine whether the hedge meets the effectiveness requirements for applying hedge accounting during the accounting period in which the hedge relationship is designated. If not, the hedge relationship is terminated.

The following requirements for hedge effectiveness shall be met when hedge accounting is applied:

- (1) An economic relationship exists between the hedged item and the hedging instrument.
- 2) The effect of credit risk does not dominate the change in value resulting from the economic relationship between the hedged item and the hedging instrument.

3) An appropriate hedge ratio to be adopted does not create an imbalance in the relative weights of the hedged item and the hedging instrument resulting in an accounting result that is inconsistent with the hedge accounting objective. In the event that the hedge ratio is no longer appropriate, but the hedge risk management objective has not changed, the number of hedged items or hedging instruments will be adjusted so that the hedge ratio will again meet the requirements for effectiveness.

(3) Accounting treatment methods for hedges

(1) Fair value hedge

Changes in the fair value of hedging derivatives are recognized in the current profits and losses. Changes in the fair value of the hedged item due to the hedged risk are recognized in the current profits and losses, together with an adjustment to the book value of the hedged item.

As regards fair value hedges relating to financial instruments measured at amortized cost, adjustments to the book value of the hedged item are amortized to the current profits and losses over the remaining period between the adjustment date and the maturity date. Amortization based on the effective interest rate method may commence immediately after the book value adjustment and no later than the termination of the hedged item for changes in fair value arising from the hedged risk.

In the event that the hedged item is derecognized, the unamortized fair value is recognized in current profits and losses.

In the event that the hedged item is a firm commitment that has not yet been recognized, the cumulative change in the fair value of the firm commitment arising from the hedged risk is recognized as an asset or liability, with the related gains or losses recognized in the current profits or losses. Changes in the fair value of the hedging instrument are also recognized in the current profits and losses.

(2) Cash flow hedge

For gains or losses on hedging instruments, the portion that is an effective hedge is recognized directly in other comprehensive income, while the portion that is an ineffective hedge is recognized in the current profits or losses.

Where the hedged transaction affects current profits or losses, such as when the hedged financial income or financial expense is recognized or the expected sale occurs, the amount recognized in other comprehensive income is transferred to current profits or losses. In the event that the hedged item is the cost of a non-financial asset or a non-financial liability, the amount that would have been recognized in other comprehensive income is transferred out to the amount initially recognized for that non-financial asset or non-financial liability (or, alternatively, the amount that would have been recognized in other comprehensive income is transferred out to the current profits or losses in the same period in which the non-financial asset or non-financial liability affects the profit or loss).

In the event that the forecast transaction or firm commitment is not expected to occur, the cumulative gains or losses on the hedging instrument previously recognized in other comprehensive income are transferred to the current profits or losses. Where a hedging instrument has expired, been sold, contractually terminated or exercised (but not replaced or rolled over), or the designation of a hedging relationship is revoked, the amount previously recognized in other comprehensive income is not transferred out until the forecasted transaction or firm commitment affects the current profits or losses.

3) Hedge of a net investment in a foreign operation

A hedge of a net investment in a foreign operation includes a hedge of monetary items that are part of the net investment and is treated similarly to a cash flow hedge. For the gains or losses on hedging instruments, the portion that is determined to be an effective hedge is recognized in other comprehensive income, while the portion that is ineffective is recognized in current profits or losses. Upon disposal of a foreign operation, any cumulative gains or losses recognized in other comprehensive income are transferred out to the current profits or losses.

32. Significant accounting policies and changes in accounting estimates**(1) Changes in significant accounting policies**

☐ Applicable ☒ Not applicable

(2) Significant changes in accounting estimates

☐ Applicable ☒ Not applicable

(3) Information on related items in the financial statements at the beginning of the year of the first implementation of the new Accounting Standards adjustments for the year of the first implementation from 2023 onwards

☐ Applicable ☒ Not applicable

VI. Taxes**1. Main tax categories and tax rates**

Tax categories	Taxation basis	Tax rate
Value added tax	The output tax shall be calculated based on the income obtained from the sales of goods and the taxable labor and calculated as per the regulations of tax law, and the balance after deducting the input tax deductible in the current period is the VAT payable.	5%, 6%, 9%, 10%, 13% (Note 1)
Urban maintenance and construction tax	It is calculated and paid based on the value-added tax and consumption tax actually paid.	5%, 7% (Note 2)
Enterprise income tax	Calculated and paid according to taxable income	9%, 8.25%, 16.5%, 15%, 20%, 22%, 25%, 29%, 30% (Note 3)
Education surcharges	It is calculated and paid based on the value-added tax and consumption tax actually paid.	3%
Local education surcharges	It is calculated and paid based on the value-added tax and consumption tax actually paid.	2%

If there are taxable entities with different corporate income tax rates, disclose the description of the situation

Name of taxable entity	Income tax rate
YONGTAI TECH., Yongtai Hi-tech, Zhejiang Chiral, Foshan Soin, Inner Mongolia Yongtai	15%
Youngtech Pharmaceuticals	9%
E-Tong Chemical (Hong Kong) Co., Limited, E-Tong Chemical Co., Limited	8.25%、16.5%
SYT pharm (Shanghai), Yongtai Trading, Yongtai Fule Technology, E-tong Chemical (Philippines) Inc.	20%
PT. ETONG	22%
Binhai Yongtai, Shanghai E-tong, Xinhui Mining, Yongtai Pharma, Shandong Yongtai, Yongtai New Material, Yongtai New Energy, Shanghai Youngcobe, Yongtai Chiral, Chongqing Yongyuansheng, Jiangsu Subin, H&G (China), Binhai Meikang, Hangzhou Yongtai, Inner Mongolia Hehui	25%
Etong Chemicals (Pvt.)	29%
Etong Agrotech Nigeria, Lideal Mines	30%

2. Tax incentives

1. According to the relevant provisions of *Measures for the Administration of the Recognition of High and New Technology Enterprises* (GKFH [2016] No. 32) and *Procedures for Administration of the Recognition of High and New Tech Enterprises* (GKFH [2016] No. 195), the Company received the *Certificate of High tech Enterprise* jointly issued by Science Technology Department of Zhejiang Province, Zhejiang Provincial Department of Finance, and Zhejiang Provincial Tax Service, State Taxation Administration, with a certificate number of GR202033002298, for a validity of three years (2020-2022). According to the relevant tax preferences for high-tech enterprises, in terms of enterprise income tax, the Company was taxed at 15% in the first half of 2023.
2. According to the relevant provisions of *Measures for the Administration of the Recognition of High and New Technology Enterprises* (GKFH [2016] No. 32) and *Procedures for Administration of the Recognition of High and New Tech Enterprises* (GKFH [2016] No. 195), Zhejiang Chiral received the *Certificate of High tech Enterprise* jointly issued by Science Technology Department of Zhejiang Province, Zhejiang Provincial Department of Finance, and Zhejiang Provincial Tax Service, State Taxation Administration, with a certificate number of GR202033002232, for a validity of three years (2020-2022). According to the relevant tax preferences for high-tech enterprises, in terms of enterprise income tax, Zhejiang Chiral was taxed at 15% in the first half of 2023.
3. According to the relevant provisions of *Measures for the Administration of the Recognition of High and New Technology Enterprises* (GKFH [2016] No. 32) and *Procedures for Administration of the Recognition of High and New Tech Enterprises* (GKFH [2016] No. 195), Foshan Soin received the *Certificate of High tech Enterprise* jointly issued by Department of Science and Technology of Guangdong Province, Department of Finance of Guangdong Province, Guangdong Provincial Tax Service, State Taxation Administration, and Guangdong Local Taxation Bureau, for a validity of three years (2022-2024). According to the relevant tax preferences for high-tech enterprises, in terms of enterprise income tax, Foshan Soin was taxed at 15% in first half of 2023.
4. According to the relevant provisions of *Measures for the Administration of the Recognition of High and New Technology Enterprises* (GKFH [2016] No. 32) and *Procedures for Administration of the Recognition of High and New Tech Enterprises* (GKFH [2016] No. 195), Yongtai Hi-tech received the *Certificate of High tech Enterprise* jointly issued by Department of Science and Technology of Fujian Province, Department of Finance of Fujian Province, and Fujian Provincial Tax Service, State Taxation Administration, with a certificate number of GR202235000726, for a validity of three years (2022-2024). According to the relevant tax preferences for high-tech enterprises, in terms of enterprise income tax, Yongtai Hi-tech was taxed at 15% in first half of 2023.
5. According to No. 12 *Announcement of the State Taxation Administration on Enterprise Income Tax Policies Issues Concerning the Further Implementation of the Western China Development Strategy* in 2012, the enterprise income tax will be levied at a reduced rate of 15% for encouraged industrial enterprises located in the western region. In line with the encouraged industrial projects in the western region, in terms of enterprise income tax, Inner Mongolia Yongtai was taxed at 15% in the first half of 2023.
6. Pursuant to the *Announcement on the Implementation of Preferential Policies on Income Tax for the Development of Small and Micro Enterprises and Individual Businesses* (CS [2021] No. 12), the portion of the annual taxable income of small and micro enterprises that does not exceed RMB 1 million shall be reduced by 12.5% of the taxable income and the enterprise income tax is payable at a tax rate of 20% during the period from 1 January 2021 to 31 December 2022; and pursuant to the *Announcement on Further Implementation of Preferential Policies on Income Tax for Small and Micro Enterprises* (CS [2022] No. 13), the portion of the annual taxable income of small and micro enterprises exceeding RMB 1 million but not exceeding RMB 3 million shall be reduced by 25% of the annual taxable income of small and micro enterprises and shall be subject to enterprise income tax at a tax rate of 20% during the period from 1 January 2022 to 31 December 2024. According to the relevant tax incentives for small and micro enterprises, the income tax rate for SYT pharm (Shanghai), Yongtai Trading and Yongtai Fule Technology was subject to an

income tax rate of 20% for the half-year of 2023.

3. Others

Note 1:

YONGTAI TECH., Binhai Yongtai, Shanghai E-tong, Yongtai Hi-tech, Xinhui Mining, Yongtai Pharma, Shandong Yongtai, Yongtai New Material, SYT pharm (Shanghai), Yongtai New Energy, Shanghai Youngcobe, Zhejiang Chiral, Foshan Soin, Yongtai Chiral, Chongqing Yongyuansheng, Jiangsu Subin, H&G (China), Binhai Meikang, Inner Mongolia Yongtai, Hangzhou Yongtai, Inner Mongolia Hehui, and Yongtai Fule Technology were subject to sales tax calculated at 9% and 13% of the revenue from the sale of goods and taxable services;

Houses sold by YONGTAI TECH. are simply taxed at a rate of 5%;

Technology transfer services provided by YONGTAI TECH. and SYT pharm (Shanghai) are taxed at 6% of the taxable income;

Youngtech Pharmaceuticals, E-Tong Chemical (Hong Kong) Co., Limited, E-Tong Chemical Co., Limited, Etong Agrotech Nigeria, Etong Chemicals (Pvt.) and Lideal Mines were not subject to value-added tax.

The output tax is calculated at 10% of the revenue from sales of goods for PT. ETONG.

Note 2:

YONGTAI TECH., Binhai Yongtai, Shanghai E-tong, Xinhui Mining, Yongtai Pharma, Shandong Yongtai, SYT pharm (Shanghai), Yongtai New Energy, Shanghai Youngcobe, Yongtai Chiral, Chongqing Yongyuansheng, Jiangsu Subin, H&G (China), Binhai Meikang, Inner Mongolia Yongtai, Hangzhou Yongtai, Inner Mongolia Hehui, Yongtai Fule Technology were subject to 9% of the turnover tax amount;

Yongtai Hi-tech, Yongtai New Material, Zhejiang Chiral, Foshan Soin, Inner Mongolia Yongtai, Hangzhou Yongtai, and Inner Mongolia Hehui were subject to 7% of the turnover tax amount;

Youngtech Pharmaceuticals, E-Tong Chemical (Hong Kong) Co., Limited, E-Tong Chemical Co., Limited, PT. Etong Chemical Indonesia, Etong Agrotech Nigeria, Etong Chemicals (Pvt.) and Lideal Mines were not subject to urban maintenance and construction tax.

Note 3:

The enterprise income tax (profit tax) paid by E-TONGCHEMICAL (HONGKONG) and E-TONGCHEMICAL, registered in Hong Kong, is subject to graduated tax rates, 8.25% for the part of taxable income not exceeding RMB 2 million Hong Kong dollars, and 16.5% for the part exceeding RMB 2 million Hong Kong dollars.

VII. Notes to consolidated financial statement items

1. Monetary funds

Unit: yuan

Item	Ending balance	Balance at the beginning of the period
Cash on hand	199,903.75	328,479.76
Bank deposit	491,356,638.65	436,002,870.76
Other cash and bank	422,280,141.75	522,963,003.04
In total	913,836,684.15	959,294,353.56
Of which: total amount of money deposited abroad	33,621,349.50	39,569,885.85
Total amount with restrictions on use due to mortgages, pledges or	420,309,236.99	521,185,294.49

freezing, etc.		
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Additional comments

A breakdown of the monetary funds that are restricted in use due to mortgage, pledge or freeze is as follows:

Item	Ending balance	Balance at the end of the last year
Deposit for bank acceptance bill	362,149,358.99	509,926,468.15
Guarantee deposit	717,304.00	746,065.00
Loan margin	57,442,574.00	10,000,000.00
Funds frozen due to litigation		512,761.34
In total	420,309,236.99	521,185,294.49

As of 30 June 2023, in other monetary funds, the Company deposited RMB 362,149,358.99 as the margins for its application to banks for issuing unconditional and irrevocable bank acceptance bills.

As of 30 June 2023, in other monetary funds, the Company deposited RMB 717,304.00 as the margins for its application to banks for issuing letters of guarantee.

As of 30 June 2023, in other monetary funds, the Company deposited RMB 57,442,574.00 as the margins for loans from banks.

See “Note XIII. Commitments and Contingencies” for details.

2. Transactional financial assets

Unit: yuan

Item	Ending balance	Balance at the beginning of the period
Financial assets measured at fair value with their changes included into the current profits and losses	19,000,000.00	21,000,000.00
Of which:		
Financial products	19,000,000.00	21,000,000.00
In total	19,000,000.00	21,000,000.00

3. Accounts receivable

(1) Disclosure by classification of accounts receivable

Unit: yuan

Category	Ending balance					Balance at the beginning of the period				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrual proportion		Amount	Proportion	Amount	Accrual proportion	
Accounts receivable with bad debt reserve by individual item	9,138,202.07	0.91%	9,138,202.07	100.00%		11,275,467.40	0.94%	11,275,467.40	100.00%	
Of which:										

Accounts receivable with bad debt reserve by portfolio	998,998,606.20	99.09%	87,674,818.40	8.78%	911,323,787.80	1,189,743,960.07	99.06%	92,159,373.53	7.75%	1,097,584,586.54
Of which:										
Aging analysis combination	998,998,606.20	99.09%	87,674,818.40	8.78%	911,323,787.80	1,189,743,960.07	99.06%	92,159,373.53	7.75%	1,097,584,586.54
In total	1,008,136,808.27	100.00%	96,813,020.47		911,323,787.80	1,201,019,427.47	100.00%	103,434,840.93		1,097,584,586.54

Provision for bad debts is made on an individual basis:

Unit: yuan

Name	Ending balance			
	Book balance	Bad debt provision	Accrual proportion	Withdrawal reason
CBM GROUP, etc.	9,138,202.07	9,138,202.07	100.00%	Not expected to be recovered
In total	9,138,202.07	9,138,202.07		

Bad debt reserve by portfolio: items in aging analysis method

Unit: yuan

Name	Ending balance		
	Book balance	Bad debt provision	Accrual proportion
Within 1 year	916,678,606.61	45,833,930.32	5.00%
1-2 years	39,618,279.57	7,923,655.91	20.00%
2-3 years	17,568,975.74	8,784,487.89	50.00%
Above 3 years	25,132,744.28	25,132,744.28	100.00%
In total	998,998,606.20	87,674,818.40	

Description of the basis for determining the combination:

With reference to historical credit loss experience, combined with the current situation and the forecast of future economic conditions, a comparison table of the aging accounts receivable and the expected credit loss rate for the entire duration is prepared to calculate the expected credit loss.

If the bad debt reserve for accounts receivable is based on the general model of expected credit losses, please refer to the disclosure of other receivables to disclose information about the bad debt reserve:

☐ Applicable ☒ Not applicable

Disclosure by aging

Unit: yuan

Account age	Ending balance
Within 1 year (including 1 year)	917,782,023.51
1-2 years	42,371,469.11
2-3 years	18,448,625.20
Above 3 years	29,534,690.45
3-4 years	29,534,690.45
In total	1,008,136,808.27

(2) Bad debt reserves withdrawn, recovered, or reversed in the current period

Bad debt reserve for the current period:

Unit: yuan

Category	Balance at the beginning of the period	Amount of change in the current period				Ending balance
		Accrual	Recovery or reversal	Write-off	Others	
Receivable bad debt reserves	103,434,840.93	-4,696,147.72		1,925,672.74		96,813,020.47
In total	103,434,840.93	-4,696,147.72		1,925,672.74		96,813,020.47

Of which the amount of reversal or recovery of bad debt provision in the current period is significant:

(3) Accounts receivable actually written off during the current period

Unit: yuan

Item	Write-off amount
Accounts receivable actually written off	1,925,672.74

(4) Accounts receivable ranking in the top five in the ending balance grouped by the debtors

Unit: yuan

Unit name	Balance of accounts receivable at the end of the period	Percentage of total balance of accounts receivable at the end of the period	Ending balance of provision for bad debts
No.1	101,602,301.60	10.08%	5,080,115.08
No.2	62,951,548.64	6.24%	3,147,577.43
No.3	46,490,008.34	4.61%	2,324,500.42
No.4	32,944,228.65	3.27%	1,647,211.43
No.5	25,314,500.00	2.51%	1,265,725.00
In total	269,302,587.23	26.71%	

(5) The accounts receivable derecognized due to transfer of financial assets

The company has no accounts receivable derecognized due to transfer of financial assets during the current period.

(6) The transfer of accounts receivable and continued involvement in the amount of assets and liabilities formed

The company has no transfer of accounts receivable and continued involvement in the amount of assets and liabilities formed during the current period.

