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BRAINHOLE
TECHNOLOGY
BRAINHOLE TECHNOLOGY LIMITED
脑洞科技有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2203)

MAJOR TRANSACTIONS IN RELATION TO
(1) ACQUISITION OF LISTED SECURITIES;
(2) FURTHER ACQUISITIONS OF LISTED SECURITIES;
(3) DISPOSAL OF LISTED SECURITIES;
AND
(4) FURTHER DISPOSALS OF LISTED SECURITIES

Capitalised terms used on this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular, unless the context requires otherwise.

A letter from the Board is set out on page 4 to 25 of this circular.

This circular is being despatched to the Shareholders for information only. The transactions being the subject matter of this circular have been approved by the written approval pursuant to Rule 14.44 of the Listing Rules.

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DEFINITIONS

In this circular, the following expressions have the meanings set out below unless the context otherwise requires:

“Acquisition of Sokon Shares”	acquisition of 213,000 Sokon Shares by the Company as disclosed in the announcement dated 21 February 2024
“April Further Disposal of Sokon Shares”	further disposal of 66,100 Sokon Shares by the Company as disclosed in the announcement dated 30 April 2024
“Board”	the board of Directors
“Company”	Brainhole Technology Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2203)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal of Sokon Shares”	disposal of 181,000 Sokon Shares by the Company as disclosed in the announcement dated 22 March 2024
“February 28 Further Acquisition of Sokon Shares”	further acquisition of 93,800 Sokon Shares by the Company as disclosed in the announcement dated 30 April 2024
“Further Acquisition of Sokon Shares”	further acquisition of 51,500 Sokon Shares by the Company as disclosed in the announcement dated 22 February 2024
“Further Disposal of Sokon Shares”	further disposal of 94,000 Sokon Shares by the Company as disclosed in the announcement dated 22 March 2024
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in the Codes on Takeovers and Mergers and Share Buy-backs) with any of the connected persons of the Company or any of their respective associates (as defined under the Listing Rules)
“Latest Practicable Date”	14 May 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“March Further Acquisition of Sokon Shares”	further acquisition of 101,200 Sokon Shares by the Company as disclosed in the announcement dated 30 April 2024
“May Further Disposal of Sokon Shares”	further disposal of 82,900 Sokon Shares by the Company as disclosed in the announcement dated 7 May 2024
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Shareholder(s)”	shareholder(s) of the Company
“Share(s)”	ordinary share(s) in the issued share capital of the Company
“Sokon”	Seres Group Co., Ltd. (賽力斯集團股份有限公司, formerly known as Sokon Group or Chongqing Sokon Industry Group Co., Ltd, 重慶小康工業集團股份有限公司), a PRC joint-stock company whose domestic shares are listed on the Shanghai Stock Exchange (stock code: 601127.SH)
“Sokon Group”	Sokon and its subsidiaries
“Sokon Share(s)”	Domestic share(s) of Sokon
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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“United States”	the United States of America
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

Certain figures set out in this circular have been subject to rounding adjustments. Accordingly, figures shown as the currency conversion or percentage equivalents may not be an arithmetic sum of such figures.

LETTER FROM THE BOARD

BRAINHOLE
TECHNOLOGY
BRAINHOLE TECHNOLOGY LIMITED
脑洞科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2203)

Executive Directors:

Mr. Zhang Liang Johnson (*Chairman*)
Ms. Wan Duo

Independent Non-executive Directors:

Mr. Xu Liang
Mr. Chen Johnson Xi
Ms. Zhang Yibo

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business

in Hong Kong:
Suites 1801-03, 18/F
One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

24 May 2024

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTIONS IN RELATION TO
(1) ACQUISITION OF LISTED SECURITIES;
(2) FURTHER ACQUISITION OF LISTED SECURITIES;
(3) DISPOSAL OF LISTED SECURITIES;
AND
(4) FURTHER DISPOSALS OF LISTED SECURITIES**

1. INTRODUCTION

Reference is made to the announcements of the Company dated 21 February 2024, 22 February 2024, 22 March 2024, 30 April 2024 and 7 May 2024, in relation to the Acquisition of Sokon Shares, the Further Acquisition of Sokon Shares, the February 28 Further Acquisition of Sokon Shares, the March Further Acquisition of Sokon Shares, the Disposal of Sokon Shares, the

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Further Disposal of Sokon Shares, the April Further Disposal of Sokon Shares and the May Further Disposal of Sokon Shares, respectively.

The purpose of this circular is to provide you with (i) the details of the Acquisition of Sokon Shares, the Further Acquisition of Sokon Shares, the February 28 Further Acquisition of Sokon Shares, the March Further Acquisition of Sokon Shares, the Disposal of Sokon Shares, the Further Disposal of Sokon Shares, the April Further Disposal of Sokon Shares and the May Further Disposal of Sokon Shares; and (ii) further information required to be disclosed under the Listing Rules.

ACQUISITION OF SOKON SHARES

On 20 February 2024 (after trading hours of the Stock Exchange), the Company has acquired an aggregate of 213,000 Sokon Shares through the open market at an aggregate consideration of approximately RMB15.5 million (equivalent to approximately HK\$17.1 million) (excluding transaction costs). The average price (excluding transaction costs) for the acquisition of each Sokon Share was approximately RMB72.97 (equivalent to approximately HK\$80.31). The aggregate consideration of approximately RMB15.5 million (equivalent to approximately HK\$17.1 million) (excluding transaction costs) was financed by the Group's existing internal financial resources.

As the Acquisition of Sokon Shares was conducted in the open market, the identities of the counterparties of the acquired Sokon Shares cannot be ascertained. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the counterparties and the ultimate beneficial owner(s) of the counterparties of the acquired Sokon Shares are Independent Third Parties.

FURTHER ACQUISITION OF SOKON SHARES

On 21 February 2024 (after trading hours of the Stock Exchange), further to the Acquisition of Sokon Shares at an aggregate consideration of approximately RMB15.5 million (equivalent to approximately HK\$17.1 million) as disclosed in this circular, the Company has further acquired an aggregate of 51,500 Sokon Shares through the open market at an aggregate consideration of approximately RMB3.7 million (equivalent to approximately HK\$4.0 million) (excluding transaction costs). The average price (excluding transaction costs) for the further acquisition of each Sokon Share was approximately RMB71.22 (equivalent to approximately HK\$78.41). The aggregate consideration of approximately RMB3.7 million (equivalent to approximately HK\$4.0 million) (excluding transaction costs) was financed by the Group's existing internal financial resources. The total consideration for the aggregate of all transactions respectively contemplated under (i) the Acquisition of Sokon Shares; and (ii) the Further Acquisition of Sokon Shares is approximately RMB19.2 million (equivalent to approximately HK\$21.1 million).

As the Further Acquisition of Sokon Shares was conducted in the open market, the identities of the counterparties of the acquired Sokon Shares cannot be ascertained. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the

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counterparties and the ultimate beneficial owner(s) of the counterparties of the acquired Sokon Shares are Independent Third Parties.

FEBRUARY 28 FURTHER ACQUISITION OF SOKON SHARES

On 28 February 2024, further to the Acquisition of Sokon Shares and the Further Acquisition of Sokon Shares as disclosed in page 5 of this circular, the Company has further acquired an aggregate of 93,800 Sokon Shares through the open market at an aggregate consideration of approximately RMB8.3 million (equivalent to approximately HK\$9.1 million) (excluding transaction costs). The average price (excluding transaction costs) for the further acquisition of each Sokon Share was approximately RMB87.96 (equivalent to approximately HK\$96.85). The aggregate consideration of approximately RMB8.3 million (equivalent to approximately HK\$9.1 million) (excluding transaction costs) was financed by the Group's existing internal financial resources. The total consideration for the aggregate of all transactions respectively contemplated under (i) the Acquisition of Sokon Shares, (ii) the Further Acquisition of Sokon Shares and (iii) the February 28 Further Acquisition of Sokon Shares, is approximately RMB27.5 million (equivalent to approximately HK\$30.2 million).

As the February 28 Further Acquisition of Sokon Shares was conducted in the open market, the identities of the counterparties of the acquired Sokon Shares cannot be ascertained. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the counterparties and the ultimate beneficial owner(s) of the counterparties of the acquired Sokon Shares are Independent Third Parties.

MARCH FURTHER ACQUISITION OF SOKON SHARES

On 1 March 2024, further to the Acquisition of Sokon Shares, the Further Acquisition of Sokon Shares and the February 28 Further Acquisition of Sokon Shares as disclosed in pages 5 to 6 of this circular, the Company has further acquired an aggregate of 101,200 Sokon Shares through the open market at an aggregate consideration of approximately RMB9.2 million (equivalent to approximately HK\$10.1 million) (excluding transaction costs). The average price (excluding transaction costs) for the further acquisition of each Sokon Share was approximately RMB90.73 (equivalent to approximately HK\$99.96). The aggregate consideration of approximately RMB9.2 million (equivalent to approximately HK\$10.1 million) (excluding transaction costs) was financed by the Group's existing internal financial resources. The total consideration for the aggregate of all transactions respectively contemplated under (i) the Acquisition of Sokon Shares, (ii) the Further Acquisition of Sokon Shares, (iii) the February 28 Further Acquisition of Sokon Shares and (iv) the March Further Acquisition of Sokon Shares, is approximately RMB36.6 million (equivalent to approximately HK\$40.3 million).

As the March Further Acquisition of Sokon Shares was conducted in the open market, the identities of the counterparties of the acquired Sokon Shares cannot be ascertained. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the counterparties and the ultimate beneficial owner(s) of the counterparties of the acquired Sokon Shares are Independent Third Parties.

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DISPOSAL OF SOKON SHARES

On 21 March 2024 (after trading hours of the Stock Exchange), further to:

- (i) the Acquisition of Sokon Shares as disclosed in page 5 of this circular;
- (ii) the Further Acquisition of Sokon Shares as disclosed in pages 5 to 6 of this circular;
- (iii) the February 28 Further Acquisition of Sokon Shares as disclosed in page 6 of this circular; and
- (iv) the March Further Acquisition of Sokon Shares as disclosed in pages 6 to 7 of this circular,

the Company has disposed of an aggregate of 181,000 Sokon Shares through the open market at an aggregate consideration of approximately RMB18.4 million (equivalent to approximately HK\$20.3 million) (excluding transaction costs) (which the carrying amount of approximately RMB14.4 million (equivalent to approximately HK\$15.9 million)), which are receivable in cash on settlement. The average price (excluding transaction costs) for the disposal of each Sokon Share was approximately RMB101.76 (equivalent to approximately HK\$112.19). Hence, the total consideration for the aggregate, being the net amount of the remaining Sokon Shares held by the Company following the completion of all transactions contemplated under (i) the Acquisition of Sokon Shares, (ii) the Further Acquisition of Sokon Shares, (iii) the February 28 Further Acquisition of Sokon Shares, (iv) the March Further Acquisition of Sokon Shares and (v) the Disposal of Sokon Shares is approximately RMB22.2 million (equivalent to approximately HK\$24.4 million).

As the Disposal of Sokon Shares was conducted in the open market, the identities of the counterparties of the disposed Sokon Shares cannot be ascertained. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the counterparties and the ultimate beneficial owner(s) of the counterparties of the disposed Sokon Shares are Independent Third Parties.

FURTHER DISPOSAL OF SOKON SHARES

On 22 March 2024, further to:

- (i) the Acquisition of Sokon Shares as disclosed in page 5 of this circular;
- (ii) the Further Acquisition of Sokon Shares as disclosed in pages 5 to 6 of this circular;
- (iii) the February 28 Further Acquisition of Sokon Shares as disclosed in page 6 of this circular;
- (iv) the March Further Acquisition of Sokon Shares as disclosed in pages 6 to 7 of this circular; and

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(v) the Disposal of Sokon Shares as disclosed in page 7 of this circular,

the Company has further disposed of an aggregate of 94,000 Sokon Shares through the open market at an aggregate consideration of approximately RMB9.2 million (equivalent to approximately HK\$10.2 million) (excluding transaction costs) (which the carrying amount of approximately RMB7.5 million (equivalent to approximately HK\$8.3 million)), which are receivable in cash on settlement. The average price (excluding transaction costs) for the disposal of each Sokon Share was approximately RMB98.27 (equivalent to approximately HK\$108.24). The total consideration for the aggregate of all transactions respectively contemplated under (i) the Disposal of Sokon Shares; and (ii) the Further Disposal of Sokon Shares is approximately RMB27.7 million (equivalent to approximately HK\$30.5 million). The total consideration for the aggregate following the completion of all transactions contemplated under (i) the Disposal of Sokon Shares and (ii) the Further Disposal of Sokon Shares is approximately RMB27.7 million (equivalent to approximately HK\$30.5 million).

As the Further Disposal of Sokon Shares was conducted in the open market, the identities of the counterparties of the disposed Sokon Shares cannot be ascertained. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the counterparties and the ultimate beneficial owner(s) of the counterparties of the disposed Sokon Shares are Independent Third Parties.

APRIL FURTHER DISPOSAL OF SOKON SHARES

On 30 April 2024, further to:

- (i) the Acquisition of Sokon Shares as disclosed in page 5 of this circular;
- (ii) the Further Acquisition of Sokon Shares as disclosed in pages 5 to 6 of this circular;
- (iii) the February 28 Further Acquisition of Sokon Shares as disclosed in page 6 of this circular;
- (iv) the March Further Acquisition of Sokon Shares as disclosed in pages 6 to 7 of this circular;
- (v) the Disposal of Sokon Shares as disclosed in page 7 of this circular; and
- (vi) the Further Disposal of Sokon Shares as disclosed in pages 7 to 8 of this circular,

the Company has further disposed of an aggregate of 66,100 Sokon Shares through the open market at an aggregate consideration of approximately RMB6.5 million (equivalent to approximately HK\$7.1 million) (excluding transaction costs) (which the carrying amount of approximately RMB5.3 million (equivalent to approximately HK\$5.8 million)), which are receivable in cash on settlement. The average price (excluding transaction costs) for the disposal of each Sokon Share was approximately RMB97.99 (equivalent to approximately HK\$107.92).

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The total consideration for the aggregate following the completion of all transactions contemplated under (i) the Disposal of Sokon Shares, (ii) the Further Disposal of Sokon Shares and (iii) the April Further Disposal of Sokon Shares is approximately RMB34.1 million (equivalent to approximately HK\$37.6 million).

As the Further Disposal of Sokon Shares was conducted in the open market, the identities of the counterparties of the disposed Sokon Shares cannot be ascertained. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the counterparties and the ultimate beneficial owner(s) of the counterparties of the disposed Sokon Shares are Independent Third Parties.

MAY FURTHER DISPOSAL OF SOKON SHARES

On 7 May 2024, further to:

- (i) the Acquisition of Sokon Shares as disclosed in page 5 of this circular;
- (ii) the Further Acquisition of Sokon Shares as disclosed in pages 5 to 6 of this circular;
- (iii) the February 28 Further Acquisition of Sokon Shares as disclosed in page 6 of this circular;
- (iv) the March Further Acquisition of Sokon Shares as disclosed in pages 6 to 7 of this circular;
- (v) the Disposal of Sokon Shares as disclosed in page 7 of this circular;
- (vi) the Further Disposal of Sokon Shares as disclosed in pages 7 to 8 of this circular; and
- (vii) the April Further Disposal of Sokon Shares as disclosed in pages 8 to 9 of this circular,

the Company has further disposed of an aggregate of 82,900 Sokon Shares through the open market at an aggregate consideration of approximately RMB7.3 million (equivalent to approximately HK\$8.0 million) (excluding transaction costs) (which the carrying amount of approximately RMB6.6 million (equivalent to approximately HK\$7.3 million), which are receivable in cash on settlement. The average price (excluding transaction costs) for the disposal of each Sokon Share was approximately RMB87.58 (equivalent to approximately HK\$96.44). The total consideration for the aggregate following the completion of all transactions contemplated under (i) the Disposal of Sokon Shares, (ii) the Further Disposal of Sokon Shares, (iii) the April Further Disposal of Sokon Shares and (iv) the May Further Disposal of Sokon Shares is approximately RMB41.4 million (equivalent to approximately HK\$45.6 million).

As the May Further Disposal of Sokon Shares was conducted in the open market, the identities of the counterparties of the disposed Sokon Shares cannot be ascertained. To the best

LETTER FROM THE BOARD

knowledge, information and belief of the Directors and having made all reasonable enquiries, the counterparties and the ultimate beneficial owner(s) of the counterparties of the disposed Sokon Shares are Independent Third Parties.

As at the Latest Practicable Date, the Company is interested in 35,500 Sokon Shares (representing approximately 0.002% of the total issued share capital of Sokon). The Company had already complied with the notifiable transaction requirements in respect of the acquisitions and disposals of Sokon Shares as disclosed in the announcements of the Company dated 21 February 2024, 22 February 2024, 22 March 2024, 30 April 2024 and 7 May 2024 and in this circular respectively and the balance of such acquisitions and disposals which were conducted within a 12-month period from the Acquisition of Sokon Shares, the Further Acquisition of Sokon Shares, the February 28 Further Acquisition of Sokon Shares, the March Further Acquisition of Sokon Shares and the Disposal of Sokon Shares, the Further Disposal of Sokon Shares and the April Further Disposal of Sokon Shares were aggregated with the May Further Disposal of Sokon Shares.

INFORMATION ON THE COMPANY

The Company is an investment holding company and the Group is principally engaged in the manufacture and trading of electronic and electrical parts and components. The Group operates its business through three segments: (i) The Manufacturing segment is engaged in the sale of electronics and electrical parts and components produced by the Company. The products manufactured by the Company are mainly applied in smart consumer electronic devices; (ii) The Broadband Infrastructure and Smart Domain segment is engaged in the provision of broadband infrastructure construction services, broadband promotion services, and smart domain solutions; and (iii) The Trading segment is engaged in the trading of electronic and electrical parts and components sourced from third party suppliers.

INFORMATION ON SOKON

Sokon is a mixed-ownership manufacturer founded in 1986. The Sokon Group promotes transformation and upgrading from traditional vehicles to intelligent vehicles and from traditional manufacturing to intelligent manufacturing, and pursues high-quality development so as to realise the vision of “becoming a global branded enterprise of intelligent vehicles”. The Sokon Group has multiple wholly-owned subsidiaries such as Dongfeng Sokon Motor Co., Ltd., E-powertrain Company, Engine Company, Auto Components Company, Import & Export Company, etc. Its main products include intelligent electric vehicles, super urban SUVs, compact MPVs, mini-commercial battery electric vehicles, e-powertrain as well as energy-saving, environmentally friendly and high-performance engines such as 1.0–2.0-liter, 1.5T and 2.0T direct-injection turbochargers. These products are exported to more than 70 countries and regions.

LETTER FROM THE BOARD

The following financial information is extracted from the published documents of the Sokon Group:

	For the year ended		For the year ended		For the year ended	
	31 December 2021		31 December 2022		31 December 2023	
	(audited)		(audited)		(audited)	
	<i>RMB'000</i>	<i>HK\$'000</i>	<i>RMB'000</i>	<i>HK\$'000</i>	<i>RMB'000</i>	<i>HK\$'000</i>
Revenue	16,717,921	18,389,713	34,104,996	37,515,496	35,841,958	39,426,154
(Loss) before income tax	(2,609,860)	(2,870,846)	(4,930,410)	(5,423,451)	(4,080,859)	(4,488,945)
(Loss) for the year	(2,630,824)	(2,893,906)	(5,220,557)	(5,742,613)	(4,156,716)	(4,572,388)
(Loss) attributable to owners of the Company	(1,823,911)	(2,006,302)	(3,831,866)	(4,215,053)	(2,449,687)	(2,694,656)

Based on Sokon's published documents, the Sokon Group has an audited consolidated net assets value of approximately RMB7,960 million (equivalent to approximately HK\$8,756 million) as at 31 December 2021, approximately RMB11,420 million (equivalent to approximately HK\$12,562 million) as at 31 December 2022 and approximately RMB11,406 million (equivalent to approximately HK\$12,547 million) as at 31 December 2023.

FINANCIAL EFFECT OF (I) THE ACQUISITION OF SOKON SHARES; (II) THE FURTHER ACQUISITION OF SOKON SHARES; (III) THE FEBRUARY 28 FURTHER ACQUISITION OF SOKON SHARES; (IV) THE MARCH FURTHER ACQUISITION OF SOKON SHARES; (V) THE DISPOSAL OF SOKON SHARES; (VI) THE FURTHER DISPOSAL OF SOKON SHARES; (VII) THE APRIL FURTHER DISPOSAL OF SOKON SHARES; AND (VIII) THE MAY FURTHER DISPOSAL OF SOKON SHARES

Acquisition of Sokon Shares

The Acquisition of Sokon Shares was accounted for as financial assets at fair value through profit or loss in the consolidated financial statements of the Group. The Acquisition of Sokon Shares was initially recognised at fair value in the consolidated statement of financial position of the Group. Any fair value gain or loss arising from the Acquisition of Sokon Shares will be recognised in the consolidated statement of profit and loss of the Group at the end of each reporting period.

As the Acquisition of Sokon Shares was financed by internally generated funds, the assets and liabilities of the Group are expected to remain unchanged.

Save as disclosed above, there will be no immediate material effect on the earnings and assets and liabilities of the Group associated with the Acquisition of Sokon Shares.

LETTER FROM THE BOARD

Further Acquisition of Sokon Shares

The Further Acquisition of Sokon Shares was accounted for as financial assets at fair value through profit or loss in the consolidated financial statements of the Group. The Further Acquisition of Sokon Shares was initially recognised at fair value in the consolidated statement of financial position of the Group. Any fair value gain or loss arising from the Further Acquisition of Sokon Shares will be recognised in the consolidated statement of profit and loss of the Group at the end of each reporting period.

As the Further Acquisition of Sokon Shares was financed by internally generated funds, the assets and liabilities of the Group are expected to remain unchanged.

Save as disclosed above, there will be no immediate material effect on the earnings and assets and liabilities of the Group associated with the Further Acquisition of Sokon Shares.

February 28 Further Acquisition of Sokon Shares

The February 28 Further Acquisition of Sokon Shares was accounted for as financial assets at fair value through profit or loss in the consolidated financial statements of the Group. The February 28 Further Acquisition of Sokon Shares was initially recognised at fair value in the consolidated statement of financial position of the Group. Any fair value gain or loss arising from the February 28 Further Acquisition of Sokon Shares will be recognised in the consolidated statement of profit and loss of the Group at the end of each reporting period.

As the February 28 Further Acquisition of Sokon Shares was financed by internally generated funds, the assets and liabilities of the Group are expected to remain unchanged.

Save as disclosed above, there will be no immediate material effect on the earnings and assets and liabilities of the Group associated with the February 28 Further Acquisition of Sokon Shares.

March Further Acquisition of Sokon Shares

The March Further Acquisition of Sokon Shares was accounted for as financial assets at fair value through profit or loss in the consolidated financial statements of the Group. The March Further Acquisition of Sokon Shares was initially recognised at fair value in the consolidated statement of financial position of the Group. Any fair value gain or loss arising from the March Further Acquisition of Sokon Shares will be recognised in the consolidated statement of profit and loss of the Group at the end of each reporting period.

As the March Further Acquisition of Sokon Shares was financed by internally generated funds, the assets and liabilities of the Group are expected to remain unchanged.

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Save as disclosed above, there will be no immediate material effect on the earnings and assets and liabilities of the Group associated with the March Further Acquisition of Sokon Shares.

Disposal of Sokon Shares

Upon completion of the Disposal of Sokon Shares, the Group expects to recognise a gain on the Disposal of Sokon Shares (before taxation) of approximately RMB4.0 million (equivalent to approximately HK\$4.4 million), which is the difference between the aggregate consideration for the Disposal of Sokon Shares of approximately RMB18.4 million (equivalent to approximately HK\$20.3 million) and the carrying amount of approximately RMB14.4 million (equivalent to approximately HK\$15.9 million) of the disposed Sokon Shares, which is classified as financial assets at fair value through profit or loss in the consolidated financial statement of the Group.

Upon completion of the Disposal of Sokon Shares, the total assets of the Group would have increased by HK\$4.4 million due to the recognition of the gain on the Disposal of Sokon Shares minus the associated transaction costs, whereas the total liabilities of the Group would have remained unchanged.

Further Disposal of Sokon Shares

Upon completion of the Further Disposal of Sokon Shares, the Group expects to recognise a gain on the Further Disposal of Sokon Shares (before taxation) of approximately RMB1.7 million (equivalent to approximately HK\$1.9 million), which is the difference between the aggregate consideration for the Further Disposal of Sokon Shares of approximately RMB9.2 million (equivalent to approximately HK\$10.2 million) and the carrying amount of approximately RMB7.5 million (equivalent to approximately HK\$8.3 million) of the disposed Sokon Shares, which is classified as financial assets at fair value through profit or loss in the consolidated financial statement of the Group.

Upon completion of the Further Disposal of Sokon Shares, the total assets of the Group would have increased by HK\$1.9 million due to the recognition of the gain on the Further Disposal of Sokon Shares minus the associated transaction costs, whereas the total liabilities of the Group would have remained unchanged.

April Further Disposal of Sokon Shares

Upon completion of the April Further Disposal of Sokon Shares, the Group expects to recognise a gain on the April Further Disposal of Sokon Shares (before taxation) of approximately RMB1.2 million (equivalent to approximately HK\$1.3 million), which is the difference between the aggregate consideration for the April Further Disposal of Sokon Shares of approximately RMB6.5 million (equivalent to approximately HK\$7.1 million) and the carrying amount of approximately RMB5.3 million (equivalent to approximately HK\$5.8 million) of the disposed Sokon Shares, which is classified as financial assets at fair value through profit or loss

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in the consolidated financial statement of the Group. Upon completion of the April Further Disposal of Sokon Shares, the total assets of the Group would have increased by HK\$1.3 million due to the recognition of the gain on the April Further Disposal of Sokon Shares minus the associated transaction costs, whereas the total liabilities of the Group would have remained unchanged.

May Further Disposal of Sokon Shares

Upon completion of the May Further Disposal of Sokon Shares, the Group expects to recognise a gain on the May Further Disposal of Sokon Shares (before taxation) of approximately RMB0.6 million (equivalent to approximately HK\$0.7 million), which is the difference between the aggregate consideration for the May Further Disposal of Sokon Shares of approximately RMB7.3 million (equivalent to approximately HK\$8.0 million) and the carrying amount of approximately RMB6.6 million (equivalent to approximately HK\$7.3 million) of the disposed Sokon Shares, which is classified as financial assets at fair value through profit or loss in the consolidated financial statement of the Group. Upon completion of the May Further Disposal of Sokon Shares, the total assets of the Group would have increased by HK\$0.7 million due to the recognition of the gain on the May Further Disposal of Sokon Shares minus the associated transaction costs, whereas the total liabilities of the Group would have remained unchanged.

It should be noted that the above financial effects of (i) the Acquisition of Sokon Shares; and (ii) the Further Acquisition of Sokon Shares are for illustrative purposes only. The actual impact of (i) the Acquisition of Sokon Shares; (ii) the Further Acquisition of Sokon Shares; (iii) the February 28 Further Acquisition of Sokon Shares; (iv) the March Further Acquisition of Sokon Shares; (v) the Disposal of Sokon Shares; (vi) the Further Disposal of Sokon Shares, (vii) the April Further Disposal of Sokon Shares; and (viii) the May Further Disposal of Sokon Shares to be recognised by the Group will be subject to final audit by the Company's auditors.

REASONS FOR AND BENEFITS OF (I) THE ACQUISITION OF SOKON SHARES; (II) THE FURTHER ACQUISITION OF SOKON SHARES; (III) THE FEBRUARY 28 FURTHER ACQUISITION OF SOKON SHARES; (IV) THE MARCH FURTHER ACQUISITION OF SOKON SHARES; (V) THE DISPOSAL OF SOKON SHARES; (VI) THE FURTHER DISPOSAL OF SOKON SHARES; (VII) THE APRIL FURTHER DISPOSAL OF SOKON SHARES; AND (VIII) THE MAY FURTHER DISPOSAL OF SOKON SHARES

Acquisition of Sokon Shares, Further Acquisition of Sokon Shares, the February 28 Further Acquisition of Sokon Shares and the March Further Acquisition of Sokon Shares

The Group is principally engaged in the manufacturing and trading of semiconductors, broadband infrastructure construction and the provision of integrated solution for smart domain application (including smart home, smart campus and smart communities).

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The Group believes that technological innovation is an important engine for future economic development, and it can also drive the emerging applications in the smart living sector. The Group always hopes to leverage our own advantages in the field of smart technology to actively diversify the investments in the field of innovative technologies, in order to facilitate the technological development and create greater value for the Shareholders.

Sokon is one of the top 500 companies in the PRC and produces cars, motorcycles and commercial vehicles as well as shock absorbers and internal combustion engines. The Board holds positive views towards the financial performance and future prospect of Sokon. At the relevant times, the Group considers that Acquisition of Sokon Shares, the Further Acquisition of Sokon Shares, the February 28 Further Acquisition of Sokon Shares and the March Further Acquisition of Sokon Shares could increase our holdings in these attractive investments and to further expand its investment portfolio with quality assets, which would enhance investment return for the Group.

As the Acquisition of Sokon Shares, the Further Acquisition of Sokon Shares, the February 28 Further Acquisition of Sokon Shares and the March Further Acquisition of Sokon Shares were made in the open market at prevailing market prices, the Directors (including the independent non-executive Directors) are of the view that the terms of the Acquisition of Sokon Shares, the Further Acquisition of Sokon Shares, the February 28 Further Acquisition of Sokon Shares and the March Further Acquisition of Sokon Shares are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Disposal of Sokon Shares

As a result of the Disposal of Sokon Shares, the Group is expected to recognise a gain of approximately RMB4.0 million (equivalent to approximately HK\$4.4 million) being the difference between the consideration received from the Disposal of Sokon Shares and the acquisition cost of disposed Sokon Shares.

The Group considers that the Disposal of Sokon Shares represents an opportunity to allow the Group to realise the investment in Sokon so as to enhance the operational efficiency of the assets of the Group. The Group intends to apply all of the proceeds from the Disposal of Sokon Shares of approximately RMB18.4 million (equivalent to approximately HK\$20.3 million) in aggregate for general working capital of the Group or other appropriate investment opportunities as and when appropriate.

As the Disposal of Sokon Shares was made in the open market at prevailing market price, the Directors are of the view that the terms of the Disposal of Sokon Shares are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Further Disposal of Sokon Shares

As a result of the Further Disposal of Sokon Shares, the Group is expected to recognise a gain of approximately RMB1.7 million (equivalent to approximately HK\$1.9 million) being the

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difference between the consideration received from the Further Disposal of Sokon Shares and the acquisition cost of disposed Sokon Shares.

The Group considers that the Further Disposal of Sokon Shares represents an opportunity to realise the investment in Sokon so as to enhance the operational efficiency of the assets of the Group. The Group intends to apply all of the proceeds from the Further Disposal of Sokon Shares of approximately RMB9.2 million (equivalent to approximately HK\$10.2 million) for general working capital of the Group or other appropriate investment opportunities as and when appropriate.

As the Further Disposal of Sokon Shares was made in the open market at prevailing market price, the Directors are of the view that the terms of the Further Disposal of Sokon Shares are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

April Further Disposal of Sokon Shares

As a result of the April Further Disposal of Sokon Shares, the Group is expected to recognise a gain of approximately RMB1.2 million (equivalent to approximately HK\$1.3 million) being the difference between the consideration received from the April Further Disposal of Sokon Shares and the acquisition cost of disposed Sokon Shares.

The Group considers that the April Further Disposal of Sokon Shares represents an opportunity to realise the investment in Sokon so as to enhance the operational efficiency of the assets of the Group. The Group intends to apply all of the proceeds from the April Further Disposal of Sokon Shares of approximately RMB6.5 million (equivalent to approximately HK\$7.1 million) for general working capital of the Group or other appropriate investment opportunities as and when appropriate.

As the April Further Disposal of Sokon Shares was made in the open market at prevailing market price, the Directors are of the view that the terms of the April Further Disposal of Sokon Shares are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

May Further Disposal of Sokon Shares

As a result of the May Further Disposal of Sokon Shares, the Group is expected to recognise a gain of approximately RMB0.6 million (equivalent to approximately HK\$0.7 million) being the difference between the consideration received from the May Further Disposal of Sokon Shares and the acquisition cost of disposed Sokon Shares.

The Group considers that the May Further Disposal of Sokon Shares represents an opportunity to realise the investment in Sokon so as to enhance the operational efficiency of the assets of the Group. The Group intends to apply all of the proceeds from the May Further Disposal of Sokon Shares of approximately RMB7.3 million (equivalent to approximately

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HK\$8.0 million) for general working capital of the Group or other appropriate investment opportunities as and when appropriate.

As the May Further Disposal of Sokon Shares was made in the open market at prevailing market price, the Directors are of the view that the terms of the May Further Disposal of Sokon Shares are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Acquisition of Sokon Shares

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Acquisition of Sokon Shares exceeds 25% but is less than 100%, the Acquisition of Sokon Shares constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and will be subject to the reporting, announcement, circular and Shareholders' approval requirements under the Listing Rules.

