

## BALANCE SHEET

[English Translation for Reference Only]

Company: Anhui Hitec Plastics Co.,Ltd

Currency: RMB

Items	Note VI	2023.12.31	2022.12.31
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	1	20,020,586.21	9,475,222.84
Short-term investment			
Notes receivable			
Dividends receivable			
Interest receivable			
Accounts receivable	2	651,645.18	
Other receivables	3	145,677.57	78,800.00
Prepayments		511,327.50	1,599,861.11
Allowances receivable			
Inventories	4	1,429,506.52	1,279,059.35
Deferred expenses		169,552.45	
Long term debt investments due within one year			
Other current assets	5		16,376,521.90
<b>TOTAL CURRENT ASSETS</b>		<b>22,928,295.43</b>	<b>28,809,465.20</b>
<b>LONG-TERM INVESTMENTS:</b>			
Long-term equity investments			
Long-term debt investments			
<b>TOTAL LONG-TERM INVESTMENTS</b>			
<b>FIXED ASSETS:</b>			
Fixed assets - Cost	6	187,081,868.67	121,729,189.84
Less: Accumulated depreciation	6	14,641,538.23	3,489,985.43
Fixed assets - Net book value	6	172,440,330.44	118,239,204.41
Less: Impairment			
Fixed assets - Net carrying value	6	172,440,330.44	118,239,204.41
Materials held for construction of fixed assets			
Construction in progress	7	1,127,838.09	51,796,342.36
Fixed assets pending for disposal			
<b>TOTAL FIXED ASSETS</b>		<b>173,568,168.53</b>	<b>170,035,546.77</b>
<b>INTANGIBLE ASSETS AND OTHER ASSETS:</b>			
Intangible assets	8	4,912,019.68	5,090,579.44
Long-term deferred expenses			
Other long-term assets	9	2,030,000.00	
<b>TOTAL INTANGIBLE ASSETS AND OTHER ASSETS</b>		<b>6,942,019.68</b>	<b>5,090,579.44</b>
<b>DEFERRED TAXES</b>			
Deferred taxes debit			
<b>TOTAL ASSETS</b>		<b>203,438,483.64</b>	<b>203,935,591.41</b>

## BALANCE SHEET (CONTINUED)

[English Translation for Reference Only]

Company: Anhui Hitec Plastics Co.,Ltd

Currency: RMB

Items	Note VI	2023.12.31	2022.12.31
<b>CURRENT LIABILITIES:</b>			
Short-term loans			
Notes payable			
Accounts payable	10	2,273,236.35	11,759,297.08
Advance from customers		31,211.50	
Salaries payable		286,205.61	
Benefits payable			
Dividends payable			
Interest payable			
Taxes payable	11	234,130.60	26,753.79
Other levies payable			
Other payables		29,125.79	86,003,082.52
Accrued Expenses			
Estimated Liabilities			
Deferred Profits			
Long-term liabilities due within one year			
Other current liabilities			
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,853,909.85</b>	<b>101,427,787.62</b>
<b>LONG-TERM LIABILITIES:</b>			
Long-term loans			
Bonds payable			
Long-term payables			
Specific accounts payable			
Other non-current liabilities			
<b>TOTAL LONG-TERM LIABILITIES</b>			
<b>DEFERRED TAXES</b>			
Deferred tax Credits			
<b>TOTAL LIABILITIES</b>		<b>2,853,909.85</b>	<b>101,427,787.62</b>
<b>OWNER'S EQUITY:</b>			
Paid-in capital	12	211,000,000.00	120,000,000.00
Less: Redemption of capital			
Net paid-in capital	12	211,000,000.00	120,000,000.00
Capital reserves			
Surplus reserves			
Retained earnings ("-" for accumulated losses)	13	-10,415,426.21	-17,492,196.21
<b>TOTAL OWNER'S EQUITY</b>		<b>200,584,573.79</b>	<b>102,507,803.79</b>
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>		<b>203,438,483.64</b>	<b>203,935,591.41</b>

Legal representative: Massimo Calovini Person in charge of accounting function: Jane Zhang Person in charge of accounting department: Jane Zhang

# INCOME STATEMENT

[English Translation for Reference Only]

Company: Anhui Hitec Plastics Co.,Ltd

Currency: RMB

Items	Note VI	2023	2022
<b>Total revenue from main operations</b>	14	<b>47,973,197.11</b>	<b>2,430,237.57</b>
Less: Operating cost from main operations	14	32,253,590.47	3,835,737.77
Main business taxes and surcharges	15	1,034,139.86	243,805.70
<b>Profit from main operations</b>		<b>14,685,466.78</b>	<b>-1,649,305.90</b>
Add: Profit from other operations	16	341,849.54	2,154.87
Less: Selling expenses		250,093.17	
General and administrative expenses		6,540,804.52	13,963,775.34
Finance expenses ("- " for income)	17	1,534,848.20	1,880,769.84
<b>PROFIT FROM OPERATIONS ("- " FOR LOSSES)</b>		<b>6,701,570.43</b>	<b>-17,491,696.21</b>
Add: Investment income ("- " for losses)			
Subsidy income	18	121,783.91	
Non-operating income	19	256,415.66	
Less: Non-operating expenses	20	3,000.00	500.00
<b>PROFIT BEFORE TAX ("- " FOR LOSSES)</b>		<b>7,076,770.00</b>	<b>-17,492,196.21</b>
Less: Income tax expenses	21		
<b>NET PROFIT FOR THE YEAR ("- " FOR LOSSES)</b>		<b>7,076,770.00</b>	<b>-17,492,196.21</b>

