

Stock code: 301035

Stock abbreviation: Rainbow Chemical

Announcement No.: 2023-064

## SHANDONG WEIFANG RAINBOW CHEMICAL CO.,LTD

### The Third Quarter Report of 2023

The Company and all members of the Board of Directors warrant that the contents of the Quarterly Report are true, accurate and complete, without false records, misleading statements or major omissions.

#### Important notes:

1. The Board of Directors, Board of Supervisors, directors, supervisors and senior management warrant that the contents of the Quarterly Report are true, accurate and complete, without false records, misleading statements or major omissions, and shall bear individual and collective legal liabilities.
2. The legal representative of the Company, the chief accountant in charge, and the chief of the accounting institution (accounting supervisor), stated that the financial report in the Quarterly Report is true, accurate and complete.
3. Whether the Third Quarter Report is audited

Yes  No

## I. Key Financial Data

### (I) Key accounting data and financial indexes

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

Yes  No

	Q3 2023	Year-on-year increase or decrease	From the start of 2023 to the end of Q3 2023	Year-on-year increase or decrease
Operating income (RMB)	3,475,391,281.15	-15.99%	8,518,893,985.17	-28.51%
Net profit attributable to shareholders of the Company (RMB)	297,230,701.58	-28.93%	721,621,504.36	-44.74%
Net profit attributable to shareholders of the Company excluding non-recurring gains and losses (RMB)	296,836,814.30	-29.25%	716,335,101.21	-45.43%
Net cash flow from operating activities (RMB)	--	--	-246,078,338.95	-111.63%
Basic earnings per share (RMB/Share)	1.07	-29.61%	2.60	-45.26%
Diluted earnings per share (RMB/Share)	1.06	-29.80%	2.58	-45.45%
Weighted average return on net assets	4.68%	-2.51%	11.42%	-12.51%
	End of Q3 2023	End of 2022	Year-on-year increase or decrease	
Total assets (RMB)	14,228,247,904.23	11,598,874,181.42	22.67%	
Equity attributable to shareholders of the Company (RMB)	6,504,920,188.55	6,184,265,166.56	5.19%	

### (II) Items and amounts of non-recurring gains and losses

Applicable  Not applicable

Unit: RMB

Item	Amount of Q3 2023	Amount from the start of 2023 to the end of Q3 2023	Notes
Gain and loss on disposal of non-current assets (including the write-off portion of asset impairment provision)	17,577.08	-3,080,973.27	
Government subsidies included in current gains and losses (closely related to normal operational business of the Company, excluding the continuous government subsidies of certain amount or quota complying with national policies)	1,104,399.55	6,695,597.76	
Profits and losses in fair value	32,909.02	100,467.38	

from trading financial assets and trading financial liabilities, as well as investment income from disposal of trading financial assets, trading financial liabilities, and financial assets available for sale, except for effective hedging business related to the normal operation of the Company			
Other non-operating revenue and expenditure other than those mentioned above	-687,097.64	1,732,957.74	
Less: Affected amount of income tax	6,273.09	148,651.93	
Affected amount of minority shareholders' equity (after tax)	67,627.64	12,994.53	
<b>Total</b>	<b>393,887.28</b>	<b>5,286,403.15</b>	<b>--</b>

Other gains and losses items that meet the definition of non-recurring gains and losses:

Applicable  Not applicable

There are no other gains and losses items of the Company that meet the definition of non-recurring gains and losses.

Reasons for the non-recurring profit and loss items listed in *Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 - Non-recurring Gains and Losses* recognized as recurring gains and losses items

Applicable  Not applicable

There is no circumstance where the non-recurring profit and loss items listed in *Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 - Non-recurring Gains and Losses* are recognized as recurring gains and losses items.

