

Årsredovisning

SafBon Environmental AB

559020-2460

Styrelsen avger följande årsredovisning för
räkenskapsåret 2022-01-01 - 2022-12-31.

Om inte annat särskilt anges, redovisas alla belopp i hela kronor (sek).

| INNEHÅLLSFÖRTECKNING | SIDA |
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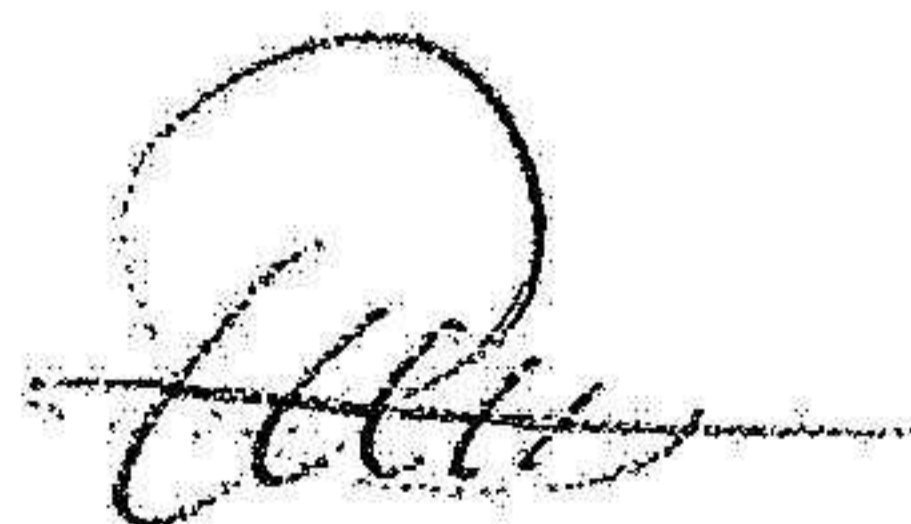
FASTSTÄLLELSEINTYG

Jag intygar att resultaträkningen och balansräkningen har fastställts på årsstämma 2023-06-30.
Årsstämman beslöt att godkänna styrelsens förslag till vinstdisposition.

Jag intygar att innehållet i dessa handlingar överensstämmer med originalen och att originalen undertecknats av
samtliga personer som enligt lag ska underteckna dessa.

Malmö 2023-06-30

Zhang Chunlin



FÖRVALTNINGSBERÄTTELSE

VERKSAMHETEN

Allmänt om verksamheten

SafBon Environmental AB äger 100% av andelarna i KWI Corporate Verwaltungs GmbH.

Med hänvisning till undantagsreglerna i årsredovisningslagen 7 kap 2§ upprätas ingen egen koncernredovisning. Företaget har sitt säte i Malmö.

FLERÅRSÖVERSIKT

Beloppen i flerårsöversikten är angivna i tusental kronor om inte annat anges.

| | 2201-2212 | 2101-2112 | 2001-2012 | 1901-1912 | 1801-1812 |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|
| Nettoomsättning | 0 | 0 | 0 | 0 | 0 |
| Resultat efter finansiella poster | -3 077 | -3 039 | -5 095 | -1 321 | -2 718 |
| Soliditet % | 22 | 23 | 14 | 15 | 11 |

FÖRÄNDRINGAR I EGET KAPITAL

| | Aktiekapital | Balanserat resultat | Årets resultat | Totalt |
|---|--------------|---------------------|----------------|------------|
| Belopp vid årets ingång | 50 000 | 96 465 322 | -3 039 379 | 93 475 943 |
| <i>Resultatdisposition enligt bolagsstämman</i> | | | | |
| Balanseras i ny räkning | | -3 039 379 | 3 039 379 | 0 |
| Årets resultat | | | -3 076 788 | -3 076 788 |
| Belopp vid årets utgång | 50 000 | 93 425 944 | -3 076 788 | 90 399 156 |

RESULTATDISPOSITION

Till årsstämmans förfogande står följande medel:

| | |
|---------------------|------------|
| Balanserat resultat | 93 425 944 |
| Årets resultat | -3 076 788 |
| Summa | 90 349 156 |

Styrelsen föreslår att medlen disponeras enligt följande:

| | |
|-------------------------|------------|
| Balanseras i ny räkning | 90 349 156 |
| Summa | 90 349 156 |

RESULTATRÄKNING

1

| | | 2022-01-01 2022-12-31 | 2021-01-01 2021-12-31 |
|--|---|--------------------------|--------------------------|
| Rörelsekostnader | | | |
| Övriga externa kostnader | | -62 524 | -111 601 |
| Summa rörelsekostnader | | -62 524 | -111 601 |
| Rörelseresultat | | -62 524 | -111 601 |
| Finansiella poster | | | |
| Övriga ränteintäkter och liknande resultatposter | 2 | 56 159 | 74 |
| Räntekostnader och liknande resultatposter | 3 | -3 070 423 | -2 927 852 |
| Summa finansiella poster | | -3 014 264 | -2 927 778 |
| Resultat efter finansiella poster | | -3 076 788 | -3 039 379 |
| Resultat före skatt | | -3 076 788 | -3 039 379 |
| Årets resultat | | -3 076 788 | -3 039 379 |

2024010900886

BALANSRÄKNING

1

2022-12-31

2021-12-31

TILLGÅNGAR

Anläggningstillgångar

Finansiella anläggningstillgångar

| | | | |
|--|---|--------------------|--------------------|
| Andelar i koncernföretag | 4 | 374 204 376 | 374 204 376 |
| <i>Summa finansiella anläggningstillgångar</i> | | <i>374 204 376</i> | <i>374 204 376</i> |

Summa anläggningstillgångar 374 204 376 374 204 376

Omsättningstillgångar

Kortfristiga fordringar

| | | | |
|--|--|-------------------|-------------------|
| Fordringar hos koncernföretag | | 31 798 628 | 34 863 007 |
| Övriga fordringar | | 31 688 | 31 656 |
| Förutbetalda kostnader och upplupna intäkter | | 707 005 | 707 005 |
| <i>Summa kortfristiga fordringar</i> | | <i>32 537 321</i> | <i>35 601 668</i> |

Kassa och bank

| | | | |
|-----------------------------|--|----------------|----------------|
| Kassa och bank | | 296 795 | 287 942 |
| <i>Summa kassa och bank</i> | | <i>296 795</i> | <i>287 942</i> |

Summa omsättningstillgångar 32 834 116 35 889 610

SUMMA TILLGÅNGAR 407 038 492 410 093 986

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| | 2022-12-31 | 2021-12-31 |
|--|--------------------|--------------------|
| EGET KAPITAL OCH SKULDER | | |
| Eget kapital | | |
| <i>Bundet eget kapital</i> | | |
| Aktiekapital | 50 000 | 50 000 |
| <i>Summa bundet eget kapital</i> | 50 000 | 50 000 |
| <i>Fritt eget kapital</i> | | |
| Balanserat resultat | 93 425 944 | 96 465 322 |
| Årets resultat | -3 076 788 | -3 039 379 |
| <i>Summa fritt eget kapital</i> | 90 349 156 | 93 425 943 |
| Summa eget kapital | 90 399 156 | 93 475 943 |
| Kortfristiga skulder | | |
| Skulder till koncernföretag | 286 933 623 | 286 912 330 |
| Upplupna kostnader och förutbetalda intäkter | 29 705 713 | 29 705 713 |
| Summa kortfristiga skulder | 316 639 336 | 316 618 043 |
| SUMMA EGET KAPITAL OCH SKULDER | 407 038 492 | 410 093 986 |

NOTER

Not 1 Redovisningsprinciper

Enligt BFNAR 2016:10

Årsredovisningen har upprättats enligt årsredovisningslagen och BFNAR 2016:10 Årsredovisning i mindre företag (K2).

Not 2 Övriga ränteintäkter och liknande resultatposter

| | 2022 | 2021 |
|--|------|------|
| Ränteintäkter och liknande resultatposter som avser kortfristiga fordringar på och andelar i koncernföretag som är omsättningstillgång | 191 | 74 |

Not 3 Räntekostnader och liknande resultatposter

| | 2022 | 2021 |
|--|-------|-----------|
| Räntekostnader och liknande resultatposter som avser skulder till koncernföretag | 6 045 | 1 454 839 |

Not 4 Andelar i koncernföretag

| | 2022-12-31 | 2021-12-31 |
|-----------------------------|--------------------|--------------------|
| Ingående anskaffningsvärden | 374 204 376 | 374 204 376 |
| Utgående anskaffningsvärden | 374 204 376 | 374 204 376 |
| Redovisat värde | 374 204 376 | 374 204 376 |

2022

| Företagets namn | Org. nr | Säte |
|--------------------------------|---------|------------------|
| KWI Corporate Verwaltungs GmbH | 353029 | Ferlach, Austria |

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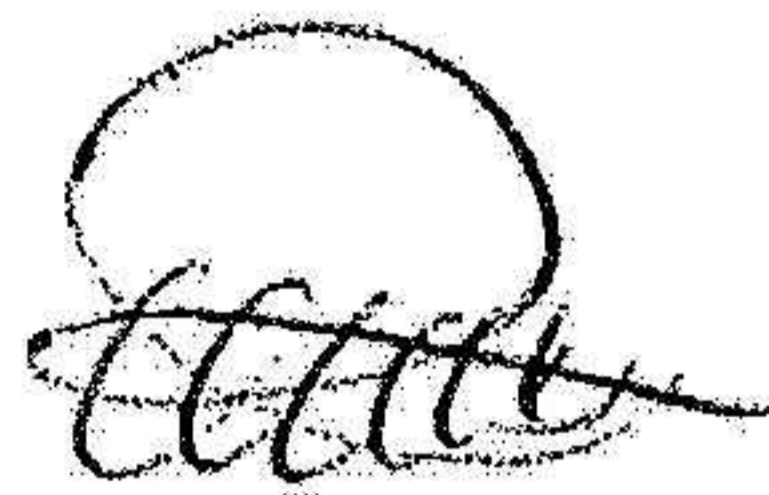
Not 5. Upplysning om moderföretag

Företaget är ett helägt dotterföretag till Shanghai Safbon Investment Co., Ltd, org 310141000171604. Shanghai Safbon Investment Co., Ltd är baserat i Shanghai, China.

