

# Balance Sheet

2022/12/31

Company: Anhui HiTeC Plastics Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	Closing balance	Opening balance	Item	Note	Closing balance	Opening balance
<b>Current assets:</b>				<b>Current liabilities:</b>			
Cash at bank and on hand	6.1	9,475,222.84	22,881,153.74	Short-term loans			
Short-term investments				Notes payable			
Notes receivable				Accounts payable	6.9	11,759,297.08	3,447,131.96
Dividends receivable				Advances from customers			
Interest receivable				Accrued payroll			-2,720.00
Accounts receivable				Staff welfare payable			
Other receivables		78,800.00	9,800.00	Dividends payable			
Advances to suppliers	6.2	1,599,861.11	20,990,831.24	Interest payable	6.10	3,638,654.23	509,312.50
Subsidies Receivable				Taxes payable	6.11	26,753.79	11,174.04
Inventories	6.3	1,279,059.35	14,590.67	Other amount payables			
Prepaid expenses				Other payables	6.12	86,003,082.52	56,002,256.88
Long-term debt investment due within				Accrued expenses			
Other current assets	6.4	16,376,521.90	11,411,147.10	Provisions			
				Deferred income			
<b>Sub-total of current assets</b>		<b>28,809,465.20</b>	<b>55,307,522.75</b>	Long-term liabilities due within one year			
<b>Long-term investments:</b>				Other current liabilities			
Long-term equity investments				<b>Sub-total of current liabilities</b>		<b>101,427,787.62</b>	<b>59,967,155.38</b>
Long-term debt investments				<b>Long-term liabilities:</b>			
<b>Sub-total of long-term investments</b>				Long-term borrowings			
<b>Fixed assets:</b>				Bonds payable			
Fixed assets-cost	6.5	121,729,189.84	105,212.40	Long-term payables			
Less: Accumulated depreciation	6.5	3,489,985.43		Special payables			
Fixed assets-net book value	6.5	118,239,204.41	105,212.40	Other long-term liabilities			
Less: Provision for impairment of fixed				<b>Sub-total of long-term liabilities</b>			
Fixed assets-net	6.5	118,239,204.41	105,212.40	<b>Deferred taxes:</b>			
Construction materials				Deferred tax liabilities			
Construction in progress	6.6	51,796,342.36	113,401,949.58	<b>TOTAL LIABILITIES</b>		<b>101,427,787.62</b>	<b>59,967,155.38</b>
Fixed assets held for disposal				<b>Owners' equity</b>			
<b>Sub-total of fixed assets</b>		<b>170,035,546.77</b>	<b>113,507,161.98</b>	Paid-in capital	6.13	120,000,000.00	120,000,000.00
<b>Intangible and other assets:</b>				Less: Investments returned			
Intangible assets	6.7	5,090,579.44	5,269,139.20	Paid-in capital-net	6.13	120,000,000.00	120,000,000.00
Long-term deferred expenses	6.8		5,883,331.45	Capital reserve			
Other long-term assets				Surplus reserve			
<b>Sub-total of intangible and other assets</b>		<b>5,090,579.44</b>	<b>11,152,470.65</b>	Accumulated loss	6.14	-17,492,196.21	
<b>Deferred taxes:</b>				Currency exchange differences			
Deferred tax assets				<b>TOTAL OWNERS' EQUITY</b>		<b>102,507,803.79</b>	<b>120,000,000.00</b>
<b>TOTAL ASSETS</b>		<b>203,935,591.41</b>	<b>179,967,155.38</b>	<b>TOTAL LIABILITIES AND OWNERS'</b>		<b>203,935,591.41</b>	<b>179,967,155.38</b>

Legal representative: Massimo Calovini

Chief Financial Officer: Jane Zhang

Chief Accountant: Jane Zhang

# Income Statement

2022

Company: Anhui HiTeC Plastics Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	Current year	Prior year
<b>1. Revenue from principal operations</b>	6.15	<b>2,432,392.44</b>	
Less: Cost of principal operations	6.15	3,835,737.77	
Taxes and surcharge		2,460.39	
<b>2. (Loss) from principal operations</b>		<b>-1,405,805.72</b>	
Add: Profit from other operations			
Less: Operating expenses			
General and administrative expenses		14,205,120.65	
Financial expenses	6.16	1,880,769.84	
<b>3. Operating (loss)</b>		<b>-17,491,696.21</b>	
Add: Investment income/(loss)			
Subsidy income			
Non-operating revenue			
Less: Non-operating expenses		500.00	
<b>4. (Loss) before income tax</b>		<b>-17,492,196.21</b>	
Less: Income tax			
<b>5. Net (loss)</b>		<b>-17,492,196.21</b>	