Further Acquisition of Sokon Shares

Pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules for the purpose of classification of the transactions, as the Acquisition of Sokon Shares and the Further Acquisition of Sokon Shares involve acquisitions of Sokon Shares within a 12-month period, all transactions respectively contemplated thereunder are considered and are aggregated as one transaction at a total consideration of approximately RMB19.2 million (equivalent to approximately HK\$21.1 million).

The Further Acquisition of Sokon Shares, on a standalone basis, constitutes a discloseable transaction since one or more of the applicable percentage ratios (as defined under the Listing Rules) are more than 5% but all of such ratios are less than 25%.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Further Acquisition of Sokon Shares, when aggregated with the Acquisition of Sokon Shares, exceeds 25% but is less than 100%, the Further Acquisition of Sokon Shares constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and will be subject to the reporting, announcement, circular and Shareholders' approval requirements under the Listing Rules.

February 28 Further Acquisition of Sokon Shares

Pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules for the purpose of classification of the transactions, as the Acquisition of Sokon Shares, the Further Acquisition of Sokon Shares and the February 28 Further Acquisition of Sokon Shares involve acquisitions of Sokon Shares within a 12-month period, all transactions respectively contemplated thereunder are considered

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and are aggregated as one transaction at a total consideration of approximately RMB27.5 million (equivalent to approximately HK\$30.2 million).

The February 28 Further Acquisition of Sokon Shares, on a standalone basis, constitutes a discloseable transaction since one or more of the applicable percentage ratios (as defined under the Listing Rules) are more than 5% but all of such ratios are less than 25%.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the February 28 Further Acquisition of Sokon Shares, when aggregated with the Acquisition of Sokon Shares and the Further Acquisition of Sokon Shares, exceeds 25% but is less than 100%, the February 28 Further Acquisition of Sokon Shares constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and will be subject to the reporting, announcement, circular and Shareholders' approval requirements under the Listing Rules.

March Further Acquisition of Sokon Shares

Pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules for the purpose of classification of the transactions, as the Acquisition of Sokon Shares, the Further Acquisition of Sokon Shares, the February 28 Further Acquisition of Sokon Shares and the March Further Acquisition of Sokon Shares involve acquisitions of Sokon Shares within a 12-month period, all transactions respectively contemplated thereunder are considered and are aggregated as one transaction at a total consideration of approximately RMB36.6 million (equivalent to approximately HK\$40.3 million).

The March Further Acquisition of Sokon Shares, on a standalone basis, constitutes a discloseable transaction since one or more of the applicable percentage ratios (as defined under the Listing Rules) are more than 5% but all of such ratios are less than 25%.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the March Further Acquisition of Sokon Shares, when aggregated with the Acquisition of Sokon Shares, the Further Acquisition of Sokon Shares and the February 28 Further Acquisition of Sokon Shares, exceeds 25% but is less than 100%, the March Further Acquisition of Sokon Shares constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and will be subject to the reporting, announcement, circular and Shareholders' approval requirements under the Listing Rules.

Disposal of Sokon Shares

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the Disposal of Sokon Shares as calculated under Rule 14.07 of the Listing Rules exceed 25% but are less than 75%, the Disposal of Sokon Shares constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and will be subject to the reporting, announcement, circular and Shareholders' approval requirements under the Listing Rules.

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Further Disposal of Sokon Shares

Pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules for the purpose of classification of the transactions, as the Disposal of Sokon Shares and the Further Disposal of Sokon Shares involve the disposals of Sokon Shares within a 12-month period, all transactions respectively contemplated thereunder are considered and are aggregated as one transaction at a total consideration of approximately RMB27.7 million (equivalent to approximately HK\$30.5 million).

The Further Disposal of Sokon Shares, on a standalone basis, constitutes a discloseable transaction since one or more of the applicable percentage ratios (as defined under the Listing Rules) are more than 5% but all of such ratios are less than 25%.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Further Disposal of Sokon Shares, when aggregated with the Disposal of Sokon Shares by the Company in the preceding 12-month period, exceeds 25% but is less than 75%, the Further Disposal of Sokon Shares constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and will be subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

April Further Disposal of Sokon Shares

Pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules for the purpose of classification of the transactions, as the Disposal of Sokon Shares, the Further Disposal of Sokon Shares and the April Further Disposal of Sokon Shares involve the disposals of Sokon Shares within a 12-month period, all transactions respectively contemplated thereunder are considered and are aggregated as one transaction at a total consideration of approximately RMB34.1 million (equivalent to approximately HK\$37.6 million).

The April Further Disposal of Sokon Shares, on a standalone basis, constitutes a discloseable transaction since one or more of the applicable percentage ratios (as defined under the Listing Rules) are more than 5% but all of such ratios are less than 25%.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the April Further Disposal of Sokon Shares, when aggregated with the Disposal of Sokon Shares and the Further Disposal of Sokon Shares by the Company in the preceding 12-month period, exceeds 25% but is less than 75%, the April Further Disposal of Sokon Shares constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and will be subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

May Further Disposal of Sokon Shares

Pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules for the purpose of classification of the transactions, as the Disposal of Sokon Shares, the Further Disposal of Sokon Shares, the

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April Further Disposal of Sokon Shares and the May Further Disposal of Sokon Shares involve the disposals of Sokon Shares within a 12-month period, all transactions respectively contemplated thereunder are considered and are aggregated as one transaction at a total consideration of approximately RMB41.4 million (equivalent to approximately HK\$45.6 million).

The May Further Disposal of Sokon Shares, on a standalone basis, constitutes a discloseable transaction since one or more of the applicable percentage ratios (as defined under the Listing Rules) are more than 5% but all of such ratios are less than 25%.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the May Further Disposal of Sokon Shares, when aggregated with the Disposal of Sokon Shares, the Further Disposal of Sokon Shares, the April Further Disposal of Sokon Shares by the Company in the preceding 12-month period, exceeds 25% but is less than 75%, the May Further Disposal of Sokon Shares constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and will be subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

REMEDIAL ACTIONS

The February 28 Further Acquisition of Sokon Shares and the March Further Acquisition of Sokon Shares were not disclosed on a timely basis due to inadvertent oversight and as the relevant staff, at that particular time, misunderstood that such disclosures were unnecessary given that (i) the February 28 Further Acquisition of Sokon Shares and the March Further Acquisition of Sokon Shares involving the Sokon Shares had been disclosed in the Company's announcements shortly before the said transactions; (ii) the classification of the February 28 Further Acquisition of Sokon Shares and the March Further Acquisition of Sokon Shares on a standalone or aggregate was the same or lower than the other transactions involving Sokon Shares; and (iii) the circular of the Company being prepared for the other transactions involving Sokon Shares are expected to provide the latest position of the Company's holding in Sokon and the other transactions involving Sokon Shares on an aggregated basis.

The Company would like to express deep regret for its inadvertent and unintentional overlook of the requirements of the Listing Rules. To prevent similar incidence in the future, the Company has reviewed its internal control measures and procedures and has implemented the following remedial actions with immediate effect:

- (i) the Company had reviewed transactions conducted and checked whether it is necessary for the Company to comply with any requirements under the Listing Rules. Save as disclosed in the announcement dated 30 April 2024, the Company did not discover other transaction which would be required to comply with the requirements under the Listing Rules;
- (ii) the Company had retained extra finance staffs to consult and assist in carrying out compliance matters of the Group relating to the Listing Rules;

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- (iii) the Company will provide further guidance material and training, in particular, regarding how to define a transaction and proper calculation methodology of the percentage ratios relating to notifiable transactions under the Listing Rules for the Directors, senior management and the finance staffs of the Group in order to strengthen and reinforce their existing knowledge with respect to notifiable transactions;
- (iv) the Company will also arrange regular training on regulatory compliance matters relating to notifiable transactions to the Directors, senior management and responsible staff to ensure that they fully understand the requirements of the Listing Rules;
- (v) the Company shall, as and when appropriate and necessary, consult external legal advisers and/or other professional adviser before entering into possible notifiable transaction or when notifiable transactions are being contemplated so as to ensure that the Directors' apprehension and interpretation of the Listing Rules are correct and the Group timely complies with the relevant requirements under the Listing Rules; and
- (vi) the Company will discuss, review and strengthen its internal control and compliance system to identify any weakness and consider further remedial actions to address them.

Going forward, the Company will continue to comply with the management procedures of its investments on the investment or wealth management products and make sure disclosure in a timely manner to ensure full compliance with the Listing Rules.

WAIVER FROM STRICT COMPLIANCE WITH THE REQUIREMENTS UNDER THE LISTING RULES

Waiver from strict compliance with Rule 14.67(6)(a)(i) and Rule 14.67(7) of the Listing Rules

Pursuant to Rules 14.67(6)(a)(i) and 14.67(7) of the Listing Rules, the Company is required to include in this circular an accountant's report on Sokon which is prepared in accordance with Chapter 4 of the Listing Rules and a discussion and analysis on results of Sokon covering all those matters set out in paragraph 32 of Appendix D2 to the Listing Rules for the period reported in such accountant's report.

As the Company considers that the strict compliance with Rules 14.67(6)(a)(i) and 14.67(7) of the Listing Rules would be unduly burdensome, the Company has applied for waiver from strict compliance of the aforesaid Listing Rules on the following grounds:

- (a) The Acquisition of Sokon Shares and the Further Acquisition of Sokon Shares, (together, the "**Major Acquisitions**") are part of the Group's strategic investments business, and the Group may make appropriate investment opportunities as and when appropriate, including but not limited to acquisition(s) and disposal(s) of listed equity

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securities. Subsequent to the Major Acquisitions, the percentage of Sokon Shares held by the Company would be approximately 0.018%. The Company also does not have any board seats in Sokon. It is submitted that the Company's minority interest in Sokon is minimal and insignificant to exert any form of control over Sokon.

- (b) Following the Major Acquisitions, Sokon will not become a subsidiary or an associate of the Company and the financial results of Sokon will not be consolidated in the financial statements of the Group nor be equity accounted for in the Group's consolidated financial statements as an associate. Requiring the Company to arrange for an accountants' report on Sokon will be out of proportion to the size of each of the Major Acquisitions in terms of time and costs involved.
- (c) As each of the Major Acquisitions was a transaction made in the open market, Sokon was not obliged to assist the Company to prepare the accountants' report on it for each of the Major Acquisitions. In addition, the Company does not have access to Sokon's books and records to prepare the accountants' report on it in accordance with the Listing Rules.
- (d) The preparation of the accountants' report under Rule 14.67(a)(i) of the Listing Rules for inclusion in the circular would require converting the financial information of Sokon based on the Hong Kong Financial Reporting Standards. Even assuming Sokon is prepared to provide extensive access to its accounting records and provide explanations in relation to the same, the Company considers that it would be unduly onerous to require the Company to set out an accountants' report of Sokon in its circular as the auditors of the Company would have to carry out audit procedures on Sokon, which would not provide meaningful information to the Shareholders given the above.
- (e) The Company's reporting accountant considers that the accounting policies of Sokon, i.e. China Accounting Standards for Business Enterprise, are materially consistent with the accounting policies of the Company, i.e. Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants.
- (f) Sokon, being a listed company incorporated in the PRC, is required to publish its audited financial statements, on a regular basis, for each financial year, on its website. Sokon has its financial results audited by WUYIGE Certified Public Accountants LLP and prepared in accordance with the China Accounting Standards for Business Enterprise. Sokon had been publishing financial information to the market on a regular basis to enable investors to assess its activities and financial position, and such filings can be easily obtained by the Shareholders and will enable them and potential investors to make a properly informed assessment of Sokon.
- (g) As stated in the reasons set out in points (c) and (f) above, the Company could not access the books and records of Sokon and Sokon was not prepared to disclose any additional financial information. Thus, the Company were not able to prepare the

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discussion and analysis of results of Sokon for the incorporation into this circular. In addition, the Company could not express any view as to the truth, accuracy or completeness on the discussion and analysis of the results of Sokon as stated in its published information.

In light of the above, the Company considers that strict compliance with requirements under Rules 14.67(6)(a)(i) and 14.67(7) of the Listing Rules would be unduly burdensome and impractical, and a relaxation of such requirements would unlikely result in undue risks to the Shareholders and potential investors of the Company.

Alternative disclosures

The Company has included the following information in this circular as alternative disclosures to an accountants' report required under Rule 14.67(6)(a)(i) of the Listing Rules and a management discussion and analysis required under Rule 14.67(7) of the Listing Rules:

- (a) the annual audited consolidated financial statements of Sokon for the year ended 31 December 2021 as extracted from the published documents of Sokon, which is set out on page II-1 to II-135 in Appendix II to this circular;
- (b) the annual audited consolidated financial statements of Sokon for the year ended 31 December 2022 as extracted from the published documents of Sokon, which is set out on page II-136 to II-256 in Appendix II to this circular;
- (c) the annual audited consolidated financial statements of Sokon for the year ended 31 December 2023 as extracted from the published documents of Sokon, which is set out on page II-257 to II-422 in Appendix II to this circular;
- (d) the management discussion and analysis of the results of operations of Sokon for the three financial years ended 31 December 2023 as extracted from the published documents of Sokon, which are set out on pages III-1 to III-65 in Appendix III to this circular.

Based on the information provided by the Company and the alternative disclosures above, the Stock Exchange granted the waiver from strict compliance with Rules 14.67(6)(a)(i) and 14.67(7) under the Listing Rules.

WRITTEN SHAREHOLDER'S APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, shareholders' approval may be obtained by written shareholders' approval in lieu of convening a general meeting if (a) no shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of each of the Acquisition of Sokon Shares, the Further Acquisition of Sokon Shares, the February 28 Further Acquisition of Sokon Shares, the March Further Acquisition of Sokon Shares, the Disposal of Sokon Shares, the Further Disposal of Sokon Shares, the April Further

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Disposal of Sokon Shares and the May Further Disposal of Sokon Shares; and (b) written approval has been obtained from a shareholder or a closely allied group of shareholders who together hold more than 50% of the issued share capital of the Company giving the right to attend and vote at general meetings to approve each of the Acquisition of Sokon Shares, the Further Acquisition of Sokon Shares, the February 28 Further Acquisition of Sokon Shares, the March Further Acquisition of Sokon Shares, the Disposal of Sokon Shares, the Further Disposal of Sokon Shares, the April Further Disposal of Sokon Shares and the May Further Disposal of Sokon Shares.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has any material interest in each of the Acquisition of Sokon Shares, the Further Acquisition of Sokon Shares, the February 28 Further Acquisition of Sokon Shares, the March Further Acquisition of Sokon Shares, the Disposal of Sokon Shares, the Further Disposal of Sokon Shares, the April Further Disposal of Sokon Shares and the May Further Disposal of Sokon Shares. Thus, if the Company were to convene a general meeting to approve each of the Acquisition of Sokon Shares, the Further Acquisition of Sokon Shares, the February 28 Further Acquisition of Sokon Shares, the March Further Acquisition of Sokon Shares, the Disposal of Sokon Shares, the Further Disposal of Sokon Shares, the April Further Disposal of Sokon Shares and the May Further Disposal of Sokon Shares, no Shareholder is required to abstain from voting on the resolutions in relation to the Acquisition of Sokon Shares, the Further Acquisition of Sokon Shares, the February 28 Further Acquisition of Sokon Shares, the March Further Acquisition of Sokon Shares, the Disposal of Sokon Share, the Further Disposal of Sokon Shares, the April Further Disposal of Sokon Shares and the May Further Disposal of Sokon Shares. As such, each of the Acquisition of Sokon Shares, the Further Acquisition of Sokon Shares, the February 28 Further Acquisition of Sokon Shares, the March Further Acquisition of Sokon Shares, the Disposal of Sokon Shares, the Further Disposal of Sokon Shares, the April Further Disposal of Sokon Shares and the May Further Disposal of Sokon Shares may be approved by written Shareholder's approval in accordance with Rule 14.44 of the Listing Rules.

In relation to written approval in lieu of holding a general meeting in respect of each of the Acquisition of Sokon Shares, the Further Acquisition of Sokon Shares, the February 28 Further Acquisition of Sokon Shares, the March Further Acquisition of Sokon Shares, the Disposal of Sokon Shares, the Further Disposal of Sokon Shares, the April Further Disposal of Sokon Shares and the May Further Disposal of Sokon Shares, the Company obtained shareholder's approval from Yoho Bravo Limited which holds 599,658,000 shares (representing approximately 74.96% of the total issued share capital of the Company as at the date of the written approval by Yoho Bravo Limited and the Latest Practicable Date respectively) pursuant to Rule 14.44 of the Listing Rules. As a result, no extraordinary general meeting will be convened to consider each of the Acquisition of Sokon Shares, the Further Acquisition of Sokon Shares, the February 28 Further Acquisition of Sokon Shares, the March Further Acquisition of Sokon Shares, the Disposal of Sokon Shares, the Further Disposal of Sokon Shares, the April Further Disposal of Sokon Shares and the May Further Disposal of Sokon Shares.

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RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the Acquisition of Sokon Shares, the Further Acquisition of Sokon Shares, the February 28 Further Acquisition of Sokon Shares, the March Further Acquisition of Sokon Shares, the Disposal of Sokon Shares, the Further Disposal of Sokon Shares, the April Further Disposal of Sokon Shares and the May Further Disposal of Sokon Shares are on normal commercial terms, which is fair and reasonable and in the interests of the Company and its Shareholders as a whole. The Directors would recommend the Shareholders to vote in favour of the Acquisition of Sokon Shares, the Further Acquisition of Sokon Shares, the February 28 Further Acquisition of Sokon Shares, the March Further Acquisition of Sokon Shares, the Disposal of Sokon Shares, the Further Disposal of Sokon Shares, the April Further Disposal of Sokon Shares and the May Further Disposal of Sokon Shares if a physical meeting were to be held.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

By Order of the Board
Brainhole Technology Limited
Zhang Liang Johnson
Chairman and Executive Director

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Company for the three years ended 31 December 2021, 2022 and 2023 have been published and are available on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (<http://www.brainholetechnology.com>) respectively:

- the annual report of the Company for the year ended 31 December 2021 (pages 84 to 169) published on 28 April 2022, available on:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0428/2022042800574.pdf>

- the annual report of the Company for the year ended 31 December 2022 (pages 81 to 169) published on 26 April 2023, available on:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0426/2023042600894.pdf>

- the annual report of the Company for the year ended 31 December 2023 (pages 83 to 173) published on 29 April 2024, available on:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042902560.pdf>

2. STATEMENT OF INDEBTEDNESS OF THE GROUP

At the close of business on 31 March 2024, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this Circular, the Group had outstanding indebtedness as follows:

	31 March 2024 <i>HK\$'000</i>
Lease liabilities	4,907
Loan from immediate holding company	Nil
Loans from related companies	49,590
Loan from ultimate controlling party	110,743

As at 31 March 2024, all the loan from immediate holding company, loans from related companies and loan from ultimate controlling party of the Group disclosed above are unsecured and unguaranteed.

Save as disclosed above, the Group did not, as of the close of business on 31 March 2024, have any debt securities issued and outstanding, or authorised or otherwise created but unissued, any other term loans, any other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptance (other than normal trade bills) or acceptance credits or hire purchase commitments, any other mortgages and charges or any guarantees or any finance lease commitments or material contingent liabilities.

3. WORKING CAPITAL STATEMENT OF THE GROUP

The Directors, after due and careful consideration, are of the opinion that, taking into account the financial resources available to the Group, including internally generated funds and the available facilities, and the impact of the Acquisition of Sokon Shares, the Further Acquisition of Sokon Shares, the February 28 Further Acquisition of Sokon Shares, the March Further Acquisition of Sokon Shares, the Disposal of Sokon Shares, the Further Disposal of Sokon Shares, the April Further Disposal of Sokon Shares and the May Further Disposal of Sokon Shares, the Group will have sufficient working capital for its business for at least 12 months from the date of this circular.

The Company has obtained the relevant confirmation as required under Rule 14.66 (12) of the Listing Rules.

4. MATERIAL ADVERSE CHANGE

At the Latest Practicable Date and to the best knowledge of the Directors, there was no material adverse change in the financial or trading position of the Group since 31 December 2023 (being the date to which the latest published audited financial statements of the Group were made up).

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in the manufacturing and trading of semiconductors, broadband infrastructure construction and the provision of integrated solution for smart domain application (including smart home, smart campus and smart communities). The Group believes that technological innovation is an important engine for future economic development, and it can also drive the emerging applications in the smart living sector. The Group aims to leverage our own advantages in the field of smart technology to capture investment opportunities and actively diversify the investments in the field of innovative technologies, in order to create greater value for the Shareholders.

Since 2022, the Group commenced the strategic investments business which engages in trading of cryptocurrencies and listed equity securities. In particular to the listed equity securities, the investment portfolio mainly comprises leading technology companies and high quality large companies listed in the United States and Hong Kong. As stated in the paragraphs headed “REASONS FOR AND BENEFITS OF (I) THE ACQUISITION OF SOKON SHARES; (II) THE FURTHER ACQUISITION OF SOKON SHARES; (III) THE FEBRUARY 28 FURTHER ACQUISITION OF SOKON SHARES; (IV) THE MARCH FURTHER ACQUISITION OF SOKON SHARES; (V) THE DISPOSAL OF SOKON SHARES; (VI) THE FURTHER DISPOSAL OF SOKON SHARES; (VII) THE APRIL FURTHER DISPOSAL OF SOKON SHARES; AND (VIII) THE MAY FURTHER DISPOSAL OF SOKON SHARES” in the section headed “LETTER FROM THE BOARD”, the Group considers that the Acquisition of Sokon Shares, the Further Acquisition of Sokon Shares, the February 28 Further Acquisition of Sokon Shares, the March Further Acquisition of Sokon Shares, the Disposal of Sokon Shares, the Further Disposal of Sokon Shares, the April Further Disposal of Sokon Shares and the May Further Disposal of Sokon Shares represent opportunities to allow the Group to reallocate the resources and investment portfolio. The Group will closely monitor and assess the performance of these listed equity securities and make timely and appropriate adjustments on the investment portfolio to enhance the returns for the Group and realise the investments as and when appropriate.

FINANCIAL INFORMATION OF SOKON FOR EACH OF THE THREE YEARS ENDED 31 DECEMBER 2021, 31 DECEMBER 2022 AND 31 DECEMBER 2023

For the purpose of this section only, unless the context requires otherwise, references to the “Company” are to Sokon, and references to “we”, “us” and “our” shall be construed accordingly.

The following is an extract of the audited consolidated financial statements of Sokon for the three years ended 31 December 2021, 31 December 2022 and 31 December 2023, which were prepared in accordance with the China Accounting Standards for Business Enterprise, as extracted from the respective annual reports of Sokon for the three years ended 31 December 2021, 31 December 2022 and 31 December 2023. These financial statements were issued in Chinese and the English translated version is provided for information purposes only. In case of discrepancies between the two versions, the Chinese version shall prevail.

The annual reports and consolidated financial statements of Sokon for the three years ended 31 December 2021, 31 December 2022 and 31 December 2023 are available at the website of the Shanghai Stock Exchange (<http://english.sse.com.cn/>).

The Directors wish to emphasise that the extracts reproduced below are not prepared for incorporation into this circular and the Company has not participated in their preparation. As such, the Directors do not express any view as to their truth, accuracy or completeness, and the Shareholders and investors should exercise caution and should not place undue reliance on such information.

Section X Financial Statements**I. Audit Report**

√ Applicable □ Not applicable

Audit Report

DXS Zi [2022] No. 2-00366

To all shareholders of Chongqing Sokon Industrial Group Co., Ltd.:**I. Audit Opinions**

We have audited the financial statements of Chongqing Sokon Industrial Group Co., Ltd. (hereinafter referred to as "your Company"), including the Consolidated Balance Sheet and that of the parent company as of December 31, 2021, Consolidated Profit Statement and that of the parent company, Consolidated Cash Flow Statement and that of the parent company, Consolidated Statement of Changes in Shareholders' Equities and that of the parent company and Notes to Financial Statements in 2021.

In our opinion, the attached financial statements are prepared in accordance with the provisions of Accounting Standards for Business Enterprises in all material respects and present fairly your Company's consolidated and the parent company's financial position as of December 31, 2021 and the consolidated and parent company's operating results and cash flows in 2021.

II. Basis for Audit Opinions

We have conducted our audit in accordance with the Auditing Standards for Chinese Certified Public Accountants. Our responsibilities thereunder are further described in the "CPA's Responsibilities for the Audit of the Financial Statements" section of this report. According to the Codes of Professional Ethics of the Chinese Certified Public Accountant, we are independent of your Company and have fulfilled other responsibilities in respect of professional ethics.

We believe that the audit evidences we have obtained are sufficient and appropriate and provide a basis for our audit opinions.

III. Key Audit Matters

Key audit matters mean the matters that we consider as most important for auditing the financial statements in accordance with our professional judgments. The response to these matters is based on the audit of the financial statements as a whole and the formation of audit opinions, we do not express opinions on these matters separately.

(I) Revenue recognition**1. Matter description**

Refer to Note 3 (24) for the accounting policies for revenue recognition, and Note 5 (45) for the amount of revenue incurred. Your Company mainly engages in the manufacturing and sales of vehicles, powertrain systems, and automobile parts. In 2021, your Company's main business income was RMB 15.924 billion, an increase of 15.95% compared to the previous year. Given that operating income is one of the key performance indicators of your Company,

there is an inherent risk that management may adjust the timing of revenue recognition to achieve specific goals or expectations. Therefore, we have identified revenue recognition as a key audit matter.

2. Audit response

The audit procedures we implement for revenue recognition mainly include:

(1) Understand the internal control loop of sales and receipts and conduct walkthrough tests, and conduct control tests on important control points;

(2) Perform analysis procedures on revenue and cost, including: analysis of monthly income, cost, and gross profit fluctuations for the current period, and comparative analysis of current income, cost, and gross margin of main products with the previous period;

(3) Check the supporting vouchers related to revenue recognition through sampling, including sales contracts, dispatch notes, and other original documents, to verify the authenticity of the revenue;

(4) Perform a cut-off test on operating income to determine whether revenue recognition is recorded in the correct accounting period;

(5) Check the accuracy of the recognized revenue amount by combining accounts receivable and main business income verification procedures.

(II) Book value of intangible assets and development expenditure

1. Matter description

As of December 31, 2021, as stated in Notes 5 (17), and (18) to the Financial Statement, the book value of intangible assets was RMB 5,152,726,100, and that of development expenditure was RMB 1,533,729,200, which had a significant impact on the total assets. The main increase in the current period was the investment in NEV research and development. The management's judgment on the timing of converting development expenditure into intangible assets and the amortization period of intangible assets will have an impact on the book value of intangible assets and development expenditure. With the adjustment of the product structure, your Company conducts impairment tests on intangible assets - non-patented technology and development expenditure, and estimates the recoverable amount of the asset group based on the higher of the net amount after deducting disposal expenses from fair value and the present value of expected future cash flows. The estimate of the recoverable amount involves the management's judgment and estimate, so we consider the book value of intangible assets and development expenditure as a key audit matter.

2. Audit response

Our audit procedures for the book value of intangible assets and development expenditure mainly include:

(1) Understand the internal control related to intangible assets and development expenditure, evaluate their design and implementation effectiveness, test the operational effectiveness of relevant internal control, and review whether relevant accounting policies are correct and consistently applied;

(2) Select samples of intangible assets and development expenditure that have increased in the current period, and check supporting documents such as contracts, invoices, acceptance, and payments, etc.;

(3) On the basis of sampling, pay attention to the date on the acceptance report and determine the accuracy of the timing when development expenditure is transferred to intangible assets;

(4) Evaluate the competence, independence, objectivity, experience, and qualifications of third-party evaluation experts hired by management;

(5) Review the evaluation report of third-party evaluation experts hired by the management, evaluate the rationality of the key assumptions, methods, and key parameters used in the evaluation report;

(6) Check whether the information related to intangible assets and development expenditure has been appropriately presented and disclosed in the financial statements.

IV. Other Information

Your Company's management (hereinafter referred to as "the management") is responsible for other information. Other information includes the information contained in the annual report 2021 of your Company, but excludes financial statements and our audit report.

Our audit opinions on the financial statements do not cover other information, and we do not give any authentication conclusions about other information.

In combination with our audit of the financial statements, our responsibility is to read other information, and we should, in this process, consider whether other information is materially inconsistent with the financial statements or the information we learned during the audit, or there are material misstatements.

Based on the work we have performed, we shall report if we confirm that other information is materially misstated. In this regard, we have nothing to be reported.

V. Responsibilities of Management and Governance for Financial Statements

The management is responsible for preparing financial statements in accordance with provisions of Accounting Standards for Business Enterprises to realize a fair presentation of financial conditions, designing, implementing as well as maintaining necessary internal control to avoid the material misstatements in the financial statements due to frauds or errors.

During the preparation of the financial statements, the management is responsible for assessing the going-concern ability of your Company, disclosing the matters related to going-concern (if applicable) and applying the going-concern assumption, unless the management is planning to liquidate your Company and terminate operation, or has no other realistic choice.

The governance is responsible for supervising your Company's financial reporting process.

VI. CPA's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement due to frauds or errors, and to issue an audit report containing our audit opinions. Reasonable assurance is a high level of assurance, but there is no guarantee that the audit carried out in accordance with auditing standards will always find major misstatements. Misstatement may be caused by frauds or errors. If it is reasonably expected that the misstatement, individually or collectively, may affect the economic decisions made by users of financial statements based on the financial statements, it is generally considered that the misstatement is significant.

In the course of performing the audit in accordance with the auditing standards, we used professional judgment and maintained professional suspicion. At the same time, we have completed the following tasks:

(I) Identify and assess material misstatement risks of the financial statement caused by frauds or errors, design and implement audit procedures to deal with these risks, and obtain adequate, proper audit evidence as the basis for

expressing audit opinions. The risk of not detecting a material misstatement resulting from frauds is higher than that resulting from errors, as frauds may involve collusion, forgery, omissions, misrepresentations, or the override of internal control.

(II) Obtain internal control information related to the audit in order to design appropriate audit procedures. However, there is no purpose to express an opinion on the effectiveness of internal control.

(III) Evaluate the appropriateness of accounting policies adopted by and the reasonableness of accounting estimates and related disclosures made by the management.

(IV) Draw conclusions about the appropriateness of the going-concern assumption used by the management. At the same time, based on the audit evidence obtained, draw a conclusion whether a material uncertainty exists related to events or conditions that may cast significant doubt on your Company's ability to continue as a going concern. If we come to the conclusion of the existence of material uncertainty, the auditing standards require us to remind the users of the statements to pay attention to related disclosure in the financial statements in the audit report; in the event that the disclosures are not sufficient, we should publish a non-unqualified opinion. Our conclusions are based on information available as of the date of the audit report. Whereas, future events or circumstances may cause your Company to cease going-concern.

(V) Evaluate the general presentation, structure and content of the financial statement, and evaluate whether the financial statement reflects related transactions and matters fairly.

(VI) Obtain sufficient and appropriate audit evidence for the financial information in the entity or business activities of your Company to make an audit opinion on the consolidated financial statements. We are responsible for guiding, supervising and implementing the Group audit, and fully liable for audit opinions.

We communicate with the governance with respect to the planned audit scope, time arrangement, major audit findings and other matters, including the internal control deficiencies identified in our audit.

We also provide a statement to the governance about our compliance with professional ethics requirements in terms of independence, and communicate with the governance about all relationships and other matters that may reasonably be considered to affect our independence, and relative precautions (if applicable).

From the matters that we communicate with the governance, we determine which matters are most important for the current financial statements audit, and therefore constitute the key audit matters. We describe these matters in the audit report unless public disclosure of these matters is prohibited by laws and regulations or, in rare cases, we determine that these matters should not be communicated in the audit report if the negative consequences of communicating certain matters in audit report would reasonably be expected to surpass the benefit in the public interest.

Daxin Certified Public Accountants (Special General Partnership)

Chinese Certified Public Accountant: Tao HU

(Project Partner)

Beijing, China

Chinese Certified Public Accountant: Chang WANG

April 28, 2022

II. Financial Statements

Consolidated Balance Sheet

December 31, 2021

Prepared by: Chongqing Sokon Industrial Group Co., Ltd.