4. Receivables financing

Unit: yuan

Item	Ending balance	Balance at the beginning of the period
Notes receivable	192,144,370.19	225,377,836.70
In total	192,144,370.19	225,377,836.70

Increase/decrease in receivables financing and changes in fair value during the current period

☒ Applicable ☐ Not applicable

Item	Balance at the end of the last year	Newly increased amount in the current period	Derecognition in the current period	Other changes	Ending balance	Cumulative provision for losses recognized in other comprehensive income
Notes receivable	225,377,836.70	719,040,166.74	752,273,633.25		192,144,370.19	
In total	225,377,836.70	719,040,166.74	752,273,633.25		192,144,370.19	

If the impairment reserve for receivables financing is based on the general model of expected credit losses, please refer to the disclosure of other receivables to disclose the information about the impairment reserve:

☐ Applicable ☒ Not applicable

Other instructions:

1. Receivables financing pledged by the Company at the end of the period

Item	Amount pledged at the end of the period
Notes receivable	90,414,636.97
In total	90,414,636.97

2. Receivables financing that has been endorsed or discounted by the Company but are outstanding at the balance sheet date at the end of the period

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Banker's acceptance bill	684,408,347.69	
In total	684,408,347.69	

3. There was no receivable financing at the end of the period that the Company converted to receivables due to the failure of the drawer to perform.

5. Prepayments

(1) Advance payments are listed as per account age

Unit: yuan

Account age	Ending balance		Balance at the beginning of the period	
	Amount	Proportion	Amount	Proportion
Within 1 year	157,308,245.25	81.00%	135,654,282.84	85.96%
1-2 years	25,492,742.82	13.13%	10,750,241.96	6.81%
2-3 years	2,595,594.84	1.34%	9,744,959.72	6.18%
Above 3 years	8,803,257.45	4.53%	1,661,743.21	1.05%
In total	194,199,840.36		157,811,227.73	

Description of the reasons why prepayments aged over 1 year and with significant amounts were not settled in a timely manner:
None.

(2) Top five prepayments with ending balance grouped by prepaid objects

Prepaid objects	Ending balance	Percentage of the total ending balance of prepayments (%)
No.1	21,437,509.22	11.04
No.2	19,986,530.12	10.29
No.3	9,335,200.00	4.81
No.4	8,527,225.00	4.39
No.5	8,460,000.00	4.36
In total	67,746,464.34	34.89

6. Other receivables

Unit: yuan

Item	Ending balance	Balance at the beginning of the period
Other receivables	75,529,011.92	62,889,080.49
In total	75,529,011.92	62,889,080.49

(1) Other receivables**1) Classification of other receivables by nature**

Unit: yuan

Nature of funds	Book balance at the end of the period	Book balance at the beginning of the period
Deposit and security deposit	4,520,713.90	9,511,062.39
Reserves and loans	12,610,090.14	4,571,719.25
Export tax rebate	15,940,988.35	14,860,220.40
Relocation compensation receivables	30,090,042.50	
Land compensation receivable		18,879,000.00
Others	34,699,286.02	39,754,453.01
In total	97,861,120.91	87,576,455.05

2) Provision for bad debts

Unit: yuan

Bad debt provision	Stage I	Stage II	Stage III	In total
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (no credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance as of 1 January 2023	20,487,352.66		4,200,021.90	24,687,374.56
Balance as of 1 January 2023 in the current period				
– Transferred to Stage III	87,557.53			87,557.53
Current provision	1,459,772.70		87,557.53	1,547,330.23

Bad debt provision	Stage I	Stage II	Stage III	In total
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (no credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Current reselling	3,902,595.80			3,902,595.80
Balance as of 30 June 2023	18,044,529.56		4,287,579.43	22,332,108.99

Changes in book balance with significant amount of change in provision for losses during the period

☐ Applicable ☒ Not applicable

Disclosure by aging

Unit: yuan

Account age	Ending balance
Within 1 year (including 1 year)	77,405,054.69
1-2 years	1,306,953.59
2-3 years	1,897,294.18
Above 3 years	17,251,818.45
3-4 years	17,251,818.45
In total	97,861,120.91

3) Bad debt reserves withdrawn, recovered, or reversed in the current period

Bad debt reserve for the current period:

Unit: yuan

Category	Balance at the beginning of the period	Amount of change in the current period				Ending balance
		Accrual	Recovery or reversal	Write-off	Others	
Other receivables bad debt reserves	24,687,374.56	1,547,330.23		3,902,595.80		22,332,108.99
In total	24,687,374.56	1,547,330.23		3,902,595.80		22,332,108.99

Of which the amount of reversal or recovery of bad debt provision for the period is significant: None.

4) Other receivables actually written off in the current period

Unit: yuan

Item	Write-off amount
Other receivables actually written off	3,902,595.80

5) Other accounts receivable ranking in the top five in the ending balance grouped by debtors

Unit: yuan

Unit name	Nature of amounts	Ending balance	Account age	Proportion of the total ending balance of other receivables	Ending balance of provision for bad debts
No.1	Relocation	30,090,042.50	Within 1 year	30.75%	1,504,502.13

Unit name	Nature of amounts	Ending balance	Account age	Proportion of the total ending balance of other receivables	Ending balance of provision for bad debts
	compensation receivables				
No.2	Export tax rebate	15,940,988.35	Within 1 year	16.29%	797,049.42
No.3	Others	5,763,338.83	Within 1 year	5.89%	288,166.94
No.4	Others	5,484,778.27	Above 3 years	5.60%	5,484,778.27
No.5	Security deposit	4,410,000.00	Within 1 year	4.51%	220,500.00
In total		61,689,147.95		63.04%	8,294,996.76

6) Receivables involving government subsidies

The Company has no other receivables involving government subsidies in the current period.

7) The other receivables derecognized due to transfer of financial assets

The Company has no other receivables derecognized due to transfer of financial assets in the current period.

8) The transfer of other receivables and continued involvement in the amount of assets and liabilities formed

The Company has no transfer of other receivables and continued involvement in the amount of assets and liabilities formed.

7. Inventories

Whether the Company is required to comply with the disclosure requirements of the real estate industry

No

(1) Classification of inventories

Unit: yuan

Item	Ending balance			Balance at the beginning of the period		
	Book balance	Provision for decline in value of inventories and provision for impairment of contract performance costs	Book value	Book balance	Provision for decline in value of inventories and provision for impairment of contract performance costs	Book value
Raw materials	187,878,956.33	1,291,093.53	186,587,862.80	335,388,662.49	1,291,093.53	334,097,568.96
Products in progress	239,943,247.13	3,455,791.74	236,487,455.39	239,667,051.77	3,455,791.74	236,211,260.03
Stock goods	1,277,095,454.27	10,148,535.13	1,266,946,919.14	1,058,286,903.40	10,148,535.13	1,048,138,368.27
Circulating materials	3,364,469.70		3,364,469.70	3,619,304.19		3,619,304.19
Goods in	20,193,700.47		20,193,700.47	24,837,678.60		24,837,678.60

Item	Ending balance			Balance at the beginning of the period		
	Book balance	Provision for decline in value of inventories and provision for impairment of contract performance costs	Book value	Book balance	Provision for decline in value of inventories and provision for impairment of contract performance costs	Book value
transit						
Materials in transit				1,503,459.85		1,503,459.85
Materials outsourced for processing	9,108,460.25		9,108,460.25	7,594,891.78		7,594,891.78
In total	1,737,584,288.15	14,895,420.40	1,722,688,867.75	1,670,897,952.08	14,895,420.40	1,656,002,531.68

(2) Inventory depreciation reserve and impairment reserve for contractual performance costs

Unit: yuan

Item	Balance at the beginning of the period	Amount increased in the current period		Decreased amount in the current period		Ending balance
		Accrual	Others	Reversal or reselling	Others	
Raw materials	1,291,093.53					1,291,093.53
Products in progress	3,455,791.74					3,455,791.74
Stock goods	10,148,535.13					10,148,535.13
In total	14,895,420.40					14,895,420.40

(3) Description of the balance of inventories at the end of the period containing the capitalized amount of borrowing costs

The ending balance of inventory does not include the capitalization amount of borrowing costs.

(4) Description of current amortization amount of contractual performance costs

There is no amortization amount of contract performance costs in the current period.

8. Assets held for sale

Unit: yuan

Item	Book balance at the end of the period	Impairment reserve	Ending book value	Fair value	Expected disposal costs	Expected disposal time
Zijingang Apartment	599,943.92		599,943.92	1,013,191.84	125,949.40	31 December 2023
In total	599,943.92		599,943.92	1,013,191.84	125,949.40	

9. Other current assets

Unit: yuan

Item	Ending balance	Balance at the beginning of the period
Unpaid VAT	149,669,069.31	78,136,601.52
Input tax to be deducted		17,750,487.70
Advance payment of income tax	7,235,442.85	13,322,354.99
Input tax to be certified	113,834,469.45	96,605,260.43
Fixed deposit certificates		50,000,000.00
Others	99,914.50	488,343.65
In total	270,838,896.11	256,303,048.29

10. Long-term equity investment

Unit: yuan

Invested unit	Balance at the beginning of the period (book value)	Increase and decrease in the current period								Balance at the end of the period (book value)	Ending balance of impairment provision
		Additional investment	Decreased investment	Profits and losses on investments confirmed under the equity method	Adjustment of other comprehensive incomes	Change in other equities	Cash dividends or profits declared to be issued	Provision for impairment	Others		
I. Joint ventures											
II. Associated enterprises											
Chongqing Heya Huayi Venture Capital Partnership (L.P.)	58,741,494.08									58,741,494.08	
Shanghai Carelinker Medical Technology Co., Ltd.	19,653,590.51									19,653,590.51	
Guizhou Balai Agricultural Science and Technology Co., Ltd.	3,512,095.51									3,512,095.51	
Shanghai Anbison Lab. Co., Ltd.	156,302,261.21			9,011,204.29						165,313,465.50	
Hangzhou Mubang Equity Investment Partnership (Limited Partnership)	5,000,000.00									5,000,000.00	
Yichang Chengbang Pharmaceutical Co., Ltd.	3,989,331.86	4,500,000.00								8,489,331.86	
Subtotal	247,198,773.17	4,500,000.00		9,011,204.29						260,709,977.46	
In total	247,198,773.17	4,500,000.00		9,011,204.29						260,709,977.46	

11. Investment in other equity instruments

Unit: yuan

Item	Ending balance	Balance at the beginning of the period
Zhejiang Linhai Rural Commercial Bank Co., Ltd.	66,459,813.95	66,459,813.95

Chongqing Heya Huayi Investment Management Co., Ltd.	725,353.48	725,353.48
In total	67,185,167.43	67,185,167.43

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

Unit: yuan

Project name	Dividend income recognized	Accumulated gains	Accumulated losses	Amount transfer from other comprehensive income to retained earnings	Reasons for being designated to be measured at fair value whose changes are recognized in other comprehensive income	Reasons for transferring other comprehensive income to retained earnings
Zhejiang Linhai Rural Commercial Bank Co., Ltd.	1,778,630.32	38,308,741.95			Non-marketable equity investment	
Chongqing Heya Huayi Investment Management Co., Ltd.		225,353.48			Non-marketable equity investment	

12. Real estate for investment purposes

(1) Investment real estate with cost measurement model

☒ Applicable ☐ Not applicable

Unit: yuan

Item	Houses and buildings	Land-use right	Construction in progress	In total
I. Original book value				
1. Balance at the beginning of the period	26,383,276.90	3,213,314.51		29,596,591.41
2. Amount increased in the current period				
(1) Purchases				
(2) Transfer from inventories/fixed assets/construction in progress				
3. Amount decreased in the current period				
(1) Disposals				
(2) Other transfers out				
4. Balance at the end of the period	26,383,276.90	3,213,314.51		29,596,591.41
II. Accumulated depreciation and accumulated amortization				
1. Balance at the beginning of the period	4,668,192.06	568,554.75		5,236,746.81
2. Amount increased in the current period	657,932.95	80,132.03		738,064.98
(1) Accrual or amortization	657,932.95	80,132.03		738,064.98
3. Amount decreased in the current period				
(1) Disposals				
(2) Other transfers out				
4. Balance at the end of the period	5,326,125.01	648,686.78		5,974,811.79
III. Impairment reserve				

Item	Houses and buildings	Land-use right	Construction in progress	In total
1. Balance at the beginning of the period				
2. Amount increased in the current period				
(1) Accrual				
3. Amount decreased in the current period				
(1) Disposals				
(2) Other transfers out				
4. Balance at the end of the period				
IV. Book value				
1. Ending book value	21,057,151.89	2,564,627.73		23,621,779.62
2. Book value at the beginning of the period	21,715,084.84	2,644,759.76		24,359,844.60

(2) Investment properties using the fair value measurement model

☐ Applicable ☒ Not applicable

(3) Investment properties with outstanding title certificates

There were no investment properties with outstanding title certificates at the end of the period.

13. Fixed assets

Unit: yuan

Item	Ending balance	Balance at the beginning of the period
Fixed assets	3,111,527,589.16	3,202,901,214.03
In total	3,111,527,589.16	3,202,901,214.03

(1) Fixed assets

Unit: yuan

Item	House and building	Machinery equipment	Transport tools	Electronic equipment and others	In total
I. Original book value:					
1. Balance at the beginning of the period	1,859,590,088.06	2,591,836,789.69	69,728,338.34	310,033,902.83	4,831,189,118.92
2. Amount increased in the current period	34,659,695.62	86,522,495.73	1,589,022.86	15,776,681.79	138,547,896.00
(1) Acquisition	3,429,798.75	16,867,181.79	1,589,022.86	8,233,815.25	30,119,818.65
(2) Transferred from construction in progress	31,229,896.87	69,655,313.94		7,542,866.54	108,428,077.35
(3) Increase in business consolidation					

Item	House and building	Machinery equipment	Transport tools	Electronic equipment and others	In total
3. Amount decreased in the current period	68,577,021.73	27,557,656.70	2,333,961.31	3,109,473.30	101,578,113.04
(1) Disposal or retirement	59,836,827.82	23,863,880.55	2,333,961.31	3,109,473.30	89,144,142.98
(2) Included in construction in progress	8,740,193.91	3,693,776.15			12,433,970.06
4. Balance at the end of the period	1,825,672,761.95	2,650,801,628.72	68,983,399.89	322,701,111.32	4,868,158,901.88
II. Accumulated depreciation					
1. Balance at the beginning of the period	515,112,163.86	877,459,443.21	46,142,169.87	189,574,127.95	1,628,287,904.89
2. Amount increased in the current period	41,472,240.48	100,341,940.12	2,396,850.10	18,343,507.77	162,554,538.47
(1) Accrual	41,472,240.48	100,341,940.12	2,396,850.10	18,343,507.77	162,554,538.47
3. Amount decreased in the current period	16,511,915.85	14,458,259.00	771,433.93	2,469,521.86	34,211,130.64
(1) Disposal or retirement	16,511,915.85	14,458,259.00	771,433.93	2,469,521.86	34,211,130.64
4. Balance at the end of the period	540,072,488.49	963,343,124.33	47,767,586.04	205,448,113.86	1,756,631,312.72
III. Impairment reserve					
1. Balance at the beginning of the period					
2. Amount increased in the current period					
(1) Accrual					
3. Amount decreased in the current period					
(1) Disposal or retirement					
4. Balance at the end of the period					
IV. Book value					
1. Ending book value	1,285,600,273.46	1,687,458,504.39	21,215,813.85	117,252,997.46	3,111,527,589.16
2. Book value at the beginning of the period	1,344,477,924.20	1,714,377,346.48	23,586,168.47	120,459,774.88	3,202,901,214.03

(2) Fixed assets with outstanding title certificates

Unit: yuan

Item	Book value	Reasons for not completing the certificate of title
House and building	288,807,377.25	In process

Other instructions:

There is no temporary idle ending fixed assets.

There were no fixed assets leased out under operating leases at the end of the period.

14. Construction in progress

Unit: yuan

Item	Ending balance	Balance at the beginning of the period
Construction in progress	2,007,232,768.47	1,769,581,671.27
Engineering materials	137,205,670.25	170,443,909.25
In total	2,144,438,438.72	1,940,025,580.52

(1) Construction in progress

Unit: yuan

Item	Ending balance			Balance at the beginning of the period		
	Book balance	Impairment reserve	Book value	Book balance	Impairment reserve	Book value
Inner Mongolia Yongtai Project	1,028,135,264.72		1,028,135,264.72	881,257,180.76		881,257,180.76
Yongtai Hi-tech 134,000t/a Liquid Lithium Salt Industrialization Project	451,829,176.58		451,829,176.58	378,628,224.18		378,628,224.18
Yongtai New Energy 150,000t/a Electrolyte Project	200,283,091.05		200,283,091.05	189,146,951.95		189,146,951.95
Yongtai Hi-tech Lithium Battery Material Phase II Expansion and 1005 Workshop Production Expansion Project	150,752,661.64		150,752,661.64	165,655,549.29		165,655,549.29
Binhai Meikang Phase I Project	28,644,892.63		28,644,892.63	28,258,296.72		28,258,296.72
Chongqing Yongyuansheng Project of Fine Chemical Products	56,212,196.86		56,212,196.86	54,978,308.75		54,978,308.75
Yongtai Chiral Engineering Project Phase II	14,560,693.39		14,560,693.39	9,237,528.13		9,237,528.13
Other projects	76,814,791.60		76,814,791.60	62,419,631.49		62,419,631.49
In total	2,007,232,768.47		2,007,232,768.47	1,769,581,671.27		1,769,581,671.27

(2) Changes in significant construction projects in progress during the current period

Unit: yuan

Project name	Budget amount	Balance at the beginning of the period	Amount increased in the current period	Amount transferred to fixed assets in the current period	Other amount decreased in the current period	Ending balance	Proportion of cumulative project investment in budget	Project progress	Cumulative amount of interest capitalization	Of which: Amount of capitalized interest for the current period	Capitalization rate of interest in the current period	Source of funds
Inner Mongolia Yongtai Project	2,000,000,000.00	881,257,180.76	226,685,392.80	79,807,308.84		1,028,135,264.72	100.89%	95.00%	35,183,693.24	4,979,805.56	4.76%	Others
Yongtai Hi-tech 134,000t/a Liquid Lithium Salt Industrialization Project	792,697,400.00	378,628,224.18	73,200,952.40			451,829,176.58	57.00%	57.00%			0.00%	Others
Yongtai New Energy 150,000t/a Electrolyte Project	350,000,000.00	189,146,951.95	16,989,969.56	5,835,246.39	18,584.07	200,283,091.05	58.90%	58.90%			0.00%	Others
Yongtai Hi-tech Lithium Battery Material Phase II Expansion and 1005 Workshop Production Expansion Project	390,000,000.00	165,655,549.29		14,878,020.39	24,867.26	150,752,661.64	98.38%	98.38%			0.00%	Others
Chongqing Yongyuansheng Project of Fine Chemical Products	189,000,000.00	54,978,308.75	1,991,742.51	757,854.40		56,212,196.86	86.76%	86.76%			0.00%	Others
Binhai Meikang Phase I Project	150,000,000.00	28,258,296.72	386,595.91			28,644,892.63	122.21%	95.00%			0.00%	Others
Yongtai Chiral Engineering Project Phase II	50,000,000.00	9,237,528.13	10,614,660.18	5,291,494.92		14,560,693.39	39.70%	39.70%			0.00%	Others
In total	3,921,697,400.00	1,707,162,039.78	329,869,313.36	106,569,924.94	43,451.33	1,930,417,976.87			35,183,693.24	4,979,805.56		

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

There is no provision for impairment of constructions in progress in the current period.