### (III) Changes to key accounting data and financial indexes and reasons

Applicable  Not applicable

#### 1. Balance sheet items

Unit: RMB

Item	September 30, 2023	December 31, 2022	Change (%)	Reason for change
Pre-payments	178,838,899.86	75,294,804.30	137.52%	Mainly due to the increase in prepayment for purchasing raw materials during the reporting period
Other receivables	48,246,140.24	33,525,890.70	43.91%	Mainly due to the increase in reserve fund for business travels during the reporting period
Inventory	2,950,638,881.55	1,657,230,533.12	78.05%	Mainly due to the increase in local inventory of some overseas subsidiaries during the reporting period
Other current assets	444,183,849.66	184,823,557.40	140.33%	Mainly due to the increase in input tax credit of subsidiaries and in prepaid taxes during the reporting period
Other non-current assets	109,793,027.67	69,616,034.81	57.71%	Mainly due to the increase in payment for construction projects during the reporting period

Short-term loan	1,758,518,957.06	404,206,509.66	335.05%	Mainly due to the increase in bank borrowings during the reporting period
Accounts payable	1,232,792,267.87	753,042,513.89	63.71%	Mainly due to the increase in credit purchases during the reporting period
Contract liability	98,164,136.73	46,035,630.83	113.24%	Mainly due to the increase in advance payments from customers during the reporting period
Lease liability	12,739,026.34	8,595,962.05	48.20%	Mainly due to the increase in office leasing caused by the establishment of more new overseas subsidiaries during the reporting period

## 2. Income statement items

Unit: RMB

Item	January-September 2023	January-September 2022	Change (%)	Reason for change
Operating cost	6,591,428,361.19	9,425,611,062.95	-30.07%	Mainly due to the decrease in cost due to the price decrease of most of the active pharmaceutical ingredient products during the reporting period
Financial expenses	-46,575,991.60	-436,359,035.46	89.33%	Mainly due to the decrease in exchange gains caused by the fluctuation of exchange rates during the reporting period
Investment returns	-228,488,390.61	-60,492,810.75	-277.71%	Mainly due to investment losses from disposal of derivative financial assets during the reporting period
Income from changes in fair value	53,774,061.86	-399,356,767.11	-113.47%	Mainly due to changes in the fair value of derivative financial assets during the reporting period
Credit impairment losses	-43,601,963.15	-80,290,630.61	45.69%	Mainly due to credit impairment losses on accounts receivable during the reporting period
Asset impairment losses	486,336.57	1,738,356.82	-72.02%	Mainly due to the reserve for the decline of inventories during the reporting period
Gains from asset disposal	850,034.53	126,624.97	571.30%	Mainly due to the increase in income from disposal of non-current assets during the reporting period
Non-operating income	11,943,433.62	23,203,007.30	-48.53%	Mainly due to losses from scrapping of non-current assets during the reporting period
Income tax expenses	113,258,125.87	201,047,731.59	-43.67%	Mainly due to the decrease in profits during the reporting period

## 3. Cash flow statement items

Unit: RMB

Item	January-September 2023	January-September 2022	Change (%)	Reason for change
Net cash flow from operating activities	-246,078,338.95	2,115,819,098.24	-111.63%	Mainly due to the decrease in cash received from the sale of goods and the provision of services
Net cash flow in investment activities	-641,070,393.53	-194,536,750.54	-229.54%	Mainly due to investment expenditures in new and continued construction projects
Net cash flow from financing activities	411,177,977.26	-1,278,718,840.25	132.16%	Mainly due to the increase in cash received from bank borrowings

## II. Shareholder Information

(I) The number of common shareholders, the number of preferred shareholders whose voting rights have been restored and the shareholdings of the top ten shareholders

Unit: Share

Number of common shareholders as of the end of Q3 2023		6,260	Number of preferred shareholders whose voting rights have been restored as of the end of Q3 2023 (if any)		0	
Shareholding of the top ten shareholders						
Shareholder name	Shareholder nature	Shareholding ratio	Shareholding quantity	Quantity of restricted shares held	Pledge, mark or freeze	
					Share status	Quantity
Shandong Rainbow Investment Co., Ltd.	Domestic non-state-owned legal person	41.47%	114,911,237	114,911,237	Pledge	22,880,000
KONKIA INC	Overseas legal person	22.08%	61,191,800	61,191,800		
Shandong Rainbow Agriculture Investment Co., Ltd.	Domestic non-state-owned legal person	4.73%	13,105,690	13,105,690		
Orient Securities Company Limited - Zhonggeng Value Pioneer Equity Securities Investment Fund	Other	3.46%	9,590,684	0		
Industrial and Commercial Bank of China Co., Ltd. - BOCOM Schroder Trend Priority Hybrid Securities Investment Fund	Other	3.22%	8,927,604	0		
Jinan Xinbo Investment Co., Ltd.	Domestic non-state-owned legal person	2.83%	7,840,686	0	Pledge	6,827,700
Pei Xubo	Domestic natural person	2.81%	7,799,613	0		
China Merchants Bank Co., Ltd. - BOCOM Schroder Qicheng Hybrid Securities Investment Fund	Other	1.08%	3,004,957	0		
Yuanxin (Zhuhai) Private Equity Fund Management Co., Ltd. - Yuanxin China Value Growth No. 9 Private Securities Investment Fund	Other	0.56%	1,548,824	0		
China Construction Bank Corporation - Guotai Great Health Equity Securities	Other	0.53%	1,461,288	0		