Unit: CNY

Currency: RMB

Item	Notes	December 31, 2021	December 31, 2020
Current assets:			
Monetary capital		5,832,248,989.73	2,931,612,314.48
Deposit reservation for balance			
Lending funds			
Trading financial assets		320,316,449.65	177,705,000.00
Derivative financial assets			
Notes receivable			
Accounts receivable		996,687,692.10	671,744,618.42
Receivables financing		377,361,946.64	1,824,385,906.06
Advance payment		660,335,098.89	338,477,584.01
Premium receivable			
Reinsurance accounts receivable			
Reserves for reinsurance contract receivable			
Other receivables		1,610,869,459.99	42,628,077.17
Including: Interests receivable			
Dividends receivable			12,727,677.71
Redemptory monetary capital for sale			
Inventory		2,772,885,269.70	1,973,707,597.63
Contract assets		956,435,009.58	991,678,142.19
Held-for-sale assets			
Non-current assets due within one year		246,987,388.15	
Other current assets		893,398,767.20	749,469,692.10
Total current assets		14,667,526,071.63	9,701,408,932.06
Non-current assets:			
Loan granted and advances			
Creditor's right investment			
Other creditor's right investment			
Long-term receivables		301,666,696.28	485,608,490.62
Long-term equity investment		39,984,459.93	106,383,531.67
Other equity instrument investments		94,203,246.25	94,203,246.25
Other non-current financial assets			
Investment property			
Fixed assets		7,799,051,911.85	7,692,852,690.30
Construction in progress		1,532,734,544.45	1,869,585,966.56
Productive biological assets			
Oil-gas assets			
Right-of-use assets		304,543,772.37	
Intangible assets		5,152,726,059.59	4,163,515,867.81
Development expenditure		1,533,729,211.17	1,835,330,014.89
Goodwill		75,704,910.86	81,761,574.65
Long-term unamortized expenses		82,432,532.62	84,126,326.59

Deferred income tax assets		151,540,064.61	94,259,590.13
Other non-current assets		288,020,170.93	58,558,410.13
Total non-current assets		17,356,337,580.91	16,566,185,709.60
Total assets		32,023,863,652.54	26,267,594,641.66
Current liabilities:			
Short-term borrowings		2,109,310,997.38	2,146,129,051.38
Borrowings from the central bank			
Borrowing funds			
Trading financial liabilities			
Derivative financial liabilities			
Notes payable		7,767,566,728.28	5,611,915,739.01
Accounts payable		6,143,477,684.12	5,325,148,455.00
Advance receipt		120,066,603.00	350,458,147.43
Contract liabilities		756,471,653.65	640,999,546.98
Financial assets sold for repurchase			
Deposits from customers and interbank			
Acting trading securities			
Acting underwriting securities			
Payroll payable		503,708,425.39	325,260,023.37
Taxes payable		159,759,485.75	194,044,688.41
Other payables		699,096,463.55	642,927,522.94
Including: Interests payable			
Dividends payable			
Fees and commissions payable			
Reinsurance accounts payable			
Held-for-sale liabilities			
Non-current liabilities due within one year		595,464,129.62	939,508,760.00
Other current liabilities		68,939,520.85	70,649,842.95
Total current liabilities		18,923,861,691.59	16,247,041,777.47
Non-current liabilities:			
Reserves for insurance contract			
Long-term borrowings		1,846,948,687.97	1,520,175,171.89
Bonds payable		141,040,688.85	538,041,864.74
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		338,126,853.35	
Long-term payables		1,777,710,628.85	970,290,659.83
Long-term employee remuneration payable			
Estimated liabilities		24,950,562.09	22,032,314.02
Deferred income		1,185,400,294.10	1,288,617,974.12
Deferred income tax liabilities		56,481,046.42	62,363,372.05
Other non-current liabilities			
Total non-current liabilities		5,370,658,761.63	4,401,521,356.65
Total liabilities		24,294,520,453.22	20,648,563,134.12
Owners' equities (or shareholders' equities):			
Paid-in capital (or share capital)		1,359,932,415.00	1,278,439,873.00
Other equity instruments		56,979,017.86	166,258,372.86
Including: Preferred shares			
Perpetual bonds			
Capital reserves		8,087,379,561.18	3,357,903,100.86
Minus: Treasury shares			
Other comprehensive incomes		-128,143,478.50	-103,861,347.49
Special reserves			
Surplus reserves		296,491,575.32	256,823,837.45
General risk reserves			

Undistributed profits		-1,713,042,861.87	207,836,460.35
Total owners' equities (or shareholders' equities) attributable to the parent company		7,959,596,228.99	5,163,400,297.03
Minority shareholders' equities		-230,253,029.67	455,631,210.51
Total owners' equities (or shareholders' equities)		7,729,343,199.32	5,619,031,507.54
Total liabilities and owners' equities (or shareholders' equities)		32,023,863,652.54	26,267,594,641.66

Person in charge of the Company: Zhengping ZHANG
 Person in charge of accountancy: Lian LIU
 Person in charge of accounting agency: Delin LIU

Balance Sheet of the Parent Company

December 31, 2021

Prepared by: Chongqing Sokon Industrial Group Co., Ltd.

Unit: CNY

Currency: RMB

Item	Notes	December 31, 2021	December 31, 2020
Current assets:			
Monetary capital		515,038,709.66	79,692,948.80
Trading financial assets		152,036,500.00	177,705,000.00
Derivative financial assets			
Notes receivable			
Accounts receivable		2,623,552.30	423,650.00
Receivables financing			
Advance payment		12,030,029.03	1,079,561.15
Other receivables		10,069,886,389.65	5,555,597,123.87
Including: Interests receivable			
Dividends receivable			1,000,000.00
Inventory			
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets		10,999.16	3,147,725.69
Total current assets		10,751,626,179.80	5,817,646,009.51
Non-current assets:			
Creditor's right investment			
Other creditor's right investment			
Long-term receivables			
Long-term equity investment		9,608,859,144.31	9,583,212,939.79
Other equity instrument investments		78,000,000.00	78,000,000.00
Other non-current financial assets			
Investment property			
Fixed assets		292,095,201.13	380,171,835.58
Construction in progress			
Productive biological assets			
Oil-gas assets			
Right-of-use assets			
Intangible assets		63,136,507.77	130,442,847.22
Development expenditure			
Goodwill			

Long-term unamortized expenses		5,675,219.56	6,810,263.44
Deferred income tax assets		709,844.66	3,577,104.56
Other non-current assets		1,039,984.11	2,140,677.92
Total non-current assets		10,049,515,901.54	10,184,355,668.51
Total assets		20,801,142,081.34	16,002,001,678.02
Current liabilities:			
Short-term borrowings		250,366,666.67	638,735,380.58
Trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable		823,869.42	4,754,452.52
Advance receipt		120,066,603.00	350,458,147.43
Contract liabilities			
Payroll payable		23,323,601.69	23,388,334.06
Taxes payable		3,967,245.99	515,004.28
Other payables		5,055,972,704.18	4,743,556,928.54
Including: Interests payable			
Dividends payable			
Held-for-sale liabilities			
Non-current liabilities due within one year		300,058,680.00	541,908,760.00
Other current liabilities			
Total current liabilities		5,754,579,370.95	6,303,317,007.41
Non-current liabilities:			
Long-term borrowings		983,849,776.66	768,726,280.00
Bonds payable		141,040,688.85	538,041,864.74
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables		1,060,000,000.00	71,625,000.00
Long-term employee remuneration payable			
Estimated liabilities			
Deferred income		6,382,311.26	88,957,008.17
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities		2,191,272,776.77	1,467,350,152.91
Total liabilities		7,945,852,147.72	7,770,667,160.32
Owners' equities (or shareholders' equities):			
Paid-in capital (or share capital)		1,359,932,415.00	1,278,439,873.00
Other equity instruments		56,979,017.86	166,258,372.86
Including: Preferred shares			
Perpetual bonds			
Capital reserves		9,676,160,740.82	5,421,095,890.63
Minus: Treasury shares			
Other comprehensive incomes			
Special reserves			
Surplus reserves		297,320,313.20	257,652,575.33
Undistributed profits		1,464,897,446.74	1,107,887,805.88
Total owners' equities (or shareholders' equities)		12,855,289,933.62	8,231,334,517.70
Total liabilities and owners' equities (or shareholders' equities)		20,801,142,081.34	16,002,001,678.02

Person in charge of the Company: Zhengping ZHANG
Person in charge of accountancy: Lian LIU
Person in charge of accounting agency: Delin LIU

Consolidated Profit Statement

January - December 2021

Unit: CNY

Currency: RMB

Item	Notes	2021	2020
I. Total operating income		16,717,920,929.77	14,302,475,985.44
Including: Operating income		16,717,920,929.77	14,302,475,985.44
Interest income			
Earned premium			
Incomes from fees and commissions			
II. Total operating costs		20,000,537,038.76	16,734,427,147.61
Including: Operating cost		16,087,604,150.41	13,649,817,086.14
Interest expenditure			
Fee and commission expenses			
Surrender value			
Net amount of compensation payout			
Withdrawal of net amount of reserve fund for insurance liabilities			
Bond insurance expense			
Reinsurance expenses			
Taxes and surcharges		351,787,302.20	354,283,864.56
Sales expenses		1,279,955,159.89	728,534,353.97
Management expenses		1,088,753,488.91	892,525,316.63
R&D expenses		947,986,961.92	836,979,079.20
Financial expenses		244,449,975.43	272,287,447.11
Including: Interest expenses		260,712,007.29	276,454,457.92
Interest income		52,595,840.69	48,021,688.07
Plus: Other incomes		295,020,730.67	622,607,471.67
Return on investment (the loss is expressed with "-")		-82,477,549.92	-100,773,763.02
Including: Return on investment in associated enterprises and joint ventures		-11,209,592.80	-62,232,079.56
Income from derecognition of financial assets measured at amortized cost			
Incomes from exchange (the loss is expressed with "-")			
Income from net exposure hedging (the loss is expressed with "-")			
Income from change in fair value (the loss is expressed with "-")		-135,254,102.02	-86,878,000.00
Credit impairment loss (the loss is expressed with "-")		-20,074,083.46	-121,710,606.60
Asset impairment loss (the loss is expressed with "-")		-246,533,733.59	-135,241,300.18
Income from asset disposal (the loss is expressed with "-")		587,197,828.37	59,421,346.07
III. Operating profit (the loss is expressed with "-")		-2,884,737,018.94	-2,194,526,014.23
Plus: Non-operating income		300,779,210.22	28,412,155.54
Minus: Non-operating expenditure		25,902,452.98	21,062,195.73
IV. Total profits (the total losses are expressed with "-")		-2,609,860,261.70	-2,187,176,054.42
Minus: Income tax expenses		20,963,463.20	47,243,280.98
V. Net profit (the net loss is expressed with "-")		-2,630,823,724.90	-2,234,419,335.40
(I) Classification by operation continuity			
1. Net profit from continuing operation (the net loss is expressed in with "-")		-2,630,823,724.90	-2,234,419,335.40

2. Net profit from discontinuing operation (the net loss is expressed in with "-")			
(II) Classification by ownership			
1. Net profit attributable to the shareholders of parent company (the net loss is expressed with "-")		-1,823,911,349.24	-1,728,591,191.47
2. Minority shareholders' profit and loss (the net loss is expressed with "-")		-806,912,375.66	-505,828,143.93
VI. Net after-tax amount of other comprehensive incomes		-27,125,195.00	-183,564,731.99
(I) Net of tax of other comprehensive incomes attributable to the owners of the parent company		-24,282,131.01	-173,488,369.53
1. Other comprehensive incomes that cannot be reclassified into profits and losses			
(1) Re-measurement of changed amount in the defined benefit plan			
(2) Other comprehensive incomes that cannot be transferred into the profits and losses under the equity method			
(3) Changes in fair value of other equity instrument investments			
(4) Changes in fair value of enterprise credit risk			
2. Other comprehensive incomes that will be reclassified into profits and losses		-24,282,131.01	-173,488,369.53
(1) Other comprehensive incomes that can be transferred into the profits and losses under the equity method			
(2) Changes in fair value of other creditor's right investment			
(3) Amount of financial assets reclassified into other comprehensive incomes			
(4) Credit impairment reserves of other creditor's right investment			
(5) Cash flow hedging reserves			
(6) Translation balance of foreign currency financial statements		-24,282,131.01	-173,488,369.53
(7) Others			
(II) Net after-tax amount of other comprehensive incomes attributable to the minority shareholders		-2,843,063.99	-10,076,362.46
VII. Total comprehensive incomes		-2,657,948,919.90	-2,417,984,067.39
(I) Total comprehensive incomes attributable to the owners of the parent company		-1,848,193,480.25	-1,902,079,561.00
(II) Total comprehensive incomes attributable to minority shareholders		-809,755,439.65	-515,904,506.39
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		-1.38	-1.49
(II) Diluted earnings per share (RMB/share)		-1.38	-1.49

As for the business combination under the same control in the current period, net profits achieved by the combined party before the combination was: RMB 0; net profit realized by the combined party in the previous period was: RMB 0.

Person in charge of the Company: Zhengping ZHANG
 Person in charge of accountancy: Lian LIU
 Person in charge of accounting agency: Delin LIU

Profit Statement of the Parent Company

January - December 2021

Unit: CNY

Currency: RMB

Item	Notes	2021	2020
I. Operating income		39,630,496.09	44,828,086.18
Minus: Operating cost		10,705,373.23	10,848,516.94
Taxes and surcharges		9,481,146.19	8,475,806.89
Sales expenses			
Management expenses		142,615,100.92	145,361,660.97
R&D expenses			
Financial expenses		7,363,654.28	145,869,482.84
Including: Interest expenses		245,274,917.36	272,401,587.53
Interest income		244,714,391.62	152,954,875.01
Plus: Other incomes		86,508,285.06	37,435,065.75
Return on investment (the loss is expressed with "-")		52,333,951.01	390,271,475.16
Including: Return on investment in associated enterprises and joint ventures		567,171.01	1,188,775.16
Income from derecognition of financial assets measured at amortized cost			
Income from net exposure hedging (the loss is expressed with "-")			
Income from change in fair value (the loss is expressed with "-")		-25,668,500.00	-86,878,000.00
Credit impairment loss (the loss is expressed with "-")		-1,002,159.86	28,068.30
Asset impairment loss (the loss is expressed with "-")			
Income from asset disposal (the loss is expressed with "-")		419,520,196.31	83,147,025.23
II. Operating profit (the loss is expressed with "-")		401,156,993.99	158,276,252.98
Plus: Non-operating income		1,716,123.72	280,581.36
Minus: Non-operating expenditure		400,589.66	2,673,797.52
III. Total profits (the total losses are expressed with "-")		402,472,528.05	155,883,036.82
Minus: Income tax expenses		5,795,149.32	-49,132.03
IV. Net profit (the net loss is expressed with "-")		396,677,378.73	155,932,168.85
(I) Net profit from continuing operation (the net loss is expressed in with "-")		396,677,378.73	155,932,168.85
(II) Net profit from discontinuing operation (the net loss is expressed in with "-")			
V. Net after-tax amount of other comprehensive incomes			
(I) Other comprehensive incomes that cannot be reclassified into profits and losses			
1. Re-measurement of changed amount in the defined benefit plan			
2. Other comprehensive incomes that cannot be transferred into the profits and losses under the equity method			
3. Changes in fair value of other equity instrument investments			
4. Changes in fair value of enterprise credit risk			
(II) Other comprehensive incomes that will be reclassified into profits and losses			
1. Other comprehensive incomes that can be transferred into the profits and losses under the equity method			
2. Changes in fair value of other creditor's right investment			
3. Amount of financial assets reclassified into other comprehensive incomes			
4. Credit impairment reserves of other creditor's right investment			
5. Cash flow hedging reserves			

6. Translation balance of foreign currency financial statements			
7. Others			
VI. Total comprehensive incomes		396,677,378.73	155,932,168.85
VII. Earnings per share:			
(I) Basic earnings per share (RMB/share)			
(II) Diluted earnings per share (RMB/share)			

Person in charge of the Company: Zhengping ZHANG
 Person in charge of accountancy: Lian LIU
 Person in charge of accounting agency: Delin LIU

Consolidated Cash Flow Statement

January - December 2021

Unit: CNY

Currency: RMB

Item	Notes	2021	2020
I. Cash flow generated from operating activities:			
Cash received from sales of goods and provisions of labor services		18,093,914,298.80	14,804,282,943.64
Net increase of deposits from customers and other banks			
Net increase in borrowings from the central bank			
Net increase in borrowing funds from other financial institutions			
Cash received from the original insurance contract premium			
Net cash received from reinsurance premiums			
Net increase in policy holder deposits and investment funds			
Cash received from interests, fees and commissions			
Net increase in borrowing funds			
Net increase in repurchase business funds			
Net cash received from vicariously traded securities			
Refund of tax and fees received		558,181,747.34	362,833,993.79
Other cash received related to operating activities		656,397,186.26	1,728,427,254.62
Subtotal of cash inflow from operating activities		19,308,493,232.40	16,895,544,192.05
Cash paid for purchasing goods and receiving labor service		14,195,003,085.30	11,882,819,013.76
Net increase in customer loans and advances			
Net increase of deposits in central bank and other banks			
Cash paid for indemnity of original insurance contract			
Net increase in lending funds			
Cash paid for interests, fees and commissions			
Cash paid for policy dividends			
Cash paid to and for employees		1,734,410,067.04	1,324,442,804.81
Tax and fees paid		631,612,350.76	673,685,049.66
Other cash paid related to operating activities		3,734,916,180.80	1,926,667,266.80
Subtotal of cash outflow from operating activities		20,295,941,683.90	15,807,614,135.03
Net cash flow generated from operating activities		-987,448,451.50	1,087,930,057.02
II. Cash flow generated from investing activities:			
Cash received from withdrawing investment		67,427,877.00	
Cash received from obtaining return on investment		8,766,780.00	9,082,700.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		1,056,100,575.37	477,487,613.38
Net cash received from disposal of subsidiaries and other business units			

Other cash received related to investing activities			114,538,381.10
Subtotal of cash inflow from investing activities		1,132,295,232.37	601,108,694.48
Net cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		2,132,984,510.08	1,845,647,733.94
Cash paid for investment			74,000,000.00
Net increase in pledged loans			
Net cash paid for disposal of subsidiaries and other business units			
Other cash paid related to investing activities		562,049,346.19	
Subtotal of cash outflow from investing activities		2,695,033,856.27	1,919,647,733.94
Net cash flow generated from investing activities		-1,562,738,623.89	-1,318,539,039.46
III. Cash flow generated from financing activities:			
Cash received from attracting investment		3,033,082,411.74	5,003,684.25
Including: Cash received by subsidiaries from absorbing investments from minority shareholders		465,042,113.74	5,003,684.25
Cash received from obtaining borrowings		3,379,567,299.99	2,926,320,838.11
Other cash received related to financing activities		1,062,782,971.41	44,147,768.32
Subtotal of cash inflow from financing activities		7,475,432,683.14	2,975,472,290.68
Cash paid for repaying debts		3,521,518,064.41	3,126,658,639.00
Cash paid for the distribution of dividends, profits or repayment of interests		250,991,118.81	324,970,295.57
Including: Dividends and profits paid to minority shareholders by subsidiaries			
Other cash paid related to financing activities		766,790,041.92	652,493,439.55
Subtotal of cash outflow from financing activities		4,539,299,225.14	4,104,122,374.12
Net cash flow generated from financing activities		2,936,133,458.00	-1,128,650,083.44
IV. Effect of changes in exchange rate on cash and cash equivalents		-1,805,794.65	-19,778,790.31
V. Net increase in cash and cash equivalents		384,140,587.96	-1,379,037,856.20
Plus: Balance of cash and cash equivalents at the beginning of the period		934,820,350.98	2,313,858,207.18
VI. Balance of cash and cash equivalents at the beginning of the period		1,318,960,938.94	934,820,350.98

Person in charge of the Company: Zhengping ZHANG
 Person in charge of accountancy: Lian LIU
 Person in charge of accounting agency: Delin LIU

Cash Flow Statement of the Parent Company

January - December 2021

Unit: CNY

Currency: RMB

Item	Notes	2021	2020
I. Cash flow generated from operating activities:			
Cash received from sales of goods and provisions of labor services		2,202,710.00	2,056,658.02
Refund of tax and fees received			
Other cash received related to operating activities		18,989,124.95	205,769,918.45
Subtotal of cash inflow from operating activities		21,191,834.95	207,826,576.47
Cash paid for purchasing goods and receiving labor service			
Cash paid to and for employees		90,695,274.05	88,531,766.33
Tax and fees paid		19,498,140.11	9,525,543.83
Other cash paid related to operating activities		2,762,252,024.59	264,604,624.22
Subtotal of cash outflow from operating activities		2,872,445,438.75	362,661,934.38

Net cash flow generated from operating activities		-2,851,253,603.80	-154,835,357.91
II. Cash flow generated from investing activities:			
Cash received from withdrawing investment			
Cash received from obtaining return on investment		51,766,780.00	389,082,700.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		257,939,853.98	456,730,867.62
Net cash received from disposal of subsidiaries and other business units			
Other cash received related to investing activities			
Subtotal of cash inflow from investing activities		309,706,633.98	845,813,567.62
Net cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		7,916,407.29	9,098,007.19
Cash paid for investment		8,000,000.00	74,000,000.00
Net cash paid for disposal of subsidiaries and other business units			
Other cash paid related to investing activities			
Subtotal of cash outflow from investing activities		15,916,407.29	83,098,007.19
Net cash flow generated from investing activities		293,790,226.69	762,715,560.43
III. Cash flow generated from financing activities:			
Cash received from attracting investment		2,568,040,298.00	
Cash received from obtaining borrowings		920,000,000.00	638,000,000.00
Other cash received related to financing activities		1,098,439,802.50	65,075,372.66
Subtotal of cash inflow from financing activities		4,586,480,100.50	703,075,372.66
Cash paid for repaying debts		1,329,528,080.00	1,036,635,640.00
Cash paid for the distribution of dividends, profits or repayment of interests		223,305,365.52	266,572,773.01
Other cash paid related to financing activities		1,073,796.11	63,619,380.95
Subtotal of cash outflow from financing activities		1,553,907,241.63	1,366,827,793.96
Net cash flow generated from financing activities		3,032,572,858.87	-663,752,421.30
IV. Effect of changes in exchange rate on cash and cash equivalents		-1,323,918.40	102.26
V. Net increase in cash and cash equivalents		473,785,563.36	-55,872,116.52
Plus: Balance of cash and cash equivalents at the beginning of the period		6,302,870.17	62,174,986.69
VI. Balance of cash and cash equivalents at the beginning of the period		480,088,433.53	6,302,870.17

Person in charge of the Company: Zhengping ZHANG
Person in charge of accountancy: Lian LIU
Person in charge of accounting agency: Delin LIU

Consolidated Statement of Changes in Owners' Equities

January - December 2021

Unit: CNY

Currency: RMB

Item	2021											Minority shareholders' equities	Total owners' equities
	Owners' equities attributable to the parent company												
	Paid-in capital (or share capital)	Other equity instruments		Capital reserves	Minus: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Undistributed profits/losses	Others	Subtotal		
Preferred shares		Perpetual bonds	Others										
I. Balance at the end of last year	1,278,439,873.00		166,258,372.86	3,357,903,100.86		103,861,347.49		256,823,837.45	207,836,460.35		5,163,400,297.03	455,631,210.51	5,619,031,507.54
Plus: Changes in accounting policies													
Error correction in the previous period													
Business combination under the same control													
Others													
II. Balance at the beginning of the year	1,278,439,873.00		166,258,372.86	3,357,903,100.86		103,861,347.49		256,823,837.45	150,536,225.24		5,106,100,061.92	448,195,361.22	5,554,295,423.14
III. Increase/decrease amount of the current period (the decrease is expressed with "-")	81,492,542.00		-109,279,355.00	4,729,476,460.32		-24,282,131.01		39,667,737.87	-1,863,579,087.11		2,853,496,167.07	678,448,390.89	2,175,047,776.18
(I) Total comprehensive incomes						-24,282,131.01			-1,823,911,349.24		1,848,193,480.25	809,755,439.65	2,657,948,919.90
(II) Capital invested by the owners and reduced	81,492,542.00		-109,279,355.00	4,729,476,460.32							4,701,689,647.32	131,307,048.76	4,832,996,696.08
1. Common share contributed by owners	56,368,913.00			2,511,530,649.07							2,567,899,562.07	465,041,779.40	3,032,941,341.47
2. Capital invested by holders of other equity instruments	25,123,629.00		-109,279,355.00	497,603,292.44							413,447,566.44		413,447,566.44
3. Amount of share-based payment included into owners' equities				20,437,865.04							20,437,865.04		20,437,865.04
4. Others				1,699,904,653.77							1,699,904,653.77	333,734,730.64	1,366,169,923.13
(III) Profit distribution								39,667,737.87	-39,667,737.87				
1. Withdrawal of surplus reserves								39,667,737.87	-39,667,737.87				
2. Withdrawal of general risk reserves													
3. Distribution to the owners (or shareholders)													
4. Others													
(IV) Internal carry-over of owners' equities													

Statement of Changes in Owners' Equities of the Parent Company

January - December 2021

Item	2021										Unit: CNY	Currency: RMB
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Minus: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Undistributed profits	Total owners' equities	
		Preferred shares	Perpetual bonds	Others								
I. Balance at the end of last year	1,278,439,873.00		166,258,372.86		5,421,095,890.63				257,652,575.33	1,107,887,805.88	8,231,334,517.70	
Plus: Changes in accounting policies												
Error correction in the previous period												
Others												
II. Balance at the beginning of the year	1,278,439,873.00		166,258,372.86		5,421,095,890.63				257,652,575.33	1,107,887,805.88	8,231,334,517.70	
III. Increase/decrease amount of the current period (the decrease is expressed with "-")	81,492,542.00		-109,279,355.00		4,255,064,850.19				39,667,737.87	357,009,640.86	4,623,955,415.92	
(I) Total comprehensive incomes										396,677,378.73	396,677,378.73	
(II) Capital invested by the owners and reduced	81,492,542.00		-109,279,355.00		4,255,064,850.19						4,227,278,037.19	
1. Common share contributed by owners	56,368,913.00				2,511,530,649.07						2,567,899,562.07	
2. Capital invested by holders of other equity instruments	25,123,629.00		-109,279,355.00		497,603,292.44						413,447,566.44	
3. Amount of share-based payment included into owners' equities					20,437,865.04						20,437,865.04	
4. Others					1,225,493,043.64						1,225,493,043.64	
(III) Profit distribution									39,667,737.87	-39,667,737.87		
1. Withdrawal of surplus reserves									39,667,737.87	-39,667,737.87		
2. Distribution to the owners (or shareholders)												
3. Others												
(IV) Internal carry-over of owners' equities												
1. Capital (or share capital) transferred from capital reserves												
2. Capital (or share capital) transferred from surplus reserves												
3. Recovery of losses by surplus reserves												
4. Change amount of defined benefit plan carried forward to retained earnings												
5. Retained earnings carried forward from other comprehensive incomes												
6. Others												

(V) Special reserves	2020										Total owners' equities
	Paid-in capital (or share capital)	Preferred shares	Perpetual bonds	Others	Capital reserves	Minus: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Undistributed profits	
I. Balance at the end of last year	939,945,382.00			242,664,709.22	1,673,713,946.63	67,371,200.00			242,059,358.44	1,016,008,371.96	4,047,020,568.25
Plus: Changes in accounting policies											
Error correction in the previous period											
Others											
II. Balance at the beginning of the year	939,945,382.00			242,664,709.22	1,673,713,946.63	67,371,200.00			242,059,358.44	1,016,008,371.96	4,047,020,568.25
III. Increase/decrease amount of the current period (the decrease is expressed with "-")	338,494,491.00			-76,406,336.36	3,747,381,944.00	-67,371,200.00			15,593,216.89	91,879,433.92	4,184,313,949.45
(I) Total comprehensive incomes										155,932,168.85	155,932,168.85
(II) Capital invested by the owners and reduced	338,494,491.00			-76,406,336.36	3,747,381,944.00	-67,371,200.00					4,076,841,298.64
1. Common share contributed by owners	327,380,952.00				3,522,310,193.57						3,849,691,145.57
2. Capital invested by holders of other equity instruments	17,673,539.00			-76,406,336.36	285,882,950.43						227,150,153.07
3. Amount of share-based payment included into owners' equities	-6,560,000.00				-60,811,200.00						
4. Others											
(III) Profit distribution									15,593,216.89	-64,052,734.93	-48,459,518.04
1. Withdrawal of surplus reserves									15,593,216.89	-15,593,216.89	
2. Distribution to the owners (or shareholders)										-48,459,518.04	-48,459,518.04
3. Others											
(IV) Internal carry-over of owners' equities											
1. Capital (or share capital) transferred from capital reserves											
2. Capital (or share capital) transferred from surplus reserves											
3. Recovery of losses by surplus reserves											
4. Change amount of defined benefit plan carried forward to retained earnings											
5. Retained earnings carried forward from other comprehensive incomes											
IV. Ending balance of the current period	1,359,932,415.00			56,979,017.86	9,676,160,740.82	67,371,200.00			297,320,313.20	1,464,897,446.74	12,855,289,933.62

III. Basic Information of the Company**1. Company profile**

Applicable Not applicable

(I) Registration place, organizational form and headquarters address of the Company

Chongqing Sokon Industrial Group Co., Ltd. (hereinafter referred to as "the Company") was established on May 11, 2007, with the Business License of Enterprise Legal Person issued by Chongqing Municipal Administration for Market Regulation (unified social credit code: 915001066608898456), registration place at No. 61-1, Jinqiao Road, Shapingba District, Chongqing, legal representative of Zhengping ZHANG, and registered capital of RMB 1,359,932,415.00.

(II) Business nature and main operating activities of the Company

The Company is a manufacturing enterprise. Business scope: manufacturing and sales of: automobile parts, motor vehicle parts, general machinery, electrical machinery, electrical appliances, electronic products (excluding electronic publications), instruments and meters; sales of: daily necessities, household appliances, hardware, and metal materials (excluding rare and precious metals); house leasing and machinery & equipment; economic and technical consulting services; import and export of goods.

2. Consolidated financial statement scope

Applicable Not applicable

Refer to "Note VIII. Changes in Consolidation Scope" and "Note IX. Equity in Other Entities" to the financial statements for the consolidation scope of the Company.

IV. Basis of Preparation of the Financial Statements**1. Preparation basis**

On a going-concern basis, the financial statements of the Company are prepared.

2. Going-concern

Applicable Not applicable

The Company has the going-concern capacity for at least 12 months from the end of the reporting period and has no significant events affecting its going-concern capacity.

V. Significant Accounting Policies and Accounting Estimates

Specific accounting policy and accounting estimate prompt:

Applicable Not applicable

1. Declaration of complying with the Accounting Standards for Business Enterprises

The Company's financial statements are compiled conforming with Accounting Standards for Business Enterprises, and reflect the relevant information such as Company's financial status, operating results, the change of stockholders' equities and cash flow truly and completely.

2. Accounting period

The accounting year of the Company is from January 1 to December 31 of the Gregorian calendar.

3. Operating cycle

Applicable Not applicable

The Company takes 12 months of a year as the normal operating cycle, which is taken as the liquidity classification standard of assets and liabilities.

4. Recording currency

The Company takes RMB as the recording currency.

5. Accounting treatment methods for business combination under the same control and not under the same control

Applicable Not applicable

1. Business combination under the same control

For the long-term equity investment resulted from business combination under the same control, if the combining party realizes the combined consideration by paying cash, transferring non-cash assets or assuming the debts, the share of the book value of the owner's equity of the combined party of the Company in the consolidated financial statements of the final controlling party on the combination date is regarded as the initial cost of a long-term equity investment. Where the combining party realizes the combined consideration by issuing equity instruments, it should be taken as the share capital as per the total par value of share issued. The capital reserves should be adjusted through the difference between the initial investment cost of long-term equity investment and the book value of the combined consideration (or total issued share value); the retained earnings shall be adjusted if the capital reserve is insufficient for write-off.

2. Business combination not under the same control

For the business combination not under the same control, the combination costs refer to the sum of the fair value of assets, liabilities incurred or undertaken and issued equity securities paid by the acquiree for the control right over the acquirer on the acquisition date. The identifiable assets, liabilities and contingent liabilities in line with the recognition criteria of the acquiree and obtained in the business combination not under the same control shall be measured by the fair value on the acquisition date. If the combination costs are larger than the balance of fair value share of the acquiree's identifiable net assets during combination, it should be recognized as goodwill by acquirer. If the combination costs are smaller than the difference of the fair value share of the identifiable net assets of the acquiree during the combination and after re-check, and the combination cost is still smaller than the above-mentioned difference, which will be included into the current non-operating income by the acquirer.

6. Methods for preparing consolidated financial statements

Applicable Not applicable

1. Consolidated financial statement scope

The Company incorporates all of its subsidiaries (including the individual entities controlled by the Company) into the scope of the consolidated financial statements, including the companies controlled by the Company, the divisible parts of the investees and the structured entities.

2. Unite the accounting policies, balance sheet date and accounting period of the parent company and subsidiaries.

If the subsidiaries and the Company take inconsistent accounting policies or the accounting periods, when consolidated financial statements are prepared, the necessary adjustment will be made to the subsidiary's financial statements according to the Company's accounting policy or accounting period.

3. Offset matters of consolidated financial statements

The internal transactions between the Company and its subsidiaries and between subsidiaries have been offset in the consolidated financial statements based on the financial statements of the Company and its subsidiaries. The shares in the owner's equity of the subsidiaries that does not belong to the Company should be regarded as the minority shareholders' equities, and should be listed as "minority shareholders' equities" under the item of shareholders' equities in the consolidated balance sheet. The long-term equity investment of the Company held by the subsidiary is regarded as the treasury shares of the Company, which is as the subtract item of the shareholders' equities and listed as "minus: treasury shares" under the item of shareholders' equities in the consolidated balance sheets.

4. Accounting treatment for consolidated subsidiaries

For subsidiaries acquired due to the business combination under the same control, it should be deemed that the business combination has occurred at the beginning of the period of the control by final controlling party, and their assets, liabilities, operating results and cash flow should be incorporated into the consolidated financial statements at the beginning of the combination period; for subsidiaries acquired due to the business combination not under the same control, when preparing the consolidated financial statements, individual financial statements should be adjusted based on the fair value of net identifiable assets on the acquisition date.