(4) Engineering materials

Unit: yuan

Item	Ending balance			Balance at the beginning of the period		
	Book balance	Impairment reserve	Book value	Book balance	Impairment reserve	Book value
Equipment installation materials	137,205,670.25		137,205,670.25	170,443,909.25		170,443,909.25
In total	137,205,670.25		137,205,670.25	170,443,909.25		170,443,909.25

15. Right-of-use assets

Unit: yuan

Item	House and building	In total
I. Original book value		
1. Balance at the beginning of the period	5,877,579.34	5,877,579.34
2. Amount increased in the current period		
3. Amount decreased in the current period		
4. Balance at the end of the period	5,877,579.34	5,877,579.34
II. Accumulated depreciation		
1. Balance at the beginning of the period	3,878,457.72	3,878,457.72
2. Amount increased in the current period	1,035,834.90	1,035,834.90
(1) Accrual	1,035,834.90	1,035,834.90
3. Amount decreased in the current period		
(1) Disposals		
4. Balance at the end of the period	4,914,292.62	4,914,292.62
III. Impairment reserve		
1. Balance at the beginning of the period		
2. Amount increased in the current period		
(1) Accrual		
3. Amount decreased in the current period		
(1) Disposals		
4. Balance at the end of the period		
IV. Book value		
1. Ending book value	963,286.72	963,286.72
2. Book value at the beginning of the period	1,999,121.62	1,999,121.62

16. Intangible assets**(1) Intangible assets**

Unit: yuan

Item	Land-use right	Patent right	rights vested on trade mark	Software and others	In total
I. Original book value					
1. Balance at the beginning of the period	388,482,651.18	154,652,014.00	30,108,100.00	36,189,642.40	609,432,407.58

Item	Land-use right	Patent right	rights vested on trade mark	Software and others	In total
2. Amount increased in the current period	29,214,675.00	4,039,603.92		775,231.03	34,029,509.95
(1) Acquisition	29,214,675.00	4,039,603.92		775,231.03	34,029,509.95
(2) Internal R&D					
3. Amount decreased in the current period					
(1) Disposals					
4. Balance at the end of the period	417,697,326.18	158,691,617.92	30,108,100.00	36,964,873.43	643,461,917.53
II. Accumulated amortization					
1. Balance at the beginning of the period	72,808,017.63	79,986,281.65	15,070,716.55	15,681,676.55	183,546,692.38
2. Amount increased in the current period	4,098,160.63	8,679,754.13	1,570,450.00	2,040,529.68	16,388,894.44
(1) Accrual	4,098,160.63	8,679,754.13	1,570,450.00	2,040,529.68	16,388,894.44
3. Amount decreased in the current period					
(1) Disposals					
4. Balance at the end of the period	76,906,178.26	88,666,035.78	16,641,166.55	17,722,206.23	199,935,586.82
III. Impairment reserve					
1. Balance at the beginning of the period					
2. Amount increased in the current period					
(1) Accrual					
3. Amount decreased in the current period					
(1) Disposals					
4. Balance at the end of the period					
IV. Book value					
1. Ending book value	340,791,147.92	70,025,582.14	13,466,933.45	19,242,667.20	443,526,330.71
2. Book value at the beginning of the period	315,674,633.55	74,665,732.35	15,037,383.45	20,507,965.85	425,885,715.20

Intangible assets formed through internal R&D accounted for 13.96% of the balance of intangible assets at the end of the current period.

(2) Land use rights with outstanding title certificates

There were no land use rights with outstanding title certificates at the end of the period.

17. Development expenditure

Unit: yuan

Item	Balance at the beginning of the period	Amount increased in the current period		Decreased amount in the current period		Ending balance
		Internal development expenditure	Others	Recognized as intangible assets	Included in current profit and loss	
API project	22,802,200.65	414,974.39				23,217,175.04
Projects of preparations	90,923,341.23	10,916,532.56				101,839,873.79
In total	113,725,541.88	11,331,506.95				125,057,048.83

Other instructions:

Item	Start time of capitalization	R&D progress at the end of the period
API project	2013.6-2023.6	The pilot scale test as well as DMF filing and CDE review are in progress
Projects of preparations	2013.3-2023.6	The pilot scale test as well as FDA declaration and CDE review are in progress

18. Goodwill**(1) Original book value of goodwill**

Unit: yuan

Name of investee or matters forming goodwill	Balance at the beginning of the period	Increase in the current period	Decrease in the current period	Ending balance
		Formation by business merger	Disposal	
Yongtai New Energy	17,848,185.57			17,848,185.57
Shanghai E-Tong	177,627,292.14			177,627,292.14
Zhejiang Chiral	373,747,189.15			373,747,189.15
Foshan Soin	69,669,921.57			69,669,921.57
Jiangsu Subin	92,772,780.75			92,772,780.75
Binhai Meikang	2,645,729.61			2,645,729.61
In total	734,311,098.79			734,311,098.79

(2) Impairment reserve for goodwill

Unit: yuan

Name of investee or matters forming goodwill	Balance at the beginning of the period	Increase in the current period	Decrease in the current period	Ending balance
		Accrual	Disposal	
Yongtai New Energy	17,848,185.57			17,848,185.57
Shanghai E-Tong	22,753,297.61			22,753,297.61
Zhejiang Chiral				
Foshan Soin				
Jiangsu Subin	92,772,780.75			92,772,780.75

Name of investee or matters forming goodwill	Balance at the beginning of the period	Increase in the current period	Decrease in the current period	Ending balance
		Accrual	Disposal	
Binhai Meikang				
In total	133,374,263.93			133,374,263.93

Information about the asset group or combination of asset groups in which the goodwill is located:

Name of investee or matters forming goodwill	Amount of goodwill	Information related to the asset group or combination of asset groups
Shanghai E-Tong	177,627,292.14	Goodwill-related asset groups formed by the M&A of Shanghai E-Tong Chemical Co., Ltd. are the long-term asset groups that comprise the asset groups of Shanghai E-Tong Chemical Co., Ltd. on 31 December 2022, including fixed assets, etc.
Zhejiang Chiral	373,747,189.15	Goodwill-related asset groups formed by the M&A of Zhejiang Chiral Medicine Chemicals Co., Ltd. are the long-term asset groups that comprise the asset groups of Zhejiang Chiral Medicine Chemicals Co., Ltd. on 31 December 2022, including fixed assets, intangible assets, etc.
Foshan Soin	69,669,921.57	Goodwill-related asset groups formed by the M&A of Foshan Soin Chiralpharma Co., Ltd. are the long-term asset groups that comprise the asset groups of Foshan Soin Chiralpharma Co., Ltd. on 31 December 2022, including fixed assets, intangible assets, etc.

19. Long-term deferred expenses

Unit: yuan

Item	Balance at the beginning of the period	Amount increased in the current period	Amortization amount in the current period	Other decreased amount	Ending balance
Equipment transformation	5,551,700.56	498,153.39	1,677,494.30		4,372,359.65
Decoration fee	1,959,251.78		626,359.63		1,332,892.15
Others	4,074,902.15	798,216.00	1,072,696.66		3,800,421.49
In total	11,585,854.49	1,296,369.39	3,376,550.59		9,505,673.29

20. The deferred income tax assets / the deferred income tax liabilities

(1) Deferred income tax assets without offsetting

Unit: yuan

Item	Ending balance		Balance at the beginning of the period	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Unrealized profit on internal transactions	36,033,390.97	6,140,002.56	73,121,733.33	15,865,230.05
Deductible losses	197,443,211.50	45,530,110.31	188,902,116.53	43,350,883.76
Bad debt provision	84,701,844.11	16,879,689.92	90,919,564.76	17,296,856.13
Inventory price falling	12,690,256.17	2,221,547.14	12,690,256.17	2,221,547.13

reserve				
Provision for impairment of subsidiary equity	98,000,000.00	14,700,000.00	98,000,000.00	14,700,000.00
Deferred benefits	131,215,598.27	28,515,648.05	125,332,129.07	27,588,847.68
Withholding costs and expenses	10,046,463.93	1,506,969.59	10,046,463.93	1,506,969.59
Change in fair value of trading financial assets	7,447,218.30	1,117,082.75	5,808,202.02	979,546.29
In total	577,577,983.25	116,611,050.32	604,820,465.81	123,509,880.63

(2) Deferred income tax liabilities without offsetting

Unit: yuan

Item	Ending balance		Balance at the beginning of the period	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Valuation and appreciation of assets of business consolidation not under the same control	45,058,912.48	10,116,708.56	48,056,211.85	10,644,052.57
Changes in fair value of other equity instrument investments	38,308,741.95	5,746,311.29	38,308,741.95	5,746,311.29
In total	83,367,654.43	15,863,019.85	86,364,953.80	16,390,363.86

(3) Deferred income tax assets or liabilities presented with the net amount after offset

Unit: yuan

Item	Offset of deferred income tax assets and liabilities at the end of the period	Balance of deferred income tax assets or liabilities after offset at the end of the period	Offset of deferred income tax assets and liabilities at the beginning of the period	Balance of deferred income tax assets or liabilities after offset at the beginning of the period
Deferred income tax assets		116,611,050.32		123,509,880.63
Deferred income tax liabilities		15,863,019.85		16,390,363.86

21. Other non-current assets

Unit: yuan

Item	Ending balance			Balance at the beginning of the period		
	Book balance	Impairment reserve	Book value	Book balance	Impairment reserve	Book value
Prepayment for engineering equipment	202,719,364.45		202,719,364.45	98,280,195.42		98,280,195.42
Prepaid R&D	25,129,429.64		25,129,429.64	28,679,901.23		28,679,901.23

expenditure						
Prepaid technology transfer fees	6,400,000.00		6,400,000.00			
In total	234,248,794.09		234,248,794.09	126,960,096.65		126,960,096.65

22. Short-term loans

(1) Classification of short-term loan

Unit: yuan

Item	Ending balance	Balance at the beginning of the period
Pledge loan	9,938,205.86	186,748,419.80
Mortgage loan	397,761,825.00	442,681,400.00
Guaranteed loan	1,341,183,856.38	1,340,420,684.02
In total	1,748,883,887.24	1,969,850,503.82

23. Transaction financial liabilities

Unit: yuan

Item	Ending balance	Balance at the beginning of the period
Transaction financial liabilities	8,530,378.15	5,808,202.02
Of which:		
Derivative financial liabilities	8,530,378.15	5,808,202.02
In total	8,530,378.15	5,808,202.02

24. Notes payable

Unit: yuan

Category	Ending balance	Balance at the beginning of the period
Commercial acceptance bill	30,000,000.00	
Banker's acceptance bill	885,756,442.22	1,004,476,920.61
In total	915,756,442.22	1,004,476,920.61

The total amount of notes payable due and unpaid at the end of the period was \$0.00.

25. Accounts payable

(1) Presentation of accounts payable

Unit: yuan

Item	Ending balance	Balance at the beginning of the period
Within 1 year	616,876,800.53	883,447,306.95
1-2 years	41,321,323.72	45,682,761.80
2-3 years	12,321,707.07	9,821,992.12
Above 3 years	19,055,209.33	19,280,947.64
In total	689,575,040.65	958,233,008.51

(2) Significant accounts payable aged over 1 year

There were no significant accounts payable aged over 1 year at the end of the period.

26. Contract liabilities

Unit: yuan

Item	Ending balance	Balance at the beginning of the period
Within 1 year	136,382,143.35	344,479,277.78
1-2 years	775,183,136.62	578,095,931.81
2-3 years	6,613,996.02	2,800,759.68
Above 3 years	4,431,548.36	2,494,046.51
In total	922,610,824.35	927,870,015.78

27. Remuneration payable to employees**(1) Presentation of remuneration payable to employees**

Unit: yuan

Item	Balance at the beginning of the period	Increase in the current period	Decrease in the current period	Ending balance
I. Short-term compensation	70,169,695.85	196,275,201.76	234,779,815.35	31,665,082.26
II. Welfare after demission - defined contribution plan	1,096,949.49	15,376,630.71	15,197,498.31	1,276,081.89
III. Termination benefits		1,567,376.78	1,309,031.78	258,345.00
In total	71,266,645.34	213,219,209.25	251,286,345.44	33,199,509.15

(2) Short-term compensation list

Unit: yuan

Item	Balance at the beginning of the period	Increase in the current period	Decrease in the current period	Ending balance
1. Wages, bonuses, allowances, and subsidies	67,340,390.87	168,826,486.73	207,362,928.31	28,803,949.29
2. Welfare expenses for the employees	444,932.07	11,903,532.49	11,869,340.99	479,123.57
3. Social insurance expenses	979,641.29	9,166,218.28	9,333,984.86	811,874.71
Of which: Medical insurance premiums	876,282.85	8,031,992.82	8,212,543.29	695,732.38
Industrial injury insurance premiums	103,358.44	1,061,663.97	1,048,880.08	116,142.33
Maternity insurance premiums		72,561.49	72,561.49	

Item	Balance at the beginning of the period	Increase in the current period	Decrease in the current period	Ending balance
4. Housing accumulation fund	20,819.00	5,239,261.02	5,173,869.02	86,211.00
5. Labor union expenditure and employee education expenses	1,383,912.62	1,139,703.24	1,039,692.17	1,483,923.69
In total	70,169,695.85	196,275,201.76	234,779,815.35	31,665,082.26

(3) Presentation of defined contribution plan

Unit: yuan

Item	Balance at the beginning of the period	Increase in the current period	Decrease in the current period	Ending balance
1. Basic endowment insurance	1,059,525.61	14,888,739.11	14,715,768.75	1,232,495.97
2. Unemployment insurance premiums	37,423.88	487,891.60	481,729.56	43,585.92
In total	1,096,949.49	15,376,630.71	15,197,498.31	1,276,081.89

28. Taxes payable

Unit: yuan

Item	Ending balance	Balance at the beginning of the period
Value added tax	4,335,821.69	15,993,438.77
Enterprise income tax	7,405,332.81	41,055,385.46
Individual income tax	467,647.49	570,975.02
Urban maintenance and construction tax	996,175.35	2,080,501.35
House property tax	6,678,315.58	9,506,348.24
Land use tax	2,093,670.46	2,834,399.44
Education surcharges and local education surcharges	875,795.81	1,855,178.75
Security fund for the disabled	2,390,438.96	1,743,212.21
stamp duty	511,240.13	1,305,624.24
Environmental protection tax and others	14,284.47	658,032.42
In total	25,768,722.75	77,603,095.90

29. Other payables

Unit: yuan

Item	Ending balance	Balance at the beginning of the period
Other payables	40,749,607.20	51,450,665.61
In total	40,749,607.20	51,450,665.61

(1) Other payables**1) Other payables listed by nature**

Unit: yuan

Item	Ending balance	Balance at the beginning of the period
Overnight money	1,001,949.27	1,194,119.17
Accrued expenses	12,925,312.03	22,600,632.18
Security deposit	4,696,000.00	9,410,079.09
Others	22,126,345.90	18,245,835.17
In total	40,749,607.20	51,450,665.61

2) Other significant payables aged more than one year

The Company has no other significant payables aged more than one year.

30. Non-current liabilities due within one year

Unit: yuan

Item	Ending balance	Balance at the beginning of the period
Long-term loans due within one year	682,985,215.60	458,745,965.58
Long-term receivables due within 1 year	79,377,716.48	132,339,681.51
Lease liabilities due within one year	602,850.67	855,211.82
In total	762,965,782.75	591,940,858.91

31. Other current liabilities

Unit: yuan

Item	Ending balance	Balance at the beginning of the period
Output tax to be written off	113,830,524.53	107,773,134.09
In total	113,830,524.53	107,773,134.09

Increase or decrease in short-term bonds payable: none.