Investment Fund				
Shareholding of top ten shareholders of unrestricted shares				
Shareholder name	Quantity of unrestricted shares held	Type and quantity of shares		
		Type	Quantity	
Orient Securities Company Limited - Zhonggeng Value Pioneer Equity Securities Investment Fund	9,590,684	RMB-denominated common shares	9,590,684	
Industrial and Commercial Bank of China Co., Ltd. - BOCOM Schroder Trend Priority Hybrid Securities Investment Fund	8,927,604	RMB-denominated common shares	8,927,604	
Jinan Xinbo Investment Co., Ltd.	7,840,686	RMB-denominated common shares	7,840,686	
Pei Xubo	7,799,613	RMB-denominated common shares	7,799,613	
China Merchants Bank Co., Ltd. - BOCOM Schroder Qicheng Hybrid Securities Investment Fund	3,004,957	RMB-denominated common shares	3,004,957	
Yuanxin (Zhuhai) Private Equity Fund Management Co., Ltd. - Yuanxin China Value Growth No. 9 Private Securities Investment Fund	1,548,824	RMB-denominated common shares	1,548,824	
China Construction Bank Corporation - Guotai Great Health Equity Securities Investment Fund	1,461,288	RMB-denominated common shares	1,461,288	
Hong Kong Securities Clearing Company Ltd.	1,332,438	RMB-denominated common shares	1,332,438	
Yuanxin (Zhuhai) Private Equity Fund Management Co., Ltd. - CITIC Capital China Value Growth No. 1 Private Securities Investment Fund	1,155,045	RMB-denominated common shares	1,155,045	
Guotai Asset Management Co., Ltd. - Social Security Fund 421 Portfolio	1,136,866	RMB-denominated common shares	1,136,866	
Explanation of the above-mentioned shareholder relationship or concerted action	1. Shandong Rainbow Investment Co., Ltd., KONKIA INC and Shandong Rainbow Agriculture Investment Co., Ltd. are enterprises controlled by Wang Wencai, Sun Guoqing and Qiu Hongbing, the actual controllers of the Company. 2. Apart from that, the Company does not know whether the top ten shareholders and top ten shareholders of unrestricted shares are associated or are persons acting in concert under the Measures for the Administration of the Takeover of Listed Companies.			
Engagement of the top 10 shareholders in securities margin trading business (if any)	As of the end of this reporting period: 1. Pei Xubo holds 5,877,311 shares through the customer credit transaction guarantee securities account of securities company; 2. Yuanxin (Zhuhai) Private Equity Fund Management Co., Ltd. - Yuanxin China Value Growth No. 9 Private Securities Investment Fund holds 1,548,824 shares through the customer credit trading guarantee securities account of security company; 3. Yuanxin (Zhuhai) Private Equity Fund Management Co., Ltd. - CITIC Capital China Value Growth No. 1 Private Securities Investment Fund holds 155,000 shares through the customer credit transaction guarantee securities account of security company.			

## (II) The number of preferred shareholders of the Company and the shareholdings of the top ten preferred shareholders

Applicable  Not applicable

## (III) Changes in restricted shares

Applicable  Not applicable

## III. Other Important Matters

Applicable  Not applicable

## IV. Quarterly Financial Statements

### (I) Financial statements

#### 1. Consolidated balance sheet

Prepared by: Shandong Weifang Rainbow Chemical Co., Ltd.