5. Accounting treatment for disposal of subsidiaries

If the Company disposes a part of the long-term equity investment of subsidiaries without losing the control right, in the consolidated financial statements, the difference between the disposal price and the share of net assets continuously calculated by subsidiaries from the acquisition date or the combination date corresponding to the disposal of the long-term equity investment should be disposed, and the capital reserves (capital premium or share capital premium) should be adjusted, and if the capital reserves are insufficient to be offset, the retained earnings should be adjusted.

When losing the control right to the investee due to disposal of a part of equity investments or other reasons, the Company should conduct calculation and measurement again as per fair value on the date of losing control right for the rest equity when compiling the consolidated financial statements. The balance of sum of the consideration from equity disposal and fair value of residual equity, deducting the shares of net asset continuously calculated from the acquisition date or combination date of original subsidiaries as per the original shareholding proportion, is recorded in the current return on investment of losing control right and write down the goodwill at the same time. Other comprehensive incomes associated with the equity investment of the original subsidiaries should be converted into current return on investment when losing the control right.

7. Classification of joint-operation arrangement and treatment method of joint-operation accounting

Applicable Not applicable

1. Classification of joint-operation arrangement

The joint-operation arrangement is divided into the joint operation and joint venture. The joint-operation arrangement not concluded by the independent entity shall be classified as a joint venture. The independent entity refers to an entity with separate and identifiable financial regime, including independent legal entity and entity without the qualification of legal entity but recognized legally. In general, the joint-operation arrangement concluded by independent entity shall be divided into the joint ventures. Where changes occur to the rights and obligations of the

joint venturer in the joint-operation arrangement due to change of the relevant facts and situations, the joint venturer should re-assess the classification of the joint-operation arrangement.

2. Accounting treatment for joint operation

When the Company is a party involved in the joint operation, the following items related to the shares in the joint operation should be recognized, and the accounting treatment should be made in accordance with the regulations of the related Accounting Standards for Business Enterprises: recognize the assets or liabilities held by separately, and the assets or liabilities held jointly as per the shares; recognize the revenue from selling the output shares involved in the joint operation; recognize the revenue of the joint operation due to sales, according to the share; recognize the expenses incurred independently and the expenses incurred from joint operation by its shares.

For the participant of joint operation regardless of the same control, in case the Company enjoys and assumes the relevant assets and liabilities of joint operation, the accounting treatment should be made with reference to the provisions of the participant of the joint operation; otherwise, the accounting treatment shall be made in accordance with the related Accounting Standards for Business Enterprises.

3. Accounting treatment for joint venture

When the Company is the joint venturer of joint venture, the accounting treatment should be made on the joint ventures' investment according to *Accounting Standards for Business Enterprises No. 2 - Long-term Equity Investment*; when the company is a non-joint venturer, the accounting treatment should be made based on the degree of influence on the joint venture.

8. Determination standard of cash and cash equivalents

Cash equivalents refer to investments that are of short-term (usually its expiration date is within 3 months from the acquisition date), with highly liquid, readily convertible to known amounts of cash, and with little risk of changes in value hold by enterprises.

9. Foreign currency business and translation of foreign currency statement

Applicable Not applicable

1. Foreign currency business translation

The foreign currency transaction of the Company is converted into standard money by using the spot rate on the transaction date and included into the accounts. Foreign currency monetary items on balance sheet date are converted based on sight rate on balance sheet date. The exchange balance between the sight rate on that day and initial sight rate or sight rate on former balance sheet date is included into current profit and loss besides the exchange balance of foreign currency borrowings meeting capitalization conditions is included into the capital cost upon capitalization during the capitalization period. Non-monetary items in foreign currencies measured at historical cost are still converted at the spot exchange rate on the date of transaction, and the amount in recording currency does not change. For non-monetary items in foreign currency measured at fair value, spot exchange rate on the fair value recognition day will be used for conversion. The difference between the converted recording currency amount and the original recording currency amount should be disposed as the fair value change (including exchange rate fluctuation) and included into the current profit and loss or other comprehensive incomes.

2. Translation of foreign currency financial statements

If the Company's subsidiaries, joint ventures, associated enterprises, etc. adopt different recording currency from

the Company, they should firstly conduct the translation of the foreign currency financial statements, and then conduct business accounting and prepare the consolidated financial statements. The asset and liability items in the balance sheet shall be converted in accordance with the spot exchange rate on the balance sheet date. Among the item of owner's equity, except for the items as "undistributed profits" item, other items will be translated adopting the spot exchange rate on the transaction date. As for the items of incomes and expenses in the profit statement, the translation shall adopt the spot exchange rate on the transaction date. The translation difference of foreign currency financial statement should be listed under the other comprehensive incomes of the item of owner's equity in the balance sheet. The foreign currency cash flow should be translated using the spot exchange rate on the cash flow occurrence date. The amount that is affected by the exchange rate movement on cash shall be separately listed in the cash flow statement. During disposal of overseas business, translation difference in the foreign currency statements related to the overseas business shall be transferred into the current profit and loss in full or disposal proportion of overseas business.

10. Financial instruments

Applicable Not applicable

1. Classification and reclassification of financial instruments

Financial instruments refer to contracts of forming the financial assets of one party and the financial liabilities or equity instruments of other entities.

(1) Financial assets

The Company classifies the financial assets meeting the following conditions as financial assets measured at amortized costs: ① The Company aims to take the collection of contractual cash flow as the business model managing the financial assets; ② In accordance with the contract terms of the financial assets, the cash flow generated on the specific date is only the payment of the principal and the interest on the basis of the outstanding principal amount.

The financial assets complying with the following conditions were classified by the Company as those measured at fair value with their changes included into other comprehensive incomes: ① The Company aims to collect contractual cash flow and to sell the financial assets in business mode of the management of financial assets; ② In accordance with the contract terms of the financial assets, the cash flow generated on the specific date is only the payment of the principal and the interest on the basis of the outstanding principal amount.

For non-trading equity instrument investment, the Company may, at initial recognition, irrevocably designate it as the financial assets measured at the fair value with its changes included into other comprehensive incomes. The designation is based on independent investment and related investment conforms to the definition of equity instrument from the issuer's point of view.

Financial assets other than those classified as financial assets at amortized cost and financial assets at fair value through other comprehensive incomes are classified by the Company as financial assets measured at the fair value with its changes included into the current profit and loss. Upon initial recognition, in order to eliminate or reduce accounting mismatch, the Company may irrevocably designate the financial assets measured at the fair value with its changes included into the current profit and loss.

When the Company changes the business model of managing financial assets, it should reclassify all the affected relevant financial assets on the first day of the first reporting period after the business model changes, and if the

Company adopts the prospective application method for relevant accounting treatment from the reclassifying date, the Company should not make retroactive adjustments to previously recognized gains, losses (including impairment losses or gains) or interests.

(2) Financial liabilities

At initial recognition, the financial liabilities are classified as: financial liabilities measured at the fair value with its changes included into the current profit and loss; financial liabilities formed when the transfer of financial assets does not meet the conditions for derecognition or continues to be involved in the transferred financial assets; financial liabilities measured at amortized cost. All financial liabilities are not reclassified.

2. Measurement of financial instruments

The initial recognition of the Company's financial instruments should be measured at fair value. For the financial assets and liabilities measured at the fair value with its changes included into the current profit and loss, the related transaction costs shall be directly included into the current profit and loss; for other types of financial assets or liabilities, the related transaction costs shall be included into the initial recognition amount. As for accounts receivable or notes receivable produced from selling products or providing labor services, excluding or taking no account of the accounts receivable or notes receivable of significant financing components, the Company takes the amount of consideration anticipated to be collected as initial recognition amount. The subsequent measurement of financial instruments depends on the classification.

(1) Financial assets

① Financial assets measured at amortized cost. After the initial recognition, the effective interest method is used for amortized cost measurement of such financial assets. The gain or loss generated from financial assets subject to the amortized cost measurement and not belonging to any hedging relationship is included into current profit and loss at the moment of derecognition, reclassification or amortization or recognition of impairment as per effective interest method.

② Financial assets measured at the fair value with its changes included into the current profit and loss. After the initial recognition, such financial assets (except for a part of the financial assets belonging to hedging relationship) should be subsequently measured at fair value, and the resulting gains or losses (including interests and dividend incomes) should be included into the current profit and loss.

③ Investment in debt instruments measured at fair value with changes included into other comprehensive incomes. After the initial recognition, such financial assets should be subsequently measured at fair value. The interest, impairment loss or gain and exchange gain or loss calculated pursuant to the effective interest method is included into current profit and loss, and other gains or losses are included into other comprehensive incomes. Upon derecognition, the accumulated gains or losses previously included into other comprehensive incomes were transferred from other comprehensive incomes and included in current profit and loss.

④ Non-trading equity instrument investments designated to be measured at the fair value with its changes included into other comprehensive incomes. After the initial recognition, such financial assets should be subsequently measured at fair value. Except for dividends received (excluding those that belong to the recovery of investment costs), all other related gains and losses are included into other comprehensive incomes and are not subsequently transferred to the current profit and loss.

(2) Financial liabilities

① Financial liabilities measured at the fair value with its changes included into the current profit and loss. The financial liabilities include trading financial liabilities (including the derivative instrument attributable to financial liabilities) and financial liabilities measured at the fair value with its changes included into the current profit and loss. After the initial recognition, such financial liabilities should be subsequently measured at fair value. In addition to the trading financial liabilities related to hedging accounting, the resulting gains or losses (including interest expense) by fair value changes of financial liability should be included into the current profit and loss. The amount of changes in the fair value of the financial liabilities measured at the fair value with its changes included into the current profit and loss caused by the change of the enterprise's own credit risk should be included into other comprehensive incomes and other fair value changes should be included into the current profit and loss. If the impact of the change of the financial liability credit risk is included into other comprehensive incomes, which will cause or expand the accounting mismatch in the profit and loss, the Company should include all the gains or losses of the such financial liabilities in the current profit and loss.

② Financial liabilities measured at amortized cost. After the initial recognition, the effective interest method is used for amortized cost measurement of such financial liabilities.

3. Recognition method of financial instrument's fair value by the Company

For example, the fair value of the financial instruments that exist in the active market should be determined by the quoted price in the active market; for financial instruments in an inactive market, their fair values should be determined through the valuation technique. The valuation technique includes market method, income method and cost method. If the information for determining the fair value is insufficient or the distribution range of the possible estimated amount of the fair value is extensive in a finite number of cases and the cost represents the fair value within such range is the optimal estimate, such cost can represent the appropriate estimate regarding the fair value within such distribution range. The Company should use all the information about the performance and operation of the investee which can be obtained after the initial recognition date to judge whether the cost can represent the fair value.

4. Recognition basis and measurement methods of financial assets and liabilities

(1) Financial assets

In case the Company's financial assets meet one of the following conditions, the derecognition should be carried out: ① The contractual rights which will charge the financial assets' cash flow are terminated; ② The financial assets have been transferred, and the Company has transferred almost all the risks and rewards of the ownership of financial assets; ③ The financial assets have been transferred, and although the Company has neither transferred nor reserved almost all the rewards of ownership of financial assets, it has waived the control on the financial assets.

If the Company neither transfers nor reserves almost all the rewards over the ownership of financial assets and retains control over the financial assets, the relevant financial assets should be recognized as per the degree of continuing to involve in the transferred financial assets and the relevant liabilities should be recognized accordingly.

When the whole transfer of financial assets meets the conditions of derecognition, the following balances of two amounts should be included into the current profit and loss: ① Book value of transferred financial assets on the derecognition date; ② Sum of consideration received for transferring financial assets and the amount of the

corresponding derecognition part in the accumulated amount of changes in fair value originally and directly included into other comprehensive incomes (the financial assets involved in transfer refer to financial assets which are classified as measured at fair value and whose changes are included into other comprehensive incomes).

If the partial transfer of financial assets meets the derecognition conditions, the overall book value of the transferred financial assets should be amortized as per their own relative fair value on transfer date between the derecognized part and the part that are not derecognized, and the balances of the following two amounts should be included into current profit and loss: ① Book value of the derecognized part on the derecognition date; ② Sum of consideration received for the derecognized part and the amount of the corresponding derecognition part in the accumulated amount of changes in fair value originally included into other comprehensive incomes (the financial assets involved in transfer refer to financial assets which are classified as measured at fair value and whose changes are included into other comprehensive incomes).

(2) Financial liabilities

If the current obligation of financial liabilities (or partial financial liabilities) is terminated, derecognition of such financial liabilities (or partial financial liabilities) is conducted by the Company.

In case of derecognition of financial liabilities (partial financial liabilities), the Company includes the balance between its book value and payment consideration (including non-cash assets transferred out or borne liabilities) into the current profit and loss.

11. Notes receivable

Determination method and accounting treatment method of expected credit loss of notes receivable

Applicable Not applicable

12. Accounts receivable

Determination method and accounting treatment method of expected credit loss of accounts receivable

Applicable Not applicable

1. Determination method of the expected credit losses

Based on the expected credit loss, the Company will depreciate the accounts receivable that are measured at amortized cost and recognize the loss reserves.

The Company should assess whether the credit risk of relevant financial instruments has increased significantly since initial recognition on each balance sheet date. The process of credit impairment of financial instruments can be divided into three stages, and the Company should adopt different accounting methods for the impairment of financial instruments in different stages: (1) In the first stage, if the credit risks of the financial instrument fail to increase significantly after the initial recognition, the Company should measure the loss reserves as per the expected credit losses of the financial instruments in the next 12 months, and calculate the interest income as per its book balances (namely: no deduction of the impairment reserves) and the actual interest rate; (2) In the second stage, if the credit risks of the financial instrument increase significantly without credit impairment after the initial recognition, the Company should measure the loss reserves as per the expected credit losses of the financial instruments of the whole duration, and calculate the interest income as per its book balances and the actual interest rate; (3) In the third stage, if the credit impairment occurs after the initial recognition, the Company should measure the loss reserves as per the expected credit losses of the financial instruments of the whole duration, and calculate the interest income as per its

amortized costs (book balance minus the calculated and withdrawn impairment reserves) and the actual interest rate.

Method for measuring loss reserves for accounts receivable

For the accounts receivable excluding significant financing components resulting from transactions governed by *Accounting Standards for Business Enterprises No. 14 - Revenue*, the Company shall adopt simplified method, namely, the Company will always measure the loss reserve as per the expected credit loss of the whole duration.

For the accounts receivable resulting from transactions governed by *Accounting Standards for Business Enterprises No. 14 - Revenue* (whether or not containing significant financing components), the Company shall adopt simplified method, namely, the Company will always measure the loss reserve as per the expected credit loss of the whole duration.

The Company should assess whether the credit risk significantly increases on the basis of single financial assets or financial assets portfolio pursuant to the nature of financial instruments. The Company divides the accounts receivable into several portfolios based on the credit risk characteristics, and calculates the expected credit loss on the basis of the portfolios. The basis for determining the portfolios is as follows:

Accounts receivable portfolio I	New energy business receivables	Payments receivable from dealers and customers
Accounts receivable portfolio II	Non-new energy business receivables	Payments receivable from dealers and customers

However, if there is objective evidence showing that credit impairment of a certain accounts receivable has occurred, the Company shall singly calculate and withdraw the bad-debt reserves of the receivable and recognize the expected credit losses.

2. Accounting treatment method of expected credit losses

To reflect changes of the credit risks of financial instruments and changes since initial recognition, the Company shall re-measure the expected credit losses on each balance sheet date, and the resulting increased or reversed amounts of loss reserves shall be included into the current profit and loss as impairment losses or gains. According to the types of financial instruments, the book value of the financial assets listed on the balance sheet shall be offset or included in estimated liabilities (loan commitment or financial guarantee contract) or included into other comprehensive incomes (creditor's right investment measured at fair value with changes included into other comprehensive incomes).

13. Receivables financing

Applicable Not applicable

1. Determination method of the expected credit losses

Based on the expected credit loss, the Company depreciates creditor's right investment (including receivables financing) measured at fair value with its changes included into other comprehensive incomes, and recognizes the loss reserves.

The Company should assess whether the credit risk of relevant financial instruments has increased significantly since initial recognition on each balance sheet date. The process of credit impairment of financial instruments can be divided into three stages, and the Company should adopt different accounting methods for the impairment of financial instruments in different stages: (1) In the first stage, if the credit risks of the financial instrument fail to increase significantly after the initial recognition, the Company should measure the loss reserves as per the expected credit

losses of the financial instruments in the next 12 months, and calculate the interest income as per its book balances (namely: no deduction of the impairment reserves) and the actual interest rate; (2) In the second stage, if the credit risks of the financial instrument increase significantly without credit impairment after the initial recognition, the Company should measure the loss reserves as per the expected credit losses of the financial instruments of the whole duration, and calculate the interest income as per its book balances and the actual interest rate; (3) In the third stage, if the credit impairment occurs after the initial recognition, the Company should measure the loss reserves as per the expected credit losses of the financial instruments of the whole duration, and calculate the interest income as per its amortized costs (book balance minus the calculated and withdrawn impairment reserves) and the actual interest rate.

The Company measures loss reserves for receivables financing using the general method, that is, the "three-stage" model.

2. Accounting treatment method of expected credit losses

To reflect changes of the credit risks of financial instruments and changes since initial recognition, the Company shall re-measure the expected credit losses on each balance sheet date, and the resulting increased or reversed amounts of loss reserves shall be included into the current profit and loss as impairment losses or gains. According to the types of financial instruments, the book value of the financial assets listed on the balance sheet shall be offset or included in estimated liabilities (loan commitment or financial guarantee contract) or included into other comprehensive incomes (creditor's right investment measured at fair value with changes included into other comprehensive incomes).

14. Other receivables

Determination method and accounting treatment method of expected credit loss of other receivables

Applicable Not applicable 1. Determination method of the expected credit losses

Based on the expected credit loss, the Company will depreciate other receivables that are measured at amortized cost and recognize the loss reserves.

The Company should assess whether the credit risk of relevant financial instruments has increased significantly since initial recognition on each balance sheet date. The process of credit impairment of financial instruments can be divided into three stages, and the Company should adopt different accounting methods for the impairment of financial instruments in different stages: (1) In the first stage, if the credit risks of the financial instrument fail to increase significantly after the initial recognition, the Company should measure the loss reserves as per the expected credit losses of the financial instruments in the next 12 months, and calculate the interest income as per its book balances (namely: no deduction of the impairment reserves) and the actual interest rate; (2) In the second stage, if the credit risks of the financial instrument increase significantly without credit impairment after the initial recognition, the Company should measure the loss reserves as per the expected credit losses of the financial instruments of the whole duration, and calculate the interest income as per its book balances and the actual interest rate; (3) In the third stage, if the credit impairment occurs after the initial recognition, the Company should measure the loss reserves as per the expected credit losses of the financial instruments of the whole duration, and calculate the interest income as per its amortized costs (book balance minus the calculated and withdrawn impairment reserves) and the actual interest rate.

The Company measures loss reserves for other receivables using the general method, that is, the "three-stage" model.

2. Accounting treatment method of expected credit losses

To reflect changes of the credit risks of financial instruments and changes since initial recognition, the Company shall re-measure the expected credit losses on each balance sheet date, and the resulting increased or reversed amounts of loss reserves shall be included into the current profit and loss as impairment losses or gains. According to the types of financial instruments, the book value of the financial assets listed on the balance sheet shall be offset or included in estimated liabilities (loan commitment or financial guarantee contract) or included into other comprehensive incomes (creditor's right investment measured at fair value with changes included into other comprehensive incomes).

15. Inventory

Applicable Not applicable

1. Inventory classification

Inventories include finished goods or goods for sale in daily activities, products in process in the manufacturing process, and materials and supplies consumed in the process of work-in-process or providing labor services, etc. held by the Company. It mainly includes raw materials, low-value consumables, products in progress, inventory goods, and goods shipped in transit.

2. Valuation method for inventory in transit

The weighted average method is used to determine the actual cost of the inventory in transit.

3. Calculation and withdrawal method of inventory falling price reserve

On the balance sheet date, the inventory should be measured based on the lower one between the cost and net realizable value, and calculation and withdrawal for inventory falling price reserves should be conducted according to the single inventory item. For inventory with large quantity and lower unit price, calculation and withdrawal for inventory falling price reserves should be conducted according to the categories of inventory.

4. Inventory system

The inventory system of the Company is the perpetual inventory system.

5. Amortization method of low-value consumables and packing materials

The low-value consumables and packing materials are amortized by one-off write-off method.

16. Contract assets

(1) Recognition method and standard of contract assets

Applicable Not applicable

The right of collecting the consideration because the Company has transferred the goods or supplying the service to the customer (and such right depends on other factors except for time lapsing) should be listed as contract assets.

(2) Determination method and accounting treatment method of expected credit loss of contract assets

Applicable Not applicable

The calculation and withdrawal of impairment reserves of contract assets should be made with reference to the expected credit loss method of financial instruments. For contract assets excluding significant financing components, the Company should measure loss reserves using the simplified method. For contract assets including significant financing components, the Company should measure loss reserves using the general method.

If there is an impairment losses from the contract assets, the "asset impairment loss" should be debited according to the amount that should be written down, and the contract asset impairment reserves should be credited; when the

asset impairment reserves that have already been calculated and withdrawn are transferred back, the reverse entry should be made.

17. Held-for-sale assets

Applicable Not applicable

18. Creditor's right investment

(1) Determination method and accounting treatment method of expected credit loss of creditor's right investment

Applicable Not applicable

19. Other creditor's right investments

(1) Determination method and accounting treatment method of expected credit loss of other creditor's right investments

Applicable Not applicable

20. Long-term receivables

(1) Determination method and accounting treatment method of expected credit loss of long-term receivables

Applicable Not applicable

1. Determination method of the expected credit losses

Based on the expected credit loss, the Company will depreciate the financial assets and lease receivable that are measured at amortized cost and recognize the loss reserves; the Company's long-term receivables are financing lease receivable.

The Company should assess whether the credit risk of relevant financial instruments has increased significantly since initial recognition on each balance sheet date. The process of credit impairment of financial instruments can be divided into three stages, and the Company should adopt different accounting methods for the impairment of financial instruments in different stages: (1) In the first stage, if the credit risks of the financial instrument fail to increase significantly after the initial recognition, the Company should measure the loss reserves as per the expected credit losses of the financial instruments in the next 12 months, and calculate the interest income as per its book balances (namely: no deduction of the impairment reserves) and the actual interest rate; (2) In the second stage, if the credit risks of the financial instrument increase significantly without credit impairment after the initial recognition, the Company should measure the loss reserves as per the expected credit losses of the financial instruments of the whole duration, and calculate the interest income as per its book balances and the actual interest rate; (3) In the third stage, if the credit impairment occurs after the initial recognition, the Company should measure the loss reserves as per the expected credit losses of the financial instruments of the whole duration, and calculate the interest income as per its amortized costs (book balance minus the calculated and withdrawn impairment reserves) and the actual interest rate.

Method of measuring loss reserves of accounts receivable and lease receivables

For the accounts receivable excluding significant financing components resulting from transactions governed by *Accounting Standards for Business Enterprises No. 14 - Revenue*, the Company shall adopt simplified method, namely, the Company will always measure the loss reserve as per the expected credit loss of the whole duration.

For receivables resulting from transactions governed by *Accounting Standards for Business Enterprises No. 14 - Revenue* (whether or not containing significant financing components) and for lease receivables governed by

Accounting Standards for Business Enterprises No. 21 - Leases, the Company uses a simplified method, whereby the loss reserves are always measured on the basis of expected credit losses over the entire life of the receivable.

2. Accounting treatment method of expected credit losses

To reflect changes of the credit risks of financial instruments and changes since initial recognition, the Company shall re-measure the expected credit losses on each balance sheet date, and the resulting increased or reversed amounts of loss reserves shall be included into the current profit and loss as impairment losses or gains. According to the types of financial instruments, the book value of the financial assets listed on the balance sheet shall be offset or included in estimated liabilities (loan commitment or financial guarantee contract) or included into other comprehensive incomes (creditor's right investment measured at fair value with changes included into other comprehensive incomes).

21. Long-term equity investment

Applicable Not applicable

1. Determination of initial investment cost

For the long-term equity investment obtained in a business combination, if it is a business combination under the same control, the share of the book value of the owner's equity of the combined party in the final controlling party's consolidated financial statements should be used as the initial investment cost of the long-term equity investment on the combination date; for business combination not under the same control, the Company regards the combination costs determinate on the acquisition date as the initial investment cost of the long-term equity investment; for the long-term equity investment obtained through paying cash, the actual purchase price paid should be the initial investment cost; for long-term equity investment obtained through issuing equity securities, the initial investment cost is the fair value of issuing equity securities; the initial cost of a long-term equity investment obtained by recombination of debts should be determined in accordance with *Accounting Standards for Business Enterprises No. 12 - Debt Restructuring*; the initial investment cost of long-term equity investment acquired by exchange of non-monetary assets shall be recognized in accordance with the *Accounting Standards for Business Enterprises No. 7 - Exchange of Non-monetary Assets*.

2. Subsequent measurement and recognition method of profit and loss

The Company adopts the cost method to account the long-term equity investment controlled by the investee and equity method to account the long-term equity investment of associated enterprises and joint ventures. For the equity investments in associated enterprises by the Company, if a part of them are held indirectly through venture capital institutions, mutual funds, trust companies, or similar entities including investment-linked insurance funds, regardless of whether the above entities have a significant influence on this part of the investments, the Company shall handle them in accordance with the relevant provisions of the *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments*, and account the rest with the equity method.

3. Basis for determining joint control and significant impact on the investee

The same control of the investee refers to that the activity having a significant effect on the return of one arrangement should not be determined without the consensus of all participants sharing the control rights, including sales and purchase of goods or labor, management of financial assets, purchase and disposition of assets, research and development activities and financing activities. Having a significant effect on the investee refers to holding 20%- 50% of voting capital of the investee. Or, although it is less than 20%, but it meets one of the following conditions: there are

representatives in the board of directors or other power authorities of the investee; it participates in the policy-making process of the investee; it dispatches the management personnel to the investee; the investee depends on the technology or technical data of the investment company; it conducts important deals with the investee.

22. Investment property

N/A

23. Fixed assets

(1) Recognition condition

Applicable Not applicable

The fixed assets refer to tangible assets held for goods production, provision of labor service, renting or operational management, having a service life of more than one accounting year. It can be recognized when they meet the following conditions: the economic benefits related to the fixed assets are likely to flow into the enterprise; the cost of the fixed assets can be reliably measured.

(2) Depreciation method

Applicable Not applicable

Type	Depreciation method	Depreciation life (year)	Residual value rate	Annual depreciation rate
Houses and buildings	Straight-line method	10-35	3.00	2.77-9.70
Machinery and equipment	Straight-line method	5-10	3.00	9.70-19.40
Transport equipment	Straight-line method	3-8	3.00	12.13-32.33
Other equipment	Straight-line method	3-5	3.00	19.40-32.33

Fixed assets of the Company are mainly classified into: houses and buildings, machinery and equipment, office equipment and other equipment; The depreciation method is the straight-line method. The Company should determine the service life and predicted net residual value of the fixed assets according to their nature and use condition. At the end of the year, the service life, anticipated net residual value and depreciation method of the fixed assets were re-checked. In case of difference from the original estimate, corresponding adjustment would be made. In addition to the fixed assets which have been depreciated and continued to use and the land priced and booked independently, the Company may withdraw depreciation of all fixed assets.

(3) Identification basis, valuation and depreciation method of fixed assets under financing lease

Applicable Not applicable

24. Construction in progress

Applicable Not applicable

The construction in progress of the Company includes the self-construction and the construction of outsourcing. The construction in progress should be transferred to the fixed assets when it reaches the expected usable status. The criteria of expected usable status should meet one of the following circumstances: the entity building work of fixed assets (including installation) has been finished wholly or has been finished substantially; the assets have been in pilot production or operation, and the results show that the assets may normally operate or stably produce qualified products, or the operation and business is normal; there is little or even no amount for fixed assets of the construction; the purchased or constructed fixed assets have already reached or basically agrees with the requirements of design or contract.

25. Borrowing expenses

Applicable Not applicable

1. Recognition principles for the capitalization of borrowing expenses

Where the borrowing expenses incurred to the Company can be directly attributable to the acquisition and construction or production of assets eligible for capitalization, they shall be capitalized and included into the costs of relevant assets; for other borrowing expenses, they are recognized as costs based on the accrual during the occurrence and included into the current profit and loss. Assets eligible for capitalization refer to fixed assets, investment property, inventories, and other assets that require a considerable amount of time for acquisition or construction, or production to reach the intended use or available-for-sale state.

2. Calculation method of capitalization amount

Capitalization period refers to the period from the capitalization beginning of borrowing expenses to the time point of stopping capitalization. The period that borrowing expenses are suspended for capitalization is not included. In the process of acquisition, construction or production is interrupted abnormally, and the interruption lasts for more than 3 months, the capitalization of borrowing expenses should be suspended.

For special loan, subtract the interest income obtained from depositing the borrowings which have not been used in the bank or return on investment from the temporary investment, according to the actual interest expenses of special loan in the current period; for ordinary loan, multiply assets expense weighted average of assets expenses exceeding the special loan by the capitalization rate of ordinary borrowing, with the capitalization rate of the weighted average rate of ordinary borrowing; where there is any discount or premium for the borrowing, the amount of discounts or premiums which should be amortized during each accounting period should be determined by the effective interest method, and the adjustment should be made to the amount of interests in each period.

The effective interest method is to calculate its amortizing discount or premium or interest cost according to the actual interest rate of the borrowing. Wherein, the effective interest rate is the rate used by converting the future cash flow of the borrowing during the expected duration into the present book value of the borrowing.

26. Biological assets

Applicable Not applicable

27. Oil-gas assets

Applicable Not applicable

28. Right-of-use assets

Applicable Not applicable

The right-of-use assets refer to the lessee's right to use the leased asset during the lease term. The initial measurement of right-of-use assets shall be based on the costs on the commencement date of the lease term. The costs include: ① Initially measured amount of lease liabilities; ② Amount of lease payments made on or before the commencement date of the lease term; in case of any lease incentive, the related amount of such lease incentive having been enjoyed shall be deducted; ③ Initial direct costs incurred to the lessee; ④ Costs that the lessee expects to incur to disassemble and remove leased assets, restore the site where leased assets are located or restore leased assets to the agreed condition under the terms of the lease.

For the depreciation of right-of-use assets of the Company, the straight-line method is used for classification.

Whereas the ownership of the lease assets can be reasonably recognized at the expiration of the lease term, depreciation of the lease assets should be withdrawn within the service life thereof; for the ownership of the leased assets cannot be reasonably recognized at the expiration of the lease term, the depreciation should be calculated and withdrawn within the shorter of the lease term and the remaining service life of the leased asset.

Whether the right-of-use assets have been impaired and carried out accounting treatment based on the relevant provisions of the *Accounting Standards for Business Enterprises No. 8 - Impairment of Assets* should be determined by the Company.

29. Intangible assets

(1) Valuation method, service life, impairment test

Applicable Not applicable

1. Valuation method for intangible assets

The intangible assets of the Company shall be measured initially in accordance with its cost. The actual cost of bought-in intangible assets shall be recognized as the amount actually paid and other relevant expenses. The actual costs of intangible assets invested by investors will be determined by the value agreed in investment contract or agreements. In case that the agreed value in such contract or agreement is not fair, the fair value will be used to determine the actual cost. The actual cost of self-developed intangible assets are total expenses incurred prior to achieving its expected use.

The subsequent measurement methods of intangible assets of the Company are as shown separately: the intangible assets with the limited service life should be amortized with straight-line method within service life. The service life and amortization method of intangible assets should be re-checked at year end. If there is different from the original estimate, the adjustments should be conducted; intangible assets with uncertain service life should not conduct the amortization, but the service life should be re-checked at the end of the year. When there is unambiguous evidence proving that the service life is limited, estimate on service life should be made, and straight-line method should be used for amortization.

2. Judgment basis for uncertain service life

The Company is unable to predicate the period of the assets' economic benefit or the recognition period when the intangible assets which have the uncertain service life are recognized to be uncertain. The judgment basis for uncertain service life is as follows: it comes from the contract rights or other legal rights, but there is no undefined service life specified by the contract or law; it is still unable to judge the period of intangible assets that brings economic benefits to the Company by combining the information of the same industry and relevant demonstration of experts.

The Company should recheck the service life of the intangible assets which have the uncertain service life from bottom to top, and then the using departments of intangible assets should make the basic recheck and evaluate whether the judgment basis of uncertain service life has been changed.

(2) Accounting policy in internal R&D expenditure

Applicable Not applicable

Expenditures at the research stage of the internal R&D item should be included into current profit and loss when occurred; expenditures at the development stage that meet the following conditions are recognized as intangible assets:

(1) Where it is technically feasible to complete the intangible assets in order for use or sale; (2) Where it has the

intention to complete and use or sell the intangible assets; (3) Ways in which intangible assets generate economic benefits including the ability to prove that the products produced by such intangible assets exist in the market or that the intangible assets themselves exist in the market, and that the intangible assets shall be used internally, which can prove their usefulness; (4) Where it has sufficient technical, financial and other resources to support the development of the intangible assets and the ability using or selling the intangible assets; (5) Where the expenditures attributable to the development stage of the intangible assets can be reliably measured.