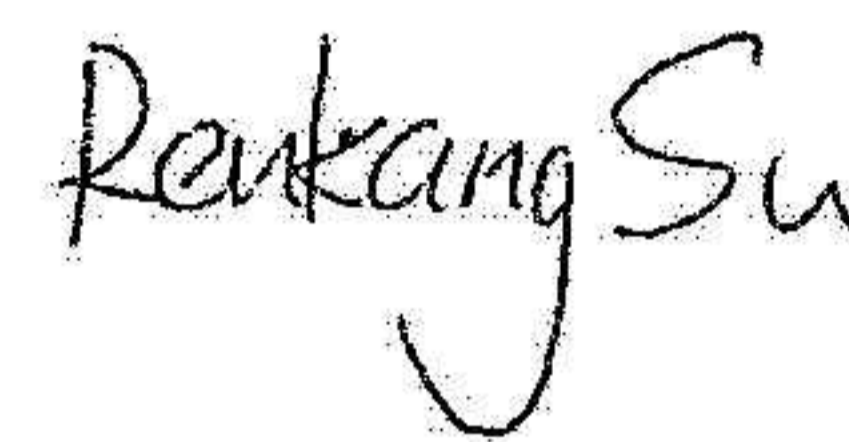
UNDERSKRIFTER

Malmö

Zhang Chunlin
Styrelseordförande
2023-06-30



Renkang Su
Styrelseledamot
2023-06-30





SafBon Water Service (Holding) Inc., Shanghai
 Consolidated balance sheet on December 31, 2022
 (the unit of amount is RMB)

2023120808861

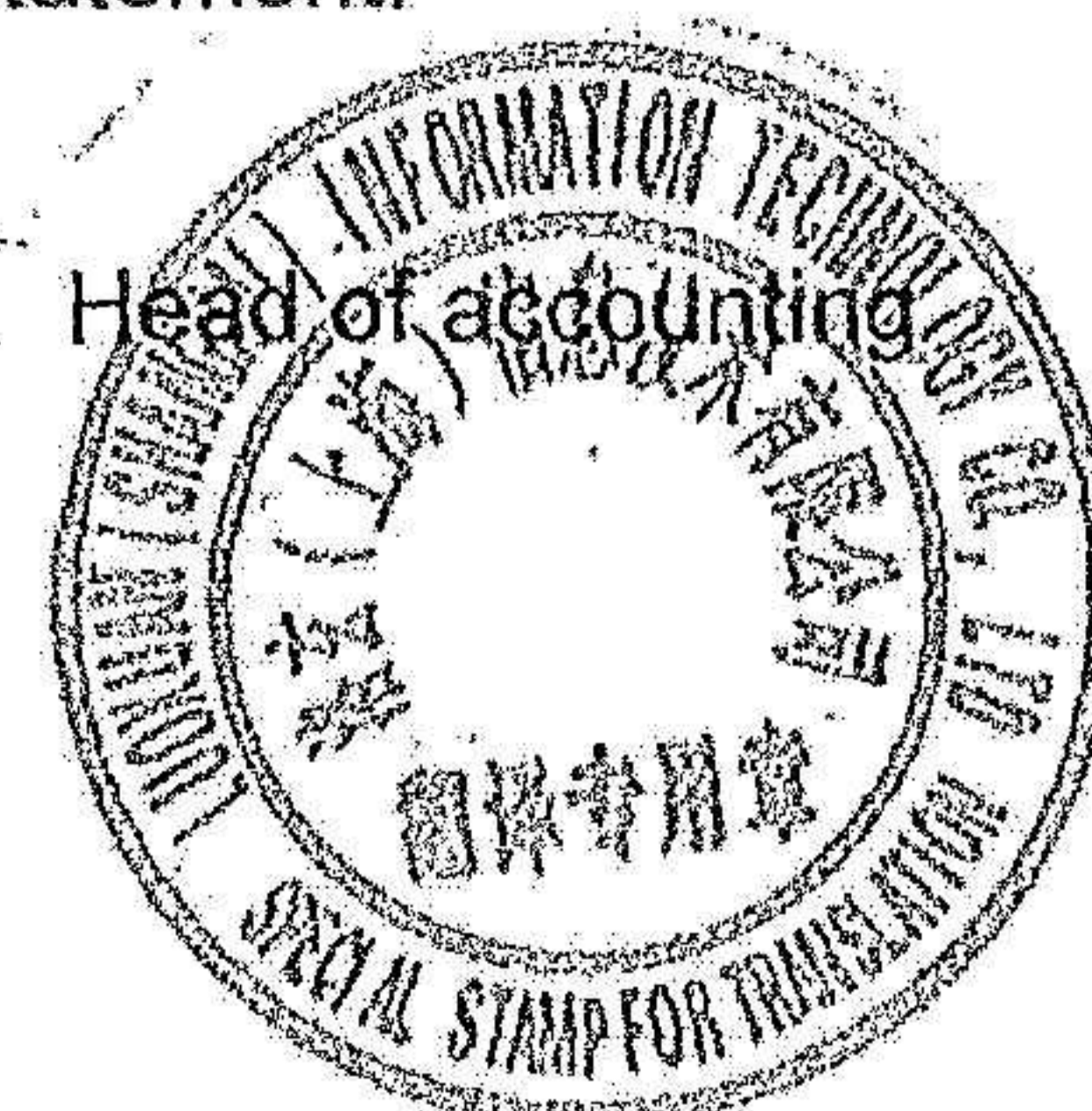
| Project | Note | December 31, 2022 | December 31, 2021 |
|--|----------|-------------------------|-------------------------|
| Current assets: | | | |
| Monetary fund | V. 1 | 59,799,315.11 | 124,023,017.34 |
| Trading financial assets | | | |
| Derivative financial assets | | | |
| Bills receivable | V. 2 | 3,558,940.00 | 1,412,309.28 |
| Accounts receivable | V. 3 | 171,599,909.99 | 180,555,554.81 |
| Receivables financing | V. 4 | 600,000.00 | |
| Advance payment | V. 5 | 30,715,236.34 | 51,817,287.97 |
| Other receivables | V. 6 | 46,440,891.91 | 80,673,977.90 |
| Including: interest receivable | | | |
| Dividend receivable | | | |
| Inventory | V. 7 | 76,471,760.08 | 99,242,918.87 |
| Contractual assets | V. 8 | 81,876,630.02 | 247,053,622.08 |
| Assets held for sale | | | 1.00 |
| Non-current assets due within one year | V. 9 | | 547,604.34 |
| Other current assets | V. 10 | 31,221,614.73 | 56,595,805.96 |
| Total current assets | | 502,284,298.18 | 841,922,099.55 |
| Non-current assets: | | | |
| Debt investment | | | |
| Other debt investment | | | |
| Long-term receivables | V. 11 | 868,915,449.27 | 44,549,525.41 |
| Long-term equity investment | V. 12 | 368,521,507.03 | 368,247,852.33 |
| Investment in other equity instruments | | | |
| Other non-current financial assets | | | |
| Investment properties | | | |
| Fixed assets | V. 13 | 272,941,368.14 | 289,242,712.98 |
| Construction in progress | V. 14 | 369,599,647.11 | 297,229,617.69 |
| Productive biological assets | | | |
| Oil and gas assets | | | |
| Right-of-use assets | V. 15 | 23,901,328.02 | 26,902,054.29 |
| Intangible assets | V. 16 | 87,492,016.30 | 89,620,311.74 |
| Development expenditure | | | |
| Goodwill | Five, 17 | 131,354,619.61 | 151,142,485.41 |
| Long-term prepaid expenses | V. 18 | 3,694,294.91 | 4,206,225.84 |
| Deferred income tax assets | V. 19 | 89,510,839.82 | 105,401,730.86 |
| Other non-current assets | V. 20 | 859,380,576.88 | 1,667,189,284.21 |
| Total non-current assets | | 3,075,311,647.09 | 3,043,731,800.76 |
| Total assets | | 3,577,595,945.27 | 3,885,653,900.31 |

The attached financial statement notes are an integral part of this financial statement.

Legal representative:  Person in charge of accounting work: 

agency 

SafBon Water Service (Holding) Inc., Shanghai (seal)






SafBon Water Service (Holding) Inc., Shanghai
 Consolidated Balance Sheet on December 31, 2022 (continued)
 (the unit of amount is RMB)

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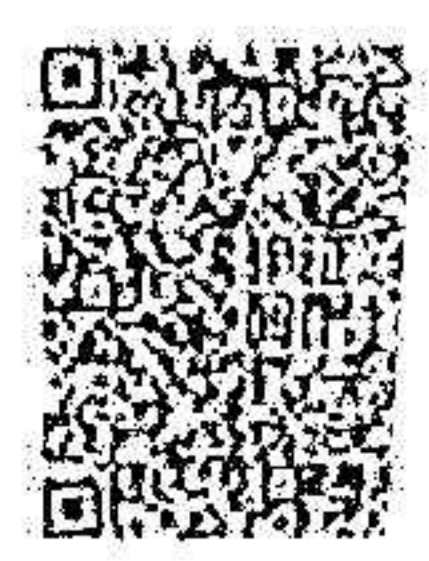
| Project | Note | December 31, 2022 | December 31, 2021 |
|--|-------|-------------------------|-------------------------|
| Current liabilities: | | | |
| Short-term loan | V. 21 | 671,534,859.89 | 656,995,194.07 |
| Trading financial liabilities | | | |
| Derivative financial liabilities | | | |
| Bills payable | | | |
| Accounts payable | V. 22 | 605,691,095.89 | 704,489,463.17 |
| Advances collections | | | |
| Contract liabilities | V. 23 | 92,938,342.41 | 101,728,299.95 |
| Payroll payable | V. 24 | 29,673,001.14 | 14,716,210.30 |
| Taxes payable | V. 25 | 79,636,467.84 | 109,227,604.87 |
| Other payables | V. 26 | 731,477,230.77 | 616,268,936.54 |
| Including: interest payable | | 67,236,716.82 | 11,370,736.39 |
| Dividend payable | | | |
| Liabilities held for sale | | | |
| Non-current liabilities due within one year | V. 27 | 280,765,752.87 | 607,847,527.14 |
| Other current liabilities | V. 28 | 89,291,831.93 | 69,733,362.82 |
| Total current liabilities | | 2,581,008,582.74 | 2,881,006,598.86 |
| Non-current liabilities: | | | |
| Long-term loan | V. 29 | 616,436,187.66 | 281,215,213.23 |
| Bond payable | | | |
| Including: preferred stock | | | |
| Perpetual bond | | | |
| Lease liabilities | V. 30 | 25,322,797.51 | 26,863,124.87 |
| Long-term payables | V. 31 | 46,031,216.51 | 42,016,272.46 |
| Long-term payroll payable | | | |
| Estimated liabilities | V. 32 | 210,590,742.00 | 142,882,259.82 |
| Deferred income | V. 33 | 2,080,344.00 | 3,115,559.08 |
| Deferred income tax liabilities | V. 19 | 1,937,092.22 | 4,373,857.66 |
| Other non-current liabilities | | | |
| Total non-current liabilities | | 902,398,379.90 | 500,466,287.12 |
| Total liabilities | | 3,483,406,962.64 | 3,381,472,885.98 |
| Owners' equity (or shareholders' equity): | | | |
| Paid-in capital (or share capital) | V. 34 | 669,766,999.00 | 669,766,999.00 |
| Other equity instruments | | | |
| Including: preferred stock | | | |
| Perpetual bond | | | |
| Capital reserve | V. 35 | 1,002,990,618.30 | 1,004,788,057.63 |
| Less: treasury stock | | | |
| Other comprehensive income | V. 36 | -7,819,004.74 | -19,975,260.21 |
| Special reserve | V. 37 | 12,441,294.89 | 12,487,166.45 |
| Surplus reserve | V. 38 | 52,990,089.66 | 52,990,089.66 |
| Undistributed profits | V. 39 | -1,553,299,457.03 | -1,167,157,512.25 |
| Total equity attributable to owners of the parent Company (or owners' equity) | | 177,070,540.08 | 552,899,540.28 |
| Minority shareholder equity | V. 40 | -82,881,557.45 | -48,718,525.95 |
| Total owners' equity (or shareholders' equity) | | 94,188,982.63 | 504,181,014.33 |
| Total liabilities and owners' equity (or shareholders' equity) | | 3,577,595,945.27 | 3,885,653,900.31 |

The attached financial statement notes are an integral part of this financial statement.