32. Long-term loans**(1) Classification of long-term loans**

Unit: yuan

Item	Ending balance	Balance at the beginning of the period
Pledge loan		54,000,000.00
Mortgage loan	553,991,532.90	242,707,496.08
Guaranteed loan	1,109,869,019.90	726,555,217.88
In total	1,663,860,552.80	1,023,262,713.96

33. Lease liabilities

Unit: yuan

Item	Ending balance	Balance at the beginning of the period
Warehouse leasing		876,313.54
In total		876,313.54

34. Long-term payables

Unit: yuan

Item	Ending balance	Balance at the beginning of the period
Long-term payables	691,958,429.30	670,855,040.50
In total	691,958,429.30	670,855,040.50

35. Projected liabilities

Unit: yuan

Item	Ending balance	Balance at the beginning of the period	Cause of formation
Environmental restoration expense	144,145.00	144,145.00	Environmental restoration expense
In total	144,145.00	144,145.00	

36. Deferred income

Unit: yuan

Item	Balance at the beginning of the period	Increase in the current period	Decrease in the current period	Ending balance	Cause of formation
Government subsidies	130,900,287.43	16,480,580.00	8,106,542.76	139,274,324.67	Government subsidies
In total	130,900,287.43	16,480,580.00	8,106,542.76	139,274,324.67	

Projects involving government subsidies:

Unit: yuan

Liability items	Balance at the beginning of the period	Amount of new subsidies in the current period	Amount included in non-operating income in the current period	Amount included in other income in the current period	Amounts charged to costs in the current period	Other changes	Ending balance	Asset-related/i ncome-related
Investment reward for Binhai Meikang project	37,375,933.17			360,400.02			37,015,533.15	Related to assets
Yongtai Chiral's 3570t/a Green Bulk Drug Production Base Project	21,080,000.00	4,650,000.00		1,472,500.00			24,257,500.00	Related to assets
National subsidy for Yongtai Hi-tech LiFSI Project	19,688,500.00			1,514,500.00			18,174,000.00	Related to assets
Yongtai New Material 1500t/a Flat Panel Display Color Filter Coating Material (CF) Industrialization	17,250,000.00			1,500,000.00			15,750,000.00	Related to assets

Liability items	Balance at the beginning of the period	Amount of new subsidies in the current period	Amount included in non-operating income in the current period	Amount included in other income in the current period	Amounts charged to costs in the current period	Other changes	Ending balance	Asset-related/income-related
Project								
Yongtai Pharma Preparation Internationalization Development Capacity Building Project	5,068,158.36			440,011.96			4,628,146.40	Related to assets
Yongtai Chiral Extraction Project of 4340t/a Metoprolol and Other 19 Bulk Drugs and An Annual Output of 600 Million Pieces of Chinese Medicines	4,800,000.00			300,000.00			4,500,000.00	Related to assets
YONGTAI TECH.'s 100t/a DBN and Other Technical Transformation Projects	3,066,666.67			460,000.00			2,606,666.67	Related to assets
YONGTAI TECH.'s 20t/a BrPNB, 20t/a CPBN-1, 10t/a CPBN, 10t/a DPBN, 5t/a DXOH and 5t/a PGP Project	757,333.33			757,333.33				Related to assets
YONGTAI TECH. Color Photoresist Project	1,394,357.15			309,857.14			1,084,500.01	Related to assets
Workshop subsidy for Yongtai Hi-tech Hexafluoride Project	900,000.00			75,000.00			825,000.00	Related to assets
Foshan Soin's 2020 special national debt funds against COVID-19 pandemic (enterprise technical transformation funds)	531,199.92			33,200.04			497,999.88	Related to assets
Technical development and industrialization of special amino acid production by fermentation in Yongtai Pharma	500,000.00						500,000.00	Related to assets
Foshan Soin's 2021 provincial special enterprise technology transformation funds for promoting high-quality economic development	418,416.75			25,104.96			393,311.79	Related to assets
YONGTAI TECH.'s 679t/a 2,4-Dichloronitrobenzene, 1749t/a 2,4-Dichloro-3-Fluoronitrobenzene and Warehouse Reconstruction and	29,411.83			29,411.83				Related to assets

Liability items	Balance at the beginning of the period	Amount of new subsidies in the current period	Amount included in non-operating income in the current period	Amount included in other income in the current period	Amounts charged to costs in the current period	Other changes	Ending balance	Asset-related/income-related
Expansion Project								
Foshan Soin's 2020 Foshan special funds for promoting robot application and industrial development	78,776.04			4,923.48			73,852.56	Related to assets
Inner Mongolia Yongtai Advanced Manufacturing Cluster and Key Industrial Chain Project	4,473,684.21			250,000.00			4,223,684.21	Related to assets
Special Incentive Funds for High-Quality Development of Manufacturing Industry in 2022 by Yongtai New Energy	4,004,000.00			429,000.00			3,575,000.00	Related to assets
Subsidy Funds for Intelligent Manufacturing Benchmarking Enterprises of Yongtai Chiral	1,380,350.00			145,300.00			1,235,050.00	Related to assets
2022 Technical Transformation Project of Yongtai High-tech	4,535,300.00						4,535,300.00	Related to assets
Subsidy for Chongqing Yongyuansheng Wastewater Device Civil Engineering Fielding	2,000,000.00						2,000,000.00	Related to assets
Subsidy for Industrial Multi-Enzyme Catalytic System Construction and Mechanism Research of YONGTAI TECH.	869,000.00	156,000.00					1,025,000.00	Related to assets
Subsidy for biomanufacturing industrialization production line of sitagliptin and levetiracetam APIs of YONGTAI TECH.	699,200.00						699,200.00	Related to assets
50t/a 2-R-BOC Butyric Acid Project of YONGTAI TECH.		8,900,000.00					8,900,000.00	Related to assets
Demolition and relocation subsidy for Shanghai E-tong		1,387,290.00					1,387,290.00	Related to assets
Demolition and relocation subsidy for Shanghai Youngcobe		1,387,290.00					1,387,290.00	Related to assets

37. Share capital

Unit: yuan

Item	Balance at the beginning of the period	Increase/decrease (+, -) in this change					Ending balance
		Issue of new shares	Stock dividend	Transfer from provident fund	Others	Subtotal	
Total number of shares	876,566,295.00						876,566,295.00

38. Capital surplus

Unit: yuan

Item	Balance at the beginning of the period	Increase in the current period	Decrease in the current period	Ending balance
Capital premium (equity premium)	769,996,901.67			769,996,901.67
Other capital reserve	-561,001,815.30			-561,001,815.30
In total	208,995,086.37			208,995,086.37

39. Other comprehensive incomes

Unit: yuan

Item	Balance at the beginning of the period	Amount incurred in the current period						Ending balance
		Amount before income tax in the current period	Less: the profits and losses transferred in the current period but previously included in other comprehensive income	Less: the retained earnings transferred in the current period but previously included in other comprehensive income	Less: income tax expense	That attributable to the parent company after tax	That attributable to minority shareholders after tax	
I. Other comprehensive incomes not to be reclassified into profits and losses	63,425,271.91							63,425,271.91
Other comprehensive income that cannot be transferred to profit and loss under equity method	30,637,487.77							30,637,487.77
Changes in fair value of other equity instrument investments	32,787,784.14							32,787,784.14
II. Other comprehensive incomes to be reclassified into profits and losses	6,054,346.70	-8,948,478.03				-8,948,478.03		-2,894,131.33
The balance arisen from the translation of foreign currency financial	6,054,346.70	-8,948,478.03				-8,948,478.03		-2,894,131.33

Item	Balance at the beginning of the period	Amount incurred in the current period						Ending balance
		Amount before income tax in the current period	Less: the profits and losses transferred in the current period but previously included in other comprehensive income	Less: the retained earnings transferred in the current period but previously included in other comprehensive income	Less: income tax expense	That attributable to the parent company after tax	That attributable to minority shareholders after tax	
statements								
Total other comprehensive income	69,479,618.61	-8,948,478.03				-8,948,478.03		60,531,140.58

40. Special reserves

Unit: yuan

Item	Balance at the beginning of the period	Increase in the current period	Decrease in the current period	Ending balance
Work safety cost	2,375,120.26	12,519,967.08	9,582,684.69	5,312,402.65
In total	2,375,120.26	12,519,967.08	9,582,684.69	5,312,402.65

41. Surplus reserves

Unit: yuan

Item	Balance at the beginning of the period	Increase in the current period	Decrease in the current period	Ending balance
Statutory surplus reserve	212,549,555.18			212,549,555.18
In total	212,549,555.18			212,549,555.18

42. Undistributed profits

Unit: yuan

Item	In the current period	In the previous period
Undistributed profits at the end of the previous period before adjustment	2,057,248,262.04	1,605,109,202.90
Undistributed profit at the beginning of the period after adjustment	2,057,248,262.04	1,605,109,202.90
Plus: Net profits attributable to the parent company's owners in the current period	38,651,535.60	493,604,103.06
Common stock dividends payable	87,656,629.50	87,656,629.50
Retained earnings at the end of the period	2,008,243,168.14	2,011,056,676.46

Breakdown of undistributed profit at the beginning of the period after adjustment:

- 1) The affected undistributed profit at the beginning of the period was RMB 0.00 due to the retrospective adjustment of the *Accounting Standards for Business Enterprises* and its related new regulations.
- 2) The affected undistributed profit at the beginning of the period was RMB 0.00 due to the change of accounting policies.
- 3) The affected undistributed profit at the beginning of the period was RMB 0.00 due to the correction of significant accounting

errors.

4) The affected undistributed profit at the beginning of the period was RMB 0.00 due to the change of the scope of consolidation caused by the same control.

5) The total affected undistributed profits at the beginning of the period due to other adjustments amounted to RMB 0.00.

43. Operating income and operating cost

Unit: yuan

Item	Amount incurred in the current period		Incurred amount during the previous period	
	Income	Cost	Income	Cost
Main business	2,046,673,851.03	1,644,593,835.78	3,196,105,213.53	2,152,735,853.24
Other business	6,581,399.14	5,579,362.13	120,793,324.32	54,128,785.37
In total	2,053,255,250.17	1,650,173,197.91	3,316,898,537.85	2,206,864,638.61

Revenue related information:

Unit: yuan

Contract classification	Segment 1	Segment 2	In total
Commodity type			
Of which:			
Product sales revenue	2,052,668,218.13		2,052,668,218.13
Classification by timing of commodity transfer			
Of which:			
Confirmation at a point of time	2,052,668,218.13		2,052,668,218.13
In total	2,052,668,218.13		2,052,668,218.13

Information relating to performance obligations:

None.

Information related to the transaction price apportioned to the remaining performance obligations:

The amount of revenue corresponding to performance obligations that have been contracted for but not yet fulfilled or not yet completed at the end of the reporting period was RMB 0.00.

Other instructions:

Breakdown of operating income:

Item	Amount in the current period	Amount of previous period
Main business income	2,046,673,851.03	3,196,105,213.53
Of which: Pharmaceutical product business	585,517,328.97	794,058,828.51
Crop science product business	283,920,838.16	186,876,288.72
Lithium battery and other materials	426,980,807.37	1,008,888,071.78
Trade type	750,254,876.53	1,206,282,024.52
Other operating income	6,581,399.14	120,793,324.32
In total	2,053,255,250.17	3,316,898,537.85

44. Taxes and surcharges

Unit: yuan

Item	Amount incurred in the current period	Incurred amount during the previous
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		period
Urban maintenance and construction tax	4,409,901.61	3,457,152.00
Education surcharges	3,901,220.38	3,354,405.89
House property tax	8,213,458.09	6,849,051.97
Land use tax	4,454,468.77	4,234,527.26
Vehicle and vessel use tax	20,216.25	24,100.80
stamp duty	1,476,710.60	1,454,816.05
Environmental protection tax	29,110.16	2,203.59
Water conservancy fund		26,727.95
In total	22,505,085.86	19,402,985.51

45. Marketing expenses

Unit: yuan

Item	Amount incurred in the current period	Incurred amount during the previous period
Market development expense	14,627,167.60	7,536,983.93
Database service expense and information expense		17,449.64
Commission	7,958,210.78	5,138,509.91
Insurance expense	2,742,018.11	2,940,627.55
Travel expenses	3,673,298.39	1,735,516.49
Others	24,209,016.85	13,426,494.78
In total	53,209,711.73	30,795,582.30

46. Management expenses

Unit: yuan

Item	Amount incurred in the current period	Incurred amount during the previous period
Employee compensation	93,148,165.73	78,648,461.34
Depreciation and amortization	96,386,682.82	69,172,010.67
Environmental protection expenses	45,683,607.17	75,928,584.57
Agency fees	5,017,876.12	3,357,186.65
Work safety cost	13,579,539.40	15,327,798.26
Business entertainment fee	5,985,376.53	4,896,893.76
Office expense	10,234,705.87	9,785,195.37
Travel expenses	1,470,673.57	791,049.25
Car cost	1,874,914.87	1,720,242.31
Others	13,532,764.13	17,039,863.45
In total	286,914,306.21	276,667,285.63

47. R&D expenditure

Unit: yuan

Item	Amount incurred in the current period	Incurred amount during the previous period
Direct material	38,645,289.52	43,520,119.31
Depreciation and amortization	5,867,065.81	7,923,099.43
Employee compensation	26,477,750.21	25,186,459.94

Outsourcing expenses	2,859,688.69	7,129,250.19
Others	2,307,907.90	2,089,628.19
In total	76,157,702.13	85,848,557.06

48. Financial expenses

Unit: yuan

Item	Amount incurred in the current period	Incurred amount during the previous period
Interest expenses	76,539,484.85	64,433,892.84
Less: interest income	10,925,439.51	2,760,658.96
Exchange gains and losses	-27,012,647.03	-37,734,353.41
Others	5,699,818.31	5,415,214.47
In total	44,301,216.62	29,354,094.94

49. Other income

Unit: yuan

Sources of other income	Amount incurred in the current period	Incurred amount during the previous period
Government subsidies related to assets	8,106,542.76	7,731,768.18
Government subsidies related to income	12,628,008.21	-743,085.52
In total	20,734,550.97	6,988,682.66

50. Investment income

Unit: yuan

Item	Amount incurred in the current period	Incurred amount during the previous period
Long-term equity investment incomes accounted by the equity method	9,011,204.29	18,000,000.00
Investment income on trading financial assets	178,348.34	737,128.86
Investment income from disposal of trading financial assets		13,136,562.50
Dividend income earned during the holding period of investments in other equity instruments	1,778,630.32	1,773,089.44
Investment income from disposal of transactional financial liabilities	-2,388,065.51	-1,302,265.51
In total	8,580,117.44	32,344,515.29

51. Income from changes in fair value

Unit: yuan

Sources of gains from changes in fair value	Amount incurred in the current period	Incurred amount during the previous period
Transactional financial assets		-1,532,885.86
Of which: income from changes in fair value arising from derivative financial instruments		-264,549.28

Transaction financial liabilities	-2,575,010.62	-8,739,464.01
In total	-2,575,010.62	-10,272,349.87

52. Credit impairment loss

Unit: yuan

Item	Amount incurred in the current period	Incurred amount during the previous period
Bad debt losses on other receivables	1,547,330.23	-1,675,981.86
Bad debt losses on accounts receivable	6,621,820.46	-3,999,016.81
In total	8,169,150.69	-5,674,998.67

53. Assets impairment loss

None.

54. Income on disposal of assets

Unit: yuan

Sources of income from asset disposal	Amount incurred in the current period	Incurred amount during the previous period
Gains from disposal of fixed assets	51,489,691.76	-2,730,492.38

55. Non-operating income

Unit: yuan

Item	Amount incurred in the current period	Incurred amount during the previous period	Amounts included into the current nonrecurring profits and losses
Government subsidies	38,231,320.75	1,738,508.31	38,231,320.75
Others	2,388,000.18	624,372.75	2,388,000.18
In total	40,619,320.93	2,362,881.06	40,619,320.93

Government grants included in non-operating income:

Subsidized projects	Amount in the current period	Amount of previous period	Asset-related/income-related
Subsidies granted for policy considerations	38,231,320.75	1,738,508.31	Related to revenue
In total	38,231,320.75	1,738,508.31	

56. Non-operating expenditure

Unit: yuan

Item	Amount incurred in the current period	Incurred amount during the previous period	Amounts included into the current nonrecurring profits and losses
External donations	1,638,515.57	1,273,204.80	1,638,515.57
Loss on retirement of	844,326.72	882,210.29	844,326.72

non-current assets			
Penalty expenditure	460,642.02	46,455.25	460,642.02
Others	579,128.11	-191,981.75	579,128.11
In total	3,522,612.42	2,009,888.59	3,522,612.42

57. Income tax expense

(1) Income tax expense statement

Unit: yuan

Item	Amount incurred in the current period	Incurred amount during the previous period
Income tax expenses in the current period	23,241,391.56	130,222,666.66
Deferred income tax expense	7,089,778.67	-5,241,359.16
In total	30,331,170.23	124,981,307.50

(2) The process of adjusting accounting profit and income tax expense

Unit: yuan

Item	Amount incurred in the current period
Total profit	43,489,238.46
Income tax expense calculated at legal/applicable tax rates	9,246,949.46
Effect of different tax rates applied to subsidiaries	3,146,730.46
Effect of adjustments to income taxes of prior periods	2,415,168.98
Effect of deductible temporary differences or deductible losses on deferred income tax assets not recognized in the current period	18,149,390.06
Effect of additional deduction for R&D expenditure	-1,008,593.53
Gains and losses attributable to joint ventures and associated enterprises	-1,618,475.19
Income tax expense	30,331,170.23

58. Other comprehensive incomes

See Note 39 for details.

59. Cash flow statement items

(1) Other cash received related to operating activities

Unit: yuan

Item	Amount incurred in the current period	Incurred amount during the previous period
Financial subsidies	62,973,408.53	1,570,162.94
Interest income	10,925,439.50	4,287,898.82
Overnight money		370,640.73
Others	18,792,950.90	19,699,820.46

In total	92,691,798.93	25,928,522.95
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(2) Other cash payments related to operating activities

Unit: yuan

Item	Amount incurred in the current period	Incurred amount during the previous period
Scientific research costs	43,812,886.11	52,898,452.52
Environmental protection expenses	32,820,678.66	65,223,297.81
Travel expenses	5,143,971.96	2,526,565.74
Intermediary and advisory fees	5,017,876.12	3,357,186.65
Work safety cost	8,896,168.45	12,342,969.24
Commission	7,958,210.78	5,138,509.91
Business entertainment fee	12,197,026.91	6,898,863.64
Insurance expense	3,755,071.98	3,396,129.65
Office expense	10,234,705.88	9,773,984.27
Donation expenditure	1,629,875.57	1,273,204.80
Others	58,169,167.13	57,916,760.12
In total	189,635,639.55	220,745,924.35

(3) Other cash received related to financing activities

Unit: yuan

Item	Amount incurred in the current period	Incurred amount during the previous period
Margin on loan financing	6,600,000.00	
Finance leases received	130,000,000.00	
In total	136,600,000.00	

(4) Other cash payments related to financing activities

Unit: yuan

Item	Amount incurred in the current period	Incurred amount during the previous period
Margin on loan financing	3,000,000.00	
In total	3,000,000.00	

60. Supplementary materials of cash flow statement**(1) Supplementary materials of cash flow statement**

Unit: yuan

Supplement materials	Amount in the current period	Amount of previous period
1. Cash flow for adjusting net profits to operating activities:		
Net profit	13,158,068.23	563,992,435.80
Plus: Impairment reserves of assets	-8,169,150.69	5,674,998.67
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive biological assets	183,533,166.48	159,930,019.30
Depreciation of right-to-use assets		

Amortization of intangible assets	13,913,786.20	11,062,672.05
Amortization of long-term deferred expenses	3,526,744.81	4,367,138.57
Losses on disposal of fixed assets, intangible assets, and other long-term assets (income expressed with "-")	-50,314,981.05	2,730,492.38
Losses on scrapping of fixed assets (income expressed with "-")		
Loss from changes in fair value (income expressed with "-")	2,575,010.62	10,272,349.87
Finance costs (income expressed with "-")	76,521,928.36	64,818,941.80
Investment loss (income expressed with "-")	-8,580,117.44	-32,344,515.29
Decrease in deferred income tax assets (increase expressed with "-")	8,724,375.79	-5,748,840.47
Increase in deferred income tax liabilities (decrease expressed with "-")		-13,598,002.36
Decrease in inventories (increase expressed with "-")	-50,148,585.13	-168,751,325.03
Decrease in operating receivables (increase expressed with "-")	371,878,971.94	-99,708,467.95
Increase in operating payables (decrease expressed with "-")	-759,120,300.91	-35,250,274.25
Others		
Net cash flow from operating activities	-202,501,082.79	467,447,623.09
2. Major investment and financing activities irrelevant to cash income and expenditure:		
Transfer from debts to capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance leases		
3. Net changes in cash and cash equivalents:		
Ending balance of cash	493,527,447.16	522,092,272.39
Less: Opening balance of cash	438,109,059.07	366,794,196.10
Plus: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	55,418,388.09	155,298,076.29

(2) Net cash paid for acquiring subsidiaries in the current period

There is no net cash payment for acquiring subsidiaries in the current period.

