

ANHUI HITEC PLASTICS CO., Ltd

ANNUAL MANAGEMENT REPORT BY THE BOARD OF DIRECTORS

The Board of Directors presents the annual report and audited financial statements of the Company for the year ended 31 December 2021.

Basis of preparation of the annual Financial Statements of the Company

The balance sheet and the income statement as well as the annual report of our Company for 2021 have been drawn up and submitted in line with the principles determined by the Chinese Accounting Standards.

Pursuant to the regulations, our annual report shall present the work and transaction flows of our Company pertaining to the respective financial year as well as the financial status thereof in all aspects by protecting the rights and the interests of our Company; enable our shareholders to have access on any information regarding the financial status of our Company completely and properly; evaluate the general properties of our Company's financial performance and financial status as well as the basic risks encountered by it and propound, through accounting and financial reporting data, that the activities and the services of our Company are performed in most efficient, reliable and uninterrupted manner.

Principal activities and nature of operations of the Company

The principal activities of the Company will be the production of multi-functional films, geomembranes and masterbatch for agricultural greenhouses and other purposes.

Continuity of activity

These financial statements have been prepared based on the business continuity principle, which assumes that the Company will normally continue its activity in the foreseeable future without entering into a state of liquidation or significant reduction of the activity.

To assess the applicability of this presumption, management analyzes forecasts of future cash inflows. Based on these analyzes, the management believes that the Company will be able to continue its activity in the foreseeable future and



therefore, the application of the principle of continuity of activity in the preparation of the financial statements is justified.

Main Investments during the year

The Company has already received 120 million RMB as paid-in capital for executing its investment plan. Furthermore it has received a loan of 56 mil. RMB from its parent company SHP to complete smoothly the investment plan.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are disclosed here below:

Foreign exchange currency risk

The Company is exposed to the fluctuations of the local currency exchange rate.

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability but can also increase the risk of losses. The Company has procedures with the object of minimizing such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

Share capital

There were no changes in the share capital of the Company during the year under review.

Organization and development of internal control within the Company

The purpose of internal control is to ensure the coherence of objectives, to identify the key success factors and to communicate to the Company's management, in real time, the information regarding the performances and perspectives.

The control activities are an integral part of the management process through which the Company aims to achieve the proposed objectives.

The control aims at applying the norms and procedures of internal control, at all hierarchical and functional levels: the decisional authority regarding the definition on hierarchical levels of the approvals, the evaluation of the

operational performances, the security of the assets, the separation of the functions.

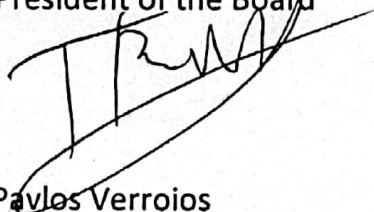
COVID pandemic Impact

The COVID pandemic creates significant delays in the construction and installation of the equipment and subsequently the production start-up as well as creates additional expenses.

Events after the balance sheet

Despite the continuous impact of the pandemic in the societies and economies worldwide, the Company has managed to continue its investment plan, but with significant delays until today.

The President of the Board



Mr. Pavlos Verroios

11.03.2022



安徽海得克塑料有限公司

董事会年度管理报告

董事会提交了截止于 2021 年 12 月 31 日年度的公司年度报告及经审计的财务报表。

编制公司年度财务报表的依据

公司根据《中国会计准则》确定的各项原则起草并提交了 2020 年资产负债表与损益表，以及公司年报。

根据规定，公司的年度报告应通过保护公司权益，应全面反映公司在相应财政年度内的工作、交易流程以及财务状况；允许股东可完整适当地查看与公司财务状况相关的任何信息；对公司财务业绩及财务状况的一般属性以及其所面临的基本风险进行评估，并通过会计与财务报告数据提出建议，使公司以最高效、可靠且不受阻碍的方式开展活动并提供服务。

公司主营业务及业务性质

公司的主营活动将来涉及农用温室薄膜及其他用途的多功能薄膜、土工膜及色母粒的生产

活动连续性

该等财务报表基于业务连续性原则编制，即假定公司将在可预见的未来继续正常经营，而不会进入清算程序或严重缩减业务活动。

为评估该假设的适用性，管理层对未来现金流的预测数据进行分析。根据该等分析，管理层相信公司在可预见的未来将继续其业务活动，因此在编制财务报表时，应用业务连续性原则确为合理。

本年主要投资

公司已收到 12000 万元实缴资本为了完成自己的投资计划。此外，安徽海得克塑料有限公司从母公司上海普拉斯克塑料有限公司获得 5600 万元的贷款，得以顺利完成投资计划。

主要风险及不确定性

公司面临的主要风险与不确定性披露如下：

外币兑换风险

公司面临本币汇率波动风险。

流动性风险

流动性风险即资产及负债到期后无法按时兑现导致的风险。不兑现可能提高盈利但亦可能增加损失风险。公司为实现损失最小化设立相关程序，诸如，维持充足现金与其他具有高流动性的流动资产，及提供充足额度的经承诺的信贷投资额。

股本

公司股本在审查年度未发生变动。

公司内控的组织与发展

内控是为确保目标一致性，识别关键成功因素及与公司管理层就绩效与目标的信息进行实时沟通。

控制活动是管理流程中不可或缺的一部分，公司通过该等控制活动实现拟定目标。

控制旨在将下述内控规范和程序应用于各层级各职能部门：关于各审批层级界定的决策权，运营绩效评估，资产安全，及职能分工。

COVID新冠肺炎流行的影响

2019新冠肺炎大流行导致建设和设备安装以及随后的生产启动出现重大延误，并产生了额外的费用。

资产负债表后事件

尽管疫情对全球社会与经济持续产生影响，公司截止目前地维持正常投资计划但是存在重大延误。

董事长

Pavlos Verroios