Legal representative:  Person in charge of accounting work:  Head of accounting: 

agency 

SafBon Water Service (Holding) Inc., Shanghai (seal)



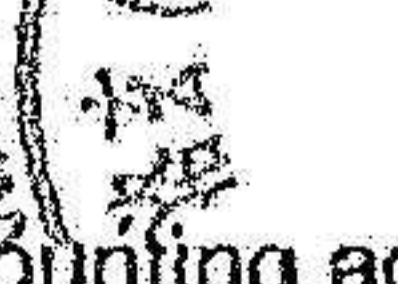


SafBon Water Service (Holding) Inc., Shanghai
 Balance sheet of the Company on December 31, 2022 (continued)
 (the unit of amount is RMB)

2023120808863

| Project | Note | December 31, 2022 | December 31, 2021 |
|--|--------|-------------------------|-------------------------|
| Current assets: | | | |
| Monetary fund | | 20,390,321.20 | 46,685,338.18 |
| Trading financial assets | | | |
| Derivative financial assets | | | |
| Bills receivable | | 1,029,470.00 | |
| Accounts receivable | XIV. 1 | 354,224,387.84 | 353,882,035.31 |
| Receivables financing | | 600,000.00 | |
| Advance payment | | 15,005,152.81 | 33,838,260.28 |
| Other receivables | XIV. 2 | 469,110,777.56 | 524,351,699.89 |
| Including: interest receivable | | | |
| Dividend receivable | | | |
| Inventory | | 35,740,965.48 | 24,396,716.49 |
| Contractual assets | | | |
| Assets held for sale | | | 1.00 |
| Non-current assets due within one year | | 13,880,000.00 | 14,427,604.34 |
| Other current assets | | 1,356,941.01 | 3,062,297.71 |
| Total current assets | | 911,338,015.90 | 1,000,643,953.20 |
| Non-current assets: | | | |
| Debt investment | | | |
| Other debt investment | | | |
| Long-term receivables | | 1,110,592,093.77 | 686,442,652.45 |
| Long-term equity investment | XIV. 3 | 2,318,226,806.75 | 2,336,380,415.57 |
| Investment in other equity instruments | | | |
| Other non-current financial assets | | | |
| Investment properties | | | |
| Fixed assets | | 61,114,266.27 | 64,183,065.47 |
| Construction in progress | | | |
| Productive biological assets | | | |
| Oil and gas assets | | | |
| Right-of-use assets | | | 103,842.00 |
| Intangible assets | | 4,104,798.74 | 4,450,006.91 |
| Development expenditure | | | |
| Goodwill | | | |
| Long-term prepaid expenses | | | |
| Deferred income tax assets | | 57,992,111.38 | 57,895,874.00 |
| Other non-current assets | | 147,719,482.02 | 523,644,702.52 |
| Total non-current assets | | 3,699,749,558.93 | 3,673,100,558.92 |
| Total assets | | 4,611,087,574.83 | 4,673,744,512.12 |

The attached financial statement notes are an integral part of this financial statement.

Legal representative:  Person in charge of accounting work:  Head of accounting agency: 

SafBon Water Service (Holding) Inc., Shanghai (seal)






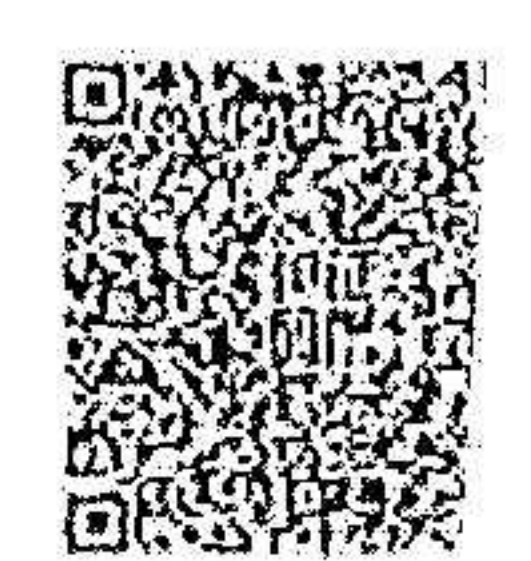
SafBon Water Service (Holding) Inc., Shanghai
 Consolidated balance sheet of the Company on December 31, 2022 (continued)
 (the unit of amount is RMB)

2023120808864

| Project | Note | December 31, 2022 | December 31, 2021 |
|---|------|-------------------------|-------------------------|
| Current liabilities | | | |
| Short-term loans | | 567,724,522.68 | 567,354,438.74 |
| Trading financial liabilities | | | |
| Derivative financial liabilities | | | |
| Bills payable | | | |
| Accounts payable | | 334,965,205.86 | 378,711,022.65 |
| Advances collections | | | |
| Contract liabilities | | 40,523,894.25 | 18,937,818.77 |
| Payroll payable | | 9,770,909.03 | 1,914,824.77 |
| Taxes payable | | 7,219,670.35 | 9,893,291.33 |
| Other payables | | 2,191,014,091.38 | 2,164,107,237.29 |
| Including: interest payable | | 23,119,491.80 | 2,928,347.49 |
| Dividend payable | | | |
| Liabilities held for sale | | | |
| Non-current liabilities due within one year | | 92,136,338.89 | 2,107,011.97 |
| Other current liabilities | | 55,473,992.43 | 42,215,846.20 |
| Total current liabilities | | 3,298,828,624.87 | 3,185,241,491.72 |
| Non-current liabilities: | | | |
| Long-term loan | | | 91,035,812.69 |
| Bond payable | | | |
| Including: preferred stock | | | |
| Perpetual bond | | | |
| Lease liabilities | | | |
| Long-term payables | | 33,260,821.49 | 31,971,130.49 |
| Long-term payroll payable | | | |
| Estimated liabilities | | 13,987,530.27 | 18,751,088.98 |
| Deferred income | | 2,080,344.00 | 3,115,559.08 |
| Deferred income tax liabilities | | | |
| Other non-current liabilities | | | |
| Total non-current liabilities | | 49,328,695.76 | 144,873,591.24 |
| Total liabilities | | 3,348,157,320.63 | 3,330,115,082.96 |
| Owners' equity (or shareholders' equity): | | | |
| Paid-in capital (or share capital) | | 669,766,999.00 | 669,766,999.00 |
| Other equity instruments | | | |
| Including: preferred stock | | | |
| Perpetual bond | | | |
| Capital reserve | | 986,011,506.58 | 986,011,506.58 |
| Less: treasury stock | | | |
| Other comprehensive income | | | |
| Special reserve | | 9,375,089.17 | 9,420,960.73 |
| Surplus reserve | | 52,990,089.66 | 52,990,089.66 |
| Undistributed profits | | -455,213,430.21 | -374,560,126.81 |
| Total owners' equity (or shareholders' equity) | | 1,262,930,254.20 | 1,343,629,429.16 |
| Total liabilities and owners' equity (or shareholders' equity) | | 4,611,087,574.83 | 4,673,744,512.12 |

The attached financial statement notes are an integral part of this financial statement.

Legal representative:  Person in charge of accounting work:  Head of accounting agency: 



SafBon Water Service (Holding) Inc., Shanghai (seal)

SafBon Water Service (Holding) Inc., Shanghai
Consolidated income statement in 2022
(the unit of amount is RMB)




| Project | Note | 2022 | 2021 |
|--|-------|------------------------|--------------------------|
| I. Total operating income | | 263,639,938.73 | 136,231,604.74 |
| Including: operating income | V. 41 | 263,639,938.73 | 136,231,604.74 |
| II. Total operating costs | | 596,685,023.13 | 941,615,286.93 |
| Including: operating cost | V. 41 | 221,923,229.84 | 541,936,469.61 |
| Taxes and surcharges | V. 42 | 2,546,071.84 | 4,228,906.62 |
| Sales expenses | V. 43 | 78,072,750.23 | 58,989,307.75 |
| G&A expense | V. 44 | 115,082,093.28 | 170,020,283.89 |
| R&D expenses | V. 45 | 16,524,738.84 | 38,553,250.33 |
| Finance expense | V. 46 | 162,536,139.10 | 127,887,068.73 |
| Including: interest expense | | 159,289,872.26 | 140,258,242.25 |
| Interest income | | 2,609,835.21 | 1,211,041.60 |
| Plus: other income | V. 47 | 1,312,276.53 | 7,512,257.71 |
| Investment income (losses are filled and listed in "-") | V. 48 | 111,597,613.80 | 4,526,488.72 |
| Including: investment income to joint venture and cooperative enterprise | | 9,712,706.08 | -2,777,667.75 |
| Financial assets derecognition income measured at amortized cost | | | |
| Net exposure hedging gains (losses are filled and listed in "-") | | | |
| Fair value change gains (losses are filled and listed in "-") | | | |
| Credit impairment losses (losses are filled and listed in "-") | V. 49 | -41,381,431.91 | -140,899,076.29 |
| Assets impairment loss (losses are filled and listed in "-") | V. 50 | -74,060,768.34 | -388,382,074.80 |
| Assets disposal gains (losses are filled and listed in "-") | | | |
| III. Operating profit (losses are filled and listed in "-") | | -335,577,394.32 | -1,322,626,086.85 |
| Plus: non-operating income | V. 51 | 1,314,856.56 | 488,455.52 |
| Less: non-operating expenses | V. 52 | 60,813,548.09 | 67,348,173.46 |
| IV. Total profits (losses are filled and listed in "-") | | -395,076,085.85 | -1,389,485,804.79 |
| Less: income tax expense | V. 53 | 13,580,823.16 | -432,384.30 |
| V. Net profit (net losses are filled and listed in "-") | | -408,656,909.01 | -1,389,053,420.49 |
| (I) Classified by business continuity: | | | |
| 1. Net profit from going concern (net losses are filled and listed in "-") | | -408,656,909.01 | -1,389,053,420.49 |
| 2. Net profit from discontinued operations (net losses are filled and listed in "-") | | | |
| (II) Classified by ownership: | | | |
| 1. Net profit attributable to owners of the parent Company | | -386,141,944.78 | -1,303,691,542.22 |
| 2. Minority shareholder profit or loss | | -22,514,964.23 | -85,361,878.27 |
| VI. Net after-tax amount of other comprehensive income | | 11,993,524.59 | 10,697.12 |
| Net after-sale amount of other comprehensive income attributable to owners of the parent Company | | 12,156,255.47 | 24,719,572.22 |
| (I) Other comprehensive income that cannot be | | | |



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| | | | |
|--|-------|------------------------|--------------------------|
| reclassified into profit or loss | | | |
| 1. Remeasure and set change amount in benefit plan | | | |
| 2. Other comprehensive income that cannot be transferred to profit or loss under the equity method | | | |
| 3. Change in fair value of investment in other equity instruments | | | |
| 4. Change in fair value of the enterprise's own credit risk | | | |
| (II) Other comprehensive income reclassified into profit or loss | | 12,156,255.47 | -4,719,572.22 |
| 1. Other comprehensive income of gains and losses transferable under the equity method | | | |
| 2. Change in fair value of other debt investment | | | |
| 3. The amount of financial assets reclassified into other comprehensive income | | | |
| 4. Provision for credit impairment of other debt investment | | | |
| 5. Cash flow hedging reserve | | | |
| 6. Foreign currency financial statement conversion difference | | 12,156,255.47 | -4,719,572.22 |
| Net after-sale amount of other comprehensive income attributable to minority shareholder | | -162,730.88 | -2,291,124.90 |
| VII. Total comprehensive income | | -396,663,384.42 | -1,396,064,117.61 |
| Total comprehensive income attributable to owners of the parent Company | | -373,985,689.31 | -1,308,411,114.44 |
| Total comprehensive income attributable to minority shareholder | | -22,677,695.11 | -87,653,003.17 |
| VIII. EPS | | | |
| (I) Basic EPS | XV. 2 | -0.5765 | -1.9465 |
| (II) Diluted earnings per share | XV. 2 | -0.5765 | -1.9465 |

The attached financial statement notes are an integral part of this financial statement.