Specific standards for dividing research stage and development stage of internal R&D item: the planned investigation stage for obtaining new skills and knowledge should be identified as research stage, and such stage is planned and exploratory; before commercial production or use, the stages of applying research results or other knowledge to a plan or design of some items in order to produce new materials, devices, products, etc. with substantive improvement should be determined as the development stage, and such stage has targeted and more likely to produce results with more possible and other features.

30. Impairment of long-term assets

Applicable Not applicable

The impairment test will be conducted if the long-term assets such as long-term equity investment, investment property measured with the cost model, fixed assets, construction in progress, productive biological assets measured with the cost model, oil-gas assets, intangible assets, and goodwill have signs of impairment on the balance sheet date. If the impairment test result shows that the recoverable amount of assets is lower than the book value thereof, the impairment reserves should be withdrawn in accordance with its difference and included into the impairment losses.

The recoverable amount is the higher one between the net amount of the fair value of the asset minus the disposal expenses and the present value of the expected future cash flow of the asset. The asset impairment reserves should be calculated and recognized on the basis of a single asset. If it is hard to assess the recoverable amount of a single asset, the recoverable amount of the asset group should be determined in accordance with the asset group of the assets. The asset group refers to the minimum asset portfolio that is capable of independently generating cash inflow.

As for the goodwill separately listed in the financial statement, no matter whether the sign of impairment arises or not, the impairment test should be done at least every year. During the impairment test, the book value of goodwill should be apportioned to the asset group or portfolio of asset group expected to benefit from the synergistic effect of business combination. If the test results show that the recoverable amount of the asset group or asset group portfolio containing the apportioned goodwill is lower than its book value, the corresponding impairment loss should be recognized. The amount of impairment loss firstly offsets the book value of goodwill apportioned to the asset group or asset group portfolio, and then offsets the book value of other assets in proportion according to the proportion of the book value other than goodwill in the asset group or asset group portfolio.

Once the above-mentioned asset impairment losses are determined, the part whose value can be recovered should not be reserved in subsequent periods.

31. Long-term unamortized expenses

Applicable Not applicable

Long-term unamortized expenses of the Company refers to expenses which have been paid, but the benefit period is more than one year (exclusive). Long-term unamortized expenses should be amortized evenly by stages within the

benefit period of expense items. If the item for long-term unamortized expenses cannot bring profits for the following accounting period, amortized value of such item that has not been amortized will be transferred into current profit and loss fully.

32. Contract liabilities

(1) Recognition method of contract liabilities

Applicable Not applicable

The Company should list reserves the obligation of transferring goods or providing services to customers due to consideration received or receivable as contract liabilities. The Company lists the contract assets and liabilities under the same contract as the net amount.

33. Employee remunerations

(1) Accounting treatment method for short-term remuneration

Applicable Not applicable

The Company will recognize the actual short-term remuneration as the liabilities during the accounting period when the employees deliver service, which should be included into the current profit and loss, except for the remuneration required or admitted to be included into the asset cost by the Accounting Standards for Business Enterprises. The employee services and benefit of the Company should be included into the current profit and loss or relevant asset loss according to actual amount when it actually occurs. Non-monetary employee services and benefits should be measured in accordance with fair value. During the accounting period when employees deliver service, for social insurance premiums such as medical insurance premiums, work-related injury insurance premiums, birth insurance premiums and housing provident funds as well as labor union expenditure and employee education expenses paid for employees by the Company should be calculated according to specified accrual foundation and ratio to determine corresponding employee remuneration and recognize corresponding liabilities, which are included into the current profit and loss or relevant asset costs.

(2) Accounting treatment method for post-employment benefit

Applicable Not applicable

In the accounting period when the employee serves the Company, the deposited amount calculated based on defined contribution plan will be recognized as liabilities and included into the current profit and loss or the relevant asset costs. The Company attributes the benefits arising out of the defined benefit plan in accordance with the expected cumulative benefit unit method to the service periods of the employees, which are included into the current profit and loss or relevant asset cost.

(3) Accounting treatment method for dismissal benefits

Applicable Not applicable

If the Company provides dismissal benefits to employees, the employee remuneration liabilities arising from the dismissal benefits are recognized on an earlier day of the following, and included into the current profit and loss: when the Company cannot unilaterally withdraw the dismissal benefits provided by the termination of the labor relations plan or the reduction proposal; when the Company recognizes the costs or expenses associated with the restructuring involving the payment of the dismissal benefits.

(4) Accountant treatment method of other long-term employee benefits

Applicable Not applicable

If other long-term employee benefits provided by the Company meet the conditions in the defined contribution plan, it should be treated based on the provisions of defined contribution plan; besides, the net liability or net asset of other long-term employee benefits is recognized and measured according to relevant provisions on the defined benefit plan.

34. Lease liabilities

Applicable Not applicable

The lease liabilities should be initially measured at the present value of the unpaid lease payments at the commencement date of the lease term. Lease payment includes: ① Fixed payment (including substantial fixed payment), in case of lease incentives, the related amount of such lease incentives should be deducted; ② Variable lease payment dependent on the index or ratio; ③ Amount expected to be paid based on the guaranteed residual value provided by the lessee; ④ Executive price of buying the option is in the premise that the lessee reasonably confirms it shall exercise such option; ⑤ Funds to be paid for the option of exercising the determination of the lease is in the premise that the lease term reflects the lessee shall exercise the option of determination of the lease.

35. Estimated liabilities

Applicable Not applicable

When obligation related to the contingencies is the current obligation of the Company, the performance of such obligation may cause the damage to economic benefits, and if its amount can be reliably measured, the obligation should be recognized as estimated liabilities. The initial measurement should be performed by the Company according to the optimal estimate of required expenditure for performing the relevant current obligation. In addition, if the required expenditure has a continuous range, and the possibility of various results within such range is same, the optimal estimate should be determined according to the middle value within such range; if involving multiple items, the optimal estimate should be calculated and determined according to various possible results and relevant probability.

The book value of estimated liabilities should be rechecked on the balance sheet date. If there are unambiguous evidences proving the book value cannot actually reflect the optimal estimate, the book value should be adjusted according to the optimal estimate.

36. Share-based payment

Applicable Not applicable

The share-based payments of the Company include of equity-settled share-based payments and cash-settled share-based payments. The equity-settled share-based payment in return for employee services should be measured at the fair value of the equity instruments granted to the employees. The Company uses the quotation at the active market if the market exists; if the active market does not exist, the Company uses the valuation technology to determine, mainly include the prices adopted by the parties, who are familiar with the condition, in the latest market transaction upon their own free will, the current fair value obtained by referring to other financial instruments of the same essential nature, discounted cash flow method and the option pricing model, etc.

According to the vesting number changes, completion of performance index and other subsequent information that have obtained, it is necessary to modify the predicted vesting share option number on each balance sheet date and determine the cost that should be apportioned at each period. The options tariff that step over multiple accounting

periods is generally apportioned according to the proportion of the stay period of the options at an accounting period in the whole stay period.

37. Other financial instruments such as preferred shares, perpetual bonds, etc.

Applicable Not applicable

38. Revenue

(1) Accounting policies used for revenue recognition and measurement

Applicable Not applicable

The Company has fulfilled the performance obligations in the contract, that is, the revenue is recognized at the transaction price allocated to the performance obligation when the customer obtains control right of the relevant goods or services. Gaining the control right of relevant goods means being able to dominate the use of the goods and derive almost total economic benefit from them. The performance obligation refers to the commitment of the Company to transfer clearly distinguishable goods to the customer in the contract. Transaction price refers to the amount of consideration that the company expects to be entitled to receive due to the transfer of goods or services to customers, but does not include payments received on behalf of third parties and the amount that the Company expects to return to customers.

Whether the performance obligation is fulfilled within a certain period or at a certain time point depends on the contract terms and relevant legal provisions. If the performance obligation is fulfilled within a certain period, the Company recognizes the revenue based on the performance progress. Otherwise, the Company recognizes the revenue at a certain time point when the customer gains the control right of the relevant assets. When judging whether the customer has obtained the control right of the goods, the Company can consider the following signs:

(1) The Company has the current collection right of the goods, namely the customer is responsible for current payment obligation of the goods;

(2) The Company has transferred legal ownership of the goods to the customer, i.e., the customer has obtained legal ownership of the goods;

(3) The Company has transferred the physical goods to the customer, i.e., the customer has taken physical possession of the goods;

(4) The Company has transferred main risks and rewards concerning the ownership of the goods to the customer, namely the customer has obtained them;

(5) Other signs indicating that the customer has obtained the control right of the goods.

1. Goods sales contract

The Company's sales of automobiles, automobile parts, and other products constitute a performance obligation to be fulfilled at a certain point in time. The Company has delivered the products to the customer according to the contract and has recovered the payment for goods or obtained the receipt certificate and the customer has accepted the product, and the related economic benefits are likely to inflow. The main risks and rewards related to the ownership of the goods have been transferred, and the legal ownership of the goods has been transferred.

2. Service provision contract

The service provision contract between the Company and its customers usually includes the performance obligations such as technical service Repair service, etc., and since the customer can obtain and consume the economic

benefits brought by the performance of the Company when the Company performs the contract, the Company shall take it as the performance obligation performed within a certain period, and the revenue shall be recognized according to the performance progress. For the service contracts with clear output indicators, the Company will determine the performance progress of the services provided by the output method. For the contract with a few output indicators that cannot be clearly measured, the input method shall be used to determine the performance progress of the service.

3. Transfer of asset use rights

The transfer of asset use rights is recognized as operating lease income, and operating income is recognized on a regular basis according to the lease agreement. That is, the revenue from the charge for use obtained from the transfer of asset use rights is recognized when the economic benefits related to the transaction are likely to flow into the enterprise and the amount of revenue can be reliably measured.

Variable consideration

Some of the Company's contracts with customers have cash discounts and price guarantees, etc., resulting in variable consideration. The Company determines the best estimate of the variable consideration according to the expected value or the most likely amount, but the transaction price including the variable consideration does not exceed the revenue that is likely not to be significantly reversed when the relevant uncertainty is eliminated.

Terms of sales return

For sales with terms of sales return, the Company will recognize revenues based on the amount of consideration that it is entitled to obtain due to the transfer of the goods to the customer, and recognize the expected return due to the sales return as estimated liabilities when the customer obtains control right of the relevant goods; the balance after deducting the estimated cost of recovering the goods (including the value impairment of the returned goods) is recognized as an asset according to the expected book value of the returned goods at the time of transfer, that is, the receivable return cost-the amount after deducting the net carry-over cost of the aforementioned asset cost with book value at the time of goods transfer. The Company will reevaluate the future sales returns and re-measure the aforementioned assets and liabilities on each balance sheet date.

Quality assurance obligations

The Company provides quality assurance for the goods sold and the assets constructed in accordance with contractual agreements, legal provisions, etc. For warranty-type quality assurance for the purpose of guaranteeing to customers that the goods sold meet established standards, the accounting treatment should be performed by the Company in accordance with Note 3 (22). For the service quality assurance that provides a separate service in order to assure customers that the goods sold meet the established standards, the Company regards it as a single performance obligation, and part of the transaction price is allocated to service quality assurance according to the relative proportion of the stand-alone selling price for the provision of quality assurance goods and services, and revenue is recognized when the customer obtains control right of the service. When assessing whether the quality assurance provides a separate service in addition to assuring customers that the sales of goods meet the established standards, the Company considers whether the quality assurance is a legal requirement, the quality assurance period, and the nature of the Company's commitment to perform the tasks.

(2) Differences in revenue recognition accounting policies due to the adoption of different business models in similar businesses

Applicable Not applicable

39. Contract cost

Applicable Not applicable

The contract costs of the Company include incremental costs incurred from acquisition of contracts and contract performance costs. Incremental costs incurred from acquisition of the contract ("contract acquisition costs") refer to the costs that would not be incurred without acquisition of the contract. If the cost is expected to be recovered, the Company should take it as the contract acquisition cost and recognize it as an asset.

For the cost incurred by the Company for the performance of the contract that is not within the scope of other accounting standards for business enterprises such as inventory but meets the following conditions simultaneously, the contract performance costs should be recognized as an asset:

1. The cost is directly related to a current or anticipated contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), costs clearly borne by the customer and other costs incurred solely due to the contract;

2. The cost includes the resources used by the Company for the future performance obligations;

The cost is expected to be recovered.

The Company should recognize it as the contract performance cost of assets, and if the amortization period does not exceed one year or a normal operating cycle at the time of initial recognition, it should be included into the "inventory" item in the balance sheet; in the event that the amortization period exceeds one year or a normal operating cycle upon the initial recognition, it should be included as "other non-current assets" in the balance sheet.

The Company should recognize it as the contract acquisition cost of assets, and if the amortization period does not exceed one year or a normal operating cycle at the time of initial recognition, it should be included into the item of "other current assets" in the balance sheet; in the event that the amortization period exceeds one year or a normal operating cycle upon the initial recognition, it should be included as "other non-current assets" in the balance sheet.

The Company should amortize the assets recognized by contract acquisition costs and contract performance costs (hereinafter referred to as "assets related to contract costs") on the same basis as the recognition of goods revenue related to the assets and be included into the current profit and loss.

If the book value of assets related to contract costs is higher than the difference between the following two items, the Company should withdraw the impairment reserves of the excess part and recognize it as the asset impairment loss;

1. Residual consideration expected to be obtained arising from the transfer of goods related to the assets;

2. Cost estimated to be occurred arising from the transfer of the relevant goods.

If the aforesaid difference is higher than the book value of the asset because the impairment factors in the previous period change later, the Company should reverse the impairment reserves already accrued and include it in the current profit and loss, but the book value of the asset after reversal should not exceed the book value of the asset on the reversal date assuming no impairment reserves are made.

40. Government subsidies

Applicable Not applicable

1. Type of government subsidies and accounting treatment

Government subsidies refer to the monetary or non-monetary assets obtained free of charge by the company from

the government, (excluding the capital invested by the government as the owner of the Company). If the government subsidies are monetary assets, they shall be measured at the amount received or receivable. If the government subsidies are non-monetary assets, they should be measured by the fair value; if fair value cannot be reliably determined, they are measured at nominal amount.

Government subsidies related to the daily activities should be counted into other incomes based on nature of business transactions. Government subsidies unrelated to daily activities shall be included into the non-operating incomes.

The government document explicitly stipulates that government subsidies used to purchase and construction or form long-term assets in other ways are classified as government subsidies related to assets. If the government does not stipulate the subsidy object explicitly, the government subsidies that can form long-term assets and correspond to the asset value should be taken as the asset-related government subsidies, and the rest parts should be taken as the income-related government subsidies. For the government subsidies that are difficult to be differentiated, the overall government subsidies should be taken as the income-related government subsidies.

The government subsidies other than those related to assets should be recognized as income-related government subsidies. The income-related government subsidies should be recognized as the deferred income if it is used to compensate the relevant expenses or losses in the later period of the enterprise and included into the current profit and loss in the period of recognizing the related expenses; those used for compensating the related expenses or losses in the Company should be included into the current profit and loss directly.

If the Company obtains the policy-type concessional loan with discounted interest and finance department appropriating funds with interest subsidy to the loan bank which provides the Company with the loan based on the policy-type preferential interest rate, the Company should take the borrowing amount actually received as the entry value of the loan and calculates related borrowing expenses in accordance with borrowing principal and the policy-type preferential interest rate; if the Ministry of Finance allocates the funds with discounted interest subsidies to the Company, it should write down related borrowing expenses with corresponding interest subsidy.

2. Recognition date of government subsidies

The government subsidies should be recognized when the conditions are met, and the subsidies could be received. The government subsidies calculated in accordance with the amount receivable shall be recognized if there is concrete evidence that it can meet the related conditions specified in the financial support policies at the end of the period and is expected to be able to receive financial support. Other government subsidies except for the government subsidies measured based on amount receivable should be recognized when such subsidies are received.

41. Deferred income tax assets/deferred income tax liabilities

Applicable Not applicable

1. According to the difference between book value of assets or liabilities and tax base (those items which are not recognized as assets or liabilities, but of which tax base can be determined according to the regulations of tax law, the tax base can be determined as the difference), the Company shall calculate and recognize deferred income tax assets and deferred income tax liabilities according to the applicable tax rate during the period of debt.

2. Deferred income tax assets shall be recognized to the limit of acquiring any amount of taxable income tax that may be used for offsetting the deductible temporary difference. On the balance sheet date, if there is convincing

evidence that sufficient taxable income will be available in future periods to deduct deductible temporary differences, deferred income tax assets that were not recognized in prior accounting periods are recognized. If it may not obtain sufficient taxable income for deducting the deferred income tax assets, the book value of the deferred income tax assets should be written down.

3. The deductible/taxable temporary difference related to the investment of subsidiaries and associated enterprises shall be recognized as deferred income tax liabilities, unless the Company may control the transferring time of temporary differences and the temporary differences may not be transferred back in the foreseeable future. For deductible temporary differences related to subsidiaries and associated enterprises, only when it's possible that the temporary difference should be returned in the predictable future and obtain the taxable revenue for deducting the deductible temporary difference in the future, the differences can be recognized as the deferred income tax assets.

42. Lease

(1) Accounting treatment method of operating lease

Applicable Not applicable

During each period of the lease term, the Company recognizes the lease receipts from operating leases as rental revenues by using the straight-line method. The Company capitalizes the initial direct costs pertaining to the operating lease as well as apportions and includes such costs into current profit and loss as per the same basis used for recognizing the rental revenues within the lease term.

(2) Accounting treatment method of financing lease

Applicable Not applicable

The Company should recognize the difference between the sum of the receivable financing lease outlay and the unguaranteed residual value and its present value as unrealized financing incomes on the inception of lease, and recognize it as rental revenues within each period of receiving rent in the future. The initial direct costs incurred by the Company in connection with the leasing transactions are included into the initial recorded value of the financing lease receivables.

(3) Determination method and accounting treatment method of lease under the new lease standard

Applicable Not applicable

1. Accounting treatment for leased assets

On the commencement date of the lease term, the Company recognizes right-of-use assets and lease liabilities for leases other than short-term leases and leases of low-value assets, and recognizes the depreciation expenses and interest expenses, respectively, during the lease term.

The Company recognizes lease payments under short-term leases and leases of low-value assets as current expenses using the straight-line method for each period of the lease term.

(1) Right-of-use assets

The right-of-use assets refer to the lessee's right to use the leased asset during the lease term. The initial measurement of right-of-use assets shall be based on the costs on the commencement date of the lease term. The costs include: ① Initially measured amount of lease liabilities; ② Amount of lease payments made on or before the commencement date of the lease term; in case of any lease incentive, the related amount of such lease incentive having been enjoyed shall be deducted; ③ Initial direct costs incurred to the lessee; ④ Costs that the lessee expects to incur

to disassemble and remove leased assets, restore the site where leased assets are located or restore leased assets to the agreed condition under the terms of the lease.

For the depreciation of right-of-use assets of the Company, the straight-line method is used for classification. Whereas the ownership of the lease assets can be reasonably recognized at the expiration of the lease term, depreciation of the lease assets should be withdrawn within the service life thereof; for the ownership of the leased assets cannot be reasonably recognized at the expiration of the lease term, the depreciation should be calculated and withdrawn within the shorter of the lease term and the remaining service life of the leased asset.

Whether the right-of-use assets have been impaired and carried out accounting treatment based on the relevant provisions of the *Accounting Standards for Business Enterprises No. 8 - Impairment of Assets* should be determined by the Company.

(2) Lease liabilities

The lease liabilities should be initially measured at the present value of the unpaid lease payments at the commencement date of the lease term. Lease payment includes: ① Fixed payment (including substantial fixed payment), in case of lease incentives, the related amount of such lease incentives should be deducted; ② Variable lease payment dependent on the index or ratio; ③ Amount expected to be paid based on the guaranteed residual value provided by the lessee; ④ Executive price of buying the option is in the premise that the lessee reasonably confirms it shall exercise such option; ⑤ Funds to be paid for the option of exercising the determination of the lease is in the premise that the lease term reflects the lessee shall exercise the option of determination of the lease.

The interest rate embedded in the lease is adopted by the Company as the discount rate; if the interest rate embedded in the lease cannot be determined, the Company's incremental borrowing interest rate should be used as the discount rate. The Company calculates the interest expenses of the lease liabilities in each period of the lease term at a fixed cyclical interest rate and includes it in the financial expenses. This cyclical interest rate is the discount rate or revised discount rate used by the Company.

The variable lease payment not included into the measurement of lease liabilities shall be included into the current profit and loss when it actually occurs.

Lease liabilities should be remeasured at the present value of the changed lease payments and the revised discount rate, and the book value of the right-of-use assets should be adjusted accordingly when the Company's evaluation of the renewal option, termination option or purchase option changes. Lease liabilities should be remeasured at the present value of the changed lease payments and the original discount rate, and the book value of the right-of-use assets should be adjusted accordingly when there is a change in the substantive lease payments, the amount expected to be payable for the residual value of the guarantee or the variable lease payments depending on an index or rate.

43. Other significant accounting policies and accounting estimates

Applicable Not applicable

44. Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

Applicable Not applicable

Contents and reasons for changes in accounting policies	Approval procedure	Remarks (name and amount of items in the significantly influenced statements)
The Ministry of Finance issued <i>Accounting Standards for Business Enterprises No. 21- Lease</i> in December 2018. The above new lease standards are executed by the Company, and relevant contents of accounting policies are adjusted on January 1, 2021. Refer to Note V. 42 Lease for details.	(1) New lease standards issued by the Ministry of Finance; (2) Approved by the board meeting of the Company.	Refer to Note V. 44(3) Adjustment on relevant items in the financial statements at the beginning of the year after the first implementation of the new lease standards in 2021.

Other descriptions

For contracts in existence prior to the date of initial execution, the Company has elected not to reassess whether they are leases or contain leases. The Company adjusts the amount of retained revenues and other related items in the financial statements at the beginning of the year of initial execution based on the cumulative effect of initial execution, without adjusting the information for comparable periods.

(2) Changes in significant accounting estimates

Applicable Not applicable

(3) Adjustment on relevant items in the financial statements at the beginning of the year after the first implementation of the new lease standards in 2021

Applicable Not applicable

Consolidated Balance Sheet

Unit: CNY

Currency: RMB

Item	December 31, 2020	January 1, 2021	Adjusted
Current assets:			
Monetary capital	2,931,612,314.48	2,931,612,314.48	
Deposit reservation for balance			
Lending funds			
Trading financial assets	177,705,000.00	177,705,000.00	
Derivative financial assets			
Notes receivable			
Accounts receivable	671,744,618.42	671,744,618.42	
Receivables financing	1,824,385,906.06	1,824,385,906.06	
Advance payment	338,477,584.01	336,596,054.98	-1,881,529.03
Premium receivable			
Reinsurance accounts receivable			
Reserves for reinsurance contract receivable			
Other receivables	42,628,077.17	40,581,468.48	-2,046,608.69
Including: Interests receivable			
Dividends receivable	12,727,677.71	12,727,677.71	
Redemptory monetary capital for sale			
Inventory	1,973,707,597.63	1,973,707,597.63	
Contract assets	991,678,142.19	991,678,142.19	
Held-for-sale assets			
Non-current assets due within one year			
Other current assets	749,469,692.10	749,469,692.10	
Total current assets	9,701,408,932.06	9,697,480,794.34	-3,928,137.72
Non-current assets:			
Loan granted and advances			

Creditor's right investment			
Other creditor's right investment			
Long-term receivables	485,608,490.62	485,608,490.62	
Long-term equity investment	106,383,531.67	106,383,531.67	
Other equity instrument investments	94,203,246.25	94,203,246.25	
Other non-current financial assets			
Investment property			
Fixed assets	7,692,852,690.30	7,677,101,205.27	-15,751,485.03
Construction in progress	1,869,585,966.56	1,869,585,966.56	
Productive biological assets			
Oil-gas assets			
Right-of-use assets		371,746,415.23	371,746,415.23
Intangible assets	4,163,515,867.81	4,163,515,867.81	
Development expenditure	1,835,330,014.89	1,835,330,014.89	
Goodwill	81,761,574.65	81,761,574.65	
Long-term unamortized expenses	84,126,326.59	84,126,326.59	
Deferred income tax assets	94,259,590.13	94,259,590.13	
Other non-current assets	58,558,410.13	58,558,410.13	
Total non-current assets	16,566,185,709.60	16,922,180,639.80	355,994,930.20
Total assets	26,267,594,641.66	26,619,661,434.14	352,066,792.48
Current liabilities:			
Short-term borrowings	2,146,129,051.38	2,146,129,051.38	
Borrowings from the central bank			
Borrowing funds			
Trading financial liabilities			
Derivative financial liabilities			
Notes payable	5,611,915,739.01	5,611,915,739.01	
Accounts payable	5,325,148,455.00	5,325,148,455.00	
Advance receipt	350,458,147.43	350,458,147.43	
Contract liabilities	640,999,546.98	640,999,546.98	
Financial assets sold for repurchase			
Deposits from customers and interbank			
Acting trading securities			
Acting underwriting securities			
Payroll payable	325,260,023.37	325,260,023.37	
Taxes payable	194,044,688.41	194,044,688.41	
Other payables	642,927,522.94	642,927,522.94	
Including: Interests payable			
Dividends payable			
Fees and commissions payable			
Reinsurance accounts payable			
Held-for-sale liabilities			
Non-current liabilities due within one year	939,508,760.00	939,508,760.00	
Other current liabilities	70,649,842.95	70,649,842.95	
Total current liabilities	16,247,041,777.47	16,247,041,777.47	
Non-current liabilities:			
Reserves for insurance contract			
Long-term borrowings	1,520,175,171.89	1,520,175,171.89	
Bonds payable	538,041,864.74	538,041,864.74	
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		424,480,940.13	424,480,940.13
Long-term payables	970,290,659.83	962,612,596.58	-7,678,063.25
Long-term employee remuneration payable			
Estimated liabilities	22,032,314.02	22,032,314.02	

Deferred income	1,288,617,974.12	1,288,617,974.12	
Deferred income tax liabilities	62,363,372.05	62,363,372.05	
Other non-current liabilities			
Total non-current liabilities	4,401,521,356.65	4,818,324,233.53	416,802,876.88
Total liabilities	20,648,563,134.12	21,065,366,011.00	416,802,876.88
Owners' equities (or shareholders' equities):			
Paid-in capital (or share capital)	1,278,439,873.00	1,278,439,873.00	
Other equity instruments	166,258,372.86	166,258,372.86	
Including: Preferred shares			
Perpetual bonds			
Capital reserves	3,357,903,100.86	3,357,903,100.86	
Minus: Treasury shares			
Other comprehensive incomes	-103,861,347.49	-103,861,347.49	
Special reserves			
Surplus reserves	256,823,837.45	256,823,837.45	
General risk reserves			
Undistributed profits	207,836,460.35	150,536,225.24	-57,300,235.11
Total owners' equities (or shareholders' equities) attributable to the parent company	5,163,400,297.03	5,106,100,061.92	-57,300,235.11
Minority shareholders' equities	455,631,210.51	448,195,361.22	-7,435,849.29
Total owners' equities (or shareholders' equities)	5,619,031,507.54	5,554,295,423.14	-64,736,084.40
Total liabilities and owners' equities (or shareholders' equities)	26,267,594,641.66	26,619,661,434.14	352,066,792.48

Description of the adjustment of each item:

Applicable Not applicable

The Company will implement the new leasing standards starting from January 1, 2021, and recognize the right-to-use assets and lease liabilities that are subject to the standards.

Balance Sheet of the Parent Company

Unit: CNY

Currency: RMB

Item	December 31, 2020	January 1, 2021	Adjusted
Current assets:			
Monetary capital	79,692,948.80	79,692,948.80	
Trading financial assets	177,705,000.00	177,705,000.00	
Derivative financial assets			
Notes receivable			
Accounts receivable	423,650.00	423,650.00	
Receivables financing			
Advance payment	1,079,561.15	1,079,561.15	
Other receivables	5,555,597,123.87	5,555,597,123.87	
Including: Interests receivable			
Dividends receivable	1,000,000.00	1,000,000.00	
Inventory			
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets	3,147,725.69	3,147,725.69	
Total current assets	5,817,646,009.51	5,817,646,009.51	
Non-current assets:			
Creditor's right investment			
Other creditor's right investment			

Long-term receivables			
Long-term equity investment	9,583,212,939.79	9,583,212,939.79	
Other equity instrument investments	78,000,000.00	78,000,000.00	
Other non-current financial assets			
Investment property			
Fixed assets	380,171,835.58	380,171,835.58	
Construction in progress			
Productive biological assets			
Oil-gas assets			
Right-of-use assets			
Intangible assets	130,442,847.22	130,442,847.22	
Development expenditure			
Goodwill			
Long-term unamortized expenses	6,810,263.44	6,810,263.44	
Deferred income tax assets	3,577,104.56	3,577,104.56	
Other non-current assets	2,140,677.92	2,140,677.92	
Total non-current assets	10,184,355,668.51	10,184,355,668.51	
Total assets	16,002,001,678.02	16,002,001,678.02	
Current liabilities:			
Short-term borrowings	638,735,380.58	638,735,380.58	
Trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable	4,754,452.52	4,754,452.52	
Advance receipt	350,458,147.43	350,458,147.43	
Contract liabilities			
Payroll payable	23,388,334.06	23,388,334.06	
Taxes payable	515,004.28	515,004.28	
Other payables	4,743,556,928.54	4,743,556,928.54	
Including: Interests payable			
Dividends payable			
Held-for-sale liabilities			
Non-current liabilities due within one year	541,908,760.00	541,908,760.00	
Other current liabilities			
Total current liabilities	6,303,317,007.41	6,303,317,007.41	
Non-current liabilities:			
Long-term borrowings	768,726,280.00	768,726,280.00	
Bonds payable	538,041,864.74	538,041,864.74	
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables	71,625,000.00	71,625,000.00	
Long-term employee remuneration payable			
Estimated liabilities			
Deferred income	88,957,008.17	88,957,008.17	
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities	1,467,350,152.91	1,467,350,152.91	
Total liabilities	7,770,667,160.32	7,770,667,160.32	
Owners' equities (or shareholders' equities):			
Paid-in capital (or share capital)	1,278,439,873.00	1,278,439,873.00	
Other equity instruments	166,258,372.86	166,258,372.86	
Including: Preferred shares			
Perpetual bonds			
Capital reserves	5,421,095,890.63	5,421,095,890.63	

Minus: Treasury shares			
Other comprehensive incomes			
Special reserves			
Surplus reserves	257,652,575.33	257,652,575.33	
Undistributed profits	1,107,887,805.88	1,107,887,805.88	
Total owners' equities (or shareholders' equities)	8,231,334,517.70	8,231,334,517.70	
Total liabilities and owners' equities (or shareholders' equities)	16,002,001,678.02	16,002,001,678.02	

Description of the adjustment of each item:

Applicable Not applicable

The implementation of the new leasing standards has no impact on the financial statements of the parent company.

(4) Retroactive adjustment on the comparative data of the previous period after the first implementation of the new lease standards in 2021

Applicable Not applicable

45. Others

Applicable Not applicable

VI. Taxes

1. Main tax category and tax rate

Conditions of main tax category and tax rate

Applicable Not applicable

Tax category	Taxation basis	Tax rate
VAT	Taxable income	3%, 5%, 6%, 9%, 10%, 11%, 13%
Consumption tax	Taxable income	1%, 3%, 5% (Note 1)
Business tax		
Urban maintenance and construction tax	Turnover tax amount payable	5%, 7%
Corporate income tax	Taxable income	15%, 20%, 25%

Note 1: For vehicles produced by the Company with a displacement of less than 1.0 L (including 1.0 L), more than 1.0-1.5 L (including 1.5 L), and more than 1.5-2.0 L (including 2.0 L), a consumption tax of 1%, 3% and 5% shall be levied respectively; the tax rebate rate for export vehicles with a displacement of less than 1.0 L (including 1.0 L), above 1.0-1.5 L (including 1.5 L), and above 1.5-2.0 L (including 2.0 L) by the Company's foreign trade enterprises is 1%, 3% and 5% respectively.

The Company implements the "exemption and refund" tax management method for the consumption tax on exported goods, and fully refunds the tax based on the original production process tax amount.

The situation should be disclosed if there exist different enterprise income tax rates in taxpaying bodies.