## Supplementary information:

Item	Note	Current year	Prior year
1. Gain on sale and disposal of a business segment or an investee enterprise			
2. Losses arising from natural disasters			
3. Increase/(decrease) in total profit due to [a] change(s) in accounting policy			
4. Increase/(decrease) in total profit due to a change in accounting estimate			
5. Losses arising from debt restructuring			
6. Others			

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# Profit Distribution Statement

2022

Company: Anhui HiTeC Plastics Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	Current year	Prior year
<b>1. Net (loss)</b>		<b>-17,492,196.21</b>	
Add: Undistributed profit at the beginning of the year			
Other transfer-in			
Currency translation difference			
<b>2. Profit to be distributed</b>		<b>-17,492,196.21</b>	
Less: Appropriation of legal surplus reserve			
Appropriation of legal public welfare fund			
Appropriation of employee welfare and bonus fund			
Appropriation of reserve fund			
Appropriation of enterprise expansion fund			
Profit capitalised on return of investment			
<b>3. Profit to be distributed to investors</b>		<b>-17,492,196.21</b>	
Less: Preferred Stock dividends payable			
Appropriation of discretionary surplus reserve			
Appropriation of ordinary shares dividend			
Transfer to the common stock dividend of the capital			
Chinese dividends payable			
Foreign dividends payable			
<b>4. Accumulated loss</b>		<b>-17,492,196.21</b>	

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# Cash Flow Statement

2022

Company: Anhui HiTeC Plastics Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	Current year	Prior year
<b>1. Cash flows from operating activities</b>			
Cash received from the sale of goods or rendering of services		2,747,303.45	
Refunds of taxes			
Other cash received relating to operating activities		21,678.84	
<b>Sub-total of cash inflows</b>		<b>2,768,982.29</b>	
Cash paid for goods and services		1,666,965.33	14,590.67
Cash paid to and on behalf of employees		3,613,171.76	1,508,662.26
Cash paid for all types of taxes		5,267,166.45	
Other cash paid relating to operating activities		3,312,374.68	17,240,275.26
<b>Sub-total of cash outflows</b>		<b>13,859,678.22</b>	<b>18,763,528.19</b>
<b>Net cash flows from operating activities</b>		<b>-11,090,695.93</b>	<b>-18,763,528.19</b>
<b>2. Cash flows from investing activities</b>			
Cash received from disposal of investments			
Cash received from return on investments			
Net cash received from the disposal of fixed assets,			
Other cash received relating to investing activities			
<b>Sub-total of cash inflows</b>			
Cash paid for acquisition of fixed assets,		32,315,234.97	86,653,971.45
Cash paid for acquisition of investments			
Other cash paid relating to investing activities			
<b>Sub-total of cash outflows</b>		<b>32,315,234.97</b>	<b>86,653,971.45</b>
<b>Net cash flows from investing activities</b>		<b>-32,315,234.97</b>	<b>-86,653,971.45</b>
<b>3. Cash flows from financing activities</b>			
Cash received from investors			45,500,000.00
Cash received from borrowings		30,000,000.00	56,000,000.00
Other cash received relating to financing activities			
<b>Sub-total of cash inflows</b>		<b>30,000,000.00</b>	<b>101,500,000.00</b>
Cash repayments of borrowings			
Cash paid for dividends, profits distribution or			
Other cash paid relating to financing activities			
<b>Sub-total of cash outflows</b>			
<b>Net cash flows from financing activities</b>		<b>30,000,000.00</b>	<b>101,500,000.00</b>
<b>4. Effect of foreign exchange rate changes</b>			
<b>5. Net decrease in cash and cash equivalents</b>		<b>-13,405,930.90</b>	<b>-3,917,499.64</b>

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# Cash Flow Statement (Continued)

2022

Company: Anhui HiTeC Plastics Co., Ltd.