(2) Net cash received from disposal of subsidiaries in the current period

There is no net cash received from disposal of subsidiaries in the current period.

(4) Composition of cash and cash equivalents

Unit: yuan

Item	Ending balance	Balance at the beginning of the period
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Item	Ending balance	Balance at the beginning of the period
I. Cash	493,527,447.16	438,109,059.07
Of which: Cash on hand	199,903.75	328,479.76
Bank deposit available for payment at any time	491,356,638.65	436,002,870.76
Other monetary capitals available for payment at any time	1,970,904.76	1,777,708.55
III. Cash and cash equivalents balance at the end of the period	493,527,447.16	438,109,059.07

61. Notes to the items in the statement of changes in owners' equity

Description of items such as the name of "Others" and the amount of adjustments made to the balance at the end of the previous year: None.

62. Assets with restricted ownership or use rights

Unit: yuan

Item	Ending book value	Reasons for restrictions
Monetary funds	420,309,236.99	See "Note VII (I) Monetary Funds" for details
Fixed assets	1,474,502,464.82	For a mortgage
Intangible assets	185,090,444.31	For a mortgage
Accounts receivable	10,857,553.46	Used for loan pledge
Receivables financing	80,414,636.97	For issuing a pledge of bank acceptance bill
Receivables financing	10,000,000.00	Used for loan pledge
Construction in progress	17,071,888.90	For a mortgage
Real estate for investment purposes	24,270,466.40	For a mortgage
In total	2,222,516,691.85	

63. Foreign currency monetary items

(1) Foreign currency monetary items

Unit: yuan

Item	Balance of foreign currency at the end of the period	Exchange rate	Balance of converted RMB at the end of the period
Monetary funds			268,725,282.56
Of which: U.S. dollars	34,889,846.32	7.2258	252,106,765.73
Euro	199,295.56	7.8771	1,569,871.06
HKD			
Philippine peso	1,219,070.91	0.1303	158,816.90
Pakistani rupees	1,055,754.91	0.0252	26,622.97
Nigerian Naira	1,320,810,255.35	0.0096	12,650,720.63
Rupiah	4,417,076,742.47	0.0005	2,133,448.07
Colombian peso	7,200,000.00	0.0017	12,427.20
Bangladeshi Taka	1,000,000.00	0.0666	66,610.00

Item	Balance of foreign currency at the end of the period	Exchange rate	Balance of converted RMB at the end of the period
Accounts receivable			510,610,925.52
Of which: U.S. dollars	68,162,731.95	7.2258	492,530,268.52
Euro	15,910.54	7.8771	125,328.91
HKD			
Pakistani rupees	5,477,499.99	0.0252	138,126.12
Nigerian Naira	1,017,324,800.00	0.0096	9,743,936.93
Rupiah	16,714,834,453.00	0.0005	8,073,265.04
Long-term loan			
Of which: U.S. dollars			
Euro			
HKD			
Other receivables			6,494,213.22
Of which: U.S. dollars	334,638.30	7.2258	2,418,029.43
Pakistani rupees	189,000.00	0.0252	4,766.01
Nigerian Naira	404,527,237.76	0.0096	3,874,561.88
Rupiah	407,569,151.14	0.0005	196,855.90
Accounts payable			12,175,528.80
Of which: U.S. dollars	1,648,727.00	7.2258	11,913,371.56
Pakistani rupees	5,193,120.91	0.0252	130,954.93
Rupiah	271,640,391.00	0.0005	131,202.31
Other payables			288,926.90
Of which: Pakistani rupees	945,500.00	0.0252	23,842.67
Nigerian Naira	26,655,090.80	0.0096	255,302.46
Rupiah	3,688,923.00	0.0005	1,781.75
Philippine peso	61,407.77	0.1303	8,000.02

(2) Description of foreign operating entities, including disclosure of the principal place of business outside the country, the bookkeeping standard currency and its basis of selection for significant foreign operating entities, and the reasons for changes in the bookkeeping standard currency, if any.

☐ Applicable ☒ Not applicable

64. Government subsidies

(1) Basic information on government subsidies

Unit: yuan

Category	Amount	Presented items	Amount included in current profits and losses
1. Government subsidies related to assets			
YONGTAI TECH.'s 679t/a 2,4-Dichloronitrobenzene, 1749t/a 2,4-Dichloro-3-Fluoronitrobenzene and Warehouse Reconstruction and Expansion Project	1,500,000.00	Deferred benefits	29,411.83
YONGTAI TECH. Color Photoresist Project	11,220,000.00	Deferred benefits	309,857.14
YONGTAI TECH.'s 20t/a BrPNB, 20t/a CPBN-1, 10t/a CPBN, 10t/a DPBN, 5t/a DXOH and 5t/a PGP Project	8,633,600.00	Deferred benefits	757,333.33
YONGTAI TECH.'s 100t/a DBN and Other Technical Transformation Projects	4,600,000.00	Deferred benefits	460,000.00

Category	Amount	Presented items	Amount included in current profits and losses
National subsidy for Yongtai Hi-tech LiFSI Project	30,290,000.00	Deferred benefits	1,514,500.00
Workshop subsidy for Yongtai Hi-tech Hexafluoride Project	1,500,000.00	Deferred benefits	75,000.00
Yongtai Pharma Preparation Internationalization Development Capacity Building Project	10,000,000.00	Deferred benefits	440,011.96
Investment reward for Binhai Meikang project	36,040,000.00	Deferred benefits	360,400.02
Yongtai New Material 1500t/a Flat Panel Display Color Filter Coating Material (CF) Industrialization Project	30,000,000.00	Deferred benefits	1,500,000.00
Foshan Soin's 2020 Foshan special funds for promoting robot application and industrial development	98,470.00	Deferred benefits	4,923.48
Foshan Soin's 2020 special national debt funds against COVID-19 pandemic (enterprise technical transformation funds)	664,000.00	Deferred benefits	33,200.04
Foshan Soin's 2021 provincial special enterprise technology transformation funds for promoting high-quality economic development	502,100.00	Deferred benefits	25,104.96
Yongtai Chiral Extraction Project of 4340t/a Metoprolol and Other 19 Bulk Drugs and An Annual Output of 600 Million Pieces of Chinese Medicines	6,000,000.00	Deferred benefits	300,000.00
Yongtai Chiral's 3570t/a Green Bulk Drug Production Base Project	26,350,000.00	Deferred benefits	1,472,500.00
Smart Manufacturing Benchmarking Enterprise Intelligence Project of Yongtai Chiral in 2021	1,453,000.00	Deferred benefits	145,300.00
Inner Mongolia Yongtai Advanced Manufacturing Cluster and Key Industrial Chain Project	5,000,000.00	Deferred benefits	250,000.00
Special Incentive Funds for High-Quality Development of Manufacturing Industry in 2022 by Yongtai New Energy	4,290,000.00	Deferred benefits	429,000.00
2. Government subsidies related to income			
Special funds for scientific and technological development	760,000.00	Other income	760,000.00
Refund of individual income tax collected	321,257.27	Other income	232,168.61
Subsidy for vocational skills	18,300.00	Other income	10,500.00
Subsidy for patent excellence award	110,000.00	Other income	100,000.00
Special fund subsidy for high-quality city construction	50,000.00	Other income	50,000.00
Foreign trade export subsidy	200,000.00	Other income	200,000.00
Special Funds for the 2023 Provincial Pioneer Project	390,000.00	Other income	390,000.00
Stable and Increased Yield Incentive	870,000.00	Other income	160,000.00
Employment injury subsidy	50,036.00	Other income	50,036.00
Special Funds for the Development of Strategic Emerging Industries in 2021	10,000,000.00	Other income	10,000,000.00
Supplementary Insurance Subsidy for the Poverty Alleviation Population	1,368.00	Other income	1,368.00
Input tax amount plus deduction	116,352.80	Other income	3,491.72
One-time Job Expansion Subsidy	1,500.00	Other income	1,500.00
Incentive Funds for the Construction of Online Energy Consumption Monitoring System for Key Energy Consumption Organizations	20,000.00	Other income	20,000.00
Incentive Funds for the First Batch of SRDI Small and Medium-sized Enterprises in Fujian Province in 2023	300,000.00	Other income	300,000.00
Special Funds for Provincial Key R&D Program Projects in 2020	430,000.00	Other income	430,000.00
Employment security subsidy	753,059.96	Other income	1,281.28
Incentives for Provincial Scientific and Technological Small and Medium-sized Enterprises in 2022	10,000.00	Other income	10,000.00
Reward for electricity consumption during the Spring Festival	15,000.00	Other income	15,000.00
Reward for enterprises above the designated size	50,000.00	Other income	50,000.00
Return of trade union funds for small and micro-enterprises	32,280.20	Other income	4,188.31
Return of stamp duties for small and micro-enterprises	174.29	Other income	174.29
Subsidies granted for policy considerations	1,794,979.99	Non-operating income	792,100.00

Category	Amount	Presented items	Amount included in current profits and losses
Employment security subsidy	281,119.10	Non-operating income	7,316.28
Withholding handling fee	24,656.85	Non-operating income	8,222.35
Funds for supporting enterprises	1,215,391.00	Non-operating income	770,000.00
Relocation compensation	36,653,682.12	Non-operating income	36,653,682.12

(2) Return of government subsidies

☒ Applicable ☐ Not applicable

Unit: yuan

Item	Amount	Reason
Balance funds of 2021 technical improvement projects	161,700.00	Failure to meet subsidy requirements

65. Others**Rental****1. As the lessee**

Item	Amount in the current period	Amount of previous period
Interest expense on lease liabilities	24,373.84	55,905.56
Short-term lease expenses included in the cost of the related assets or in the current profits and losses for simplified treatment	1,035,834.90	1,080,793.32
Total cash outflow associated with leases (tax-inclusive)	1,864,127.75	1,944,708.00

2. As the lessor**(1) Operating lease**

Unit: yuan

Item	Amount in the current period	Amount of previous period
Operating lease income	587,032.04	587,032.04

VIII. Change in scope of consolidation**1. Change in scope of consolidation for other reasons**

Description of changes in the scope of consolidation due to other reasons (e.g., establishment of new subsidiaries, liquidation of subsidiaries, etc.) and their related circumstances:

From January to June 2023, the Company included in the scope of consolidation the establishment of Yongtai Fule Technology, Yonghong Lithium Industry, Yongtai Fluorogen, Agro Juntos Colombia and Farmaline Cropcare Bangladesh.

IX. Interests in other subjects

1. Interests in subsidiaries

(1) Composition of enterprise group

Name of subsidiary	Main business locations	Place of registration	Business nature	Shareholding ratio		Acquisition method
				Direct	Indirect	
Binhai Yongtai	Binhai County, Jiangsu Province	Binhai County, Jiangsu Province	Manufacturing	100.00%		Business merger under the same control
Shanghai E-Tong	Songjiang District, Shanghai	Songjiang District, Shanghai	Commerce	100.00%		Business merger not under the same control
Yongtai Hi-tech	Shaowu City, Fujian Province	Shaowu City, Fujian Province	Manufacturing	75.00%		Establishment or investment
Xinhui Mining	Qiongzong County, Hainan Province	Qiongzong County, Hainan Province	Mining	70.00%		Business merger not under the same control
Yongtai Pharma	Taizhou City, Zhejiang Province	Taizhou City, Zhejiang Province	Manufacturing	100.00%		Establishment or investment
Youngtech Pharmaceuticals	America	America	Commerce	100.00%		Establishment or investment
Shandong Yongtai	Zhanhua District, Shandong Province	Zhanhua District, Shandong Province	Manufacturing	100.00%		Establishment or investment
Yongtai New Material	Taizhou City, Zhejiang Province	Taizhou City, Zhejiang Province	Manufacturing	100.00%		Establishment or investment
SYT pharm (Shanghai)	Pudong New District, Shanghai	Pudong New District, Shanghai	Service industry and commercial industry	90.00%	10.00%	Business merger not under the same control
Yongtai New Energy	Taizhou City, Zhejiang Province	Taizhou City, Zhejiang Province	Manufacturing	100.00%		Business merger not under the same control
Shanghai Youngcobe	Songjiang District, Shanghai	Songjiang District, Shanghai	Service industry		100.00%	Business merger not under the same control
E-TONGCHEMICAL (HONGKONG)	Hong Kong	Hong Kong	Trade		100.00%	Establishment or investment
Zhejiang Chiral	Hangzhou, Zhejiang Province	Hangzhou, Zhejiang Province	Manufacturing	100.00%		Business merger not under the same control
Foshan Soin	Foshan City,	Foshan City,	Manufacturing	90.00%		Business

Name of subsidiary	Main business locations	Place of registration	Business nature	Shareholding ratio		Acquisition method
				Direct	Indirect	
	Guangdong Province	Guangdong Province				merger not under the same control
Yongtai Chiral	Taizhou City, Zhejiang Province	Taizhou City, Zhejiang Province	Manufacturing	100.00%		Establishment or investment
Chongqing Yongyuansheng	Chongqing	Chongqing	Manufacturing	51.00%		Establishment or investment
Jiangsu Subin	Binhai County, Jiangsu Province	Binhai County, Jiangsu Province	Manufacturing		85.00%	Business merger not under the same control
H&G (China)	Binhai County, Jiangsu Province	Binhai County, Jiangsu Province	Manufacturing		72.25%	Business merger not under the same control
Binhai Meikang	Binhai County, Jiangsu Province	Binhai County, Jiangsu Province	Manufacturing	100.00%		Business merger not under the same control
Inner Mongolia Yongtai	Wuhai City, Inner Mongolia	Wuhai City, Inner Mongolia	Manufacturing	100.00%		Establishment or investment
E-TONGCHEMICAL	Hong Kong	Hong Kong	Trade		100.00%	Establishment or investment
Inner Mongolia Hehui	Wuhai City, Inner Mongolia	Wuhai City, Inner Mongolia	Manufacturing	100.00%		Establishment or investment
Hangzhou Yongtai	Hangzhou, Zhejiang Province	Hangzhou, Zhejiang Province	Service industry	100.00%		Establishment or investment
PT. ETONG	Indonesia	Indonesia	Trade		100.00%	Establishment or investment
Yongtai Trading	Taizhou City, Zhejiang Province	Taizhou City, Zhejiang Province	Trade	100.00%		Establishment or investment
E-TONG CHEMICAL (PHILIPPINES)	Philippines	Philippines	Trade		99.90%	Establishment or investment
Etong Agrotech Nigeria	Nigeria	Nigeria	Trade		98.00%	Establishment or investment
LIDEAL MINES LIMITED	Nigeria	Nigeria	Mining		100.00%	Establishment or investment
Etong Chemicals (Pvt.)	Pakistan	Pakistan	Trade		90.00%	Establishment or investment
Yongtai Fule Technology	Taizhou City, Zhejiang Province	Taizhou City, Zhejiang Province	Manufacturing	80.00%		Establishment or investment
Yonghong Lithium Industry	Zhanhua District, Shandong Province	Zhanhua District, Shandong Province	Manufacturing	100.00%		Establishment or investment
Yongtai Fuyuan	Shaowu City, Fujian Province	Shaowu City, Fujian Province	Manufacturing	65.00%		Establishment or investment
Agro Juntos Colombia	Colombia	Colombia	Trade		100.00%	Establishment or investment
Farmaline Cropcare Bangladesh	Bangladesh	Bangladesh	Trade		99.00%	Establishment or investment

Description of the difference between the shareholding ratio and the voting rights ratio in subsidiaries:

None.

Basis for holding half or less of the voting rights but remaining in control of the investee, and for holding more than half of the voting rights but not in control of the investee:

None.

Basis of control for significant structured entities included in the scope of consolidation:

None.

Basis for determining whether the company is an agent or principal:

None.

Other instructions:

As of 2020, Shanghai E-Tong incorporated two subsidiaries, E-TONG CHEMICAL DE COSTA RICA SOCIEDAD ANONIMA (E-TONG (Costa Rica)) and E-TONG PARAGUAY SOCIEDAD ANONIMA (E-TONG (Paraguay)), in Costa Rica and Paraguay respectively. The above two companies have not yet completed procedures of the Ministry of Commerce and cannot carry out business activities still. Thus, the above two companies are not included in consolidated statements.

2. Interests in joint venture arrangements or associated enterprises

(1) Significant joint ventures or associated enterprises

Name of joint venture or associated enterprise	Main business locations	Place of registration	Business nature	Shareholding ratio		The accounting treatment method for investments in joint ventures or associated enterprises
				Direct	Indirect	
Shanghai Anbison Lab. Co., Ltd.	Shanghai	Shanghai	Scientific Research and Technical Services	15.00%		Equity method

Description of the difference between the shareholding ratio and the voting rights ratio in joint ventures or associated enterprises:

None.