Legal representative:  Person in charge of accounting work:  Head of accounting agency: 

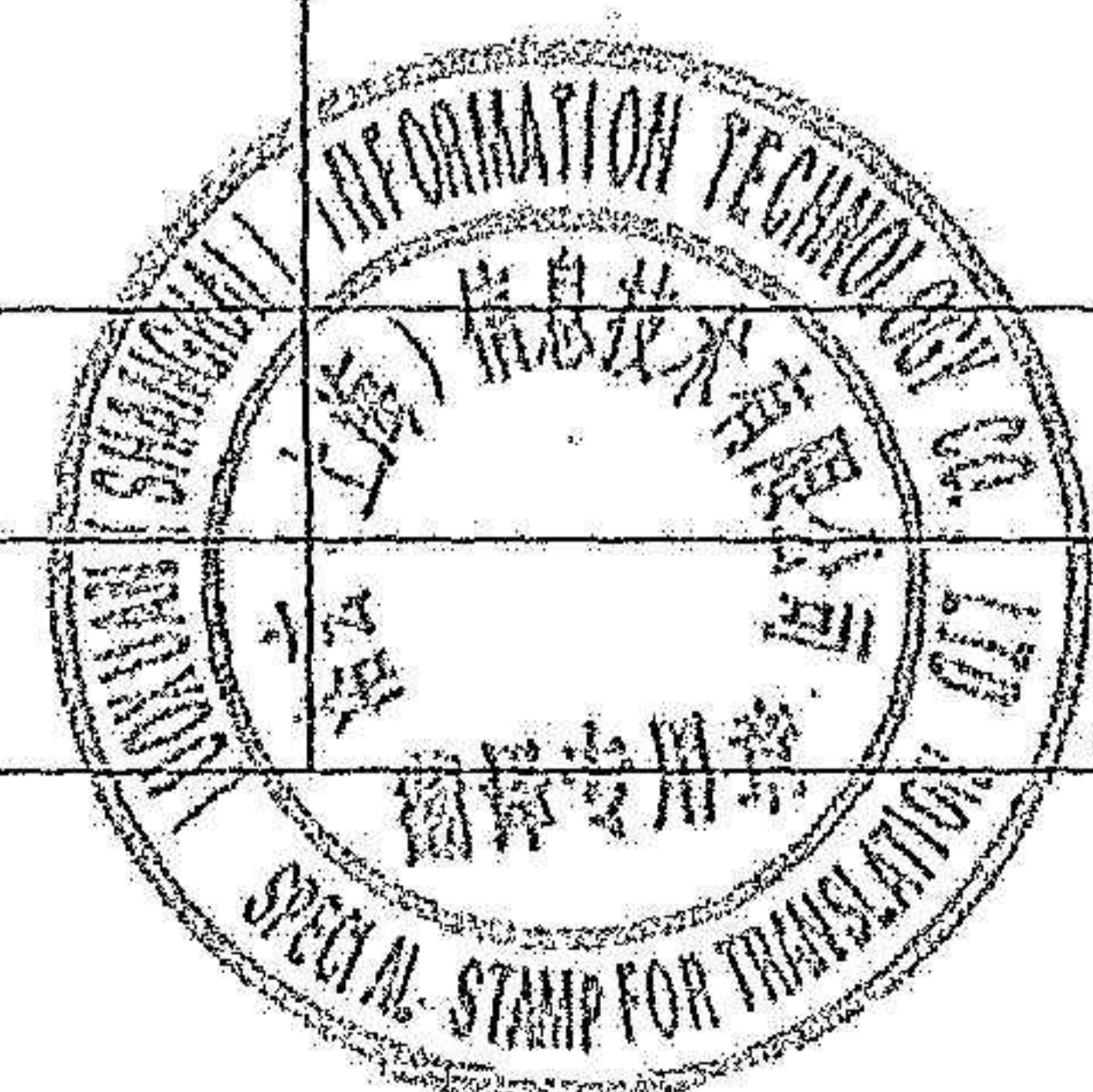
SafBon Water Service (Holding) Inc., Shanghai (seal)



SafBon Water Service (Holding) Inc., Shanghai
Income statement of the Company in 2022
(the unit of amount is RMB)

2023120808867




| Project | Note | 2022 | 2021 |
|--|--------|-----------------------|------------------------|
| I. Total operating income | | 31,185,041.51 | -87,367,599.37 |
| Including: operating income | XIV. 4 | 31,185,041.51 | -87,367,599.37 |
| II. Total operating costs | | 146,439,229.41 | 301,869,640.43 |
| Including: operating cost | XIV. 4 | 28,777,825.32 | 155,467,563.82 |
| Taxes and surcharges | | 512,641.61 | 710,750.44 |
| Sales expenses | | 2,260,579.67 | 5,734,093.17 |
| G&A expense | | 32,740,505.88 | 43,510,509.27 |
| R&D expenses | | 12,428,266.77 | 31,507,927.05 |
| Finance expense | | 69,719,410.16 | 64,938,796.68 |
| Including: interest expense | | 80,441,204.45 | 76,008,583.18 |
| Interest income | | 126,802.75 | 12,730,585.36 |
| Plus: other income | | 1,159,239.53 | 1,159,734.64 |
| Investment income (losses are filled and listed in "-") | XIV. 5 | 53,604,033.92 | -37,046,590.01 |
| Including: investment income to joint venture and cooperative enterprise | | 9,488,003.23 | 6,876,497.74 |
| Financial assets derecognition income measured at amortized cost | | | |
| Net exposure hedging income (losses are filled and listed in "-") | | | |
| Fair value change gains (losses are filled and listed in "-") | | | |
| Credit impairment losses (losses are filled and listed in "-") | | -9,949,628.66 | -57,103,882.97 |
| Assets impairment loss (losses are filled and listed in "-") | | | -156,505,150.13 |
| Assets disposal gains (losses are filled and listed in "-") | | | |
| III. Operating profit (losses are filled and listed in "-") | | -70,440,543.11 | -638,733,128.27 |
| Plus: non-operating income | | 35,809.45 | 15,658.91 |
| Less: non-operating expenses | | 10,344,807.12 | 2,329,357.56 |
| IV. Total profit (losses are filled and listed in "-") | | -80,749,540.78 | -641,046,826.92 |
| Less: income tax expense | | -96,237.38 | -25,563,135.10 |
| V. Net profit (losses are filled and listed in "-") | | -80,653,303.40 | -615,483,691.82 |
| (I) Net profit from continuing operations (losses are filled and listed in "-") | | -80,653,303.40 | -615,483,691.82 |
| (II) Net profit from discontinued operations (losses are filled and listed in "-") | | | |
| VI. Net after-tax amount of other comprehensive income | | | |
| (I) Other comprehensive income that cannot be reclassified into profit or loss | | | |
| 1. Remeasure and set change amount in benefit plan | | | |
| 2. Other comprehensive income that cannot be transferred to profit or loss under the equity method | | | |
| 3. Change in fair value of investment in other equity instruments | | | |
| 4. Change in fair value of the enterprise's own credit risk | | | |



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| | | | |
|--|--|-----------------------|------------------------|
| (II) Other comprehensive income reclassified into profit and loss | | | |
| 1. Other comprehensive income of gains and losses transferable under the equity method | | | |
| 2. Change in fair value of other debt investment | | | |
| 3. The amount of financial assets reclassified into other comprehensive income | | | |
| 4. Provision for credit impairment of other debt investment | | | |
| 5. Cash flow hedging reserves | | | |
| 6. Foreign currency financial statement conversion difference | | | |
| 7. Others | | | |
| Net after-sale amount of other comprehensive income attributable to minority shareholder | | | |
| VII. Total comprehensive income | | -80,653,303.40 | -615,483,691.82 |

The attached financial statement notes are an integral part of this financial statement.

Legal representative:  Person in charge of accounting work:  Head of accounting agency: 

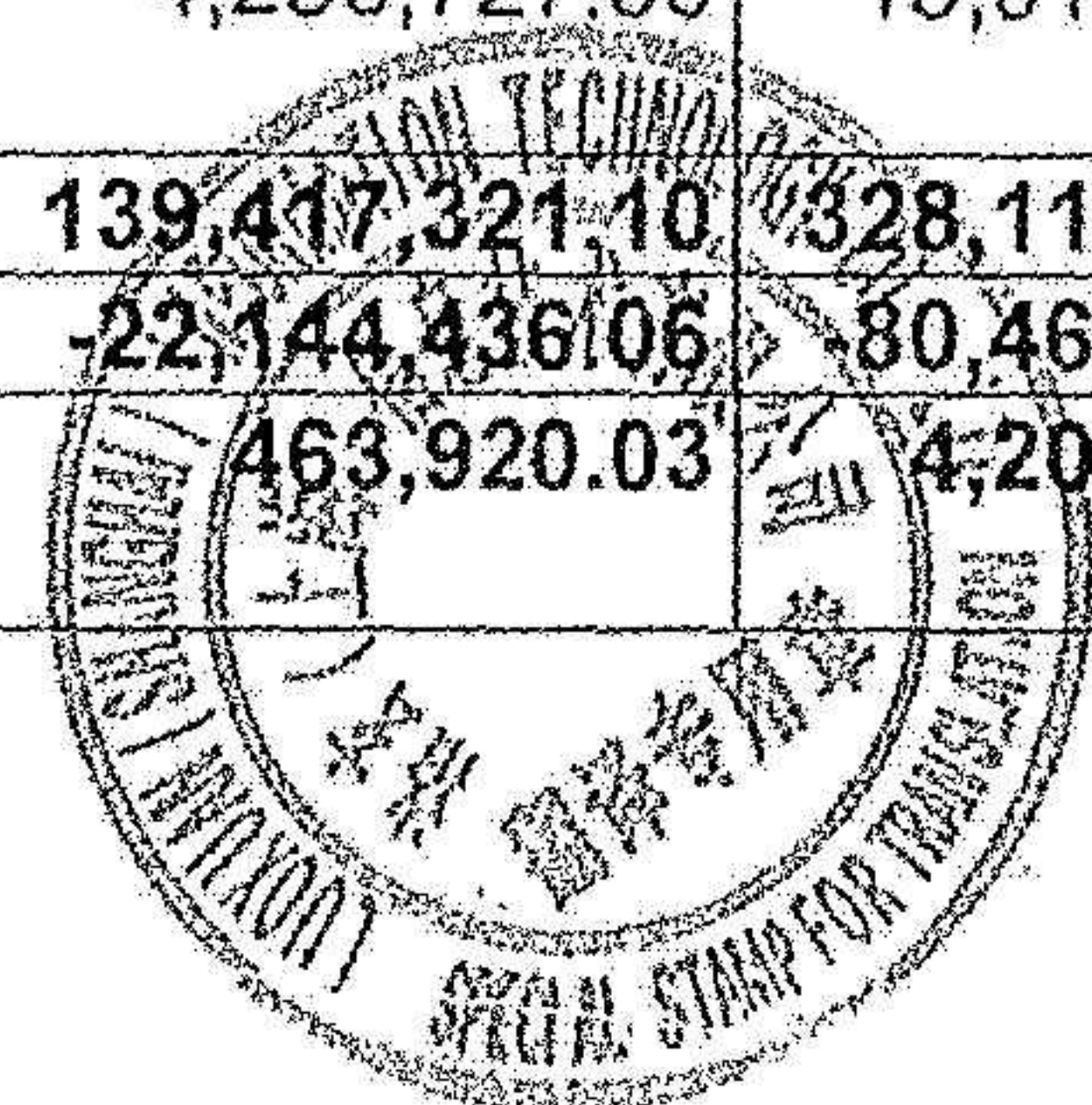
SafBon Water Service (Holding) Inc., Shanghai (seal)