September 30, 2023

Unit: RMB

Item	September 30, 2023	January 1, 2023
Current assets:		
Monetary funds	3,502,488,026.65	3,793,952,509.17
Deposit reservation for balance		
Lending to banks and other financial institutions		
Financial assets held for trading	6,000,000.00	8,542,688.56
Derivative financial assets		
Notes receivable	55,864,770.98	59,112,584.14
Accounts receivable	4,156,296,823.04	3,201,703,461.53
Receivables financing	1,058,894.00	680,000.00
Pre-payments	178,838,899.86	75,294,804.30
Premium receivable		
Re-insurance accounts receivable		
Reserves for re-insurance contract receivable		
Other receivables	48,246,140.24	33,525,890.70
Including.: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreement		
Inventory	2,950,638,881.55	1,657,230,533.12
Contracted assets		
Assets held for sale		
Non-current assets that mature within one year		
Other current assets	444,183,849.66	184,823,557.40
Total current assets	11,343,616,285.98	9,014,866,028.92
Non-current assets:		
Disbursed loans and advances		
Debt investments		
Other debt investment		
Long-term receivables		

Long-term equity investment	1,340,768.22	1,669,386.12
Other equity instrument investment		
Other non-current financial assets		
Investment real estate	8,668,227.79	9,136,334.57
Fixed assets	1,951,308,387.59	1,691,830,176.47
Construction in progress	364,946,441.64	360,840,138.91
Productive biological assets		
Oil and gas assets		
Assets with rights of use	16,209,020.94	15,379,959.49
Intangible assets	217,541,129.67	226,245,165.26
Development expenditure		
Goodwill	94,866,025.56	94,866,025.56
Long-term deferred expenses	27,318,987.35	31,898,939.40
Deferred income tax assets	92,639,601.82	82,525,991.91
Other non-current assets	109,793,027.67	69,616,034.81
Total non-current assets	2,884,631,618.25	2,584,008,152.50
Total assets	14,228,247,904.23	11,598,874,181.42
Current liabilities:		
Short-term loan	1,758,518,957.06	404,206,509.66
Borrowings from the central bank		
Borrowing from banks and financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities	63,418,370.94	122,183,523.97
Notes payable	3,796,759,622.02	3,367,152,536.58
Accounts payable	1,232,792,267.87	753,042,513.89
Advance receipts		254,920.26
Contract liability	98,164,136.73	46,035,630.83
Financial assets sold for repurchase		
Deposits and interbank deposits received		
Amount received from agency trading of securities		
Amount received from agency underwriting of securities		
Payroll payable	154,907,267.17	191,738,722.30
Taxes payable	132,101,081.27	106,896,314.07
Other payables	51,324,022.78	43,899,535.81
Including: Interests payable		
Dividends payable		
Charges and commissions payable		
Re-insurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	12,921,281.56	21,399,902.40
Other current liabilities	58,419,518.22	59,862,778.90
Total current liabilities	7,359,326,525.62	5,116,672,888.67
Non-current liabilities:		
Provision for insurance contracts		
Long-term loan	12,840,802.47	17,176,777.87
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liability	12,739,026.34	8,595,962.05
Long-term payables		
Long-term payroll payable		
Accrued liabilities		
Deferred income	12,224,307.69	13,755,569.25
Deferred income tax liabilities	64,079,380.79	55,449,975.77
Other non-current liabilities		

Total non-current liabilities	101,883,517.29	94,978,284.94
Total liabilities	7,461,210,042.91	5,211,651,173.61
Owner's equity:		
Share capital	277,115,744.00	277,115,744.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	2,337,590,533.98	2,301,293,600.92
Less: Treasury stock		
Other comprehensive income	3,527,842.62	5,821,782.13
Special reserve	36,280,194.42	19,551,007.62
Surplus reserve	158,674,657.07	158,674,657.07
General risk reserve		
Undistributed profit	3,691,731,216.46	3,421,808,374.82
Total owners' equity attributed to parent company	6,504,920,188.55	6,184,265,166.56
Minority shareholder's interest	262,117,672.77	202,957,841.25
Total owner's equity	6,767,037,861.32	6,387,223,007.81
Total liabilities and owners' equity	14,228,247,904.23	11,598,874,181.42