Applicable Not applicable

Names of taxpaying bodies	Income tax rate (%)
Chongqing Sokon Industrial Group Co., Ltd.	25
Dongfeng Sokon Automobile Co., Ltd.	15
Dongfeng Sokon Automobile Co., Ltd. Shiyuan Branch	25
Shiyuan Dongfeng FENGON Automobile Sales Co., Ltd.	25
Chongqing Dongkang Automobile Manufacturing Co., Ltd.	15
Chongqing Sokon Automobile Co., Ltd.	25
Chongqing Dongfeng FENGON Automobile Sales Co., Ltd.	15

Chongqing Dongfeng Sokon Automobile Sales Co., Ltd.	15
Chongqing Jiangkang Automobile Technology Co., Ltd.	25
Chongqing Sokon Import and Export Co., Ltd.	15
Chongqing Sinkon Motor International Trade Co., Ltd.	20
Chongqing Yu'an Huaihai Powertrain Co., Ltd.	15
Chongqing Sokon Powertrain Co., Ltd.	15
Chongqing Sokon Automobile Transmission Co., Ltd.	25
Luzhou Rongda Intelligent Transmission Limited Company	15
Hunan Rongda Intelligent Transmission Co., Ltd.	15
Chongqing Ruichi Automobile Industry Co., Ltd.	15
Xiamen Ruidongkang Automobile Sales Co., Ltd.	20
Chongqing Sokon Automobile Parts Co., Ltd.	15
Shiyang Xinkang Automobile Parts Co., Ltd.	25
Chongqing Yu'an Shock Absorber Co., Ltd.	15
Chongqing Sokon Machinery Parts Co., Ltd.	15
Chongqing Jingkangbao Technology Co., Ltd.	25
Chongqing Ruichi New Energy Vehicle Sales Service Co., Ltd.	25
Tianjin Ruikang New Energy Vehicle Sales Co., Ltd.	20
Guangzhou Jiayuanyi New Energy Vehicle Sales Service Co., Ltd.	20
Shenzhen Dongkang New Energy Vehicle Sales Service Co., Ltd.	25
Wuhan Ruidongyi New Energy Vehicle Sales Service Co., Ltd.	20
Shanghai Jiayan New Energy Vehicle Sales Service Co., Ltd.	20
Chongqing Kangfei Power Technology Co., Ltd.	25
Chongqing Sokon Engine R&D Co., Ltd.	25
Chongqing Sokon Automobile Sales Service Co., Ltd.	25
Sokon Group (Hong Kong) Limited	16.50
PT.SOKONINDOAUTOMOBILE	22
SOKONMOTORSDOBASILINDUSTRIAECOMERCIODEVEICULOSLTD	15
PT.YuanPowertrainIndonesia	22
Chongqing Jinkang New Energy Automobile Co., Ltd.	25
Chongqing SERES Electric Vehicle Co., Ltd.	25
Chongqing Jinkang SERES New Energy Automobile Design Institute Co., Ltd.	25
Chengdu SERES Technology Co., Ltd.	25
Chongqing Jinkang SERES New Energy Automobile Design Institute Co., Ltd. Beijing Branch	25
Chongqing Dongkang New Energy Automobile Design Institute Co., Ltd.	25
Chongqing Jinkang Powertrain New Energy Co., Ltd.	25
Chongqing SERES Technology Co., Ltd.	25
Chongqing Jinkang SERES Automobile Sales Co., Ltd.	25
SERES Automobile Sales Service (Guangzhou) Co., Ltd.	20
Tianjin Jinkang SERES Automobile Sales Service Co., Ltd.	20
Shanghai SERES Automobile Sales Service Co., Ltd.	20
Shanghai SERES New energy Vehicle Sales Co., Ltd.	20
SERES Automobile Sales Service (Hangzhou) Co., Ltd.	20
SERES Automobile Sales Service (Jinan) Co., Ltd.	20
SERES Automobile Sales Service (Chongqing) Co., Ltd.	20
SERES Auto Sales Service (Shenzhen) Co., Ltd.	20
SERES Automobile Sales Service (Xuzhou) Co., Ltd.	20
Beijing Jinkang SERES Technology Co., Ltd.	20
Chongqing Jinkang SERES New Electric Vehicle Sales Co., Ltd.	25
Chongqing FENGON New Energy Vehicle Sales Co., Ltd.	25
Sokon (United States) New energy Vehicle Co., Ltd.	29.84
SFMOTORSSINGAPOREPTE.LTD	17
Chongqing Jinkang SERES Automobile Co., Ltd.	25
SINKONINTERNATIONAL(SINGAPORE)PTE.LTD.	17

PUJIR Financial Leasing Co., Ltd.	15
Chongqing Sinkon International Holdings Limited	25
Chongqing International Automobile Experience Center Co., Ltd.	25

2. Tax preference

Applicable Not applicable

1. According to the *Announcement of the Ministry of Finance, the State Administration of Taxation, and the National Development and Reform Commission on Continuing the Corporate Income Tax Policy for the Western Development* (Ministry of Finance Announcement No. 23 of 2020), from January 1, 2021 to December 31, 2030, the corporate income tax will be levied at a reduced rate of 15% on encouraged industrial enterprises located in the western region. With the permission of the competent tax authority:

Chongqing Sokon Powertrain Co., Ltd., Chongqing Yu'an Huaihai Powertrain Co., Ltd., Chongqing Sokon Automobile Parts Co., Ltd., Chongqing Sokon Machinery Parts Co., Ltd., Chongqing Yu'an Shock Absorber Co., Ltd., Chongqing Sokon Import and Export Co., Ltd., Chongqing Dongfeng Sokon Automobile Sales Co., Ltd., Chongqing Dongfeng FENGON Automobile Sales Co., Ltd., Chongqing Ruichi Automobile Industry Co., Ltd., PUJIR Financial Leasing Co., Ltd., and Chongqing Dongkang Automobile Manufacturing Co., Ltd. can calculate and pay corporate income tax at a tax rate of 15%.

2. According to the *Announcement of the State Administration of Taxation on Implementing Preferential Policies for Income Tax to Support the Development of Small Low-profit Enterprises and Individual Businesses* (State Administration of Taxation Announcement No. 8 of 2021), from January 1, 2021 to December 31, 2022, the portion of the annual taxable income of small low-profit enterprises that does not exceed RMB 1 million shall be reduced by 12.5% and included in the taxable income, and corporate income tax shall be paid at a rate of 20%.

Guangzhou Jiayuanyi New Energy Vehicle Sales Service Co., Ltd., Wuhan Ruidongyi New Energy Vehicle Sales Service Co., Ltd., Xiamen Ruidongkang Automobile Sales Co., Ltd., SERES Automobile Sales Service (Guangzhou) Co., Ltd., Tianjin Jinkang SERES Automobile Sales Service Co., Ltd., Shanghai SERES Automobile Sales Service Co., Ltd., SERES Automobile Sales Service (Hangzhou) Co., Ltd., SERES Automobile Sales Service (Jinan) Co., Ltd., SERES Automobile Sales Service (Chongqing) Co., Ltd., SERES Auto Sales Service (Shenzhen) Co., Ltd., SERES Automobile Sales Service (Xuzhou) Co., Ltd., Beijing Jinkang SERES Technology Co., Ltd., Shanghai SERES New energy Vehicle Sales Co., Ltd., Chongqing Jinkangbao Technology Co., Ltd., and Chongqing Sinkon International Automobile Trade Co., Ltd. can calculate and pay corporate income tax at a rate of 20%.

3. Dongfeng Sokon Automobile Co., Ltd. was recognized as a high-tech enterprise by the Science and Technology Department of Hubei Province, the Hubei Provincial Finance Department, and the Hubei Provincial Taxation Bureau of the State Administration of Taxation in 2021 (certificate No.: GR202142002328). From 2021 to 2023, the corporate income tax will be calculated and paid at a rate of 15%.

4. Hunan Rongda Intelligent Transmission Co., Ltd. was recognized as a high-tech enterprise by the Science and Technology Department of Hunan Province, the Hunan Provincial Finance Department, and the Hunan Provincial Taxation Bureau of the State Administration of Taxation in 2021 (certificate No.: GR202143004631). From 2021 to 2023, the corporate income tax will be calculated and paid at a rate of 15%.

5. Luzhou Rongda Intelligent Transmission Limited Company was recognized as a high-tech enterprise by the Science and Technology Department of Sichuan Province, the Sichuan Provincial Finance Department, and the

Sichuan Provincial Taxation Bureau of the State Administration of Taxation in 2020 (certificate No.: GR202051000894). From 2020 to 2022, the corporate income tax will be calculated and paid at a rate of 15%.

3. Others

Applicable Not applicable

VII. Item Notes for Consolidated Financial Statement

1. Monetary capital

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance	Beginning balance
Cash on hand	166,692.34	226,994.73
Bank deposit	1,325,983,371.50	937,627,381.41
Other monetary funds	4,506,098,925.89	1,993,757,938.34
Total	5,832,248,989.73	2,931,612,314.48
Including: total amount of payments deposited overseas	139,514,680.06	86,589,510.20

Other descriptions

RMB 7,189,124.90 in bank deposits has been frozen, while other monetary funds include bank acceptance bill deposits, loan deposits, and interest on unexpired fixed deposits.

2. Trading financial assets

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance	Beginning balance
Financial assets measured at the fair value with its changes included into the current profit and loss	320,316,449.65	177,705,000.00
Including:		
equity instrument investments	320,316,449.65	177,705,000.00
① Financial assets that are designated to be measured at the fair value with its changes included into the current profit and loss.		
Including:		
Total	320,316,449.65	177,705,000.00

Other descriptions:

Applicable Not applicable

Trading financial assets refer to 39,490,000 A-shares of Chongqing Rural Commercial Bank, 5,000,000 shares of ElectricLastMileSolutions, Inc, (listed on NASDAQ), and 31,584 A-shares of Zotye Automobile Co., Ltd. held by the Company.

3. Derivative financial assets

Applicable Not applicable

4. Notes receivable

(1) Classified presentation of the notes receivable

Applicable Not applicable

(2) Notes receivable that have been pledged by the Company at the end of the period

Applicable Not applicable

(3) Notes receivable that have been endowed or discounted by the Company and not due on balance sheet date at the end of the period

Applicable Not applicable

(4) Notes that have been transferred to accounts receivable by the Company at the end of the period because the drawer fails to perform contract

Applicable Not applicable

(5) Classified disclosure by the bad debt provision method

Applicable Not applicable

Withdrawal of bad-debt reserves by single item:

Applicable Not applicable

Withdrawal of bad-debt reserves in portfolios:

Applicable Not applicable

If the bad-debt reserve is made according to the general model of expected credit losses, refer to the disclosure of other receivables:

Applicable Not applicable

(6) Bad-debt reserves

Applicable Not applicable

(7) Actual write-off notes receivable in the current period

Applicable Not applicable

Other descriptions

Applicable Not applicable

5. Accounts receivable**(1) Disclosure by aging**

Applicable Not applicable

Unit: CNY

Currency: RMB

Account age	Ending book balance
Within 1 year	
Including: Sub-item within 1 year	
Subtotal within 1 year	920,958,542.01
1-2 years	428,025.42
2-3 years	13,681,632.69
More than 3 years	
3-4 years	53,880,221.97
4-5 years	37,335,917.78
More than 5 years	713,474.10
Total	1,026,997,813.97

Note: The audited contract assets are adjusted to accounts receivable in the current period.

(2) Classified disclosure by the bad debt provision method

√ Applicable □ Not applicable

Unit: CNY

Currency: RMB

Type	Ending balance					Beginning balance				
	Book balance		Bad-debt reserves		Book value	Book balance		Bad-debt reserves		Book value
	Amount	Proportion (%)	Amount	Calculation and withdrawing proportion (%)		Amount	Proportion (%)	Amount	Calculation and withdrawing proportion (%)	
Withdrawal of bad-debt reserves by single item	10,812,093.04	1.05	10,812,093.04	100		10,912,093.04	1.55	10,912,093.04	100.00	
Including:										
Withdrawal of bad-debt reserves in portfolios	1,016,185,720.93	98.95	19,498,028.83	1.92	996,687,692.10	691,700,345.93	98.45	19,955,727.51	2.89	671,744,618.42
Including:										
Withdrawal of bad-debt reserves as per credit risk feature portfolio	1,016,185,720.93	98.95	19,498,028.83	1.92	996,687,692.10	691,700,345.93	98.45	19,955,727.51	2.89	671,744,618.42
Total	1,026,997,813.97	/	30,310,121.87	/	996,687,692.10	702,612,438.97	/	30,867,820.55	/	671,744,618.42

Withdrawal of bad-debt reserves by single item:

√ Applicable □ Not applicable

Unit: CNY

Currency: RMB

Name	Ending balance			
	Book balance	Bad-debt reserves	Calculation and withdrawing proportion (%)	Reasons for calculation and withdrawal
Hunan Jiangnan Automobile Manufacturing Co., Ltd. Hubei Branch	9,224,403.70	9,224,403.70	100.00	Bankruptcy reorganization
Chongqing Meiwan New Energy Automobile Technology Co., Ltd.	1,149,400.00	1,149,400.00	100.00	Debtor's suspension of production and business
Changsha Junma Automobile Sales Co., Ltd. Hubei Branch	135,068.15	135,068.15	100.00	Debtor's suspension of production and business
Hunan Jiangnan Automobile Manufacturing Co., Ltd.	303,221.19	303,221.19	100.00	Bankruptcy reorganization
Total	10,812,093.04	10,812,093.04	100.00	/

Description of withdrawal of bad-debt reserves by single item:

□ Applicable √ Not applicable

Withdrawal of bad-debt reserves in portfolios:

√ Applicable □ Not applicable

Portfolio withdrawal items: Withdrawal of bad-debt reserves as per credit risk feature portfolio

Unit: CNY

Currency: RMB

Name	Ending balance		
	Accounts receivable	Bad-debt reserves	Calculation and withdrawing

			proportion (%)
New energy portfolio	314,361,120.75	11,096,592.74	3.53
Non-new energy portfolio	701,824,600.18	8,401,436.09	1.20
Total	1,016,185,720.93	19,498,028.83	1.92

Recognition criteria and description of withdrawal of bad-debt reserves in portfolios:

Applicable Not applicable

If the bad-debt reserve is made according to the general model of expected credit losses, refer to the disclosure of other receivables:

Applicable Not applicable

(3) Bad-debt reserves

Applicable Not applicable

Unit: CNY

Currency: RMB

Type	Beginning balance	Changed amount in the current period				Ending balance
		Calculation and withdrawal	Recover or reverse	Write-off or charge-off	Other changes	
Withdrawal of bad-debt reserves by single item	10,912,093.04		100,000.00			10,812,093.04
Withdrawal of bad-debt reserves as per credit risk feature portfolio	19,955,727.51	11,262,020.31	5,699,171.62	6,020,547.37		19,498,028.83
Total	30,867,820.55	11,262,020.31	5,799,171.62	6,020,547.37		30,310,121.87

Thereinto, important amounts of bad-debt reserves recovered or reversed in the current period:

Applicable Not applicable

(4) Actual write-off accounts receivable in the current period

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Written-off amount
Actual write-off accounts receivable	6,020,547.37

Thereinto, write-off of important accounts receivable

Applicable Not applicable

Instructions for write-off of accounts receivable:

Applicable Not applicable

(5) Accounts receivable with the ending balance ranked among the first five as collected by the borrower

Applicable Not applicable

Unit: CNY

Currency: RMB

Unit name	Ending balance	Proportion in the ending balance of accounts receivable (%)	Ending balance of bad-debt reserves
Unit I	204,900,773.47	19.95	7,672,534.43
Unit II	94,154,266.00	9.17	
Unit III	73,344,439.25	7.14	784,785.50
Unit IV	71,608,690.48	6.97	766,212.99
Unit V	52,154,514.34	5.08	558,053.30
Total	496,162,683.54	48.31	9,781,586.22

Other descriptions

None

(6) Accounts receivable derecognized due to transfer of financial assets

Applicable Not applicable

(7) Amount of assets and liabilities formed by transferring accounts receivable and continuing to be involved

Applicable Not applicable

Other descriptions:

Applicable Not applicable

6. Receivables financing

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance	Beginning balance
Notes receivable	377,361,946.64	1,824,385,906.06
Total	377,361,946.64	1,824,385,906.06

Changes in receivables financing during the current period and changes in fair value:

Applicable Not applicable

If the bad-debt reserve is made according to the general model of expected credit losses, refer to the disclosure of other receivables:

Applicable Not applicable

Other descriptions:

Applicable Not applicable

At the end of the period, the amount of notes receivable pledged by the Company was RMB 241,028,622.60, and the amount of bank acceptance bills endorsed or discounted but not yet due was RMB 8,610,157,746.83. The Company will derecognize the endorsed or discounted but not yet due bank acceptance bills.

7. Advance payment

(1) Presentation of advance payment by age

Applicable Not applicable

Unit: CNY

Currency: RMB

Account age	Ending balance		Beginning balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	593,036,990.45	89.81	266,093,457.25	79.06
1-2 years	16,766,985.53	2.54	69,948,652.02	20.78
2-3 years	50,278,028.37	7.61	545,725.02	0.16
More than 3 years	253,094.54	0.04	8,220.69	0.00
Total	660,335,098.89	100.00	336,596,054.98	100.00

Description for reasons of failure in timely settlement of advance payment with over 1 year of account age and important amounts:

None

(2) Advance payment of the top five among ending balances collected by advance payment object

Applicable Not applicable

Unit name	Ending balance	Proportion in the ending balance of advance payment (%)
Unit I	88,799,302.27	13.45
Unit II	76,258,700.00	11.55
Unit III	66,073,274.34	10.01
Unit IV	53,901,000.00	8.16
Unit V	46,629,253.19	7.06
Total	331,661,529.80	50.23

Other descriptions

None

Other descriptions

Applicable Not applicable

8. Other receivables

Item presentation

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance	Beginning balance
Interests receivable		
Dividends receivable		12,727,677.71
Other receivables	1,610,869,459.99	27,853,790.77
Total	1,610,869,459.99	40,581,468.48

Other descriptions:

Applicable Not applicable

Interests receivable

(1) Classification of interest receivable

Applicable Not applicable

(2) Important overdue interest

Applicable Not applicable

(3) Withdrawal of bad-debt reserves

Applicable Not applicable

Other descriptions:

Applicable Not applicable

Dividends receivable

(4) Dividends receivable

Applicable Not applicable

Unit: CNY

Currency: RMB

Item (or investee)	Ending balance	Beginning balance
New Energy Automobile Industry Development (Chongqing) Co., Ltd.		1,000,000.00
Chongqing New Energy Automobile Finance Leasing Co., Ltd.		11,727,677.71
Total		12,727,677.71

(5) Important dividends receivable with an aging of over 1 year

Applicable Not applicable

(6) Withdrawal of bad-debt reserves

Applicable Not applicable

Unit: CNY

Currency: RMB

Bad-debt reserves	Stage I	Stage II	Stage III	Total
	Expected credit loss in the next 12 months	Expected credit loss throughout the entire duration (credit impairment that has not occurred)	Expected credit loss throughout the entire duration (credit impairment that has occurred)	
Balance as of January 1, 2021				
Balance on January 1, 2021 in the current				
- Transfer to Stage II				
- Transfer to Stage III				
- Transfer back to Stage II				
- Transfer back to Stage I				
Calculation and withdrawal in the current period	12,727,677.71			12,727,677.71
Reverse in the current period				
Write-off in the current period				
Charge-off in the current period				
Other changes				
Balance as of December 31, 2021	12,727,677.71			12,727,677.71

Description of the significant changes in the book balance of dividends receivable in which changes in loss reserves occurred in the current period:

Applicable Not applicable

Other descriptions:

Applicable Not applicable

Other receivables

(7) Disclosure by aging

Applicable Not applicable

Unit: CNY

Currency: RMB

Account age	Ending book balance
Within 1 year	
Including: Sub-item within 1 year	
Subtotal within 1 year	1,611,749,241.61
1-2 years	5,403,222.56
2-3 years	33,569,450.74
More than 3 years	
3-4 years	40,129,847.59
4-5 years	1,751,062.23
More than 5 years	550,000.00
Total	1,693,152,824.73

(8) Classification by nature of payment√ Applicable Not applicable

Unit: CNY

Currency: RMB

Nature of payment	Ending book balance	Beginning book balance
Performance compensation (Note)	1,361,093,416.28	
Reserves, margins and security deposits	202,590,171.68	22,051,377.87
Other intercourse funds	129,469,236.77	75,765,811.60
Total	1,693,152,824.73	97,817,189.47

Note: Dongfeng Sokon Automobile Co., Ltd. and Luzhou Rongda Intelligent Transmission Limited Company have actual net profits lower than the promised net profits. Chongqing Sokon Holdings Co., Ltd. promises to provide performance compensation to the Company and Chongqing Sokon Powertrain Co., Ltd.

(9) Withdrawal of bad-debt reserves√ Applicable Not applicable

Unit: CNY

Currency: RMB

Bad-debt reserves	Stage I	Stage II	Stage III	Total
	Expected credit loss in the next 12 months	Expected credit loss throughout the entire duration (credit impairment that has not occurred)	Expected credit loss throughout the entire duration (credit impairment that has occurred)	
Balance as of January 1, 2021	4,714,398.70		65,249,000.00	69,963,398.70
Balance on January 1, 2021 in the current				
- Transfer to Stage II				
- Transfer to Stage III				
- Transfer back to Stage II				
- Transfer back to Stage I				
Calculation and withdrawal in the current period	14,119,088.97			14,119,088.97
Reverse in the current period				
Write-off in the current period				
Charge-off in the current period	307,122.93			307,122.93
Other changes			-1,492,000.00	-1,492,000.00
Balance as of December 31, 2021	18,526,364.74		63,757,000.00	82,283,364.74

Note: Other changes are due to the exchange rate fluctuations for the full provision of bad-debt reserves for TIVENIMERGECO, INC accounts receivable of USD 10 million.

Description of the significant changes in the book balance of other receivables in which changes in loss reserves occurred in the current period:

□ Applicable Not applicable

The basis for adopting whether the amount of the bad-debt reserves in the current period and the credit risk of financial instruments has increased significantly:

□ Applicable Not applicable**(10) Bad-debt reserves**√ Applicable Not applicable

Unit: CNY

Currency: RMB

Type	Beginning	Changed amount in the current period	Ending balance
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	balance	Calculation and withdrawal	Recover or reverse	Write-off or charge-off	Other changes	
Withdrawal of bad-debt reserves as per credit risk feature portfolio	69,963,398.70	14,119,088.97		307,122.93	-1,492,000.00	82,283,364.74
Total	69,963,398.70	14,119,088.97		307,122.93	-1,492,000.00	82,283,364.74

Thereinto, important amounts of bad-debt reserves reversed or recovered in the current period:

Applicable Not applicable

(11) Other actual write-off receivables in the current period

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Written-off amount
Other actual write-off receivables	307,122.93

Thereinto, other important write-off receivables:

Applicable Not applicable

Write-off descriptions of other receivables:

Applicable Not applicable

(12) Other receivables of the top five ending balances that collected by the debtor

Applicable Not applicable

Unit: CNY

Currency: RMB

Unit name	Nature of payment	Ending balance	Account age	Proportion in the ending balance of other receivables (%)	Bad-debt reserves Ending balance
Unit I	Performance compensation	1,361,093,416.28	Within 1 year	80.39	
Unit II	Capacity margin	200,000,000.00	Within 1 year	11.81	10,000,000.00
Unit III	Intercourse funds	63,757,000.00	3 years, 4 months	3.77	63,757,000.00
Unit IV	Security deposits	11,104,720.00	Within 1 year	0.66	555,236.00
Unit V	Margins	5,000,000.00	Within 1 year	0.30	250,000.00
Total	/	1,640,955,136.28	/	96.93	74,562,236.00

(13) Receivables involving government subsidies

Applicable Not applicable

(14) Other receivables derecognized due to transfer of financial assets

Applicable Not applicable

(15) Amount of assets and liabilities formed by transferring other receivables and continuing to be involved

Applicable Not applicable

Other descriptions:

Applicable Not applicable

9. Inventory

(1) Inventory classification

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Inventory falling price reserves/impairment reserves for contract performance cost	Book value	Book balance	Inventory falling price reserves/impairment reserves for contract performance cost	Book value
Raw materials	1,384,520,594.53	74,684,039.62	1,309,836,554.91	1,023,112,869.93	35,963,929.89	987,148,940.04
Low-value consumables	21,263,251.17	1,112,368.36	20,150,882.81	14,293,747.87	1,130,006.34	13,163,741.53
Products in progress	171,531,023.84	17,468,316.19	154,062,707.65	138,885,643.79	3,505,090.62	135,380,553.17
Inventory goods	999,067,145.56	38,946,921.38	960,120,224.18	852,782,143.58	62,693,452.15	790,088,691.43
Goods shipped in transit	346,260,469.02	17,545,568.87	328,714,900.15	48,618,239.94	692,568.48	47,925,671.46
Revolving materials						
Consumptive biological assets						
Contract performance costs						
Total	2,922,642,484.12	149,757,214.42	2,772,885,269.70	2,077,692,645.11	103,985,047.48	1,973,707,597.63

(2) Inventory falling price reserves and impairment reserves for contract performance cost

√ Applicable □ Not applicable

Unit: CNY

Currency: RMB

Item	Beginning balance	Amount increased in the current period		Amount decreased in the current period		Ending balance
		Calculation and withdrawal	Others	Reverse or charge-off	Others	
Raw materials	35,963,929.89	57,972,810.82		19,252,701.09		74,684,039.62
Low-value consumables	1,130,006.34	177,837.10		195,475.08		1,112,368.36
Products in progress	3,505,090.62	17,041,635.19		3,078,409.62		17,468,316.19
Inventory goods	62,693,452.15	106,648,361.32		130,394,892.09		38,946,921.38
Goods shipped in transit	692,568.48	17,573,854.39		720,854.00		17,545,568.87
Revolving materials						
Consumptive biological assets						
Contract performance costs						
Total	103,985,047.48	199,414,498.82		153,642,331.88		149,757,214.42

(3) Description of the capitalized amount of borrowing expenses included in the ending balance of inventory

□ Applicable √ Not applicable

(4) Description of current amortization amount of the contract performance cost

□ Applicable √ Not applicable

Other descriptions

□ Applicable √ Not applicable

10. Contract assets

(1) Contract assets

√ Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment reserves	Book value	Book balance	Impairment reserves	Book value
New energy subsidy	961,677,939.68	5,242,930.10	956,435,009.58	1,000,515,049.78	8,836,907.59	991,678,142.19
Total	961,677,939.68	5,242,930.10	956,435,009.58	1,000,515,049.78	8,836,907.59	991,678,142.19

Note: The impairment reserve for contract assets in the current period is RMB 3,593,977.49.

(2) Amount with major changes in its book value during the reporting period and its reasons

 Applicable Not applicable

(3) Impairment reserve for contract assets in the current period

√ Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Calculation and withdrawal in the current period	Reverse in the current period	Charge-off/write-off in the current period	Reasons
New energy subsidy	-3,593,977.49			
Total	-3,593,977.49			/

If the bad-debt reserve is made according to the general model of expected credit losses, refer to the disclosure of other receivables:

 Applicable Not applicable

Other descriptions:

 Applicable Not applicable**11. Held-for-sale assets** Applicable Not applicable**12. Non-current assets due within one year**√ Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance	Beginning balance
Creditor's right investment due within one year		
Other creditor's right investment due within one year		
Long-term receivables due within one year	246,987,388.15	
Total	246,987,388.15	

Note: mainly the installment payments obtained from the disposal of EVAP Factory.

Important creditor's right investment and other creditor's right investment at the end of the period:

 Applicable Not applicable

Other descriptions

None

13. Other current assets

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance	Beginning balance
Contract acquisition costs		
Return cost receivable		
VAT to be credited or certified	889,353,721.39	740,651,055.47
Pre-paid taxes and others	4,045,045.81	8,818,636.63
Total	893,398,767.20	749,469,692.10

Other descriptions

None

14. Creditor's right investment

(1) Creditor's right investment

Applicable Not applicable

(2) Important creditor's right investment at the end of the period

Applicable Not applicable

(3) Withdrawal of impairment reserves

Applicable Not applicable

The basis for adopting whether the amount of the impairment reserves in the current period and the credit risk of financial instruments has increased significantly

Applicable Not applicable

Other descriptions:

Applicable Not applicable

15. Other creditor's right investments

(1) Other creditor's right investment

Applicable Not applicable

(2) Other important creditor's right investment at the end of the period

Applicable Not applicable

(3) Withdrawal of impairment reserves

Applicable Not applicable

The basis for adopting whether the amount of the impairment reserves in the current period and the credit risk of financial instruments has increased significantly

Applicable Not applicable

Other descriptions:

Applicable Not applicable

16. Long-term receivables

(1) Long-term receivables

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance			Beginning balance			Range of discount rate
	Book balance	Bad-debt reserves	Book value	Book balance	Bad-debt reserves	Book value	
Financing lease payment	193,351,544.77	7,957,152.68	185,394,392.09	428,801,992.01	17,366,480.68	411,435,511.33	
Including: unrealized financing income	-17,635,936.05		-17,635,936.05	-28,124,196.11		-28,124,196.11	
Sales of goods by installment payment	51,697,226.95	5,380,000.00	46,317,226.95	78,332,979.29	4,160,000.00	74,172,979.29	
Provision of labor services by installment payment							
Installment payments obtained from the disposal of EVAP Factory	69,955,077.24		69,955,077.24				
Total	315,003,848.96	13,337,152.68	301,666,696.28	507,134,971.30	21,526,480.68	485,608,490.62	/

Note: In the current period, a provision for bad debts of RMB -12,235,531.92 was made, and long-term receivables of RMB 4,046,203.92 were recovered and written off.