SafBon Water Service (Holding) Inc., Shanghai
 Consolidated statement of cash flows in 2022
 (the unit of amount is RMB)

2023120808869




| Project | Note | 2022 | 2021 |
|--|----------|-----------------------|-----------------------|
| I. Cash flow arising from operating activities: | | | |
| Cash received from sales of goods and rendering of services | | 330,832,247.75 | 687,290,466.90 |
| Refund of tax received | | 2,074,665.63 | 1,731,927.48 |
| Receive of cash in connection with other operating activities | V. 54(1) | 113,640,086.34 | 205,165,298.62 |
| Sub-total of operating activity cash inflows | | 446,546,999.72 | 894,187,693.00 |
| Cash paid for purchase of goods and rendering of services | | 227,253,394.89 | 350,465,632.18 |
| Cash payment to and for employees | | 109,336,762.71 | 139,976,341.74 |
| Taxes paid | | 11,651,388.98 | 26,367,240.94 |
| Payment of cash in connection with other operating activities | V. 54(2) | 87,340,898.10 | 266,810,244.37 |
| Sub-total of operating activity cash outflows | | 435,582,444.68 | 783,619,459.23 |
| Net amount of operating activity cash flows | | 10,964,555.04 | 110,568,233.77 |
| II. Cash flow arising from investment activities: | | | |
| Cash received from recovery of investment | | | |
| Cash received from acquisition of investment income | | | 19,600,014.60 |
| Net amount of cash recovered from disposal of fixed assets, intangible assets and other long-term assets | | 2,631,362.42 | 3,109,641.40 |
| Net amount of cash received from disposal of subsidiary and other business units | | 3,950,001.00 | 1,600,000.00 |
| Receive of cash in connection with other investment activities | | | |
| Sub-total of investment activity cash inflows | | 6,581,363.42 | 24,309,656.00 |
| Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets | | 640,078.06 | 13,454,715.89 |
| Cash paid for investment | | | |
| Net amount of cash paid by subsidiary and other business units | | | 96,451,844.00 |
| Payment of cash in connection with other investment activities | V. 54(3) | | 996,608.33 |
| Sub-total of investment activity cash outflows | | 640,078.06 | 110,903,168.22 |
| Net amount of investment activity cash flows | | 5,941,285.36 | -86,593,512.22 |
| III. Cash flow arising from financing activities: | | | |
| Cash received from the absorption of investment | | | |
| Including: cash received from subsidiary absorption of minority shareholder investment | | | |
| Cash received from borrowings | | 114,572,885.04 | 163,096,256.08 |
| Cash received from bond issuance | | | |
| Receive of other cash in connection with financing activities | V. 54(4) | 2,700,000.00 | 84,550,244.56 |
| Sub-total of financing activity cash inflows | | 117,272,885.04 | 247,646,500.58 |
| Cash paid for debt repayments | | 91,382,088.74 | 237,734,883.01 |
| Cash paid for distribution of dividend, profits or repayment of interest | | 43,738,505.00 | 74,459,032.46 |
| Including: dividend and profits paid by the subsidiary to the minority shareholder | | | |
| Payment of cash in connection with other financing activities | V. 54(5) | 4,296,727.36 | 15,918,264.73 |
| Sub-total of financing activity cash outflows | | 139,417,321.10 | 328,112,180.20 |
| Net amount of financing activity cash flows | | -22,144,436.06 | 80,465,679.62 |
| IV. Effect of exchange rate changes on cash and cash equivalents | | 463,920.03 | 4,209,891.11 |

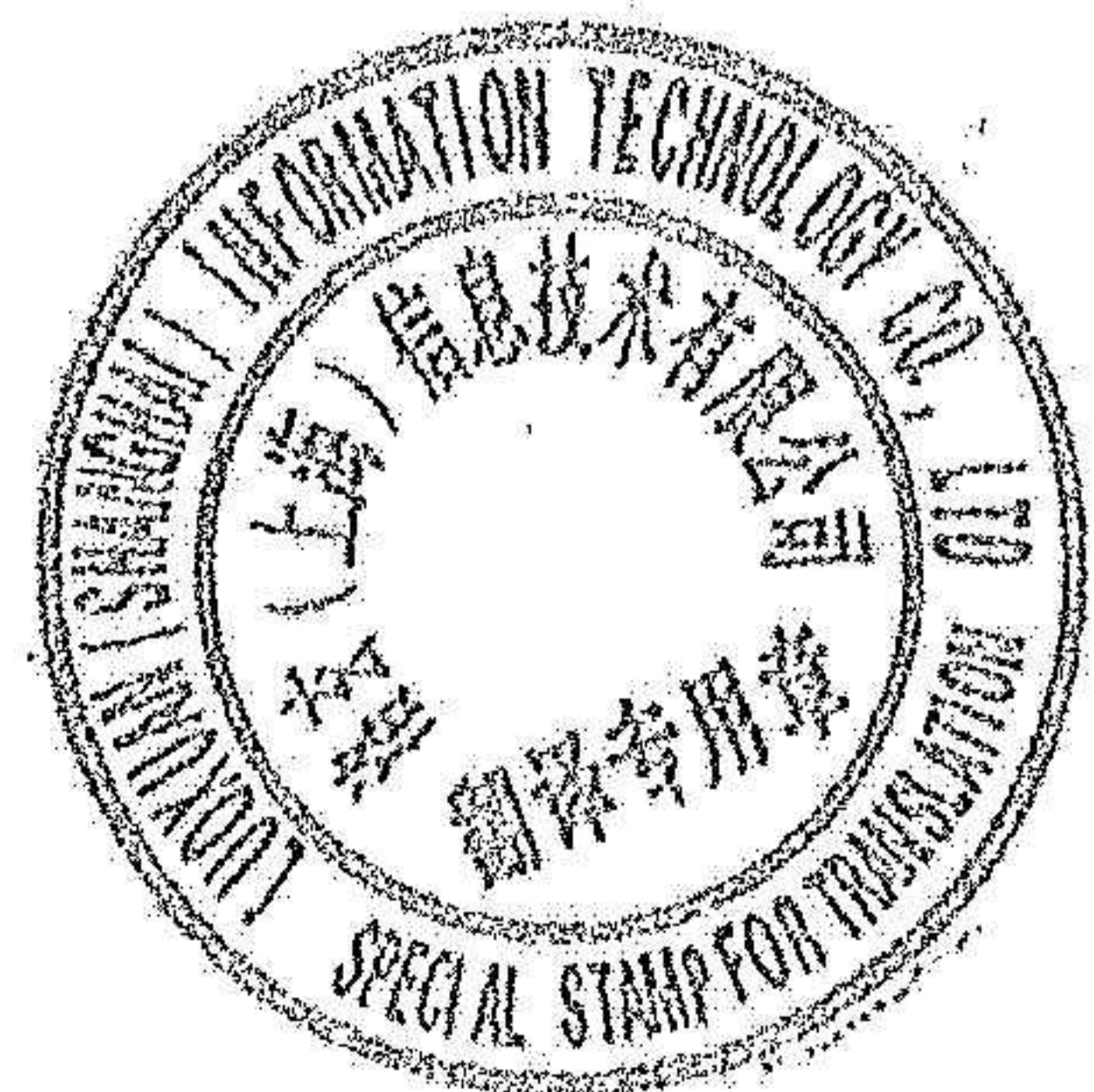


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| | | | |
|---|--|---------------|----------------|
| V. Net increase in cash and cash equivalents | | -4,774,675.63 | -52,281,066.96 |
| Plus: balance of cash and cash equivalents at the beginning of the period | | 39,867,554.70 | 92,148,621.66 |
| VI. Balance of cash and cash equivalents at the end of the period | | 35,092,879.07 | 39,867,554.70 |

The attached financial statement notes are an integral part of this financial statement.

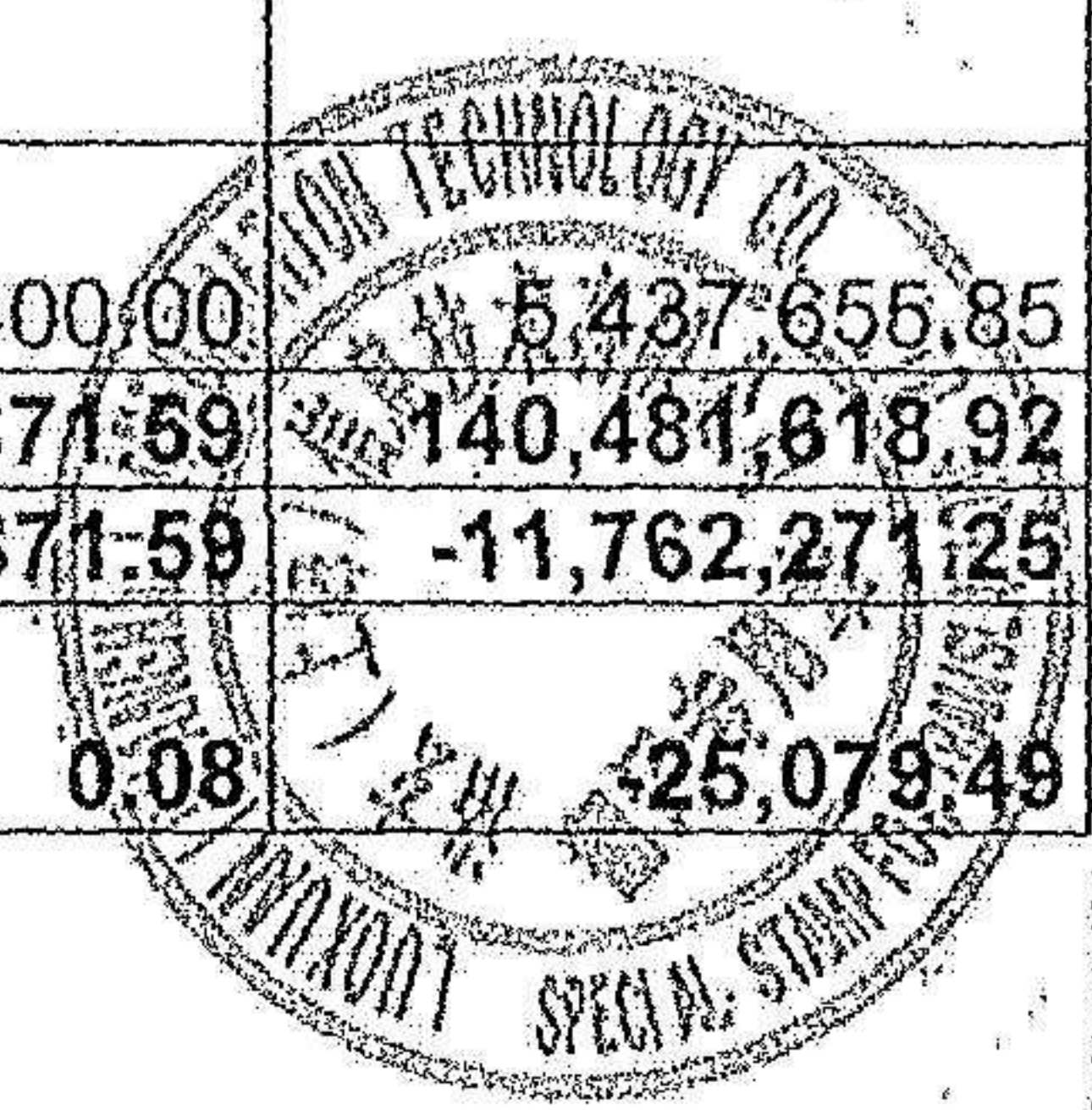
Legal representative:  Person in charge of accounting work:  Head of accounting agency: 
SafBon Water Service (Holding) Inc., Shanghai (seal)