Legal Representative:  
Wicky Wang

Chief Accountant in Charge:  
Xing Bingpeng

Chief of Accounting Institution:  
Zhang Baolin

## 2. Consolidated income statement from the start of 2023 to the end of Q3 2023

Unit: RMB

Item	Amount incurred in Q3 2023	Amount incurred in Q3 2022
I. Gross Operating Income	8,518,893,985.17	11,915,662,694.56
Including: Operating income	8,518,893,985.17	11,915,662,694.56
Interest income		
Premium earned		
Handling charges and commissions income		
II. Total Operating Costs	7,417,203,067.22	9,822,444,784.16
Including: Costs of business	6,591,428,361.19	9,425,611,062.95
Interest expenses		
Handling charges and commission expenses		
Surrender value		
Net payments for insurance claims		
Net withdrawal of reserve for insurance responsibility contracts		
Expenditures of policy dividend		
Re-insurance expense		
Taxes and surcharges	38,950,885.80	32,485,279.48
Sales expenses	234,290,589.90	188,674,684.79
Management expenses	358,656,911.50	308,254,477.92
R&D expenditures	240,452,310.43	303,778,314.48
Financial expenses	-46,575,991.60	-436,359,035.46
Including: Interest expenses	48,622,622.61	12,752,415.52
Interest income	41,169,941.04	23,243,044.73

Add: Other incomes	6,025,597.76	4,853,353.35
Income from investment ("—" for loss)	-228,488,390.61	-60,492,810.75
Including: Income from investment in associated enterprises and joint ventures	-328,617.90	-85,804.37
Income recognized at termination of financial assets measured at amortized cost		
Foreign exchange gain ("-" fro loss)		
Net exposure hedging income ("-" for loss)		
Income from changes in fair value ("-" for loss)	53,774,061.86	-399,356,767.11
Credit impairment losses ("-" for loss)	-43,601,963.15	-80,290,630.61
Asset impairment losses ("-" for loss)	486,336.57	1,738,356.82
Gains from asset disposal ("-" for loss)	850,034.53	126,624.97
III. Operating Profit ("-" for loss)	890,736,594.91	1,559,796,037.07
Add: Non-operating income	10,413,134.78	10,303,761.73
Less: Non-operating expenses	11,943,433.62	23,203,007.30
IV. Total Profit Before Tax ("—" for total losses)	889,206,296.07	1,546,896,791.50
Less: Income tax expenses	113,258,125.87	201,047,731.59
V. Net Profit ("-" for net loss)	775,948,170.20	1,345,849,059.91
(I) Classification by business continuity		
1. Net profit from continuing operations ("—" for net loss)	775,948,170.20	1,345,849,059.91
2. Net profit from discontinued operations ("—" for net loss)		
(II) Classification by ownership		
1. Net profit attributable to shareholders of the parent company (net loss marked with "-")	721,621,504.36	1,305,889,184.58
2. Profit and loss of minority shareholders (net loss marked with "-")	54,326,665.84	39,959,875.33
VI. Net Amount after Tax of Other Comprehensive Income	7,917,823.34	3,712,236.45
Net amount of other comprehensive income after tax attributed to the owners of parent company	-2,293,939.51	3,602,015.69
(I) Other comprehensive income that cannot be reclassified into profit or loss		
1. Changes due to re-measurement on defined benefit plan		
2. Other comprehensive income that cannot be converted into profit and loss under the equity method		
3. Changes in fair value of other equity instrument investments		
4. Changes in the fair value of the credit risk of the enterprise		
5. Other		
(ii) Other comprehensive income that will be reclassified into profit and loss	-2,293,939.51	3,602,015.69
1. Other comprehensive income that can be converted to profit or loss under the equity method		
2. Changes in fair value for other investment		

on bonds		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other creditor's rights investment		
5. Cash flow hedge reserve		
6. Difference of foreign currency financial statement translation	-2,293,939.51	3,602,015.69
7. Other		
Net amount of other comprehensive income after tax attributed to minority shareholders	10,211,762.85	110,220.76
VII. Total Comprehensive Income	783,865,993.54	1,349,561,296.36
(I) Total comprehensive income attributed to parent company owners	719,327,564.85	1,309,491,200.27
(II) Total comprehensive income attributed to minority shareholders	64,538,428.69	40,070,096.09
VIII. Earnings per Share:		
(i) Basic earnings per share	2.60	4.75
(ii) Diluted earnings per share	2.58	4.73

For business combination under the same control in the current period, the net profit of the merged party before the business combination is RMB , and the net profit of the merged party in the previous period is RMB .