Basis for holding less than 20% of the voting rights but with significant influence, or holding 20% or more of the voting rights but without significant influence:

None.

(2) Major financial information of significant joint ventures

Unit: yuan

	Balance at the end of the period/incurred amount during the current period	Balance at the beginning of the period/incurred amount during the previous period
	Shanghai Anbison Lab. Co., Ltd.	Shanghai Anbison Lab. Co., Ltd.
Current assets		
Of which: Cash and cash equivalents		
Non-current assets		
Total assets	1,014,902,816.19	931,893,401.09
Current liabilities		
Non-current liabilities		
Total liabilities		

	Balance at the end of the period/incurred amount during the current period	Balance at the beginning of the period/incurred amount during the previous period
	Shanghai Anbison Lab. Co., Ltd.	Shanghai Anbison Lab. Co., Ltd.
Equity of minority shareholders		
Equity attributable to shareholders of the parent company		
Share of net assets based on percentage of shareholding		
Adjustment matters		
--Goodwill		
--Unrealized profit on internal transactions		
--Others		
Book value of equity investment in joint ventures		
Fair value of equity investments in joint ventures for which publicly quoted prices exist		
Operating income	144,357,542.36	233,820,518.75
Financial expenses		
Income tax expense		
Net profit	60,074,695.24	126,217,445.52
Net profit from discontinued operations		
Other comprehensive incomes		
Total comprehensive income	60,074,695.24	126,217,445.52
Dividends received from joint ventures in this year		2,343,750.00

X. Risks associated with financial instruments

The Company was exposed to various financial risks in the course of operations: credit risk, market risk and liquidity risk. The Company's Board of Directors has overall responsibility for the determination of risk management objectives and policies and is ultimately accountable for them, but the Board has delegated to the Company's financial and other departments the authority to design and implement procedures that will ensure that risk management objectives and policies are effectively implemented. The Board of Directors checked the effectiveness of implemented procedures and reasonability of risk management objectives and policies through the monthly reports submitted by leader in charge. The Company's internal auditors also audit risk management policies and procedures, and report the relevant findings to the Audit Committee.

The overall objective of the risk management of the Company is to formulate the risk management policy to minimize risk as much as possible without excessive influence on the competitiveness and resilience of the Company.

(I) Credit risk

Credit risk is the risk that a counterparty will fail to meet its contractual obligations resulting in a financial loss to the Company.

The current assets of the Company mainly include bank deposits stored in the state-owned banks with good reputation and high credit rating and other large and medium-sized listed banks. In the opinion of the Company, there is no significant credit risk and great loss incurred by bank default will hardly occur.

In addition, the Company sets related policies with regard to notes receivable, accounts receivable, receivables financing and other receivables to control credit risk exposure. The Company has assessed the credit qualifications of customers and set corresponding credit periods based on their financial status, possibility of obtaining security from third parties, credit records and other factors such as current market conditions. The Company regularly monitors the credit records of customers. For customers with poor credit records, written reminders, shortening of credit period or cancellation of credit period are adopted to ensure that the overall credit risk of the Company is within a controllable range.

(II) Liquidity risk

Liquidity risk is the risk that a company will run short of funds to meet its obligations settled by delivering cash or other financial assets.

It is the Company's policy to ensure that it has sufficient cash to pay its debts as they fall due. Liquidity risk is centrally controlled by the Company's financial department. The financial department ensures that the Company has sufficient funds to service its debt with all reasonable forecasts by monitoring the cash balances, the marketable securities that can be realized at any time, and the rolling forecast of cash flow for the next 12 months. At the same time, the Company is monitored on an ongoing basis as to whether it complies with the requirements of the borrowing agreement and obtains commitments from major financial institutions to provide sufficient standby funds to meet its short-term and long-term funding requirements.

The Company's financial liabilities are presented at maturity using undiscounted contractual cash flows as follows:

Item	Ending balance		
	Within 1 year	1-5 years	In total
Short-term loan	1,748,883,887.24		1,748,883,887.24
Notes payable	915,756,442.22		915,756,442.22
Accounts payable	689,575,040.65		689,575,040.65
Other payables	40,749,607.20		40,749,607.20
Non-current liabilities due within one year	762,965,782.75		762,965,782.75
Long-term payables		691,958,429.30	691,958,429.30
Long-term loan		1,663,860,552.80	1,663,860,552.80
In total	4,157,930,760.06	2,355,818,982.10	6,513,749,742.16

Item	Balance at the end of the last year		
	Within 1 year	1-5 years	In total
Short-term loan	1,969,850,503.82		1,969,850,503.82
Notes payable	1,004,476,920.61		1,004,476,920.61
Accounts payable	958,233,008.51		958,233,008.51
Other payables	51,450,665.61		51,450,665.61
Non-current liabilities due within one year	591,940,858.91		591,940,858.91
Long-term payables		670,855,040.50	670,855,040.50
Long-term loan		1,023,262,713.96	1,023,262,713.96
In total	4,575,951,957.46	1,694,117,754.46	6,270,069,711.92

(III) Market risk

Market risk of financial instruments is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, including exchange rate risk, interest rate risk and other price risks.

1. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest-bearing financial instruments with fixed and floating rates expose the Company to fair value interest rate risk and cash flow interest rate risk, respectively. The Company determines the ratio of fixed rate instruments to floating rate instruments based on market conditions and maintains an appropriate portfolio of fixed and floating rate instruments through regular review and monitoring. The Company will adopt interest rate swap instruments to hedge interest rate risk whenever necessary.

As of 30 June 2023, the Company had no floating-rate borrowings.

2. Exchange rate risk

Exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company continuously monitors the size of foreign currency transactions and foreign currency assets and liabilities to minimize its exposure to foreign currency risk. Additionally, the Company may also sign forward foreign exchange contracts or currency swap contracts to avoid exchange rate risk. The Company did not sign any forward foreign exchange contract or currency swap contract in the current period and the last period.

The exchange risk confronted by the Company mainly results from financial assets and financial liabilities denominated in USD.

The amount of financial assets and financial liabilities of foreign currencies converted into RMB is listed as follows:

Item	Ending balance			Balance at the end of the last year		
	USD	Other foreign currencies	In total	USD	Other foreign currencies	In total
Monetary funds	252,106,765.72	16,618,516.84	268,725,282.56	171,439,658.74	18,276,880.19	189,716,538.93
Accounts receivable	492,530,268.52	18,080,657.00	510,610,925.52	602,073,900.06	11,135,230.40	613,209,130.46
Other receivables	2,418,029.43	4,076,183.79	6,494,213.22	40,583,215.48	2,180,935.91	42,764,151.39
Subtotal	747,055,063.67	38,775,357.63	785,830,421.30	814,096,774.28	31,593,046.50	845,689,820.78
Accounts payable	11,913,371.56	262,157.24	12,175,528.80	9,529,014.82	10,208,424.21	19,737,439.03
Short-term loan				89,146,880.00		89,146,880.00
Other payables		288,926.90	288,926.90	70,294,614.80	388,643.75	70,683,258.55
Subtotal	11,913,371.56	551,084.14	12,464,455.70	168,970,509.62	10,597,067.96	179,567,577.58

As of 30 June 2023, with all other variables held constant, the Company will increase or decrease its net profit by RMB 36,757,084.61 if RMB appreciates or depreciates by 5% against the U.S. dollar. The Management believed that 5% reasonably reflects the reasonable change of RMB against USD in the next year.

3. Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than exchange rate risk and interest rate risk.

The Company's other price risks arise mainly from investment in various financial instruments and there is a risk of price changes in equity instruments.

XI. Disclosure of fair value

1. Ending fair value of assets and liabilities measured at fair value

Unit: yuan

Item	Fair value at the end of the period			
	Level I fair value measurement	Level II fair value measurement	Level III fair value measurement	In total
I. Continuous fair value measurement	--	--	--	--
(I) Transactional financial assets			19,000,000.00	19,000,000.00
1. Financial assets measured at fair value with their changes included into the current profits and losses			19,000,000.00	19,000,000.00
(1) Financial products			19,000,000.00	19,000,000.00
(II) Investment in other equity instruments			67,185,167.43	67,185,167.43
(III) Receivables financing			192,144,370.19	192,144,370.19
Total assets continuously measured at fair value			278,329,537.62	278,329,537.62
(IV) Transaction financial liabilities		8,530,378.15		8,530,378.15
Derivative financial liabilities		8,530,378.15		8,530,378.15
Total liabilities continuously measured at fair value		8,530,378.15		8,530,378.15
II. Non-continuous fair value measurement	--	--	--	--
(I) Assets held for sale			1,013,191.84	1,013,191.84
Total assets not continuously measured at fair value			1,013,191.84	1,013,191.84

2. Continuing and discontinuing Level II fair value measurement items, qualitative and quantitative information on the valuation techniques and significant parameters used

The trading financial assets and liabilities held are foreign forward contracts and quotation information at the end of the period recognized by related banks is used as the basis of fair value measurement.

3. Continuing and discontinuing Level III fair value measurement items, qualitative and quantitative information on the valuation techniques and significant parameters used

- With regard to equity investment of Zhejiang Linhai Rural Commercial Bank Co., Ltd., the price to book ratio of comparable listed companies is taken as the reference and the liquidity discount is comprehensively considered as the basis of fair value measurement.
- Chongqing Heya Huayi Investment Management Co., Ltd. has no significant change in its operation environment, operation

conditions and financial conditions, so the company takes the investment cost as the reasonable estimate of fair value for measurement.

3. The receivables financing and finance products have short remaining period and the book balance is similar to the fair value.
4. Assets held for sale are measured at fair value based on the value of signed sales contracts.

XII. Related parties and related transactions

1. Parent company of the Company

The ultimate controllers of the Company are the couple Mr. He Renbao and Ms. Wang Yingmei.

2. Subsidiaries of the Company

For details of the subsidiaries of the Company, please refer to Note “IX. Interests in other entities”.

3. Joint ventures and associated enterprises of the Company

For details of significant joint ventures or associated enterprises of the Company, please refer to Note “IX. Interests in other entities”.

4. Information on other related parties

Names of other related parties	Relationship between other related parties and the enterprise
Zhejiang Yongtai Technology Holdings Co., Ltd.	Enterprises controlled by shareholders and the same controllers of the Company

5. Related transactions

(1) Related guarantees

Name of guarantor	Name of guaranteed party	Guaranteed contract amount	Guarantee amount	Guarantee start date	Guarantee expiration date	Whether the guarantee has been fulfilled
Zhejiang Yongtai Technology Holdings Co., Ltd., Wang Yingmei, He Renbao	Company	300,000,000.00	299,500,000.00	29 December 2018	19 May 2028	No
Zhejiang Yongtai Technology Holdings Co., Ltd., Wang Yingmei, He Renbao	Company	360,000,000.00	300,000,000.00	21 December 2022	21 December 2025	No
Company, Wang Yingmei	Zhejiang Chiral	55,000,000.00	18,000,000.00	31 January 2023	30 January 2026	No
Wang Yingmei, He Renbao	Yongtai Chiral	270,000,000.00	200,301,000.00	10 April 2023	10 April 2026	No
Company	Yongtai Chiral	170,000,000.00	145,051,000.00	10 April 2023	10 April 2026	No
Zhejiang Yongtai Technology	Company	220,000,000.00	136,000,000.00	9 March 2020	10 April 2026	No

Name of guarantor	Name of guaranteed party	Guaranteed contract amount	Guarantee amount	Guarantee start date	Guarantee expiration date	Whether the guarantee has been fulfilled
Holdings Co., Ltd.						
Wang Yingmei, He Renbao	Company	270,000,000.00	136,000,000.00	9 March 2020	10 April 2026	No
Company, Wang Yingmei, He Renbao	Inner Mongolia Yongtai	300,000,000.00	210,000,000.00	8 October 2020	13 October 2026	No
Company, Wang Yingmei, He Renbao	Inner Mongolia Yongtai	400,000,000.00	100,000,000.00	13 June 2023	12 June 2029	No
Company	Shanghai E-Tong	48,000,000.00	38,000,000.00	1 February 2023	31 July 2024	No
Wang Yingmei	Shanghai E-Tong	48,000,000.00	20,000,000.00	1 February 2023	31 July 2024	No
Company, Wang Yingmei	Zhejiang Chiral	50,000,000.00	40,000,000.00	19 May 2021	19 May 2024	No
Zhejiang Yongtai Technology Holdings Co., Ltd., Wang Yingmei, He Renbao	Company	180,000,000.00	180,000,000.00	16 September 2021	15 September 2023	No
Company	Yongtai Hi-tech	70,000,000.00	70,000,000.00	20 December 2021	19 December 2024	No
Zhejiang Yongtai Technology Holdings Co., Ltd., Wang Yingmei, He Renbao	Company	90,000,000.00	69,000,000.00	22 December 2021	21 December 2026	No
Zhejiang Yongtai Technology Holdings Co., Ltd., Wang Yingmei, He Renbao	Company	180,000,000.00	98,500,000.00	27 December 2021	15 September 2023	No
Zhejiang Yongtai Technology Holdings Co., Ltd.	Company	100,000,000.00	99,900,000.00	26 September 2021	25 September 2024	No
Company	Shanghai E-Tong	170,000,000.00	80,000,000.00	25 January 2022	25 January 2025	No
Company	Shanghai E-Tong	49,000,000.00	37,000,000.00	9 January 2023	6 January 2026	No
Wang Yingmei, He Renbao	Company	CNY143,000,000.00 USD550,000.00	16,000,000.00	23 February 2022	22 February 2027	No
	Yongtai Hi-tech		10,000,000.00	23 February 2022	22 February 2027	No
Zhejiang Yongtai Technology Holdings Co., Ltd., Wang Yingmei, He Renbao	Company	105,000,000.00	69,600,000.00	24 February 2022	30 November 2023	No
Zhejiang Yongtai Technology Holdings Co., Ltd., Wang Yingmei, He Renbao	Company	176,000,000.00	160,000,000.00	10 March 2020	10 April 2026	No
Zhejiang Yongtai Technology	Company	200,000,000.00	150,000,000.00	15 February 2023	14 February 2024	No

Name of guarantor	Name of guaranteed party	Guaranteed contract amount	Guarantee amount	Guarantee start date	Guarantee expiration date	Whether the guarantee has been fulfilled
Holdings Co., Ltd., Wang Yingmei, He Renbao						
Company, Wang Yingmei, He Renbao	Yongtai Hi-tech	130,000,000.00	111,000,000.00	13 June 2022	20 May 2025	No
Company	Yongtai Hi-tech	70,000,000.00	49,655,000.00	15 June 2022	16 May 2023	No
Zhejiang Yongtai Technology Holdings Co., Ltd., Wang Yingmei, He Renbao	Company	100,000,000.00	100,000,000.00	29 June 2022	31 December 2025	No
Zhejiang Yongtai Technology Holdings Co., Ltd., Wang Yingmei, He Renbao	Company	400,000,000.00	241,400,000.00	9 September 2022	9 September 2024	No
Zhejiang Yongtai Technology Holdings Co., Ltd., Wang Yingmei, He Renbao	Company	200,000,000.00	198,400,000.00	23 September 2022	20 September 2023	No
Company, Wang Yingmei, He Renbao	Inner Mongolia Yongtai	200,000,000.00	190,000,000.00	29 September 2022	29 September 2023	No
Company	Yongtai Hi-tech	400,000,000.00	287,887,855.36	29 September 2022	29 September 2028	No
Zhejiang Yongtai Technology Holdings Co., Ltd., Wang Yingmei, He Renbao	Company	400,000,000.00	14,870,000.00	26 October 2022	22 October 2025	No
Wang Yingmei, He Renbao	Company	200,000,000.00	20,000,000.00	11 November 2022	11 November 2025	No
Zhejiang Yongtai Technology Holdings Co., Ltd.	Company	200,000,000.00	78,000,000.00	2 December 2022	2 December 2025	No
Company	Yongtai Chiral	50,000,000.00	50,000,000.00	24 November 2022	24 November 2025	No
Company, Wang Yingmei, He Renbao	Yongtai New Energy	200,000,000.00	60,000,000.00	29 September 2022	20 December 2026	No

(2) Compensation of key management personnel

Unit: yuan

Item	Amount incurred in the current period	Incurred amount during the previous period
Remuneration of key management personnel	3,184,173.50	3,647,017.00

XIII. Commitments and contingencies

1. Important commitments

Significant commitments existed at balance sheet date

- (1) As of 30 June 2023, the Company applied for issuing a bank acceptance bill in Taizhou Branch of Shanghai Pudong Development Bank with RMB 75,769,027.75 in other monetary funds as the security deposit.
- (2) As of 30 June 2023, the Company applied for issuing a bank acceptance bill in Taizhou Branch of Guangdong Development Bank with RMB 17,748,268.59 in other currencies as the security deposit.
- (3) As of 30 June 2023, the Company has taken RMB 16,670,072.75 of other monetary funds as a deposit to apply for drawing a banker's acceptance bill at Taizhou Branch of China CITIC Bank Corporation Limited.
- (4) As of 30 June 2023, the Company applied for issuing a bank acceptance bill in China Merchants Bank Co., Ltd. Taizhou Huangyan Branch with RMB 1,066,250.03 in other currencies as the security deposit.
- (5) As of 30 June 2023, the Company applied for issuing a guarantee in Linhai Branch of Bank of China with the guarantee of RMB 270,655.00 in other currencies.
- (6) As of 30 June 2023, the Company purchased fixed deposits amounting to US\$ 1,030,000.00 in foreign currencies at Linhai Sub-branch of Agricultural Bank of China Limited.
- (7) As of 30 June 2023, Shanghai E-Tong applied for issuing a bank acceptance bill in Shanghai Songjiang Branch of Bank of Dalian with RMB 26,994,062.61 in other currencies as the security deposit.
- (8) As of 30 June 2023, Shanghai E-Tong applied for issuing a bank acceptance bill in Songjiang Branch of Bank of Shanghai with RMB 4,003,853.77 in other currencies as the security deposit.
- (9) As of 30 June 2023, Shanghai E-tong has taken a fixed deposit certificate of RMB 50,000,000.00, RMB 125,508,903.13 and other monetary funds of US\$ 7,019,176.99 in foreign currencies as a security deposit, and pledged RMB 25,314,000.00 of notes receivable, RMB 10,857,553.46 of accounts receivable to apply for drawing a banker's acceptance bill at Taizhou Branch of China Zheshang Bank Co., Ltd.
- (10) As of 30 June 2023, Chongqing Yongyuansheng has taken RMB697,593.52 of other monetary funds as a security deposit and RMB200,000.00 of notes receivable as a pledge to apply for drawing a banker's acceptance bill at Chongqing Branch of China Zheshang Bank Co., Ltd.
- (11) As of 30 June 2023, Yongtai High-tech has taken RMB 5,129,840.25 of other monetary funds as a deposit to apply for drawing a banker's acceptance bill at Shaowu Sub-branch of Industrial Bank Co., Ltd.
- (12) As of 30 June 2023, Yongtai Chiral applied for issuing a bank acceptance bill at Taizhou Branch of Shanghai Pudong Development Bank with RMB 8,526,752.00 in other currencies as the security deposit.
- (13) As of 30 June 2023, Yongtai Chiral has taken RMB 254,049.00 of other monetary funds as guarantee to apply for the issuance of a letter of guarantee at Linhai Duqiao Sub-branch of Bank of China Limited.
- (14) As of 30 June 2023, Zhejiang Chiral applied for issuing a bank acceptance bill in Binjiang Branch of Bank of Hangzhou Co., Ltd. with RMB 17,980,517.00 in other currencies as the security deposit,
- (15) As of 30 June 2023, Zhejiang Chiral has taken RMB 4,276,500.00 of other monetary funds as a security deposit to apply for drawing a banker's acceptance bill at Jincheng Sub-branch of Hua Xia Bank Co., Limited in Xiaoshan, Hangzhou.
- (16) As of 30 June 2023, Zhejiang Chiral has taken RMB 1,381,380.00 of other monetary funds as a security deposit to apply for drawing a banker's acceptance bill at Xiaoshan Sub-branch of Industrial and Commercial Bank of China Limited.
- (17) As of 30 June 2023, Yongtai New Energy has taken RMB 192,600.00 other monetary funds as guarantee to apply for the issuance of a letter of guarantee for the supply of heat power at Linhai Sub-branch of Bank of China Limited.