SafBon Water Service (Holding) Inc., Shanghai
Cash flow statement of the Company in 2022
(the unit of amount is RMB)

2023120808871




| Project | Note | 2022 | 2021 |
|--|------|-----------------------|-----------------------|
| I. Cash flow arising from operating activities | | | |
| Cash received from sales of goods and rendering of services | | 22,335,590.57 | 115,365,537.09 |
| Refund of tax received | | 4,218.61 | |
| Receive of cash in connection with other operating activities | | 121,017,608.77 | 366,125,302.37 |
| Sub-total of operating activity cash inflows | | 143,357,417.95 | 481,490,839.46 |
| Cash paid for purchase of goods and rendering of services | | 45,203,007.86 | 96,140,449.69 |
| Cash payment to and for employees | | 12,672,233.14 | 13,333,153.32 |
| Taxes paid | | 502,353.38 | 4,120,606.27 |
| Payment of cash in connection with other operating activities | | 83,857,106.77 | 318,329,939.04 |
| Sub-total of operating activity cash outflows | | 142,234,701.15 | 431,924,148.32 |
| Net amount of operating activity cash flows | | 1,122,716.80 | 49,566,691.14 |
| II. Cash flow arising from investment activities: | | | |
| Cash received from recovery of investment | | | |
| Cash received from acquisition of investment income | | | 19,600,000.00 |
| Net amount of cash recovered from disposal of fixed assets, intangible assets and other long-term assets | | | 3,500.00 |
| Net amount of cash received from disposal of subsidiary and other business units | | 3,950,001.00 | 1,600,000.00 |
| Receive of cash in connection with other investment activities | | | |
| Sub-total of investment activity cash inflows | | 3,950,001.00 | 21,203,500.00 |
| Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets | | 1,039.00 | 93,610.88 |
| Cash paid for investment | | | 50,000,000.00 |
| Net amount of cash paid by subsidiary and other business units | | | 6,231,844.00 |
| Payment of cash in connection with other investment activities | | | |
| Sub-total of investment activity cash outflows | | 1,039.00 | 56,325,454.88 |
| Net amount of investment activity cash flows | | 3,948,962.00 | -35,121,954.88 |
| III. Cash flow arising from financing activities: | | | |
| Cash received from the absorption of investment | | | |
| Including: cash received from subsidiary absorption of minority shareholder investment | | | |
| Cash received from borrowings | | 90,000,000.00 | 94,800,000.00 |
| Cash received from bond issuance | | | |
| Receive of other cash in connection with financing activities | | 2,700,000.00 | 33,919,347.67 |
| Sub-total of financing activity cash inflows | | 92,700,000.00 | 128,719,347.67 |
| Cash paid for debt repayments | | 78,470,197.28 | 121,122,084.80 |
| Cash paid for distribution of dividend, profits or repayment of interest | | 18,689,274.31 | 13,921,878.27 |
| Including: dividend and profits paid by the subsidiary to the minority shareholder | | | |
| Payment of cash in connection with other financing activities | | 2,756,400.00 | 5,437,655.85 |
| Sub-total of financing activity cash outflows | | 99,915,871.59 | 140,481,618.92 |
| Net amount of financing activity cash flows | | -7,215,871.59 | -11,762,271.25 |
| IV. Effect of exchange rate changes on cash and cash equivalents | | | |

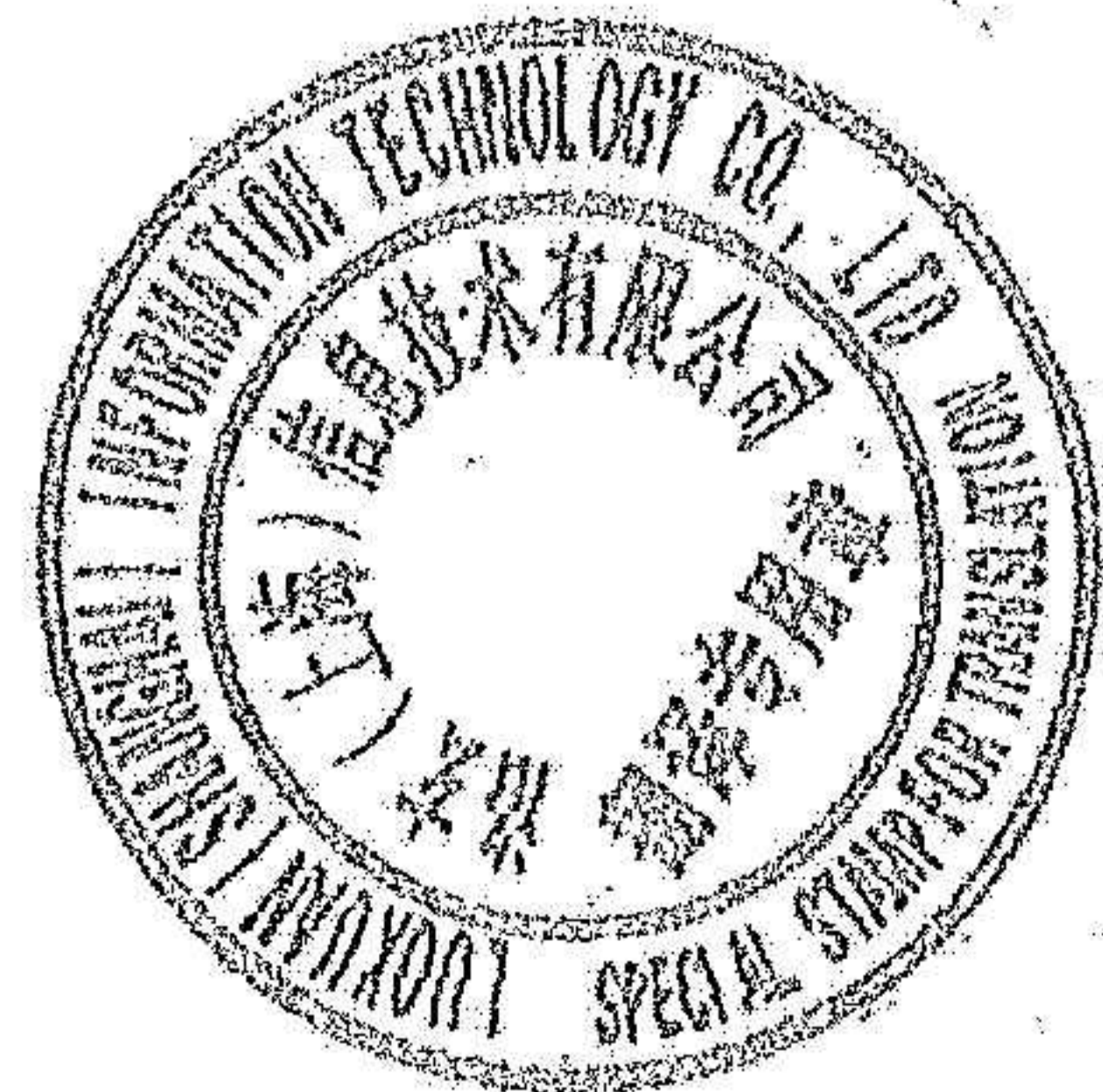


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| | | | |
|---|--|---------------|--------------|
| V. Net increase in cash and cash equivalents | | -2,144,192.71 | 2,657,385.52 |
| Plus: balance of cash and cash equivalents at the beginning of the period | | 3,380,509.04 | 723,123.52 |
| VI. Balance of cash and cash equivalents at the end of the period | | 1,236,316.33 | 3,380,509.04 |

The attached financial statement notes are an integral part of this financial statement.

Legal representative:  Person in charge of accounting work:  Head of accounting agency: 
SafBon Water Service (Holding) Inc., Shanghai (seal)



Audit report

Zhong Hui Zi (2023) No. 05485

All shareholders of the SafBon Water Service (Holding) Inc., Shanghai:

(I) Audit opinion

We have audited the financial statement of the SafBon Water Service (Holding) Inc., Shanghai (hereinafter referred to as the "SafBon Water Service Company"), including the merger and corporate balance sheet on December 31, 2022, the merger and corporate income statement, the merger and corporate cash flow statement, the merger and corporate statement of changes in owner's equity and the related financial statement notes in 2022.

In our opinion, the attached financial statement have been prepared, in all material respects, in accordance with the Accounting Standards for Business Enterprises and presented fairly the merger and corporate financial position of SafBon Water Service Company on December 31, 2022 and the merger and corporate operation results and cash flows in 2022.

(II) Basis for forming audit opinions

We have conducted our audit in accordance with the Chinese Auditing Standards for CPA. Our responsibilities under these standards are further elaborated in the audit report "CPA's responsibilities for financial statement audit" section. In accordance with the Ethics Code for CPA in China, we are independent of SafBon Water Service Company and have fulfilled other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(III) Key audit matters