(2) Withdrawal of bad-debt reserves

√ Applicable Not applicable

Unit: CNY

Currency: RMB

Bad-debt reserves	Stage I	Stage II	Stage III	Total
	Expected credit loss in the next 12 months	Expected credit loss throughout the entire duration (credit impairment that has not occurred)	Expected credit loss throughout the entire duration (credit impairment that has occurred)	
Balance as of January 1, 2021	21,526,480.68			21,526,480.68
Balance on January 1, 2021 in the current	21,526,480.68			21,526,480.68
- Transfer to Stage II				
- Transfer to Stage III				
- Transfer back to Stage II				
- Transfer back to Stage I				
Calculation and withdrawal in the current period	-12,235,531.92			-12,235,531.92
Reverse in the current period	22,457,990.73			22,457,990.73
Write-off in the current period				
Charge-off in the current period	18,411,786.81			18,411,786.81
Other changes				
Balance as of December 31, 2021	13,337,152.68			13,337,152.68

Description of the significant changes in the book balance of long-term receivables in which changes in loss reserves occurred in the current period:

Applicable Not applicable

The basis for adopting whether the amount of the bad-debt reserves in the current period and the credit risk of financial instruments has increased significantly

Applicable Not applicable

(3) Long-term receivables derecognized due to transfer of financial assets

Applicable Not applicable

(4) Amount of assets and liabilities formed by transferring long-term receivables and continuing to be involved

Applicable Not applicable

Other descriptions

Applicable Not applicable

17. Long-term equity investment

Applicable Not applicable

Unit: CNY

Currency: RMB

Investee	Beginning balance	Increase/decrease changes in the current period								Ending balance	Ending balance of impairment reserves	
		Additional investments	Negative investments	Investment profit and loss recognized by the equity method	Adjustments of other comprehensive incomes	Other equity changes	Cash dividends or profits to be issued as announced	Provision for impairment reserves	Others			
I. Joint venture												
Chongqing Yunwan Technology Co., Ltd.	3,760,181.09			-578,013.54							3,182,167.55	
TIVENI MERGEC O INC												27,911,282.00
Subtotal	3,760,181.09			-578,013.54							3,182,167.55	27,911,282.00
II. Associated enterprise												
New Energy Automobile Industry Development (Chongqing) Co., Ltd.	36,235,121.37			567,171.01							36,802,292.38	
Chongqing New Energy Automobile Finance Leasing Co., Ltd.	66,388,229.21		55,189,478.94	-11,198,750.27								
Subtotal	102,623,350.58		55,189,478.94	-10,631,579.26							36,802,292.38	
Total	106,383,531.67		55,189,478.94	-11,209,592.80							39,984,459.93	27,911,282.00

Other descriptions

18. Other equity instrument investments

(1) Other equity instrument investments

Applicable Not applicable

Item	Ending balance	Beginning balance
Chongqing Liangjiang New Area Strategic Emerging Industry Equity Investment Fund Management Co., Ltd.	3,000,000.00	3,000,000.00
Innovusion Holdings Ltd	10,100,250.00	10,100,250.00
Guangdong Rongchuang Lingyue Intelligent Manufacturing and Information Technology Industry Equity Investment Fund Partnership Enterprise (Limited Partnership)	75,000,000.00	75,000,000.00
Terawatt	6,102,996.25	6,102,996.25

Total	94,203,246.25	94,203,246.25
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(2) Non-trading equity instrument investment

Applicable Not applicable

Other descriptions:

Applicable Not applicable

19. Other non-current financial assets

Applicable Not applicable

Other descriptions:

Applicable Not applicable

20. Investment property

Measurement model for investment property

N/A

21. Fixed assets

Item presentation

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance	Beginning balance
Fixed assets	7,799,051,911.85	7,677,101,205.27
Liquidation of fixed assets		
Total	7,799,051,911.85	7,677,101,205.27

Other descriptions:

Applicable Not applicable

Fixed assets**(1) Fixed assets**

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Houses and buildings	Machinery and equipment	Means of transport	Other equipment	Total
I. Original book value:					
1. Beginning balance	3,115,997,261.52	7,951,620,913.48	67,343,494.92	264,416,342.50	11,399,1378,012.42
2. Amount increased in the current period	275,896,456.76	963,410,715.06	26,885,840.12	78,847,769.79	1,345,040,781.73
(1) Acquisition	6,370,442.75	68,044,339.31	26,277,662.10	44,324,011.95	145,016,456.11
(2) Transfer-in from construction in progress	272,215,783.21	908,646,629.62	780,928.03	34,965,074.35	1,216,608,415.21
(3) Increase in business combination					
(4) Translation balance of foreign currency statements	-2,689,769.20	-13,280,253.87	-172,750.01	-441,316.51	-16,584,089.59
3. Amount decreased in the current period	141,190,984.36	458,250,055.12	12,128,438.44	9,554,277.25	621,123,755.17

(1) Disposal or scrapping	141,190,984.36	458,250,055.12	12,128,438.44	9,554,277.25	621,123,755.17
4. Ending balance	3,250,702,733.92	8,456,781,573.42	82,100,896.60	333,709,835.04	12,123,295,038.98
II. Accumulated depreciation					
1. Beginning balance	502,081,549.38	2,976,967,214.21	34,117,289.67	184,271,621.95	3,697,437,675.21
2. Amount increased in the current period	109,089,692.15	853,503,602.91	10,781,662.75	44,023,204.49	1,017,398,162.30
(1) Calculation and withdrawal	109,506,341.00	859,190,337.91	10,841,749.74	44,378,633.58	1,023,917,062.23
(2) Translation balance of foreign currency statements	-416,648.85	-5,686,735.00	-60,086.99	-355,429.09	-6,518,899.93
3. Amount decreased in the current period	61,259,568.93	335,746,134.92	7,039,962.83	8,916,414.42	412,962,081.10
(1) Disposal or scrapping	61,259,568.93	335,746,134.92	7,039,962.83	8,916,414.42	412,962,081.10
4. Ending balance	549,911,672.60	3,494,724,682.20	37,858,989.59	219,378,412.02	4,301,873,756.41
III. Impairment reserves					
1. Beginning balance		24,839,131.94			24,839,131.94
2. Amount increased in the current period		7,313,490.78			7,313,490.78
(1) Calculation and withdrawal		7,313,490.78			7,313,490.78
3. Amount decreased in the current period		9,783,252.00			9,783,252.00
(1) Disposal or scrapping		9,783,252.00			9,783,252.00
4. Ending balance		22,369,370.72			22,369,370.72
IV. Book value					
1. Ending book value	2,700,791,061.32	4,939,687,520.50	44,241,907.01	114,331,423.02	7,799,051,911.85
2. Beginning book value	2,613,915,712.14	4,949,814,567.33	33,226,205.25	80,144,720.55	7,677,101,205.27

(2) Temporary idle fixed assets

√ Applicable □ Not applicable

Item	Original book value	Accumulated depreciation	Impairment reserves	Book value	Remarks
Machinery and equipment	82,404,886.07	58,248,393.08	21,679,092.46	2,477,400.53	

(3) Fixed assets obtained by financing lease

□ Applicable √ Not applicable

(4) Fixed assets spent by operating lease

√ Applicable □ Not applicable

Unit: CNY

Currency: RMB

Item	Ending book balance
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Houses and buildings	163,176,228.19
Machinery and equipment	19,558,400.69

(5) Fixed assets with certificate of title non-completed

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Book value	Reasons for unsettlement
Logistics Center	59,361,033.76	In process
Sewage Treatment Station	25,965,655.75	In process
Changshou Factory Workshop	37,384,744.58	In process
Shiyan Konggang Factory Assembly Workshop	109,526,234.93	In process
Shiyan Konggang Factory Coating Workshop	86,129,704.88	In process
Shiyan Konggang Factory Stamping Workshop	44,383,622.58	In process
Shiyan Konggang Factory Welding Workshop	73,696,279.80	In process
Shiyan Konggang Factory Testing Workshop	11,401,208.00	In process
Jinkang Assembly Workshop	111,310,429.66	In process
Jinkang Stamping Workshop	115,160,930.46	In process
Jinkang Coating Workshop	70,686,122.40	In process
Jinkang Charging & Testing Workshop	16,397,441.86	In process
Jinkang Battery PACK Workshop	90,588,978.65	In process
Jinkang Assembly Workshop Auxiliary Office Building	37,572,720.21	In process
Jinkang Canteen	11,136,659.00	In process
Jinkang Stamping Workshop II	27,499,658.47	In process
Jinkang Power Office Building	12,355,233.73	In process
Jinkang Power Motor Electronic Control Workshop	76,454,608.37	In process
Jinkang Power Station	13,247,609.86	In process
Jinkang Power Pack Workshop	45,459,070.04	In process

Other descriptions:

Applicable Not applicable

Liquidation of fixed assets

Applicable Not applicable

22. Construction in progress**Item presentation**

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance	Beginning balance
Construction in progress	1,532,734,544.45	1,869,585,966.56
Engineering materials		
Total	1,532,734,544.45	1,869,585,966.56

Other descriptions:

Applicable Not applicable

Construction in progress**(1) Construction in progress**

√ Applicable □ Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment reserves	Book value	Book balance	Impairment reserves	Book value
Shuangfu Production Base	90,694,124.65		90,694,124.65	97,183,848.35		97,183,848.35
Changshou Production Base	139,131,541.72		139,131,541.72	47,260,867.22		47,260,867.22
Shiyan Production Base	119,504,414.02		119,504,414.02	114,029,672.25		114,029,672.25
Liangjiang New Area Production Base	407,915,472.77		407,915,472.77	270,852,018.06		270,852,018.06
Production Base in Indonesia	8,744,476.80		8,744,476.80	103,452,823.49		103,452,823.49
Production Base in the United States				935,988,690.86	77,676,949.23	858,311,741.63
Qingfeng Production Base	631,167,941.13		631,167,941.13	193,804,454.52		193,804,454.52
University Town Production Base	48,897,919.45		48,897,919.45	89,026,116.44		89,026,116.44
Others	86,678,653.91		86,678,653.91	95,664,424.60		95,664,424.60
Total	1,532,734,544.45		1,532,734,544.45	1,947,262,915.79	77,676,949.23	1,869,585,966.56

(2) Changes of major project construction in progress in the current period

√ Applicable □ Not applicable

Unit: CNY

Currency: RMB

Item name	Budget	Beginning balance	Amount increased in the current period	Transfer-in amount of fixed assets in current period	Other decreased amount in the current period	Ending balance	Proportion of accumulative engineering investment in budget (%)	Project progress	Accumulated amount of interest capitalization	Including: interest capitalization amount of the current period	Interest capitalization rate of the current period (%)	Sources of funds
Shuangfu Production Base		97,183,848.35	275,598,696.74	282,088,420.44		90,694,124.65						
Changshou Production Base		47,260,867.22	198,542,451.02	106,671,776.52		139,131,541.72						
Shiyan Production Base		114,029,672.25	167,828,952.47	162,354,210.70		119,504,414.02						
Liangjiang New Area Production Base		270,852,018.06	446,087,748.95	309,024,294.24		407,915,472.77						
Production Base in Indonesia		103,452,823.49	10,244,200.24	101,655,089.30	3,297,457.63	8,744,476.80						

Production Base in the United States	935,988,690.86			935,988,690.86						
Qingfeng Production Base	193,804,454.52	437,553,752.09	190,265.48		631,167,941.13					
University Town Production Base	89,026,116.44	198,827,023.57	238,955,220.56		48,897,919.45					
Total	1,851,598,491.19	1,734,682,825.08	1,200,939,277.24	939,286,148.49	1,446,055,890.54					

(3) Withdrawal of construction in progress impairment reserve in the current period

Applicable Not applicable

Other descriptions

Applicable Not applicable

Engineering materials**(4) Engineering materials**

Applicable Not applicable

23. Productive biological assets**(1) Productive biological assets measured at cost**

Applicable Not applicable

(2) Productive biological assets measured at fair value

Applicable Not applicable

Other descriptions

Applicable Not applicable

24. Oil-gas assets

Applicable Not applicable

25. Right-of-use assets

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Houses and buildings	Machinery and equipment	Total
I. Original book value			
1. Beginning balance	520,467,486.58	20,705,434.60	541,172,921.18
2. Amount increased in the current period	66,550,976.57	12,907,296.38	79,458,272.95
(1) New lease	66,550,976.57	12,907,296.38	79,458,272.95
3. Amount decreased in the current period	81,537,355.37		81,537,355.37
(1) Disposal	18,080,285.38		18,080,285.38
(2) External sublease	62,017,871.93		62,017,871.93
(3) Translation balance of foreign currency statements	1,439,198.06		1,439,198.06
4. Ending balance	505,481,107.78	33,612,730.98	539,093,838.76
II. Accumulated depreciation			
1. Beginning balance	164,472,556.38	4,953,949.57	169,426,505.95
2. Amount increased in the current period	70,339,052.94	6,031,898.25	76,370,951.19

(1) Calculation and withdrawal	70,339,052.94	6,031,898.25	76,370,951.19
3. Amount decreased in the current period	11,247,390.75		11,247,390.75
(1) Disposal	7,443,445.66		7,443,445.66
(2) External sublease	3,033,468.52		3,033,468.52
(3) Translation balance of foreign currency statements	770,476.57		770,476.57
4. Ending balance	223,564,218.57	10,985,847.82	234,550,066.39
III. Impairment reserves			
1. Beginning balance			
2. Amount increased in the current period			
(1) Calculation and withdrawal			
3. Amount decreased in the current period			
(1) Disposal			
4. Ending balance			
IV. Book value			
1. Ending book value	281,916,889.21	22,626,883.16	304,543,772.37
2. Beginning book value	355,994,930.20	15,751,485.03	371,746,415.23

Other descriptions:

In 2021, the Company used some buildings, machinery and equipment for rent, with a lease term of one year and no substantial transfer of risks and rewards related to asset ownership. Therefore, the Company classified these leases as operating leases, and recognized rental income of RMB 45.108 million and cost of RMB 21.3789 million in the current period. As a sublessor, SF Motors, Inc subleased a portion of the leased office building based on the right-of-use assets generated from the original lease, and recognized a sublease income of RMB 3.9322 million.

26. Intangible assets

(1) Intangible assets

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Land use right	Chartered right	Non-patented technology	Software and others	Total
I. Original book value					
1. Beginning balance	1,727,195,754.67	272,471,209.90	3,238,244,170.42	279,161,540.53	5,517,072,675.52
2. Amount increased in the current period	1,225,425.00		1,757,264,202.78	79,389,664.65	1,837,879,292.43
(1) Acquisition	1,225,425.00			79,389,664.65	80,615,089.65
(2) Internal R&D			1,757,264,202.78		1,757,264,202.78
(3) Increase in business combination					
3. Amount decreased in the current period	95,864,848.36		242,241,376.30	4,193,016.02	342,299,240.68
(1) Disposal	94,138,921.20		231,811,137.08	3,997,745.15	329,947,803.43
(2) Translation balance of foreign currency statements	1,725,927.16		10,430,239.22	195,270.87	12,351,437.25
4. Ending balance	1,632,556,331.31	272,471,209.90	4,753,266,996.90	354,358,189.16	7,012,652,727.27
II. Accumulated amortization					
1. Beginning balance	182,911,324.52	237,961,028.36	842,184,763.77	90,499,691.06	1,353,556,807.71
2. Amount increased in the current period	35,671,841.10	34,510,181.54	486,489,212.20	41,151,009.03	597,822,243.87
(1) Calculation and withdrawal	35,671,841.10	34,510,181.54	486,489,212.20	41,151,009.03	597,822,243.87

3. Amount decreased in the current period	23,735,697.44		104,445,251.65	614,492.50	128,795,441.59
(1) Disposal	23,308,130.80		102,989,555.00	540,012.73	126,837,698.53
(2) Translation balance of foreign currency statements	427,566.64		1,455,696.65	74,479.77	1,957,743.06
4. Ending balance	194,847,468.18	272,471,209.90	1,224,228,724.32	131,036,207.59	1,822,583,609.99
III. Impairment reserves					
1. Beginning balance					
2. Amount increased in the current period			37,343,057.69		37,343,057.69
(1) Calculation and withdrawal			37,343,057.69		37,343,057.69
3. Amount decreased in the current period					
(1) Disposal					
4. Ending balance			37,343,057.69		37,343,057.69
IV. Book value					
1. Ending book value	1,437,708,863.13		3,491,695,214.89	223,321,981.57	5,152,726,059.59
2. Beginning book value	1,544,284,430.15	34,510,181.54	2,396,059,406.65	188,661,849.47	4,163,515,867.81

The proportion of intangible asset through the Company's internal R&D at the end of the period account for balance of intangible assets was 34.11%

(2) Land use rights that have not been properly certified

Applicable Not applicable

Other descriptions:

Applicable Not applicable

27. Development expenditure

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Beginning balance	Amount increased in the current period		Amount decreased in the current period		Ending balance
		Internal development expenditures	Others	Recognized as intangible assets	Transferred into current profit and loss	
Automobile development	1,765,812,677.02	1,741,329,666.04		1,640,370,126.97	417,168,413.42	1,449,603,802.67
Engine development	67,881,621.52	167,369,699.02		116,894,075.81	38,747,751.91	79,609,492.82
Transmission development	1,635,716.35	39,876,412.68			36,996,213.35	4,515,915.68
Total	1,835,330,014.89	1,948,575,777.74		1,757,264,202.78	492,912,378.68	1,533,729,211.17

Other descriptions

None

28. Goodwill

(1) Original book value of goodwill

Applicable Not applicable

Unit: CNY

Currency: RMB

Name of the investee and matters generating goodwill	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance

		Resulted from business combination	Translation of foreign currency statement	Disposal	Translation of foreign currency statement	
Luzhou Rongda Intelligent Transmission Limited Company	156,052,314.11					156,052,314.11
Total	156,052,314.11					156,052,314.11

(2) Goodwill impairment reserve

√ Applicable □ Not applicable

Unit: CNY

Currency: RMB

Name of the investee and matters generating goodwill	Beginning balance	Increase in the current period		Decrease in the current period		Ending balance
		Calculation and withdrawal	Translation of foreign currency statement	Disposal	Translation of foreign currency statement	
Luzhou Rongda Intelligent Transmission Limited Company	74,290,739.46	6,056,663.79				80,347,403.25
Total	74,290,739.46	6,056,663.79				80,347,403.25

(3) Related information about the asset group or asset group portfolio in which the goodwill is located

√ Applicable □ Not applicable

The Company acquired Luzhou Rongda Intelligent Transmission Limited Company in 2018, generating goodwill of RMB 156,052,314.11. The asset group includes long-term assets such as fixed assets and intangible assets that make up the asset group.

(4) Description of the impairment test process for goodwill, key parameters (such as the growth rate in forecast period when the present value of future cash flows is expected, the growth rate in steady period, the profit rate, the discount rate, the forecast period, etc., if applicable), and the recognition method of the impairment loss for goodwill

√ Applicable □ Not applicable

Item	Amount
Book balance of goodwill ①	156,052,314.11
Balance of goodwill impairment reserve ②	74,290,739.46
Book value of goodwill ③=①-②	81,761,574.65
Value of goodwill not recognized as belonging to minority shareholders' rights and interests ④	12,902,747.05
Book value of overall goodwill after adjustment ⑤=④+③	94,664,321.70
Book value of asset group ⑥	415,999,140.72
Book value of asset group including overall goodwill ⑦=⑤+⑥	510,663,462.42
Present value (recoverable amount) of the asset group's estimated future cash flows ⑧	503,651,000.00
Goodwill impairment loss (when greater than 0) ⑨=⑦-⑧	7,012,462.42
Item	Amount
Goodwill impairment loss attributable to the parent company ⑩	6,056,663.79

The recoverable amount of an asset group is determined based on the higher of the net amount of the fair value of the asset group minus disposal expenses and the present value of its expected future cash flows. The present value (recoverable amount) of the expected future cash flows of the asset group is determined at the present value of its

expected future cash flows based on the evaluation results of *Value Assets of Luzhou Rongda Intelligent Transmission Limited Company and Goodwill Related Asset Groups Involved in the Implementation of Goodwill Impairment Test by Chongqing Sokon Industrial Group Co., Ltd.* (JXPB Zi (2022) No. 109) issued by Zhongjing Minxin (Beijing) Asset Evaluation Co., Ltd. on April 20, 2022.

The estimated cash flow is based on the 5-year cash flow forecast from 2022 to 2026. The cash flow forecast uses a reasonable discount rate and is prepared based on historical actual operating data, industry development trends, expected revenue growth rate, gross margin, and other indicators to predict the next 5 years of cash flow. The cash flow after the forecast period remains unchanged. Other key data used in the impairment test are: estimated selling price, sales, operating cost and other related expenses. The Company determined the above key data in accordance with historical experience and forecasts on market development. The Company adopts a reasonable discount rate as the pre tax discount rate for calculating the present value of future cash flows. The discount rate used has taken into account factors such as the Company's cost of capital and market expected rate of return, reflecting the specific risks of the asset group.

(5) Influence of goodwill impairment test

Applicable Not applicable

The above estimate of the recoverable amount indicates that there is an impairment loss on goodwill. The asset group in which the goodwill is located during the reporting period has been tested for impairment of goodwill, and a provision for impairment of goodwill of RMB 6,056,663.79 has been made.

Other descriptions

Applicable Not applicable

29. Long-term unamortized expenses

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Beginning balance	Amount increased in the current period	Amount amortized in current period	Other decreased amount	Ending balance
House renovation fees	59,422,977.01	21,830,263.83	32,477,656.19		48,775,584.65
Rent and others	21,509,366.92	7,213,335.16	8,153,878.67		20,568,823.41
Financing lease commission	3,193,982.66		2,873,858.10		320,124.56
IGBT capacity payment (Note)		12,768,000.00			12,768,000.00
Total	84,126,326.59	41,811,598.99	43,505,392.96		82,432,532.62

Other descriptions:

Note: Subsidiary Chongqing Jinkang Powertrain New Energy Co., Ltd. has signed a long-term supply agreement with Semiconductor Components Industries, LLC to pay the lock-up payment for IGBT capacity.

30. Deferred income tax assets/deferred income tax liabilities

(1) Deferred income tax assets without offset

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance	Beginning balance
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	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Asset impairment reserves	158,288,355.19	23,894,052.00	93,200,713.99	14,028,854.06
Unrealized profits of internal transaction	22,564,232.91	2,439,582.26	19,702,435.74	2,399,875.35
Deductible losses	315,040,000.49	53,446,866.35		
Deferred income	348,918,711.96	52,471,336.96	360,273,663.69	55,421,699.65
Book value of assets is less than tax basis	66,524,235.34	9,978,635.30	61,256,066.79	9,188,410.02
Accrued expenses	56,838,276.04	9,309,591.74	84,421,540.37	13,220,751.05
Total	968,173,811.93	151,540,064.61	618,854,420.58	94,259,590.13

(2) Deferred income tax liabilities without offset

√ Applicable □ Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance		Beginning balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Value increase in asset evaluation of business combination not under the same control	216,626,482.64	49,856,322.37	250,197,988.69	54,892,048.28
Changes in fair value of other creditor's right investment				
Changes in fair value of other equity instrument investments				
One-off deduction of fixed assets	26,498,896.19	6,624,724.05	29,885,295.07	7,471,323.77
Total	243,125,378.83	56,481,046.42	280,083,283.76	62,363,372.05

(3) Deferred income tax assets or liabilities presented with net amount after offsetting

□ Applicable √ Not applicable

(4) Details of unrecognized deferred income tax assets

√ Applicable □ Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance	Beginning balance
Deductible temporary differences	655,620,900.59	370,956,423.27
Deductible losses	6,276,339,614.38	3,705,952,608.04
Total	6,931,960,514.97	4,076,909,031.31

(5) Deductible losses of unrecognized deferred income tax assets will expire in the succeeding year

√ Applicable □ Not applicable

Unit: CNY

Currency: RMB

Year	Ending amount	Beginning amount	Remarks
2021		87,012,352.12	
2022	293,119,622.13	293,208,180.78	
2023	300,189,210.38	517,280,638.08	
2024	603,349,883.39	605,888,385.03	
2025	2,082,053,339.53	2,202,563,052.03	
2026	2,997,627,558.95		
Total	6,276,339,614.38	3,705,952,608.04	/

Other descriptions:

□ Applicable √ Not applicable

31. Other non-current assets

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment reserves	Book value	Book balance	Impairment reserves	Book value
Contract acquisition costs						
Contract performance costs						
Return cost receivable						
Contract assets						
Advance payment for acquisition of long-term assets	288,020,170.93		288,020,170.93	58,558,410.13		58,558,410.13
Total	288,020,170.93		288,020,170.93	58,558,410.13		58,558,410.13

Other descriptions:

None

32. Short-term borrowings

(1) Classification of short-term borrowings

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance	Beginning balance
Pledge borrowings	432,199,999.99	100,000,000.00
Mortgage borrowings		210,000,000.00
Guaranteed borrowings	1,466,997,300.00	1,133,619,500.00
Credit borrowings	200,000,000.00	700,000,000.00
Accrued interest	10,113,697.39	2,509,551.38
Total	2,109,310,997.38	2,146,129,051.38

Description for classification of short-term borrowings:

Note 1: The pledge borrowing at the end of the period is the borrowing of RMB 432,200,000 obtained by pledging the accounts receivable and other monetary funds of the subsidiary;

Note 2: The guaranteed borrowing at the end of the period is the borrowing of RMB 1,216,997,300 obtained by the subsidiary with the Company and its actual controllers, Xinghai ZHANG, Xingli ZHANG, and Xingming ZHANG, as guarantors, and the borrowing of RMB 250,000,000 obtained by the Company with the actual controller Xinghai ZHANG as the guarantor.

(2) Overdue and outstanding short-term borrowings

Applicable Not applicable

Wherein, the important overdue and outstanding short-term borrowings are as follows:

Applicable Not applicable

Other descriptions

Applicable Not applicable

33. Trading financial liabilities

Applicable Not applicable

34. Derivative financial liabilities

Applicable Not applicable

35. Notes payable**(1) Presentation of notes payable**

Applicable Not applicable

Unit: CNY

Currency: RMB

Category	Ending balance	Beginning balance
Commercial acceptance draft		
Bank acceptance bill	7,767,566,728.28	5,611,915,739.01
Total	7,767,566,728.28	5,611,915,739.01

Total amount of due unpaid notes payable at the end of the current period is RMB 0.

36. Accounts payable**(1) Presentation of accounts payable**

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance	Beginning balance
Within 1 year (inclusive)	5,673,821,789.84	5,007,131,123.59
More than 1 year	469,655,894.28	318,017,331.41
Total	6,143,477,684.12	5,325,148,455.00

(2) Important accounts payable with aging of more than 1 year

Applicable Not applicable

Other descriptions

Applicable Not applicable

37. Advance receipt**(1) Presentation of advance receipt**

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance	Beginning balance
Within 1 year (inclusive)	120,066,603.00	350,458,147.43
Total	120,066,603.00	350,458,147.43

(2) Important advance receipt with aging of more than 1 year

Applicable Not applicable

Other descriptions

Applicable Not applicable

38. Contract liabilities**(1) Contract liabilities**

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance	Beginning balance
Advances on sales	756,471,653.65	640,999,546.98
Total	756,471,653.65	640,999,546.98

(2) Amount with major changes in its book value during the reporting period and its reasons

Applicable Not applicable

Other descriptions:

Applicable Not applicable

39. Payroll payable

(1) Presentation of payroll payable

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
I. Short-term remuneration	325,260,023.37	2,161,185,847.48	1,982,843,806.29	503,602,064.56
II. Post-employment benefit - defined contribution plans		69,015,008.50	68,908,647.67	106,360.83
III. Dismissal benefit				
IV. Other benefits due within one year				
Total	325,260,023.37	2,230,200,855.98	2,051,752,453.96	503,708,425.39

(2) Presentation of short-term remuneration

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
I. Salaries, bonuses, allowances and subsidies	323,595,543.66	1,950,476,802.25	1,772,685,217.15	501,387,128.76
II. Employee services and benefits	3,264.82	96,658,713.01	96,661,977.83	
III. Social insurance premiums	21,757.71	58,360,155.83	58,312,578.36	69,335.18
Including: Medical insurance premiums	21,757.71	51,176,437.42	51,130,510.16	67,684.97
Work-related injury insurance premiums		4,581,760.70	4,580,110.49	1,650.21
Birth insurance premiums		2,601,957.71	2,601,957.71	
IV. Housing provident funds	69,612.00	50,695,243.74	50,698,487.74	66,368.00
V. Labor union expenditure and employees education fund	1,569,845.18	4,994,932.65	4,485,545.21	2,079,232.62
VI. Short-term compensated absences				
VII. Short-term profit sharing plan				
Total	325,260,023.37	2,161,185,847.48	1,982,843,806.29	503,602,064.56

(3) Presentation of defined contribution plan

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
1. Basic pension insurance		66,807,324.66	66,704,186.90	103,137.76
2. Unemployment insurance premium		2,207,683.84	2,204,460.77	3,223.07
3. Enterprise annuity payment				

Total		69,015,008.50	68,908,647.67	106,360.83
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Other descriptions:

Applicable Not applicable

40. Taxes payable

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance	Beginning balance
VAT	52,145,821.97	62,130,907.30
Consumption tax	59,583,671.99	88,417,281.59
Business tax		
Corporate income tax	24,362,820.31	20,766,763.31
Property tax	2,116,082.60	2,017,461.14
Land use tax		789,514.00
Individual income tax	6,528,420.72	3,818,794.50
Urban maintenance and construction tax	2,847,687.95	5,379,913.95
Education surcharges	1,220,437.68	2,305,677.39
Other taxes	10,954,542.53	8,418,375.23
Total	159,759,485.75	194,044,688.41

Other descriptions: None

41. Other payables

Item presentation

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance	Beginning balance
Interests payable		
Dividends payable		
Other payables	699,096,463.55	642,927,522.94
Total	699,096,463.55	642,927,522.94

Other descriptions:

Applicable Not applicable

Interests payable

(1) Classified presentation

Applicable Not applicable

Dividends payable

(2) Classified presentation

Applicable Not applicable

Other payables

(1) Other payables by the nature of the funds

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance	Beginning balance
Temporary withholding of the social security and housing provident fund	6,878,998.39	6,550,327.34
Quality guarantee deposits and	692,217,465.16	636,377,195.60

intercourse funds		
Total	699,096,463.55	642,927,522.94

(2) Other important payables with aging of more than 1 year

Applicable Not applicable

Other descriptions:

Applicable Not applicable

42. Held-for-sale liabilities

Applicable Not applicable

43. Non-current liabilities due within 1 year

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance	Beginning balance
Long-term borrowings due within one year	511,238,680.00	939,508,760.00
Bonds payable due within one year		
Long-term payables due within one year	8,309,405.43	
Lease liabilities due within one year	75,916,044.19	
Total	595,464,129.62	939,508,760.00

Other descriptions:

None

44. Other current liabilities

Other current liabilities

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance	Beginning balance
Short-term bonds payable		
Refund payable		
Output tax to be written-off	68,939,520.85	70,649,842.95
Total	68,939,520.85	70,649,842.95

Increase or decrease of short-term bonds payable:

Applicable Not applicable

Other descriptions:

Applicable Not applicable

45. Long-term borrowings

(1) Classification of long-term borrowings

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance	Beginning balance
Pledge borrowings	190,000,000.00	
Mortgage borrowings	862,760,000.00	792,040,000.00
Guaranteed borrowings	790,983,893.70	658,135,171.89
Credit borrowings		70,000,000.00
Accrued interest	3,204,794.27	
Total	1,846,948,687.97	1,520,175,171.89

Description for classification of long-term borrowings:

Note 1: The pledge borrowing at the end of the period is the borrowing of RMB 190,000,000 obtained by the subsidiary through subsidies for NEVs with the Company as guarantor;

Note 2: The mortgage borrowing at the end of the period is the borrowing of RMB 862,760,000 obtained by the Company through its own and subsidiary property rights, subsidiary fixed deposit receipts valuing 33 million, and 39.49 million shares of Chongqing Rural Commercial Bank;

Note 3: The guaranteed borrowing at the end of the period is the borrowing of RMB 99.4 million obtained by the subsidiary with the Company as the guarantor; the borrowing of RMB 110,000,000 obtained by the subsidiary with the Company and its actual controllers, Xinghai ZHANG, Xingli ZHANG, and Xingming ZHANG, as guarantors; the borrowing of RMB 128,466,500 obtained by the subsidiary with the Company and its actual controller Xinghai ZHANG as guarantors; the borrowing of RMB 158,117,400 (including USD a borrowing of 24,800,000) with Chongqing Sokon Holdings Co., Ltd. as the guarantor by providing 25 million equity pledge guarantee; the borrowing of RMB 295,000,000 with Zhejiang Commercial Bank Co., Ltd. issuing financing guarantee and Chongqing Sokon Import and Export Co., Ltd. providing fixed deposit receipt valuing 297,550,000.

Other descriptions, including the range of interest rate:

Applicable Not applicable

46. Bonds payable

(1) Bonds payable

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance	Beginning balance
Sokon convertible bond	140,400,627.04	536,313,751.13
Accrued interest	640,061.81	1,728,113.61
Total	141,040,688.85	538,041,864.74

(2) Increase or decrease of bonds payable: (Excluding preferred shares, perpetual bonds and other financial instruments divided into the financial liabilities)

Applicable Not applicable

Unit: CNY

Currency: RMB

Name of bonds	Face value	Issue date	Maturity of bonds	Amount issued	Beginning balance	Issue in the current period	Provision of interests based on face value	Amortization of premium and discount	Repayment in the current period	Ending balance
Sokon convertible bond	0.01	2017-11-6	6 years	105,826.67	53,631.38			96.68	39,688.00	14,040.06
Total	/	/	/	105,826.67	53,631.38			96.68	39,688.00	14,040.06

(3) Share transfer conditions and time of Company's convertible bonds

Applicable Not applicable

The Company issued convertible corporate bonds worth RMB 1.5 billion on November 6, 2017, which will mature in 2023. On May 22, 2020, the Company adjusted its conversion price from RMB 17.12 per share to RMB 15.74 per share due to the issuance of new shares. On July 22, 2020, based on the approval of the 2019 profit

distribution plan by the Company's shareholders meeting, the conversion price of convertible bonds issued by the Company was adjusted from RMB 15.74 per share to RMB 15.70 per share. On July 5, 2021, the Company adjusted its conversion price due to non-public offering of shares, The conversion price of convertible bonds issued by the Company was adjusted from RMB 15.70 per share to RMB 16.96 per share.

As of December 31, 2021, Sokon convertible bonds worth RMB 396,880,000.00 have been converted into corporate stocks in the current period, with 25,123,629 shares converted.

(4) Description of other financial instruments classified as financial liabilities

Basic information of outstanding preferred shares, perpetual bonds, and other financial instruments at the end of the period

Applicable Not applicable

Changes of outstanding preferred shares, perpetual bonds, and other financial instruments at the end of the period

Applicable Not applicable

Description of the basis of dividing other financial instruments as financial liabilities:

Applicable Not applicable

Other descriptions:

Applicable Not applicable

47. Lease liabilities

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance	Beginning balance
Lease payments	467,237,192.77	507,073,020.19
Minus: Unrecognized financing expenses	53,194,295.23	82,592,080.06
Minus: Lease liabilities due within one year	75,916,044.19	
Total	338,126,853.35	424,480,940.13

Other descriptions:

None

48. Long-term payables

Item presentation

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance	Beginning balance
Long-term payables	1,182,755,393.80	458,890,024.61
Special payables	594,955,235.05	503,722,571.97
Total	1,777,710,628.85	962,612,596.58

Other descriptions:

Applicable Not applicable

Long-term payables

(1) Long-term payables by the nature of the funds

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance	Beginning balance
Financing lease payment	458,890,024.61	122,755,393.80
Others		1,060,000,000.00

Other descriptions:

Others refer to financial aid from Chongqing Sokon Holdings Co., Ltd.

Special payables

(2) Special payables by the nature of the funds

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Cause of formation
Jingkou Base Relocation Project	453,625,000.00	290,236,235.05	150,000,000.00	593,861,235.05	Relocation compensation
Shiyan Factory Relocation	50,097,571.97		50,097,571.97		Relocation compensation
Automobile and related parts		1,094,000.00		1,094,000.00	Electric power engineering funds
Total	503,722,571.97	291,330,235.05	200,097,571.97	594,955,235.05	/

Other descriptions:

Note: According to the *Acquisition Reserve Agreement* and supplementary agreements, we have received a compensation payment of RMB 290,236,235.05 from the Shapingba District Land Improvement Reserve Center in Chongqing; according to the supplementary agreement of the *Cooperation Agreement for Automobile and Related Parts*, Chongqing Gongxiang Industry Investment Co., Ltd. has received an electric power engineering fund of RMB 1,094,000.00; the decrease in the current period is due to the transfer of special payables to deferred income and asset disposal income in accordance with the progress of the *Acquisition Reserve Agreement*.