Unit: Yuan    Currency: RMB

Item	Note	Current year	Prior year
<b>1. Reconciliation of net (loss) to cash flows from operating activities</b>			
Net (loss)		-17,492,196.21	
Add: Provision for impairment of assets			
Depreciation of fixed assets		3,489,985.43	
Amortisation of intangible assets		178,559.76	
Amortisation of long-term deferred expenses		5,883,331.45	
Decrease / (increase) in prepaid expenses			
Increase / (decrease) in accrued expenses			
Losses / (gains) on disposal of fixed assets, intangible assets and			
Losses on disposals of fixed assets			
Financial expenses			
Losses / (gains) arising from investments			
Deferred tax credit / (debit)			
Increase in gross inventories		-1,264,468.68	-14,590.67
Increase in gross operating receivables		-5,034,374.80	-22,715,927.92
Increase in operating payables		3,148,467.12	3,966,990.40
Others			
<b>Net cash flows from operating activities</b>		<b>-11,090,695.93</b>	<b>-18,763,528.19</b>
<b>2. Investing and financing activities not involving cash flows</b>			
Conversion of debt into capital			
Convertible corporate bonds maturing within one year			
Acquisition of fixed assets under finance leases			
<b>3. Net decrease in cash and cash equivalents</b>			
Cash at the end of the year		9,475,222.84	22,881,153.74
Less: Cash at the beginning of the year		22,881,153.74	26,798,653.38
Add: Cash equivalents at the end of the year			
Less: Cash equivalents at the beginning of the year			
<b>Net decrease in cash and cash equivalents</b>		<b>-13,405,930.90</b>	<b>-3,917,499.64</b>

Legal representative: Massimo Calovini

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# Statement of changes in owners' equity

## 2022

Company: Anhui HiTeC Plastics Co., Ltd.

RMB

Item	2022							
	Paid-in capital	Capital surplus	Capital reserve	Other comprehensive	Special reserves	Surplus reserve	Accumulated loss	Total owners' equity
<b>1. Balance at 31 December 2021</b>	<b>120,000,000.00</b>							<b>120,000,000.00</b>
Add: Changes in accounting policies								
Corrections of prior period errors								
Others								
<b>2. Balance at 1 January 2022</b>	<b>120,000,000.00</b>							<b>120,000,000.00</b>
<b>3. Movements for the current period</b>							<b>-17,492,196.21</b>	<b>-17,492,196.21</b>
<b>(1) Total comprehensive income</b>							-17,492,196.21	-17,492,196.21
<b>(2) Capital contribution and withdrawal by owners</b>								
1. Capital contribution by owners								
2. Capital contribution by other equity instruments holders								
3. Amount recorded in owners' equity arising from share-based payment arrangements								
4. Others								
<b>(3) Profit distribution</b>								
1. Appropriation for surplus reserves								
2. Profit distribution to equity owners								
3. Others								
<b>(4) Transfer within owners' equity</b>								
1. Transfer from capital surplus to paid-in capital								
2. Transfer from surplus reserves to paid-in capital								
3. Surplus reserves used to offset accumulated losses								
4. Changes arising from defined benefit plan transferred to retained earnings								
5. Others								
<b>(5) Special reserves</b>								
1. Appropriation during the year								
2. Utilisation during the year								
<b>(6) Others</b>								
<b>4. Balance at 31 December 2022</b>	<b>120,000,000.00</b>						<b>-17,492,196.21</b>	<b>102,507,803.79</b>

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# Statement of changes in owners' equity

## 2022

Company: Anhui HiTeC Plastics Co., Ltd.

RMB

Item	2021							Total owners' equity
	Paid-in capital	Capital surplus	Capital reserve	Other comprehensive	Special reserves	Surplus reserve	Accumulated loss	
<b>1. Balance at 31 December 2020</b>	<b>74,500,000.00</b>							<b>74,500,000.00</b>
Add: Changes in accounting policies								
Corrections of prior period errors								
Others								
<b>2. Balance at 1 January 2021</b>	<b>74,500,000.00</b>							<b>74,500,000.00</b>
<b>3. Movements for the current period</b>	<b>45,500,000.00</b>							<b>45,500,000.00</b>
(1) Total comprehensive income								
(2) Capital contribution and withdrawal by owners	45,500,000.00							<b>45,500,000.00</b>
1. Capital contribution by owners	45,500,000.00							<b>45,500,000.00</b>
2. Capital contribution by other equity instruments holders								
3. Amount recorded in owners' equity arising from share-based payment arrangements								
4. Others								
(3) Profit distribution								
1. Appropriation for surplus reserves								
2. Profit distribution to equity owners								
3. Others								
(4) Transfer within owners' equity								
1. Transfer from capital surplus to paid-in capital								
2. Transfer from surplus reserves to paid-in capital								
3. Surplus reserves used to offset accumulated losses								
4. Changes arising from defined benefit plan transferred to retained earnings								
5. Others								
(5) Special reserves								
1. Appropriation during the year								
2. Utilisation during the year								
(6) Others								
<b>4. Balance at 31 December 2021</b>	<b>120,000,000.00</b>							<b>120,000,000.00</b>

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