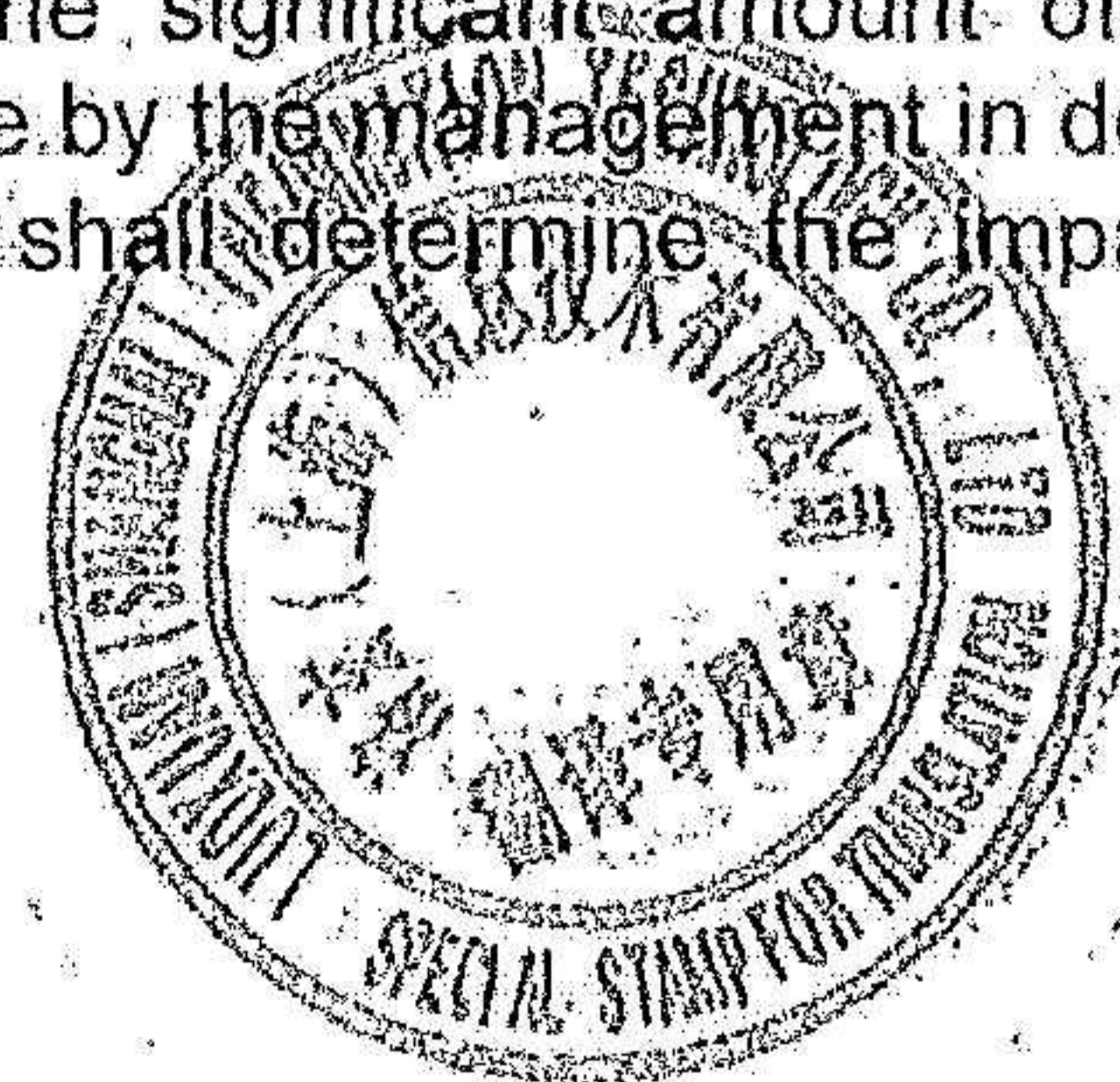
Key audit matters are the matters that, in our professional judgment, we consider to be the most important for the financial statement audit in 2022. The response to these matters is based on the audit of the financial statement as a whole and the formation of audit opinions, and we do not express separate opinions on these matters.

1. Accounts receivable and contractual assets impairment

Key audit matters:

As of December 31, 2022, as described in the financial statement "Notes 5, 2", "Notes 5, 3", "Notes 5, 4", "Notes 5, 6", "Notes 5, 8", "Notes 5, 11" and "Notes 5, 20", the total original value of bills receivable, accounts receivable, receivables financing, other receivables, long-term receivables (hereinafter collectively referred to as "accounts receivable"), contractual assets and other non-current assets (hereinafter collectively referred to as "contractual assets") in the financial statement of SafBon Water Service (Holding) consolidated financial statement is RMB 2,725.7804mn, the total provision for impairment is RMB693.408mn, and the book value is RMB2, 032.3724mn. The accounts receivable and contractual assets book value are relatively large.

When there is objective evidence showing that there is impairment in the accounts receivable and the contractual assets, SafBon Water Service (Holding) management shall make provisions for individual impairment based on the difference of the present value of the estimated future cash flow lower than the book value. For accounts receivable and contractual assets for which there is no impairment objective evidence, SafBon Water Service (Holding) management shall divide them into certain portfolios for evaluation according to the credit risk characteristics. Due to the significant amount of accounts receivable and contractual assets and the significant judgment made by the management in determining the accounts receivable and contractual assets impairment, we shall determine the impairment of accounts receivable and contractual assets as key audit matters.



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Response in the audit:

(1) Understand and evaluate the rationality of the design of the internal control system for accounts receivable and contractual assets management by SafBon Water Service (Holding) management (hereinafter referred to as the management), and test the effectiveness of the implementation of the internal control for management accounts receivable and contractual assets provision for impairment;

(2) Review the accounts receivable of provision for impairment accrued in previous years and the subsequent actual write-off or reversal of contractual assets, and evaluate the accuracy of the management past forecasts;

(3) Review the relevant considerations and objective evidence of the management credit risk assessment on accounts receivable and contractual assets, and evaluate whether the management properly identify the credit risk characteristics of various accounts receivable and contractual assets;

(4) For the accounts receivable and contractual assets of measuring the expected credit loss on an individual project basis, obtain and check the management forecast of the expected cash flow charged, and evaluate the reasonableness of the key assumptions used in the forecast and the accuracy of the data;

(4) For the accounts receivable and contractual assets of measuring the expected credit loss on a portfolio basis, evaluate the reasonableness of the portfolio classified by the management according to credit risk characteristics; evaluate the reasonableness of the comparison table of accounts receivable account age and expected credit loss rate determined by the management on the basis of historical credit losses experience and forward-looking estimates; test the accuracy and completeness of the management use data (including accounts receivable and contractual assets account age, historical loss rate, migration rate, etc.); check whether the calculation of impairment provision is accurate;

(5) The confirmation procedure shall be carried out for the samples selected from the accounts receivable and contractual assets ending balance, and the payment after the period shall be paid attention to determine whether there is any risk.

(IV) Other information

The SafBon Water Service Company management (hereinafter referred to as the management) is responsible for other information. Other information includes information covered in SafBon Water Service Company 2022 Annual Report, but excludes financial statement and our audit report.

Our audit opinion on the financial statement does not cover other information, nor do we express any form of assurance conclusions on other information.

In connection with our audit of the financial statement, our responsibility is to read other information and, in doing so, consider whether other information is materially inconsistent with the financial statement or what we have learned during the audit or appears to be materially misstated.

Based on the work we have performed, if we determine that there is a material misstatement in other information, we should report that fact. In this regard, we have no subject to report.

(V) Responsibilities of the management and governance layer to financial statement

The SafBon Water Service Company management (hereinafter referred to as the management) is responsible for preparing the financial statement in accordance with the provisions of the Accounting Standards for Business Enterprises to achieve a fair reflection, and designing, implementing and maintaining necessary internal control to ensure that the financial statement is free from material misstatement due to fraud or error.

In preparing the financial statement, the management is responsible for assessing the SafBon Water Service Company's ability to continue as a going concern, disclosing matters related to going concern, and applying the going concern assumption, unless the management plans to liquidate the SafBon Water Service Company, discontinue operations, or have no other realistic alternative.

The governance layer is responsible for overseeing the SafBon Water Service Company financial reporting process.

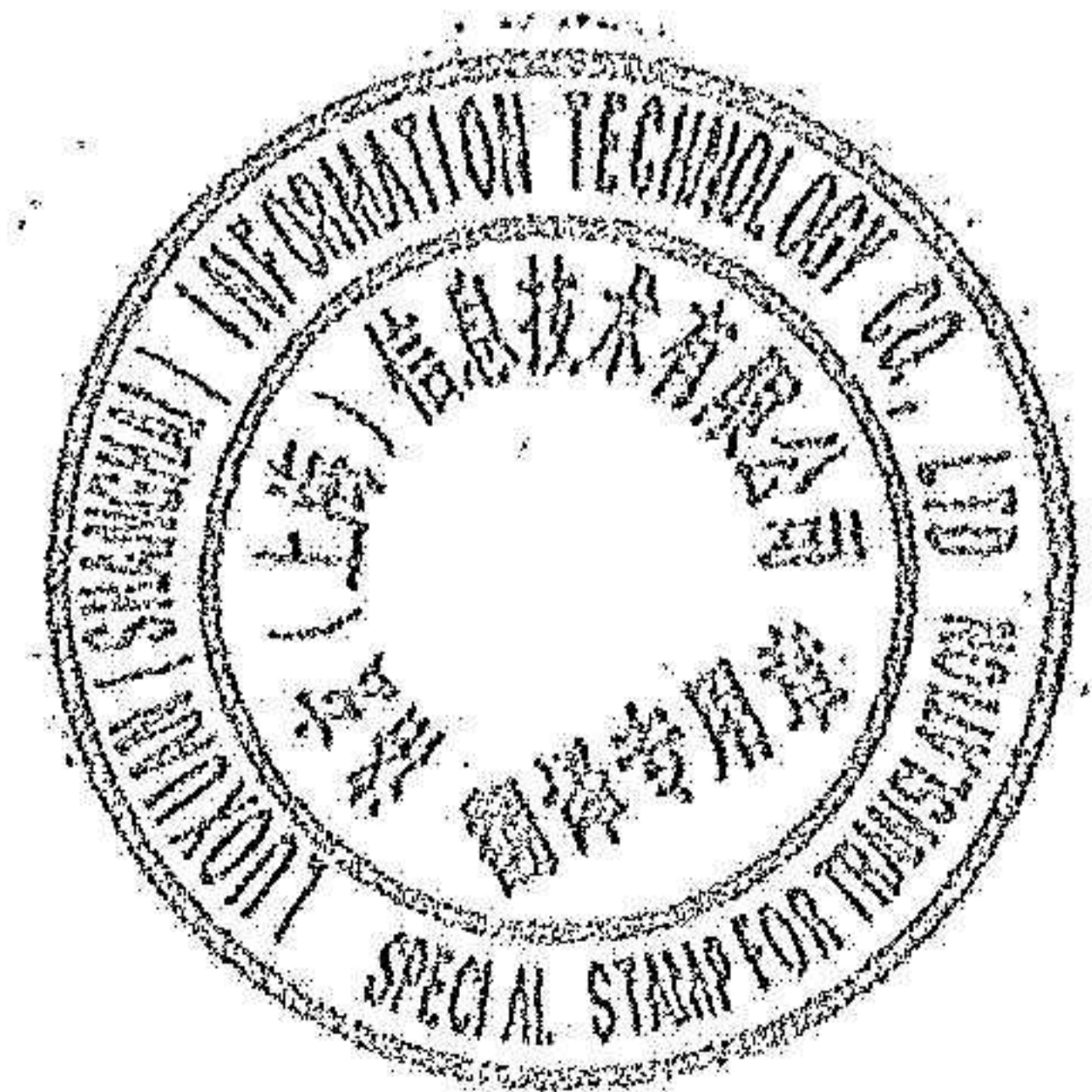
(VI) Responsibilities of CPA for financial statement audit

Our objective is to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatements, whether due to fraud or error, and to issue an audit report that includes an



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opinion on the audit. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the audit standards will always be detected a material misstatement when it exists. Misstatements may be due to fraud or error, and are generally considered material if they are reasonably expected, individually or in the aggregate, to affect the economic decisions made by financial statement users on the basis of the financial statement.



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We have exercised professional judgment and maintained professional skepticism in performing our audit under the Auditing Standards. At the same time, we also implement the following work:

(1) Identify and assess financial statement risks of material misstatement, whether due to fraud or error, design and implement audit procedures to address these risks, and obtain sufficient and appropriate audit evidence as a basis for expressing audit opinions. The risk of not detecting a material misstatement due to fraud is higher than that due to error, as fraud may involve collusion, forgery, willful omission, misrepresentation or override of internal control.

(2) Understand internal control related to auditing in order to design appropriate audit procedures, but the purpose is not to express an opinion on the effectiveness of internal control.

(3) Evaluate the appropriateness of selecting the accounting policies and the reasonableness of making accounting estimates and related disclosures by the management.

(4) Draw a conclusion on the appropriateness of the management to use the going concern assumption. At the same time, based on the audit evidence obtained, a conclusion is drawn as to whether there is a material uncertainty in matters or circumstances that may cause significant doubt about the SafBon Water Service Company's ability to continue as a going concern. If we conclude that there is a material uncertainty, the auditing standards require us to draw the attention of statements users to the relevant disclosures in the financial statement in the audit report; if the disclosure is insufficient, we should express a non-unqualified opinion. Our conclusions are based on information available as of the audit report date. However, future events or circumstances may cause the SafBon Water Service Company to be unable to continue as a going concern.