Supplementary information:

Items	Note	2023	2022
Proceeds from the sale or disposal of departments or investee units			
Losses from natural disasters			
Changes in accounting policies increase (or decrease) total profits			
Changes in accounting estimates increase (or decrease) total profits			
Loss on debt restructuring			
Others			

Legal representative: Massimo Calovini Person in charge of accounting function: Jane Zhang Person in charge of accounting department: Jane Zhang

# CASH FLOWS STATEMENT

[English Translation for Reference Only]

Company: Anhui Hitec Plastics Co.,Ltd

Currency: RMB

Items	Note	2023	2022
<b>Cash Flows from Operating Activities:</b>			
Cash received from sales of goods or rendering of services		53,531,639.45	2,747,303.45
Refunds of taxes			
Other cash received relating to operating activities		151,022.81	21,678.84
<b>Sub-total of cash inflows from operating activities</b>		<b>53,682,662.26</b>	<b>2,768,982.29</b>
Cash paid for goods and services		30,728,448.34	1,666,965.33
Cash paid to and on behalf of employees		6,478,525.67	3,613,171.76
Tax payments		1,642,336.89	5,267,166.45
Other cash paid relating to operating activities		3,473,188.76	3,312,374.68
<b>Sub-total of cash outflows from operating activities</b>		<b>42,322,499.66</b>	<b>13,859,678.22</b>
<b>Net Cash Flows from / (used in) Operating Activities</b>		<b>11,360,162.60</b>	<b>-11,090,695.93</b>
<b>Cash Flows from Investing Activities:</b>			
Cash received from disposal of investments			
Cash received from return on investments			
Cash received from disposal of fixed assets, intangible assets and other long-term assets		1,592,286.25	
Other cash receipts relating to investing activities		15,429,640.45	
<b>Sub-total of cash inflows from investing activities</b>		<b>17,021,926.70</b>	
Cash paid to acquire fixed assets, intangible assets and other long-term assets		18,215,455.03	32,315,234.97
Cash paid to acquire investment			
Other cash paid relating to investing activities			
<b>Sub-total of cash outflows from investing activities</b>		<b>18,215,455.03</b>	<b>32,315,234.97</b>
<b>Net Cash Flows used in Investing Activities</b>		<b>-1,193,528.33</b>	<b>-32,315,234.97</b>
<b>Cash Flows from Financing Activities:</b>			
Cash received from capital contributions			
Cash received from borrowings		9,500,000.00	30,000,000.00
Other cash receipts relating to financing activities			
<b>Sub-total of cash inflows from financing activities</b>		<b>9,500,000.00</b>	<b>30,000,000.00</b>
Repayments of borrowings		4,500,000.00	
Dividends paid, profit distributed or interest paid		4,621,270.90	
Other cash payments relating to financing activities			
<b>Sub-total of cash outflows from financing activities</b>		<b>9,121,270.90</b>	
<b>Net Cash Flows from Financing Activities</b>		<b>378,729.10</b>	<b>30,000,000.00</b>
<b>Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents</b>			
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>10,545,363.37</b>	<b>-13,405,930.90</b>

Legal representative: Massimo Calovini Person in charge of accounting function: Jane Zhang Person in charge of accounting department: Jane Zhang

## CASH FLOWS STATEMENT-SUPPLEMENTARY INFORMATION

[English Translation for Reference Only]

Company: Anhui Hitec Plastics Co.,Ltd

Currency: RMB

Items	Note	2023	2022
<b>(1) Adjustments to reconcile net income to net cash from operating activities:</b>			
Net profit / loss		7,076,770.00	-17,492,196.21
Add: Provision for asset impairment			
Depreciation of fixed assets		11,211,552.69	3,489,985.43
Amortisation of intangible assets		178,559.76	178,559.76
Amortisation of long-term deferred expenses			5,883,331.45
Decrease in prepaid expenses ("-" for increase)		-169,552.45	
Increase in accrued expenses ("-" for decrease)			
Losses from disposal of fixed assets, intangible assets and other long term assets ("-" for gains)		-256,415.66	
Losses on retirement of fixed assets			
Financial expenses ("-" for gains)			
Investment losses ("-" for gains)			
Deferred tax credits ("-" for debits)			
Decrease in inventory ("-" for increase)		-150,447.17	-1,264,468.68
Decrease in operating receivables ("-" for increase)		370,010.86	-5,034,374.80
Increase in operating payables ("-" for decrease)		-6,900,315.43	3,148,467.12
Others			
<b>Net cash flows from / used in operating activities</b>		<b>11,360,162.60</b>	<b>-11,090,695.93</b>
<b>(2) Investment and financing activities that do not involve cash inflows and outflows:</b>			
Conversion of debt into capital		91,000,000.00	
Convertible corporate bonds due within one year			
Fixed assets under financing lease			
<b>(3) Cash and cash equivalents movement:</b>			
Cash at the end of the period		20,020,586.21	9,475,222.84
Less: Cash at the beginning of the period		9,475,222.84	22,881,153.74
Add: Cash equivalents at the end of the period			
Less: Cash equivalents at the beginning of the period			
<b>Net increase / decrease in cash and cash equivalents</b>		<b>10,545,363.37</b>	<b>-13,405,930.90</b>

Legal representative: Massimo Calovini Person in charge of accounting function: Jane Zhang Person in charge of accounting department: Jane Zhang