(18) As of 30 June 2023, the Company has taken RMB 500,000.00 notes receivable as a pledge to apply for drawing a banker's acceptance bill at Taizhou Branch of China CITIC Bank Corporation Limited.

(19) As of 30 June 2023, Yongtai Hi-tech applied for issuing a bank acceptance bill in Shaowu Branch of Industrial Bank Co., Ltd. with bill receivable of RMB 10,000,000.00 as the pledge.

(20) As of 30 June 2023, Yongtai Chiral applied for issuing a bank acceptance bill in Taizhou Branch of China Merchants Bank Co., Ltd. with bill receivable of RMB 6,411,424.80 as the pledge.

(21) As of 30 June 2023, the Company and its subsidiaries, Inner Mongolia Yongtai, Yongtai Pharma and Yongtai Hi-tech, have taken a total of RMB 37,989,212.17 notes receivable as a pledge to apply for drawing a banker's acceptance bill at Taizhou Linhai Sub-branch of China Zheshang Bank Co., Ltd.

(22) As of 30 June 2023, the Company and its subsidiaries, Yongtai Hi-tech, Yongtai Pharma, Yongtai New Energy and Inner Mongolia Yongtai, had taken a total of RMB 5,677,168.50 in other monetary funds as a pledge to apply for drawing a banker's acceptance bill at Taizhou Linhai Sub-branch of China Zheshang Bank Co., Ltd.

(23) Shandong Yongtai entered into a pledge contract with Taizhou Branch of China CITIC Bank Corporation Limited to provide pledge guarantee for a working capital loan of RMB 9,804,000.00 signed by Shandong Yongtai on 22 February 2023 by taking notes receivable amounting to RMB 10,000,000.00 as a security deposit. As of 30 June 2023, the corresponding short-term loan balance under the contract of pledge was RMB 9,804,000.00.

(24) The Company signed a maximum mortgage contract with Linhai Branch of Bank of China Co., Ltd. to provide mortgage guarantee for all debts of the Company not more than RMB 31,030,000.00 from 8 July 2015 to 15 September 2025 with housing and buildings with original value of RMB 18,945,436.38 and net book value of RMB 7,933,909.83 and land use rights with original value of RMB 1,346,605.33 and net book value of RMB 921,007.06. As of 30 June 2023, the corresponding short-term loan balance under the maximum mortgage contract was RMB 184,000,000.00, and the corresponding long-term loan balance was RMB 39,000,000.00. The above loan is also guaranteed by the maximum guarantee contract signed between Zhejiang Yongtai Technology Holdings Co., Ltd. and Linhai Branch of Bank of China Co., Ltd. and the maximum guarantee contract signed between Wang Yingmei and He Renbao and Linhai Branch of Bank of China Co., Ltd.

(25) The Company signed a maximum mortgage contract with Linhai Branch of Bank of China Co., Ltd. to provide mortgage guarantee for all debts of the Company not more than RMB 219,220,000.00 from 15 December 2021 to 15 December 2024 with housing and buildings with original value of RMB 276,930,160.70 and net book value of RMB 150,686,060.38 and land use rights with original value of RMB 24,952,860.00 and net book value of RMB 17,026,726.34. As of 30 June 2023, the balance of the corresponding long-term borrowings under such maximum amount mortgage contract amounted to RMB 135,000,000.00, and the aforesaid borrowings were simultaneously guaranteed by the maximum amount guarantee contract entered into between Zhejiang Yongtai Technology Holdings Co., Ltd. and Linhai Sub-branch of Bank of China Limited, and the maximum amount guarantee contract entered into between Wang Yingmei, He Renbao and Linhai Sub-branch of Bank of China Limited.

(26) The Company signed a maximum mortgage contract with Linhai Branch of Bank of China Co., Ltd. to provide mortgage guarantee for all debts of the Company not more than RMB 35,170,000.00 from 15 September 2022 to 15 September 2025 with the investment real estate with original value of RMB 29,596,591.41 and net book value of RMB 24,270,466.40. As of 30 June 2023, the corresponding short-term loan balance under the maximum mortgage contract was RMB 22,000,000.00. The above loan is also guaranteed by the maximum guarantee contract signed between Zhejiang Yongtai Technology Holdings Co., Ltd. and Linhai Branch of Bank of China Co., Ltd. and the maximum guarantee contract signed between Wang Yingmei and He Renbao and Linhai Branch of Bank of China Co., Ltd.

(27) The Company entered into a maximum amount mortgage contract with Taizhou Branch of Shanghai Pudong Development Bank Co., Ltd. to provide guarantee for all the debts of the Company amounting to not more than RMB 6,780,000.00 from 7 November 2022 to 7 November 2025 by using the house buildings with original value being RMB 4,255,007.18 and net book value being RMB 2,064,854.75 and the land use right with original value being RMB 2,670,008.20 and net book value being RMB

1,601,050.35 as mortgages, and also provide guarantee for all debts of the Company amounting to no more than RMB 113,520,000.00 from 21 October 2022 to 22 July 2023 by using the land use rights with original value being RMB 29,009,072.06 and net book value being RMB 23,374,125.03 as a mortgage. As of 30 June 2023, the corresponding short-term loan balance under the maximum mortgage contract was RMB 20,000,000.00. The above loan is also guaranteed by the maximum guarantee contract signed between Wang Yingmei and He Renbao and Taizhou Branch of Shanghai Pudong Development Bank Co., Ltd.

(28) The Company signed a maximum mortgage contract with Linhai Branch of China Construction Bank Co., Ltd. to provide mortgage guarantee for all debts of the Company not more than RMB 39,062,000.00 from 5 January 2022 to 4 December 2023 with land use rights with original value of RMB 2,470,764.00, net book value of RMB 1,487,890.51 and housing and buildings with original value of RMB 35,077,368.59 and net book value of RMB 9,422,367.93. As of 30 June 2023, the corresponding long-term loan balance under the maximum mortgage contract was RMB 20,000,000.00. The above loan is guaranteed by the maximum guarantee contracts signed by Zhejiang Yongtai Technology Holdings Co., Ltd., Wang Yingmei and He Renbao with Linhai Branch of China Construction Bank Co., Ltd. respectively.

(29) The Company signed a maximum mortgage contract with Taizhou Branch of China CITIC Bank Co., Ltd. to provide mortgage guarantee for all debts of the Company not more than RMB 23,120,000.00 from 24 June 2021 to 24 June 2026 with housing and buildings with original value of RMB 14,430,296.44 and net book value of RMB 11,710,023.23. As of 30 June 2023, the corresponding short-term loan balance under the maximum mortgage contract was RMB 136,000,000.00. The above loan is guaranteed by the maximum guarantee contract signed by Zhejiang Yongtai Technology Holdings Co., Ltd., Wang Yingmei and He Renbao respectively with Taizhou Branch of China CITIC Bank Corporation Limited.

(30) SYT pharm (Shanghai) signed a maximum mortgage contract with Songjiang Branch of Bank of Shanghai Co., Ltd. to provide mortgage guarantee for all debts of Shanghai E-Tong not more than RMB 40,000,000.00 from 12 January 2021 to 12 January 2026 with housing and buildings with original value of RMB 17,639,268.67 and net book value of RMB 7,584,884.97. As of 30 June 2023, the corresponding short-term loan balance under the maximum mortgage contract was RMB 20,000,000.00. The aforesaid borrowings were simultaneously guaranteed by the maximum amount guarantee contract entered into by the Company and Wang Yingmei with Songjiang Sub-branch of Bank of Shanghai Co., Ltd. respectively.

(31) Shandong Yongtai signed a maximum mortgage contract with Linhai Branch of China Construction Bank Co., Ltd. to provide mortgage guarantee for all debts of the Company not more than RMB 39,690,000.00 from 6 December 2021 to 6 December 2026 with housing and buildings with original value of RMB 18,077,379.92 and net book value of RMB 12,818,179.92 and land use rights with original value of RMB 19,788,840.00 and net book value of RMB 15,110,802.72. As of 30 June 2023, the corresponding long-term loan balance under the maximum mortgage contract was RMB 50,000,000.00. The above loan is also guaranteed by the maximum guarantee contract signed by Zhejiang Yongtai Technology Holdings Co., Ltd., He Renbao and Wang Yingmei respectively with Linhai Branch of China Construction Bank Co., Ltd.

(32) Yongtai New Material signed a maximum mortgage contract with Linhai Branch of China Construction Bank Co., Ltd. to provide mortgage guarantee for all debts of the Company not more than RMB 41,204,000.00 from 2 December 2021 to 1 December 2024 with housing and buildings with original value of RMB 47,831,154.41 and net book value of RMB 35,351,076.02 and land use rights with original value of RMB 14,832,000.00 and net book value of RMB 11,841,462.06. As of 30 June 2023, the balance of long-term bank borrowings under this maximum amount mortgage contract amounted to RMB 50,000,000.00, and the aforesaid borrowings were simultaneously guaranteed by the maximum amount guarantee contracts entered into by Zhejiang Yongtai Technology Holdings Co., Ltd., He Renbao, and Wang Yingmei with Linhai Sub-branch of China Construction Bank Corporation respectively.

(33) Yongtai Chiral signed a maximum mortgage contract with Taizhou Branch of Shanghai Pudong Development Bank Co., Ltd. to provide mortgage guarantee for all debts of Yongtai Chiral not more than RMB 201,870,000.00 from 17 January 2020 to 22 December 2025 with the housing and buildings with original value of RMB 193,406,457.41 and net book value of RMB 170,046,247.41 and land use rights with original value of RMB 67,370,373.00 and net book value of RMB 58,638,545.56. As of 30 June 2023, the corresponding long-term loan balance under the maximum mortgage contract was RMB 67,750,000.00. Among

the aforesaid borrowings, the borrowings amounting to RMB 39,520,833.33 were guaranteed by the maximum amount guarantee contract entered into between Wang Yingmei and He Renbao and Taizhou Branch of Shanghai Pudong Development Bank Co., Ltd., and the borrowings amounting to RMB 28,229,166.67 were simultaneously guaranteed by the maximum amount guarantee contract entered into between the Company and Taizhou Branch of Shanghai Pudong Development Bank Co., Ltd., and the maximum amount guarantee contract entered into between Wang Yingmei, He Renbao and Taizhou Branch of Shanghai Pudong Development Bank Co., Ltd.

(34) Yongtai New Energy signed a maximum mortgage contract with Linhai Branch of Bank of China Co., Ltd. to provide mortgage guarantee for all debts of the Company not more than RMB 86,650,000.00 from 3 January 2023 to 10 August 2023 with housing and buildings with original value of RMB 9,136,682.72 and net book value of RMB 5,731,115.62 and land use rights with original value of RMB 13,544,500.00 and net book value of RMB 9,254,723.98. As of 30 June 2023, the corresponding long-term loan balance under the maximum mortgage contract was RMB 60,000,000.00. The above loan is also guaranteed by the maximum guarantee contract signed between the Company and Linhai Branch of Bank of China Co., Ltd. and the maximum guarantee contract signed between Wang Yingmei and He Renbao and Linhai Branch of Bank of China Co., Ltd.

(35) Inner Mongolia Yongtai signed a maximum mortgage contract with Wuhai Branch of Industrial and Commercial Bank of China Limited to provide mortgage guarantee for all debts of Inner Mongolia Yongtai not more than RMB 400,000,000.00 from 16 June 2023 to 18 June 2029 with the land use rights with an original value of RMB 6,823,923.04 and a net book value of RMB 6,482,726.74. As of 30 June 2023, the corresponding long-term loan balance under the maximum mortgage contract was RMB 100,000,000.00. The aforesaid borrowings were simultaneously guaranteed by the maximum amount guarantee contract entered into between the Company and Wuhai Sub-branch of Industrial and Commercial Bank of China Limited, and the maximum amount guarantee contract entered into between Wang Yingmei and He Renbao and Wuhai Sub-branch of Industrial and Commercial Bank of China Limited.

(36) Inner Mongolia Yongtai entered into a maximum amount mortgage contract with Wuhai Hainan Sub-branch of Industrial and Commercial Bank of China Limited to provide guarantee for all the debts of Inner Mongolia Yongtai amounting to not more than RMB 300,000,000.00 from 29 October 2020 to 29 October 2026 by using the land use right of Wuhai Economic Development Zone Low Carbon Industrial Park with original value being RMB 42,162,197.16 and net book value being RMB 39,351,383.96 as well as the house buildings with original value being RMB 725,167,743.97 and net book value being RMB 656,693,216.38 as mortgages. As of 30 June 2023, the corresponding long-term loan balance under the maximum mortgage contract was RMB 210,000,000.00. The aforesaid borrowings were simultaneously guaranteed by the maximum amount guarantee contract entered into between the Company and Wuhai Hainan Sub-branch of Industrial and Commercial Bank of China Limited, and the maximum amount guarantee contract entered into between Wang Yingmei and He Renbao and Wuhai Sub-branch of Industrial and Commercial Bank of China Limited.

(37) Shandong Yongtai has taken machinery and equipment with original value of RMB 49,022,215.31 and net book value of RMB 43,016,993.93 as mortgage to enter into a sale-and-leaseback contract with a financing amount of RMB 49,000,000.00 for the period from 1 April 2022 to 1 October 2024 with Ping'an Dianchuang International Financial Leasing Co., Ltd. As of 30 June 2023, the loan balance was RMB 39,265,955.51, and a deposit of RMB 4,410,000.00 was deposited.

(38) Chongqing Yongyuansheng has taken machinery and equipment with original value of RMB 18,109,085.00 and net book value of RMB 14,856,174.94, and construction in progress with book value of RMB 17,071,888.90 as mortgages to enter into a transfer agreement of sale-leaseback items with financing amount of RMB 37,000,000.00 with Chongqing Transportation Equipment Financing Leasing Co., Ltd. for a period from 21 October 2020 to 21 October 2023. As of 30 June 2023, the loan balance was RMB 7,400,024.04.

(39) Inner Mongolia Yongtai has taken machinery and equipment with original value of RMB 250,000,000.00 and net book value of RMB 250,000,000.00 as mortgage to enter into a sale-and-leaseback contract with Everbright Financial Leasing Co., Ltd. for a financing amount of RMB 200,000,000.00 for the period from 23 December 2022 to 23 December 2025. As of 30 June 2023, the loan balance was RMB 170,343,844.71, and a deposit of RMB 6,000,000.00 was deposited.

(40) Inner Mongolia Yongtai has taken machinery and equipment with original value of RMB 30,000,000.00 and net book value of RMB 30,000,000.00 as mortgage to enter into a sale-and-leaseback contract with SPDB Financial Leasing Co., Ltd. for a financing amount of RMB 30,000,000.00 for a period from 10 April 2023 to 21 April 2026. As of 30 June 2023, the loan balance was RMB 30,000,000.00.

(41) The Company signed a lease-back goods transfer agreement with Far East International Finance Leasing Co., Ltd. with a financing amount of RMB 50,000,000.00, secured by the machinery and equipment with original value of RMB 51,452,687.56 and net book value of RMB 12,034,783.62, with a contract term from 27 September 2020 to 27 September 2023. As of 30 June 2023, the loan balance was RMB 5,035,443.42.

(42) The Company signed a lease-back goods transfer agreement with Far East International Finance Leasing Co., Ltd. with a financing amount of RMB 30,000,000.00, secured by the machinery and equipment with original value of RMB 30,064,273.03 and net book value of RMB 17,497,406.91, with a contract term from 30 June 2021 to 30 June 2024. As of 30 June 2023, the loan balance was RMB 11,023,090.96.

(43) The Company signed a lease-back goods transfer agreement with Taijin Finance Leasing (Tianjin) Co., Ltd. with a financing amount of RMB 10,000,000.00, secured by the machinery and equipment with original value of RMB 21,883,522.36 and net book value of RMB 7,121,583.19, with a contract term from 11 August 2022 to 8 August 2025. As of 30 June 2023, the loan balance was RMB 3,322,441.28, and a deposit of RMB 700,000.00 was deposited.

(44) The Company signed a lease-back goods transfer agreement with Zhejiang Zheyin Financial Leasing Co., Ltd. with a financing amount of RMB 50,000,000.00, secured by the machinery and equipment with an original value of RMB 67,053,283.58 and a net book value of RMB 29,932,585.79, with a contract term from 25 May 2021 to 25 May 2024. As of 30 June 2023, the loan balance was RMB 13,465,239.52, and a deposit of RMB 2,500,000.00 was deposited.