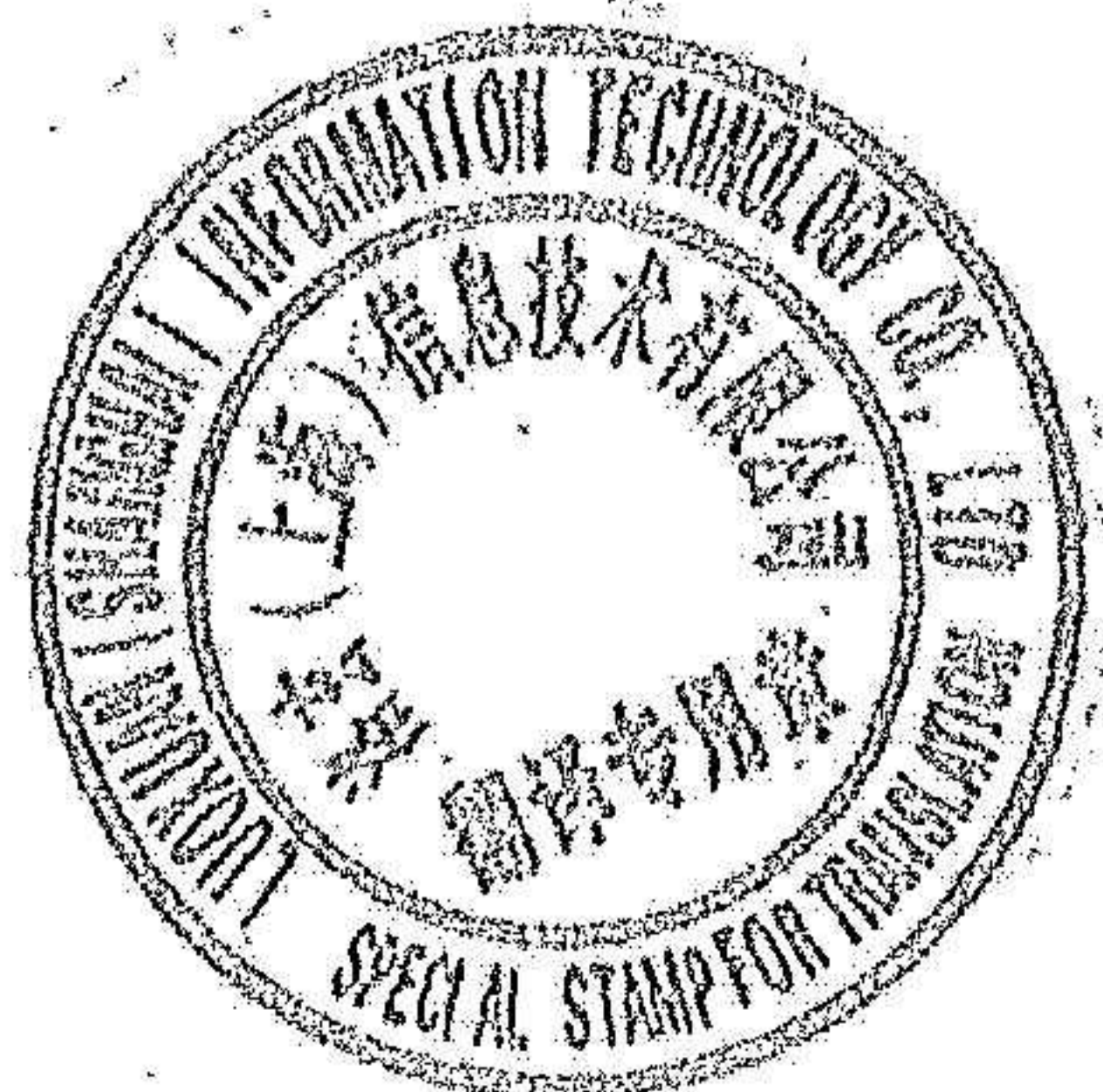
(5) Evaluate the overall presentation, structure and content (including disclosure) of the financial statement, and evaluate whether the financial statement fairly reflects the relevant transactions and matters.

(6) Obtain sufficient and appropriate audit evidence on the financial information of the entity or business activities in the SafBon Water Service Company to express an audit opinion on the financial statement. We are responsible for the direction, supervision and performance of the group audit and remain solely responsible for the audit opinion.

We communicated with the governance layer on matters such as the planned audit scope, timing and significant audit findings, including communicating internal control deficiencies of concern that we identified during our audit.

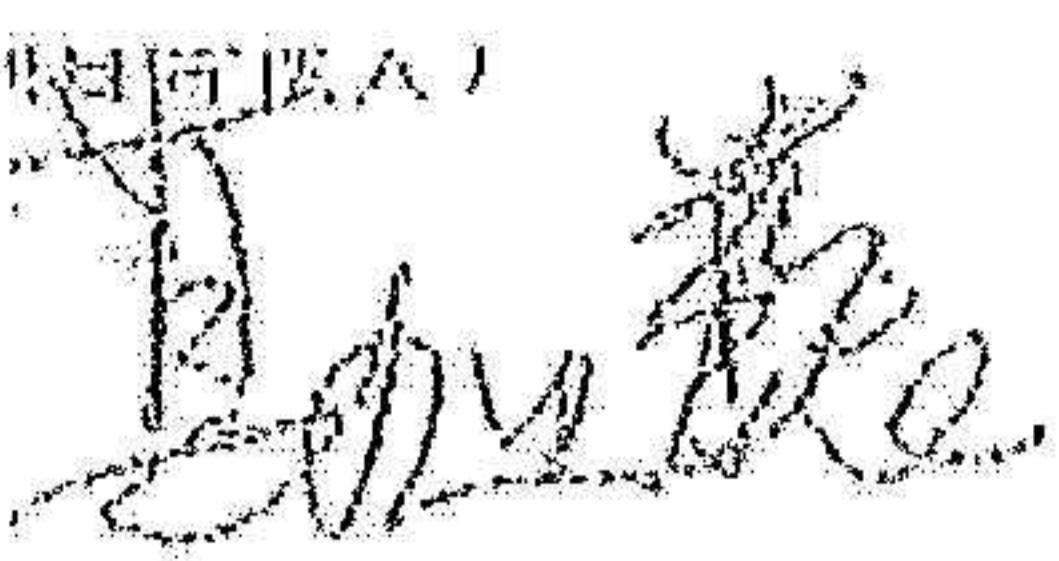

We also provide a statement to the governance layer regarding we have complied with ethical requirements relating to our independence and communicate with the governance layer about all relationships and other matters that may reasonably be considered to affect our independence, as well as related precautions.

From the matters we have communicated with the governance layer, we determine which matters are most important to the financial statement audit in the current period and therefore constitute key audit matters. We describe these matters in our audit report unless public disclosure of these matters is prohibited by law or regulation or, in rare cases, we determine that we should not communicate a matter in our audit report if the adverse consequences of communicating the matter in our audit report would reasonably be expected to outweigh the benefits in the public interest.



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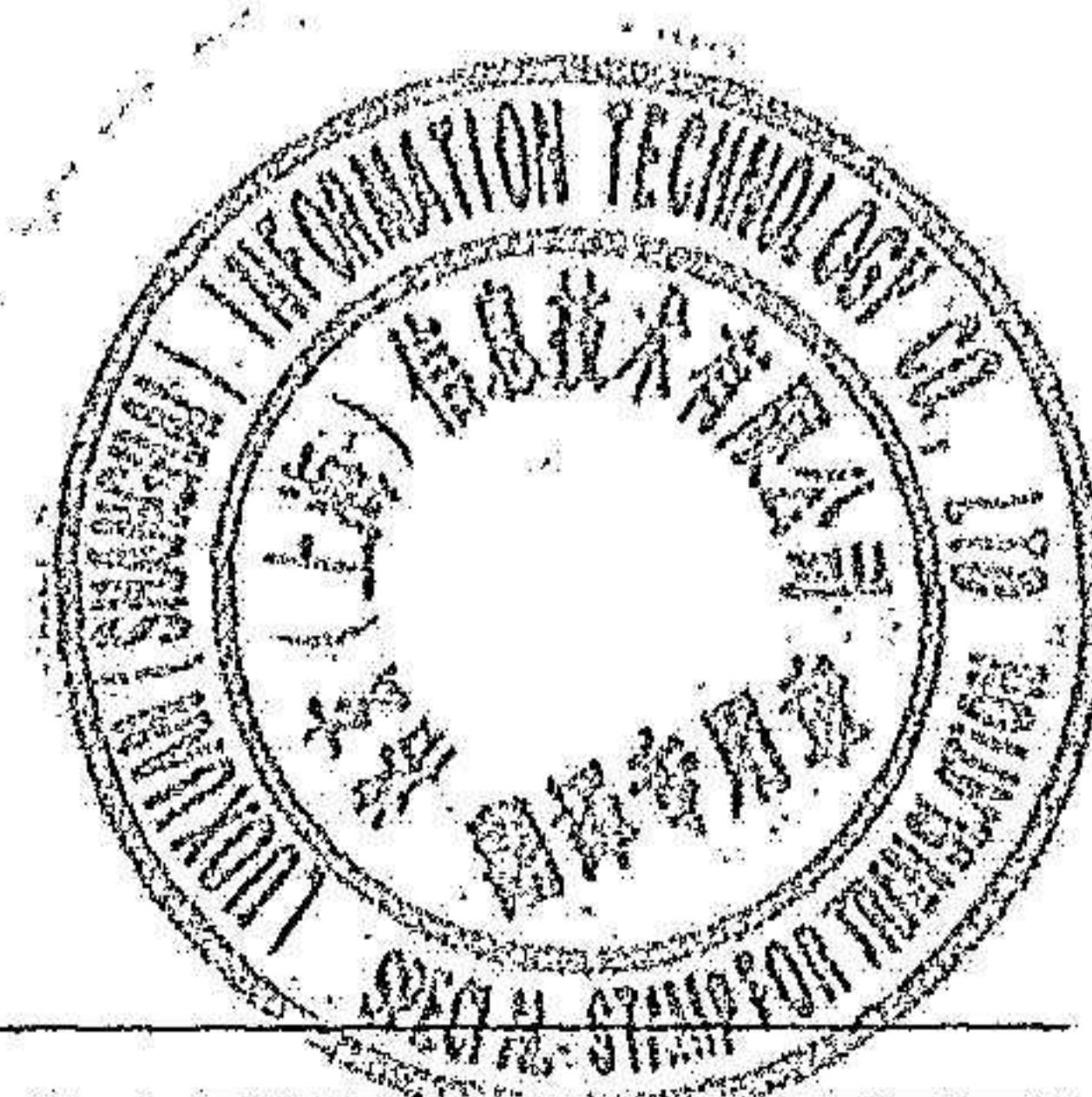
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| | | |
|---|---|--|
| Zhonghua Certified Public Accountants (special general partnership) | CPA in China (project partner): | |
| |  CPA in China | |
| Shanghai, China |  April 26, 2023 | |

Zhonghua Certified Public Accountants (Special General Partnership) (seal)

Mo Xuwei of Chinese CPA (seal)

Wang Tao of Chinese CPA (seal)



Zhonghua Certified Public Accountants LLP
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 T: 02163525500 F021-63525566 Web: www.zhonghuacpa.com