Legal Representative:  
Wicky Wang

Chief Accountant in Charge:  
Xing Bingpeng

Chief of Accounting Institution:  
Zhang Baolin

### 3. Consolidated cash flow statement from the start of 2023 to the end of Q3 2023

Unit: RMB

Item	Amount incurred in Q3 2023	Amount incurred in Q3 2022
I. Cash Flows Generated from Operating Activities:		
Cash received from sales of goods and services	7,644,397,757.22	10,331,084,547.51
Net increase in deposit from customers and interbank		
Net increase in borrowing from central bank		
Net increase in borrowings from other financial institutions		
Cash receipts from premiums under direct insurance contracts		
Net cash receipts from re-insurance business		
Net cash receipts from policyholders' deposits and investments		
Cash receipts from interest, handling fees and commissions		
Net increase in capital borrowed from banks and other financial institutions		
Net increase in repurchase business capital		
Net cash received from securities trading brokerage		
Cash receipts from tax refunds	638,665,075.70	763,158,589.71
Cash received relating to other operating activities	52,853,991.83	47,785,370.79
Subtotal of cash inflow in business activities	8,335,916,824.75	11,142,028,508.01
Cash payments for goods acquired and services received	7,238,805,183.22	7,603,969,243.17
Net increase in customer loans and advances		

Net increase in deposits in central bank and interbank		
Cash payments for original insurance contract claims		
Net increase in lending funds from banks and other financial institutions		
Cash payments for interest, fee and commission		
Cash payments for insurance policyholder dividends		
Cash payments to employees and on behalf of employees	508,142,139.78	375,679,053.03
Cash payments for taxes	234,809,967.31	370,658,836.48
Other cash payments relating to operating activities	600,237,873.39	675,902,277.09
Subtotal of cash outflow in business activities	8,581,995,163.70	9,026,209,409.77
Net cash flow from operating activities	-246,078,338.95	2,115,819,098.24
<b>II. Cash Flows from Investing Activities:</b>		
Cash receipts from investment withdrawal		200,000,000.00
Cash receipts from return on investments		
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	2,045,652.32	6,080,625.78
Net cash receipts from disposal of subsidiary or any other business unit		
Other cash receipts relating to investing activities		40,238,346.18
Subtotal of cash inflow in investment activities	2,045,652.32	246,318,971.96
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	419,140,143.74	329,149,933.00
Cash payments for investment		
Net increase in pledged loans		
Net cash payments to acquire subsidiary and other business units		6,684,696.80
Other cash payments relating to investment activities	223,975,902.11	105,021,092.70
Subtotal of cash outflow in investment activities	643,116,045.85	440,855,722.50
Net cash flow in investment activities	-641,070,393.53	-194,536,750.54
<b>III. Cash Flows from Financing Activities:</b>		
Cash received from capital contributions		2,554,868.00
Including: Cash received from investment of minority shareholder from subsidiary		
Cash receipts from borrowings	1,847,526,302.12	664,777,283.11
Other cash receipts relating to financing activities		
Subtotal of cash inflow in financing activities	1,847,526,302.12	667,332,151.11
Cash repayments of borrowings	548,685,558.54	726,328,623.21
Cash payments for distribution of dividends, profits, or cash payments for interest expenses	485,401,220.11	248,281,618.61
Including: Dividends and profits paid to minority shareholders by subsidiaries		
Other cash paid related to financing activities	402,261,546.21	971,440,749.54
Subtotal of cash outflow in financing activities	1,436,348,324.86	1,946,050,991.36
Net cash flow from financing activities	411,177,977.26	-1,278,718,840.25
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	14,506,859.61	39,736,550.41
V. Net Increase in Cash and Cash Equivalents	-461,463,895.61	682,300,057.86
Add: Beginning balance of cash and cash equivalents	2,076,062,785.79	2,032,302,255.51
VI. Closing Balance of Cash and Cash Equivalents	1,614,598,890.18	2,714,602,313.37

**(II) Adjustments to relevant items in the financial statements earlier this year in light of the new accounting standards 2023**

Applicable  Not applicable

**(III) Audit report**

Whether the Third Quarter Report is audited

Yes  No

The Company's Third Quarter Report has not been audited.

In the case of any deviation from the explanations presented hereof, the Third Quarter Report of 2023 in Chinese version shall prevail.

SHANDONG WEIFANG RAINBOW CHEMICAL CO.,LTD  
Board of Directors  
October 31, 2023