2. Contingencies

(1) Significant contingencies existing at the balance sheet date

The Company has no significant contingencies to be disclosed.

(2) Significant contingencies that the Company is not required to disclose should also be explained

There were no significant contingencies requiring disclosure by the Company.

3. Others

None.

XIV. Events after the balance sheet date

1. Significant non-adjustment matters

None.

2. Profit distribution

None.

3. Other statements for the matters after the balance sheet date

Pursuant to the resolution passed at the Second Extraordinary General Meeting of Shareholders of the Company for the year 2022 held on 14 November 2022 on the *Proposal on the Issuance of GDRs by the Company and Listing on the London Stock Exchange and Conversion to a Company Limited by Shares Raised Overseas by Shares*, the Company intended to issue Global Depositary Receipts (“GDRs”) and apply for listing on the London Stock Exchange, with the GDRs to be based on newly issued A shares of the Company as underlying securities.

On 31 March 2023, the Company received the *Approval of Zhejiang Yongtai Technology Co., Ltd. to Issue Global Depositary Receipts and Apply for Listing on the London Stock Exchange* from the China Securities Regulatory Commission. Pursuant to this approval, the China Securities Regulatory Commission has approved that the new A-share base shares corresponding to the GDRs to be issued by the Company shall not exceed 131,484,944 shares, and that the number of GDRs to be issued by the Company in this GDRs issue shall not exceed 26,296,988 shares, calculated in accordance with the conversion ratio determined by the Company. The number of GDRs to be issued may be adjusted accordingly in case the conversion ratio is adjusted.

On 11 July 2023 (London time), 7,438,900 shares of GDRs issued by the Company were listed on the London Stock Exchange, correspondingly, the new base securities were 37,194,500 shares of the Company’s A shares, and the registered capital of the Company was changed from RMB 876,566,295 to RMB 913,760,795.

XV. Other important matters

1. Termination of operations

Unit: yuan

Item	Income	Expense s	Total profit	Income tax expense	Net profit	Profit from discontinued operations attributable to owners of the parent company
Discontinued operations	53,607.16		981,526.83		981,526.83	1,008,611.81

Other instructions:

1. Cash flows from discontinued operations

Item	Amount in the current period	Amount of previous period
Net cash flows from operating activities	-20,134,495.02	25,462,021.70
Net cash flows from investment activities	17,947,000.00	21,759,000.02
Net cash flows from financing activities		-46,743,327.55

XVI. Notes to the principal items of the parent company's financial statements

1. Accounts receivable

(1) Disclosure by classification of accounts receivable

Unit: yuan

Category	Ending balance			Balance at the beginning of the period		
	Book balance	Bad debt provision	Book	Book balance	Bad debt provision	Book

	Amount	Proportion	Amount	Accrual proportion	value	Amount	Proportion	Amount	Accrual proportion	value
Of which:										
Accounts receivable with bad debt reserve by portfolio	209,866,256.25	100.00%	13,445,293.77	6.41%	196,420,962.48	333,586,957.25	100.00%	19,533,607.08	5.86%	314,053,350.17
Of which:										
Aging analysis combination	209,866,256.25	100.00%	13,445,293.77	6.41%	196,420,962.48	333,586,957.25	100.00%	19,533,607.08	5.86%	314,053,350.17
In total	209,866,256.25	100.00%	13,445,293.77		196,420,962.48	333,586,957.25	100.00%	19,533,607.08		314,053,350.17

Bad debt reserve by portfolio: Aging analysis portfolio

Unit: yuan

Name	Ending balance		
	Book balance	Bad debt provision	Accrual proportion
Within 1 year	206,171,560.24	10,308,578.01	5.00%
2-3 years	1,115,960.51	557,980.26	50.00%
Above 3 years	2,578,735.50	2,578,735.50	100.00%
In total	209,866,256.25	13,445,293.77	

Description of the basis for determining the combination:

With reference to historical credit loss experience, combined with the current situation and the forecast of future economic conditions, a comparison table of the aging accounts receivable and the expected credit loss rate for the entire duration is prepared to calculate the expected credit loss.

If the bad debt reserve for accounts receivable is based on the general model of expected credit losses, please refer to the disclosure of other receivables to disclose information about the bad debt reserve:

☐ Applicable ☒ Not applicable

Disclosure by aging

Unit: yuan

Account age	Ending balance
Within 1 year (including 1 year)	206,171,560.24
2-3 years	1,115,960.51
Above 3 years	2,578,735.50
3-4 years	2,578,735.50
In total	209,866,256.25

(2) Bad debt reserves withdrawn, recovered, or reversed in the current period

Bad debt reserve for the current period:

Unit: yuan

Category	Balance at the beginning of the period	Amount of change in the current period				Ending balance
		Accrual	Recovery or reversal	Write-off	Others	
Receivable bad debt	19,533,607.08	-6,035,659.98		52,653.33		13,445,293.77

reserves						
In total	19,533,607.08	-6,035,659.98		52,653.33		13,445,293.77

Of which: the amount of reversal or recovery of bad debt provision in the current period that is significant: none

(3) Accounts receivable actually written off during the current period

Unit: yuan

Item	Write-off amount
Accounts receivable actually written off	52,653.33

(4) Accounts receivable ranking in the top five in the ending balance grouped by the debtors

Unit: yuan

Unit name	Balance of accounts receivable at the end of the period	Percentage of total balance of accounts receivable at the end of the period	Ending balance of provision for bad debts
No.1	32,944,228.65	15.70%	1,647,211.43
No.2	22,281,476.88	10.62%	1,114,073.84
No.3	14,510,255.43	6.91%	725,512.77
No.4	12,660,324.18	6.03%	633,016.21
No.5	11,965,924.80	5.70%	598,296.24
In total	94,362,209.94	44.96%	

(5) The accounts receivable derecognized due to transfer of financial assets

The company has no accounts receivable derecognized due to transfer of financial assets during the current period.

(6) The transfer of accounts receivable and continued involvement in the amount of assets and liabilities formed

The company has no transfer of accounts receivable and continued involvement in the amount of assets and liabilities formed during the current period.

2. Other receivables

Unit: yuan

Item	Ending balance	Balance at the beginning of the period
Other receivables	2,221,000,998.04	1,977,970,478.10
In total	2,221,000,998.04	1,977,970,478.10

(1) Other receivables

1) Classification of other receivables by nature

Unit: yuan

Nature of funds	Book balance at the end of the period	Book balance at the beginning of the period
Transaction between associated parties	2,463,773,197.41	2,154,391,614.89
Reserves and loans	1,074,669.69	856,818.69

Nature of funds	Book balance at the end of the period	Book balance at the beginning of the period
Export tax rebate	4,499,740.25	3,493,669.90
Others	7,759,054.69	20,211,292.00
In total	2,477,106,662.04	2,178,953,395.48

2) Provision for bad debts

Unit: yuan

Bad debt provision	Stage I	Stage II	Stage III	In total
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (no credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance as of 1 January 2023	200,982,917.38			200,982,917.38
Balance as of 1 January 2023 in the current period				
Current provision	55,122,746.62			55,122,746.62
Balance as of 30 June 2023	256,105,664.00			256,105,664.00

Changes in book balance with significant amount of change in provision for losses during the period

☐ Applicable ☒ Not applicable

Disclosure by aging

Unit: yuan

Account age	Ending balance
Within 1 year (including 1 year)	2,200,728,137.35
1-2 years	92,400,602.84
2-3 years	112,777,570.59
Above 3 years	71,200,351.26
3-4 years	71,200,351.26
In total	2,477,106,662.04

3) Bad debt reserves withdrawn, recovered, or reversed in the current period

Bad debt reserve for the current period:

Unit: yuan

Category	Balance at the beginning of the period	Amount of change in the current period				Ending balance
		Accrual	Recovery or reversal	Write-off	Others	
Bad debt reserves for other receivables	200,982,917.38	55,122,746.62				256,105,664.00
In total	200,982,917.38	55,122,746.62				256,105,664.00

Of which the amount of reversal or recovery of bad debt provision for the period is significant: None.

4) Other accounts receivable ranking in the top five in the ending balance grouped by debtors

Unit: yuan

Unit name	Nature of amounts	Ending balance	Account age	Proportion of the total ending balance of other receivables	Ending balance of provision for bad debts
No.1	Transaction between associated parties	1,114,194,299.08	Within 1 year	44.98%	55,709,714.95
No.2	Transaction between associated parties	323,236,417.33	Within 1 year	13.05%	16,161,820.87
No.3	Transaction between associated parties	188,444,575.39	1-3 years	7.61%	59,805,608.00
No.4	Transaction between associated parties	145,318,476.61	Within 1 year	5.87%	7,265,923.83
No.5	Transaction between associated parties	139,620,161.47	Within 1 year	5.64%	6,981,008.07
In total		1,910,813,929.88		77.15%	145,924,075.72

5) Receivables involving government subsidies

The Company has no other receivables involving government subsidies in the current period.

6) The other receivables derecognized due to transfer of financial assets

The Company has no other receivables derecognized due to transfer of financial assets in the current period.

7) The transfer of other receivables and continued involvement in the amount of assets and liabilities formed

The Company has no transfer of other receivables and continued involvement in the amount of assets and liabilities formed.

3. Long-term equity investment

Unit: yuan

Item	Ending balance			Balance at the beginning of the period		
	Book balance	Impairment reserve	Book value	Book balance	Impairment reserve	Book value
Investment in subsidiaries	3,097,977,881.68	172,805,084.56	2,925,172,797.12	2,836,961,813.61	172,805,084.56	2,664,156,729.05
Investment in associated enterprises and joint ventures	248,708,550.09		248,708,550.09	239,697,345.80		239,697,345.80
In total	3,346,686,431.77	172,805,084.56	3,173,881,347.21	3,076,659,159.41	172,805,084.56	2,903,854,074.85

(1) Investment in subsidiaries

Unit: yuan

Invested unit	Balance at the beginning of the period (book value)	Increase and decrease in the current period				Balance at the end of the period (book value)	Balance in the impairment provision period
		Additional investment	Decreased investment	Provision for impairment	Others		
Binhai Yongtai Technology Co., Ltd.	174,737,877.40					174,737,877.40	
Hainan Xinhui Mining Co., Ltd.							98,000,000.00
Zhejiang Yongtai Pharmaceutical Co., Ltd.	100,000,000.00					100,000,000.00	
Shandong Zhanhua Yongtai Pharmaceutical Co., Ltd.	100,000,000.00					100,000,000.00	
Youngtech Pharmaceuticals, Inc.	90,062,137.21	1,516,068.07				91,578,205.28	
Zhejiang Yongtai New Material Co., Ltd.	100,000,000.00					100,000,000.00	
SYT pharm (Shanghai) Inc.	22,500,000.00					22,500,000.00	
Binhai Meikang Pharmaceutical Co., Ltd.	100,000,000.00					100,000,000.00	
Shanghai E-Tong Chemical Co., Ltd.	190,000,000.00					190,000,000.00	
Chongqing Yongyuansheng Technology Co., Ltd.	86,700,000.00					86,700,000.00	
Zhejiang Yongtai New Energy Material Co., Ltd.	175,194,915.44					175,194,915.44	74,805,084.56
Shaowu Yongtai Hi-tech Material Co., Ltd.	330,000,000.00					330,000,000.00	
Zhejiang Chiral Medicine Chemicals Co., Ltd.	553,861,799.00					553,861,799.00	
Foshan Soin Chiralpharma Co., Ltd.	200,000,000.00					200,000,000.00	
Zhejiang Yongtai Chiral Medicine	100,000,000.00					100,000,000.00	

Invested unit	Balance at the beginning of the period (book value)	Increase and decrease in the current period				Balance at the end of the period (book value)	Balance in the impairment provision period
		Additional investment	Decreased investment	Provision for impairment	Others		
Technology Co., Ltd.							
Inner Mongolia Yongtai Chemical Co., Ltd.	240,000,000.00	251,000,000.00				491,000,000.00	
Zhejiang Yongtai Trading Co., Ltd.	100,000,000.00					100,000,000.00	
Hangzhou Yongtai Biomedical Co., Ltd.	1,100,000.00	1,400,000.00				2,500,000.00	
Zhejiang Yongtai Fule Technology Co., Ltd.		7,100,000.00				7,100,000.00	
In total	2,664,156,729.05	261,016,068.07				2,925,172,797.12	172,805,084.56

(2) Investment in associated enterprises and joint ventures

Unit: yuan

Investment organizations	Balance at the beginning of the period (book value)	Increase and decrease in the current period								Balance at the end of the period (book value)	Ending balance of impairment provision
		Additional investment	Decreased investment	Profits and losses on investments confirmed under the equity method	Adjustment of other comprehensive incomes	Change in other equities	Cash dividends or profits declared to be issued	Provision for impairment	Others		
I. Joint ventures											
II. Associated enterprises											
Chongqing Heya Huayi Venture Capital Partnership (L.P.)	58,741,494.08									58,741,494.08	
Shanghai Carelinker Medical Technology Co., Ltd.	19,653,590.51									19,653,590.51	
Shanghai Anbison Lab. Co., Ltd.	156,302,261.21			9,011,204.29						165,313,465.50	
Hangzhou Mubang Equity Investment Partnership (Limited Partnership)	5,000,000.00									5,000,000.00	
Subtotal	239,697,345.80			9,011,204.29						248,708,550.09	
In total	239,697,345.80			9,011,204.29						248,708,550.09	

(3) Other notes

None.

4. Operating income and operating cost

Unit: yuan

Item	Amount incurred in the current period		Incurred amount during the previous period	
	Income	Cost	Income	Cost
Main business	724,213,898.37	522,839,275.53	1,040,497,872.65	725,258,225.17
Other business	11,438,757.69	8,990,529.76	61,352,086.94	45,638,897.73
In total	735,652,656.06	531,829,805.29	1,101,849,959.59	770,897,122.90

Revenue related information:

Unit: yuan

Contract classification	Segment 1	Segment 2	In total
Commodity type			
Of which:			
Product sales revenue	733,154,683.98		733,154,683.98
Classification by timing of commodity transfer			
Of which:			
Confirmation at a point of time	733,154,683.98		733,154,683.98
In total	733,154,683.98		733,154,683.98

Information related to the transaction price apportioned to the remaining performance obligations:

The amount of revenue corresponding to performance obligations that have been contracted for but not yet fulfilled or not yet completed at the end of the reporting period was RMB 0.00.

Other instructions:

Breakdown of operating income:

Item	Amount in the current period	Amount of previous period
Main business income	724,213,898.37	1,040,497,872.65
Of which: Pharmaceutical product business	312,527,483.46	555,036,095.89
Crop science product business	278,579,439.92	162,442,129.80
Lithium battery and other materials	49,450,233.54	175,549,915.18
Trade type	83,656,741.45	147,469,731.78
Other operating income	11,438,757.69	61,352,086.94
In total	735,652,656.06	1,101,849,959.59

5. Investment income

Unit: yuan

Item	Amount incurred in the current period	Incurred amount during the previous period
Long-term equity investment incomes accounted by the cost method	130,000,000.00	
Long-term equity investment incomes	9,011,204.29	18,000,000.00

accounted by the equity method		
Investment income from disposal of trading financial assets		13,136,562.50
Dividend income earned during the holding period of investments in other equity instruments	1,778,630.32	1,773,089.44
Investment income from disposal of transactional financial liabilities	-2,388,065.51	-1,302,265.51
In total	138,401,769.10	31,607,386.43

XVII. Supplementary information

1. Schedule of current non-recurring profits and losses

☒ Applicable ☐ Not applicable

Unit: yuan

Item	Amount	Explanation
Profits and losses from disposal of non-current assets (including the writing-off part of the assets with impairment provision withdrawn)	52,595,365.04	They were mainly the result of the disposal income generated from housing expropriation compensation of Shanghai E-tong and Shanghai Youngcobe during the reporting period;
Government subsidies included in the current profit and loss (closely related to the normal business of the Company, except for government subsidies that comply with national policies and regulations and continue to enjoy with fixed quota and quantity in accordance with certain standards)	58,965,871.72	It was mainly due to the receipt of government compensation and rewards for relocation by Shanghai E-tong and Shanghai Youngcobe during the reporting period;
Profits and losses from change of fair values due to the holding of trading financial assets and trading financial liabilities, and investment incomes obtained from the disposals of trading financial assets, trading financial liabilities and sellable financial assets, except the effective hedging business relevant with the normal operating business of the Company	-3,006,097.47	
Non-operating income and expenses other than those mentioned above	-2,240,285.52	
Less: amount impacted of income tax	25,252,756.21	
Impact amount of minority shareholders' equity	346,224.46	
In total	80,715,873.10	--

Specific situation of other profit and loss items that satisfy the definition of non-recurring profit and loss:

☐ Applicable ☒ Not applicable

There was no specific situation of other profit and loss items that satisfy the definition of non-recurring profit and loss in the Company.

Explanation of defining non-recurring profit and loss items set out in the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public - Non-Recurring Profit and Loss* as recurring profit and loss items

☐ Applicable ☒ Not applicable

2. Earning rate on net assets and earnings per share

Profit for the reporting period	Weighted average return on net assets	Earnings per share	
		Basic earnings per share (Yuan/share)	Diluted earnings per share (Yuan/share)
Net profit attributable to common shareholders of the Company	1.13%	0.04	0.04
Net profit attributable to common shareholders of the Company after deducting extraordinary profits and losses	-1.23%	-0.05	-0.05

3. Differences in accounting data under domestic and foreign accounting standards**(1) Difference in net profit and net assets between financial reports disclosed in accordance with IFRSs and those disclosed in accordance with Chinese accounting standards simultaneously**

☐ Applicable ☒ Not applicable

(2) Differences in net profit and net assets between the financial reports disclosed in accordance with foreign accounting standards and Chinese accounting standards simultaneously

☐ Applicable ☒ Not applicable

(3) Description of the reasons for the differences in accounting data under domestic and foreign accounting standards, and the name of the overseas auditing organization if the data have been audited by the overseas auditing organization to reconcile the differences

None.

Zhejiang Yongtai Technology Co., Ltd.

Chairwoman: Wang Yingmei

Date of approval for reporting by the Board of Directors: 30 August 2023