49. Long-term payable employee remuneration

Applicable Not applicable

50. Estimated liabilities

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Beginning balance	Ending balance	Cause of formation
Providing external guarantee			
Pending action			
Product quality assurance	18,101,956.24	24,777,506.92	Company's provision for three guarantees for the sale of automobiles
Restructuring obligation			
Loss contract to be executed			
Refund payable			
Others	3,930,357.78	173,055.17	Risk reserves for bank leasing cooperation between PUJIR Financial Leasing Co., Ltd. and Industrial and Commercial Bank of China
Total	22,032,314.02	24,950,562.09	/

Other descriptions, including description of important assumptions and estimates of important estimated liabilities:

None

51. Deferred income

Deferred income

√ Applicable □ Not applicable

Unit: CNY

Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Cause of formation
Government subsidies	1,288,617,974.12	71,507,571.97	174,725,251.99	1,185,400,294.10	Refer to notes for details
Total	1,288,617,974.12	71,507,571.97	174,725,251.99	1,185,400,294.10	/

Projects involving government subsidies:

√ Applicable □ Not applicable

Unit: CNY

Currency: RMB

Liability item	Beginning balance	Newly increased subsidy amount in the current period	Amount included in non-operating income in the current period	Amount included into other incomes in the current period	Other changes	Ending balance	Asset-related/income-related
Subsidy for technological transformation	19,935,202.40			3,348,515.51		16,586,686.89	Asset-related
Subsidy for investment of Jingkou Industrial Park	72,207,133.00			69,466,382.49		2,740,750.51	Asset-related
Urban construction supporting subsidies	112,193,085.80			16,846,081.38		95,347,004.42	Asset-related
Subsidy for investment in Liangjiang New Area	72,574,436.22			2,819,566.68		69,754,869.54	Asset-related
New project industry development funds	2,328,276.83			582,069.24		1,746,207.59	Asset-related
Equipment and R&D subsidy (Note 1)	84,790,311.95	13,410,000.00		11,988,584.88		86,211,727.07	Asset-related
Subsidy for the expansion of continuously variable transmissions	12,012,131.03			572,999.99		11,439,131.04	Asset-related
Shiyan relocation project subsidy (Note 2)	912,577,396.89	58,097,571.97		69,101,051.82		901,573,917.04	Asset-related

Other descriptions:

√ Applicable □ Not applicable

Note 1: The increase in the current period mainly includes the subsidy of RMB 2,770,000.00 received by Chongqing Sokon Powertrain Co., Ltd. from the Finance Bureau of Changshou District, Chongqing, for the third batch of industrial and information technology funds in 2021 (construction of the digital empowerment platform project for engine assembly), and the subsidy of RMB 1,550,000.00 received by Chongqing Sokon Powertrain Co., Ltd. from the Finance Bureau of Changshou District, Chongqing, for the first batch of industrial and information technology special funds in 2021 (construction of digital operation management platform project for engine intelligent factory); a central air pollution prevention and control fund of RMB 2,000,000.00 received by Dongfeng Sokon Automobile Co., Ltd. from the Shiyan Municipal Treasury Collection and Payment Bureau in 2021, and a subsidy of RMB 2,000,000.00

received by Dongfeng Sokon Automobile Co., Ltd. from the Finance Bureau of Shiyan Economic Development Zone for the green and environmentally friendly coating production line; a subsidy of RMB 3,000,000.00 received by Chongqing Jinkang New Energy Automobile Co., Ltd. from the Finance Bureau of Chongqing Liangjiang New Area for the third batch of industrial and information technology funds (Innovation Demonstration Intelligent Factory) in 2021, and a subsidy of RMB 2,090,000.00 received by Chongqing Jinkang New Energy Automobile Co., Ltd. from the Finance Bureau of Chongqing Liangjiang New Area for the third batch of industrial and information technology funds (NEV supply chain digitalization cloud platform) in 2021.

Note 2: Dongfeng Sokon Automobile Co., Ltd. received a new factory relocation subsidy of RMB 8,000,000.00 from the Shiyan State Treasury Collection and Payment Bureau, and the Shiyan relocation project carried forward long-term payables to deferred income in accordance with the *Acquisition Reserve Agreement* and the progress of the new factory construction.

52. Other non-current liabilities

Applicable Not applicable

53. Capital stock

Applicable Not applicable

Unit: CNY

Currency: RMB

	Beginning balance	Increase and decrease of this change (+, -)				Subtotal	Ending balance
		Issuance of new shares	Share donation	Provident fund converted into share capital	Others		
Total number of shares	1,278,439,873.00	56,368,913.00			25,123,629.00	81,492,542.00	1,359,932,415.00

Other descriptions:

Note: On May 12, 2021, with the approval of the China Securities Regulatory Commission regarding the non-public offering of no more than 378,230,595 new shares by Chongqing Sokon Industrial Group Co., Ltd., the Company actually issued 56,368,913 RMB common shares; the other series of Sokon convertible bonds in the current period were converted into 25,123,629 shares of the corporate stocks.

54. Other equity instruments

(1) Basic information of outstanding preferred shares, perpetual bonds, and other financial instruments at the end of the period

Applicable Not applicable

(2) Changes of outstanding financial instruments such as, preferred shares, perpetual bonds, etc., at the end of the period

Applicable Not applicable

Unit: CNY

Currency: RMB

Outstanding financial instruments	Beginning of the period		Increase in the current period		Decrease in the current period		End of the period	
	Quantity	Book value	Quantity	Book value	Quantity	Book value	Quantity	Book value

Convertible corporate bonds		166,258,372.86				109,279,355.00		56,979,017.86
Total		166,258,372.86				109,279,355.00		56,979,017.86

Description of the increase and decrease changes in other equity instruments and the causes, and the basis of accounting treatment:

Applicable Not applicable

The decrease in the current period is due to the conversion of Sokon convertible bonds into corporate stocks, and other equity instruments are adjusted based on the proportion of the conversion amount in each period.

Other descriptions:

Applicable Not applicable

55. Capital reserves

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Capital premium (share capital premium)	2,965,780,883.81	3,009,133,941.51		5,974,914,825.32
Other capital reserves	392,122,217.05	1,720,342,518.81		2,112,464,735.86
Total	3,357,903,100.86	4,729,476,460.32		8,087,379,561.18

Other descriptions, including the increase and decrease changes and reasons in the current period:

Note 1: The increase in capital premium in the current period was approved by the China Securities Regulatory Commission, which approved the non-public offering of new shares by Chongqing Sokon Industrial Group Co., Ltd. to form a capital reserve - share premium of RMB 2,511,530,649.07. The conversion of Sokon convertible bonds into corporate stocks increased the capital premium by RMB 497,603,292.44.

Note 2: The increase in other capital reserves in the current period is due to the difference between the amount invested by minority shareholders of the subsidiary and the proportion of net asset holdings. Other capital reserves increased by RMB 333,734,730.64, and Chongqing Sokon Holdings Co., Ltd. paid performance compensation of RMB 1,361,093,416.28; the Company grants stock options to incentive targets to increase other capital reserves by RMB 20,437,865.04; the controlling shareholder's financial aid increased other capital reserves by RMB 5,076,506.85.

56. Treasury share

Applicable Not applicable

57. Other comprehensive incomes

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Beginning balance	Accrual in the current period					Ending balance
		Amount incurred before income tax in the current period	Minus: Included into other comprehensive incomes at the earliest stage and transferred into profit and loss in the current	Minus: Included into other comprehensive incomes at the earliest stage and transferred into retained earnings in the current	Minus: Income tax expenses	Attributable to parent company after tax	

			period	period				
I. Other comprehensive incomes that cannot be reclassified into profits and losses								
Including: Re-measurement of changed amount in the defined benefit plan								
Other comprehensive incomes that cannot be included into profit or loss under the equity method								
Changes in fair value of other equity instrument investments								
Changes in fair value of enterprise credit risk								
II. Other comprehensive incomes that will be reclassified into profits and losses	-103,861,347.49	-27,125,195.00				-24,282,131.01	-2,843,063.99	-128,143,478.50
Including: Other comprehensive incomes that can be transferred into the profits and losses under the equity method								
Amount of financial assets reclassified into other comprehensive incomes								
Credit impairment reserves of other creditor's right investment								
Cash flow								

hedging reserves								
Translation balance of foreign currency financial statements	-103,861,347.49	-27,125,195.00				-24,282,131.01	-2,843,063.99	-128,143,478.50
Total other comprehensive incomes	-103,861,347.49	-27,125,195.00				-24,282,131.01	-2,843,063.99	-128,143,478.50

Other descriptions, including transferring the effective part of cash-flow hedge profit and loss to initial recognition amount adjustment of hedged items:

None

58. Special reserves

Applicable Not applicable

59. Surplus reserves

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Statutory surplus reserves	256,823,837.45	39,667,737.87		296,491,575.32
Discretionary surplus reserves				
Reserve funds				
Enterprise development funds				
Others				
Total	256,823,837.45	39,667,737.87		296,491,575.32

Description of surplus reserves, including the increase and decrease changes and reasons in the current period:

None

60. Undistributed profits

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Current period	Previous period
Undistributed profit at the end of the previous period before adjustment	207,836,460.35	2,000,480,386.75
Adjustment of the total undistributed profits at the beginning of the period (increased+, reduced-)	-57,300,235.11	
Undistributed profit at the beginning of the period after adjustment	150,536,225.24	2,000,480,386.75
Plus: Net profit attributable to the owners of the parent company in the current period	-1,823,911,349.24	-1,728,591,191.47
Minus: Withdrawal of statutory surplus reserves	39,667,737.87	15,593,216.89
Withdrawal of discretionary surplus reserves		
Withdrawal of general risk reserves		
Common stock dividends payable		48,459,518.04
Common stock dividends converted to share capital		

Undistributed profits at the end period	-1,713,042,861.87	207,836,460.35
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Details of undistributed profit at the beginning of the period during adjustment period:

1. Due to retroactive adjustment for the *Accounting Standards for Business Enterprises* and its related new regulations, the affected undistributed profit at the beginning of the period is RMB 0.
2. The affected undistributed profit at the beginning of the period is RMB -57,300,235.11 due to the changes in accounting policies.
3. The affected undistributed profit at the beginning of the period is RMB 0 due to corrections of significant accounting errors.
4. The affected undistributed profit at the beginning of the period is RMB 0 due to the changes of combination range under the same control.
5. The affected undistributed profit at the end of the period is RMB 0 due to other adjustments.

61. Operating income and operating cost

(1) Operating income and operating cost

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Accrual in the current period		Accrual in the previous period	
	Revenue	Cost	Revenue	Cost
Main business	15,924,309,752.85	15,443,723,941.94	13,734,059,749.69	13,221,490,993.60
Other businesses	793,611,176.92	643,880,208.47	568,416,235.75	428,326,092.54
Total	16,717,920,929.77	16,087,604,150.41	14,302,475,985.44	13,649,817,086.14

(2) Operating income deduction

Unit: CNY

Currency: RMB

Item	Current year	Specific deduction
Amount of operating income	1,671,792.092977	
Total amount of deducted items from operating income	30,392.862831	
Proportion of total deducted items from operating income to operating income (%)	1.82	/
Business income unrelated to main business		
1. Other business income beyond normal operations. Income from rental of fixed assets, intangible assets, packing materials, selling materials, exchanging non monetary assets with materials, operating entrusted management businesses, and other activities, as well as income that is not included in the normal operation of a listed company, although included in the main business income.	30,392.862831	Mainly including income from material sales, income from rental of fixed assets, and other miscellaneous incomes
2. Unqualified financial business income, such as interest income from lending funds; The income generated from new financial businesses in this fiscal year and the previous fiscal year, such as guarantee, commercial factoring, petty loan, financing lease, pawnshops, etc., is excluded from the financing lease business carried out for the sales of main products.		
3. Income from new trade transactions in the current and previous fiscal years.		
4. Income from related party transactions unrelated to the existing normal business operations of the listed company.		
5. Income of subsidiaries under the same control from the beginning of the period to the date of business combination.		
6. Income from businesses that have not formed or are difficult to		

form a stable business model.			
Subtotal of business income unrelated to main business	1,641,399.230146		
II. Income without commercial substance			
1. Income from transactions or events that do not significantly alter the risk, time distribution, or amount of future cash flows of the enterprise.			
2. Income from transactions without real business. Including the false income realized by self trading, and the false income generated by using Internet technology or other methods to construct transactions.			
3. Income from transactions with significantly unfair transaction prices.			
4. Income from the combination of subsidiaries or businesses obtained through unfair consideration or non transaction methods in the current fiscal year.			
5. Income related to non-standard audit opinions in audit opinions.			
6. Income from other transactions or events that are not commercially reasonable.			
Subtotal of income without commercial substance			
Subtotal of income without commercial substance			
III. Other incomes unrelated to the main business or without commercial substance			
Amount after deducting operating income	1,641,399.230146		

(3) Income generated by the contract

√ Applicable □ Not applicable

Unit: CNY

Currency: RMB

Contract classification	Vehicles and relevant products - segment	Total
Product type		
Classified by business area		
Market or customer type		
Contract type		
Classified by time of product transfer		
Recognized at a certain time point	16,672,812,957.73	16,672,812,957.73
Recognized within a certain period	45,107,972.04	45,107,972.04
Classified by contract term		
Classified by sales channel		
Total	16,717,920,929.77	16,717,920,929.77

Description of income generated by the contract:

□ Applicable √ Not applicable

(4) Description of performance obligations

Applicable Not applicable

(5) Description of allocation to remaining performance obligations

Applicable Not applicable

The income corresponding to the performance obligations that have been signed but have not yet been fulfilled or fully fulfilled at the end of this reporting period is RMB 756,471,653.65, with the majority expected to be recognized as income in 2022.

Other descriptions:

None

62. Taxes and surcharges

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Consumption tax	216,186,253.35	233,621,083.60
Business tax		
Urban maintenance and construction tax	23,229,795.36	27,166,687.52
Education surcharges	16,592,627.36	19,013,602.17
Resource tax		
Property tax	34,944,888.61	26,016,792.00
Land use tax	32,664,439.79	26,906,494.16
Vehicle and vessel tax	155,634.11	169,583.67
Stamp tax	27,341,710.00	20,727,478.73
Others	671,953.62	662,142.71
Total	351,787,302.20	354,283,864.56

Other descriptions:

None

63. Sales expenses

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Payroll	261,466,673.52	125,845,542.58
Transportation and storage charges	14,178,002.10	8,473,075.48
Advertising and promotion expenses	444,396,196.22	374,640,173.15
Fee of three guarantees	188,148,445.17	92,548,709.59
Travel expenses	34,431,776.75	28,139,431.75
Commodity inspection and certification charges	14,466,197.58	3,036,971.97
Office and hospitality expenses	32,834,489.99	28,181,378.47
Depreciation, amortization and repair charges	38,252,497.26	25,110,003.68
Sales service fees	160,498,351.43	26,176,743.69
Image shop construction costs	74,764,770.28	
Others	16,517,759.59	16,382,323.61
Total	1,279,955,159.89	728,534,353.97

Other descriptions:

The increase in sales expenses is mainly due to the launch of new models of SERES, the construction of marketing

channels, and the increase in sales service fees.

64. Management expenses

Applicable Not applicable

Item	Unit: CNY		Currency: RMB	
	Accrual in the current period	Accrual in the previous period		
Payroll	568,280,122.21	475,120,544.28		
Repair costs, depreciation and amortization expenses, and low-value consumables	215,134,386.16	184,006,259.19		
Trademark and patent fees	10,435,159.91	5,162,863.38		
Operating expenses such as office expenses and travel expenses	208,725,706.22	148,073,148.05		
Transportation, vehicle and fuel costs	10,783,979.70	6,081,825.56		
Consulting service expenses	36,960,949.76	56,495,337.82		
Share-based payment	20,437,865.04			
Others	17,995,319.91	17,585,338.35		
Total	1,088,753,488.91	892,525,316.63		

Other descriptions:

Share-based payment is due to the implementation of stock option incentives in the current period.

65. R&D expenses

Applicable Not applicable

Item	Unit: CNY		Currency: RMB	
	Accrual in the current period	Accrual in the previous period		
Payroll	129,926,145.88	193,183,961.79		
Repair costs, depreciation and amortization expenses, and low-value consumables	562,140,344.73	446,504,486.81		
Outsourced R&D and design fees	124,899,337.73	113,179,868.66		
Trial production fees, testing fees, and process procedure fees	56,562,348.17	49,340,354.64		
Purchase expenses of prototype samples, etc.	39,320,504.80	20,910,322.11		
Others	35,138,280.61	13,860,085.19		
Total	947,986,961.92	836,979,079.20		

Other descriptions:

None

66. Financial expenses

Applicable Not applicable

Item	Unit: CNY		Currency: RMB	
	Accrual in the current period	Accrual in the previous period		
Interest expenses	260,712,007.29	276,454,457.92		
Minus: Interest income	-52,595,840.69	-48,021,688.07		
Foreign exchange loss	21,311,262.35	30,817,772.39		
Service fee expense and others	15,022,546.48	13,036,904.87		
Total	244,449,975.43	272,287,447.11		

Other descriptions:

None

67. Other incomes

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Subsidy for job stabilization	5,424,721.57	12,533,961.47
Patent R&D project subsidies	53,675,137.00	32,970,179.00
Procurement and sales logistics subsidies	11,495,659.47	55,840,155.78
Return handling charges of individual income tax	1,599,227.43	2,549,397.30
Tax reduction and refund	10,385,684.21	9,496,702.26
Financing guarantee subsidy	4,190,000.00	225,900.00
Environment-protecting subsidy	381,549.00	4,108,900.00
Government financing	33,143,500.00	434,539,000.00
Amortization of deferred income	174,725,251.99	70,343,275.86
Total	295,020,730.67	622,607,471.67

Other descriptions:

None

68. Return on investment

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Incomes from long-term equity investments calculated under the equity method	-11,209,592.80	-62,232,079.56
Return on investment from disposal of long-term equity investment	12,238,398.06	8,414,183.24
Return on investment from trading financial assets during the holding period	8,766,780.00	9,082,700.00
Dividend income from other equity instruments during the holding period		
Interest income from creditor's right investment during the holding period		
Interest income from other creditor's right investments during the holding period		
Return on investment for disposal of trading financial assets		
Return on investment from disposal of other equity instrument investments		
Return on investment from disposal of creditor's right investment	-42,808.96	
Return on investment from disposal of other creditor's right investments		
Incomes from debt restructuring		
Bill discount interest	-92,230,326.22	-56,038,566.70
Total	-82,477,549.92	-100,773,763.02

Other descriptions:

None

69. Income from net exposure hedging

Applicable Not applicable

70. Income from change in fair value

Applicable Not applicable

Unit: CNY

Currency: RMB

Source of incomes from changes in fair value	Accrual in the current period	Accrual in the previous period
Trading financial assets	-135,254,102.02	-86,878,000.00
Including: Income from changes in fair value generated by derivative financial instruments		
Trading financial liabilities		
Investment property measured at fair value		
Total	-135,254,102.02	-86,878,000.00

Other descriptions:

None

71. Credit impairment losses√ Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Bad debt losses of notes receivable		
Bad debt losses of accounts receivable	-5,462,848.70	-20,597,025.26
Bad debt losses of other receivables	-26,846,766.68	-72,432,053.79
Impairment loss of creditor's right investment		
Impairment loss of other creditor's right investments		
Bad debt losses of long-term receivables	12,235,531.92	— 28,681,527.55
Impairment losses of contract assets		
Total	-20,074,083.46	-121,710,606.60

Other descriptions:

None

72. Asset impairment losses√ Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
I. Bad debt loss		
II. Loss on inventory falling price and impairment loss of contract performance cost	-199,414,498.82	-119,070,247.84
III. Impairment loss of long-term equity investment		
IV. Impairment loss of investment property		
V. Impairment loss of fixed assets	-7,313,490.78	
VI. Impairment loss of engineering materials		
VII. Impairment loss of construction in progress		
VIII. Impairment loss of productive biological assets		
IX. Impairment loss of oil-gas assets		
X. Impairment loss of intangible assets	-37,343,057.69	
XI. Impairment loss of goodwill	-6,056,663.79	-19,200,632.94
XII. Others	3,593,977.49	3,029,580.60
Total	-246,533,733.59	-135,241,300.18

Other descriptions:

None

73. Income from asset disposal√ Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Income from disposal of long-term assets	587,197,828.37	59,421,346.07
Total	587,197,828.37	59,421,346.07

Other descriptions: None

74. Non-operating income

Non-operating income

√ Applicable □ Not applicable

Unit: CNY

Currency: RMB

Item	Accrual in the current period	Accrual in the previous period	Amount included into the current non-recurring profits and losses
Total non-current assets disposal gains	497,163.25	1,233,087.61	497,163.25
Including: Gains from disposal of fixed assets	497,163.25	1,233,087.61	497,163.25
Gains from disposal of intangible assets			
Gains from non-monetary asset exchange			
Accepting donations			
Government subsidies	2,372,165.80	3,001,560.78	2,372,165.80
Income from fines	4,481,808.58	4,717,408.46	4,481,808.58
Income from wastes	2,518,067.69	2,273,852.45	2,518,067.69
Compensation (Note)	278,053,402.50		278,053,402.50
Others	12,856,602.40	17,186,246.24	12,856,602.40
Total	300,779,210.22	28,412,155.54	300,779,210.22

Note: Electric Last Mile Solutions, Inc. delivered 5 million common shares to SF Motors, Inc. as compensation during asset delivery.

Government subsidies included into the current profit and loss

√ Applicable □ Not applicable

Unit: CNY

Currency: RMB

Subsidy project	Accrual in the current period	Amount incurred in the last period	Asset-related/income-related
Incentive payment	2,370,365.80	2,531,950.78	与收益相关
Others	1,800.00	469,610.00	与收益相关

Other descriptions:

□ Applicable √ Not applicable

75. Non-operating expenditure

√ Applicable □ Not applicable

Unit: CNY

Currency: RMB

Item	Accrual in the current period	Accrual in the previous period	Amount included into the current non-recurring profits and losses
Total non-current assets disposal losses	20,242,784.27	5,505,129.19	20,242,784.27
Including: Losses from disposal of fixed assets	20,242,784.27	5,505,129.19	20,242,784.27
Losses from disposal of intangible assets			
Losses from non-monetary asset			

exchange			
Outward donation	50,000.00	6,590,478.44	50,000.00
Others	5,609,668.71	8,966,588.10	5,609,668.71
Total	25,902,452.98	21,062,195.73	25,902,452.98

Other descriptions:

None

76. Income tax expenses

(1) Income tax expenses

Applicable Not applicable

Item	Unit: CNY		Currency: RMB
	Accrual in the current period	Accrual in the previous period	
Current income tax expenses	84,126,263.31	61,382,754.27	
Deferred income tax expenses	-63,162,800.11	-14,139,473.29	
Total	20,963,463.20	47,243,280.98	

(2) Accounting profit and income tax expense adjustment process

Applicable Not applicable

Item	Unit: CNY		Currency: RMB
	Accrual in the current period		
Total profits			-2,609,860,261.70
Income tax expenses at statutory/applicable tax rate			-652,465,065.42
Influence of different tax rates on subsidiaries			60,255,121.61
Influence of income tax before the adjustment			3,439,417.51
Influence of non-taxable incomes			
Influence of non-deductible costs, expenses and losses			41,975,112.73
Influence of deductible loss of deferred income tax assets not recognized in the early stage of use			-85,301,103.65
Influence of deductible temporary differences or deductible losses in unrecognized deferred income tax in the current period			655,620,900.59
Influence of additional deduction items			-2,560,920.17
Income tax expenses			20,963,463.20

Other descriptions:

Applicable Not applicable

77. Other comprehensive incomes

Applicable Not applicable

Refer to Note 57 for details

78. Items of cash flow statement

(1) Other cash received related to operating activities

Applicable Not applicable

Item	Unit: CNY		Currency: RMB
	Accrual in the current period	Accrual in the previous period	
Interest income	52,595,840.69	48,021,688.07	
Other monetary funds, bill margin		274,995,355.79	
Relocation subsidies received	211,861,235.05	617,375,000.00	
Government subsidies received	144,077,644.48	593,498,871.23	
Temporary payment for received quality assurance deposit, security deposit, etc.	247,862,466.04	194,536,339.53	
Total	656,397,186.26	1,728,427,254.62	

Description of other cash received related to operating activities:

None

(2) Other cash paid related to operating activities

Applicable Not applicable

Item	Unit: CNY		Currency: RMB	
	Accrual in the current period	Accrual in the previous period	Accrual in the current period	Accrual in the previous period
Other monetary funds, bill margin	1,669,680,085.30			
Freezing of bank deposits	7,189,124.90		3,034,025.16	
Period expenses paid	1,815,292,235.91		1,570,651,423.10	
Temporary payment for quality assurance deposit, security deposit, etc.	242,754,734.69		352,981,818.54	
Total	3,734,916,180.80		1,926,667,266.80	

Description of other cash paid relating to operating activities:

None

(3) Other cash received related to investing activities

Applicable Not applicable

(4) Other cash paid related to investing activities

Applicable Not applicable

Item	Unit: CNY		Currency: RMB	
	Accrual in the current period	Accrual in the previous period	Accrual in the current period	Accrual in the previous period
Other monetary funds, bill margin	562,049,346.19			
Total	562,049,346.19			

Description of other cash paid related to investing activities:

None

(5) Other cash received related to financing activities

Applicable Not applicable

Item	Unit: CNY		Currency: RMB	
	Accrual in the current period	Accrual in the previous period	Accrual in the current period	Accrual in the previous period
Loan deposits			20,087,018.32	
Receipt of financial aid from controlling shareholder	1,060,000,000.00			
Collection of after-sales and leaseback payments	2,782,971.41		24,060,750.00	
Total	1,062,782,971.41		44,147,768.32	

Description of other cash received related to financing activities: None

(6) Other cash paid related to financing activities

Applicable Not applicable

Item	Unit: CNY		Currency: RMB	
	Accrual in the current period	Accrual in the previous period	Accrual in the current period	Accrual in the previous period
Return of financing fund of Create Greantness	326,161,994.16		580,201,439.55	
Repayment of after-sales and leaseback payments	40,390,100.00		11,000,000.00	
Redemption of restricted stocks			61,292,000.00	
Loan deposits	280,611,556.06			
Payment fees for issuing stocks	1,073,796.11			
Lease liabilities	118,552,595.59			
Total	766,790,041.92		652,493,439.55	

Description of other cash paid relating to financing activities:

None

79. Supplementary information of cash flow statement

(1) Supplementary information of cash flow statement

Applicable Not applicable

	Unit: CNY	Currency: RMB
Supplementary information	Amount of the current period	Amount of the previous period
I. Adjustment of the net profit into the cash flow of operating activities:		
Net profit	-2,630,823,724.90	-2,234,419,335.40
Plus: Asset impairment reserves	246,533,733.59	135,241,300.18
Credit impairment losses	20,074,083.46	121,710,606.60
Depreciation of fixed assets, waste of oil-gas assets and depreciation of productive biological assets	1,023,917,062.23	885,184,226.34
Amortization of right-of-use assets	76,370,951.19	
Amortization of intangible assets	597,822,243.87	448,182,303.87
Amortization of long-term unamortized expenses	43,505,392.96	38,370,775.39
Losses of disposal of fixed assets, intangible assets and other long-term assets (the income is expressed with "-")	-587,197,828.37	-59,421,346.07
Losses from abandonment of fixed assets (the income is expressed with "-")	19,745,621.02	4,272,041.58
Loss from change in fair value (the income is expressed with "-")	135,254,102.02	86,878,000.00
Financial expenses (the income is expressed with "-")	258,906,212.64	307,272,230.31
Investment loss (the income is expressed with "-")	82,477,549.92	100,773,763.02
Decrease in deferred income tax assets (the increase is expressed with "-")	-57,280,474.48	5,173,521.63
Increase in deferred income tax liabilities (the decrease is expressed with "-")	-5,882,325.63	-19,312,994.92
Decrease in inventories (the increase is expressed with "-")	-844,949,839.01	222,882,985.91
Decrease in operational receivable items (the increase is expressed with "-")	-458,680,060.97	1,648,072,510.78
Increase in operational payable items (the decrease is expressed with "-")	1,092,758,848.96	-602,930,532.20
Others		
Net cash flow generated from operating activities	-987,448,451.50	1,087,930,057.02
2. Important investing and financing activities unrelated to cash payment and income		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Fixed assets under financing lease		
3. Changes in cash and cash equivalents:		
Ending balance of cash	1,318,960,938.94	934,820,350.98
Minus: Beginning balance of cash	934,820,350.98	2,313,858,207.18
Plus: Ending balance of cash equivalents		
Minus: Beginning balance of cash equivalents		
Net increase in cash and cash equivalents	384,140,587.96	-1,379,037,856.20

(2) Net cash of subsidiaries and gained and paid in the current period

Applicable Not applicable

(3) Net cash received from the disposal of the subsidiaries in the current period

Applicable Not applicable

(4) Composition of cash and cash equivalents

Applicable Not applicable

	Unit: CNY	Currency: RMB
Item	Ending balance	Beginning balance
Cash	1,318,960,938.94	934,820,350.98

Including: Cash on hand	166,692.34	226,994.73
Bank deposit available for payment at any time	1,318,794,246.60	934,593,356.25
Other monetary funds available for payment at any time		
Deposit in the central bank available for payment at any time		
Deposits in other banks		
Loans from other banks		
II. Cash equivalents		
Including: bond investment due within three months		
III. Balance of cash and cash equivalents at the beginning of the period	1,318,960,938.94	934,820,350.98
Including: cash and cash equivalents with restricted use by the parent company or subsidiary within the group		

Other descriptions:

Applicable Not applicable

80. Item notes to statement of changes in owner's equity

Explain the item names of the "others" and the adjustment amount for adjusting the balance at the end of previous year:

Applicable Not applicable

81. Assets whose ownership or right of use is limited

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Ending book value	Reasons for limitation
Monetary capital	4,513,288,050.79	Freeze, bill margin, loan deposit, etc.
Notes receivable	241,028,622.60	Pledge of notes
Accounts receivable	424,499,900.00	Provide pledge guarantee for borrowing
Contract assets	200,000,000.00	Provide pledge guarantee for borrowing
Inventory		
Fixed assets	1,355,805,000.17	Provide mortgage guarantee for borrowing
Intangible assets	414,036,651.50	Provide mortgage guarantee for borrowing
Total	7,148,658,225.06	/

Other descriptions:

None

82. Foreign currency monetary items

(1) Foreign currency monetary items

Applicable Not applicable

Unit: CNY

Item	Balance of foreign currency at the end of the period	Conversion exchange rate	RMB balance converted at the end of the period
Monetary capital	-	-	-
Including: USD	10,680,786.50	6.3757	68,097,490.49
EUR	114.55	7.2197	827.02
HKD	2,174.42	0.8176	1,777.81
IDR	155,660,109,530.20	0.000447	69,580,068.96

SGD	41,200.20	4.7179	194,378.42
Accounts receivable	-	-	-
Including: USD	43,351,761.07	6.3757	276,397,823.05
EUR			
HKD			
IDR	86,419,155,838.93	0.000447	38,629,362.66
Long-term borrowings	-	-	-
Including: USD			
EUR			
HKD			
Other receivables			
Including: USD	69,298,131.87	6.3757	441,824,099.36
IDR	2,030,725,000.00	0.000447	907,734.08
Other payables			
Including: USD	1,369,889.56	6.3757	8,734,004.87
HKD	53,000.00	0.8176	43,332.80
IDR	9,773,959,829.93	0.000447	4,368,960.04

Other descriptions:

None

(2) Description of the oversea business entity, including the important oversea business entity, indicated that its main place of business abroad, recording currency and selection basis, as well as the reasons for changes of recording currency shall be disclosed.

Applicable Not applicable

Important overseas business entities	Main place of business abroad	Recording currency	Selection basis
PT. SOKONINDO AUTOMOBILE	Jakarta, Indonesia	IDR	Currency of the main economic environment within the operating area
SF Motors, Inc	Silicon Valley, California	USD	Currency of the main economic environment within the operating area

83. Hedging

Applicable Not applicable

84. Government subsidies

(1) Basic information of government subsidies

Applicable Not applicable

The total amount of government subsidies for this period is RMB 357,032,879.53, of which RMB 234,365,235.05 is asset-related government subsidies, and RMB 122,667,644.48 is included into the current profit and loss. For asset-related government subsidies, refer to "Note 51 Deferred income" and "Note 48 Long-term payables" to "VII. Item Notes for Consolidated Financial Statement"; Details of income-related government subsidies:

Unit: CNY

Currency: RMB

Category	Amount	Presentation item	Amount included into the current profit and loss
Subsidy for job stabilization	5,424,721.57	Other incomes	5,424,721.57
Patent R&D project subsidies	53,675,137.00	Other incomes	53,675,137.00
Procurement and sales logistics subsidies	11,495,659.47	Other incomes	11,495,659.47
Return handling charges of	1,599,227.43	Other incomes	1,599,227.43

individual income tax			
Tax reduction and refund	10,385,684.21	Other incomes	10,385,684.21
Financing guarantee subsidy	4,190,000.00	Other incomes	4,190,000.00
Environment-protecting subsidy	381,549.00	Other incomes	381,549.00
Government financing	33,143,500.00	Other incomes	33,143,500.00
Incentive payment	2,370,365.80	Non-operating income	2,370,365.80
Others	1,800.00	Non-operating income	1,800.00

(2) Refund of government subsidies

Applicable Not applicable

Other descriptions:

None

85. Others

Applicable Not applicable

VIII. Changes of Consolidation Scope**1. Business combination not under the same control**

Applicable Not applicable

2. Business combination under the same control

Applicable Not applicable

3. Counter purchase

Applicable Not applicable

4. Disposal of subsidiary

Whether there is a case that the control right on subsidiary is lost upon single disposal

Applicable Not applicable

Other descriptions:

Applicable Not applicable

5. Changes of consolidation scope due to other reasons

Describe the changes in the consolidation scope (e.g. new subsidiaries, liquidation subsidiaries) caused by other reasons and the relevant information:

New subsidiaries in this period:

Name	Equity acquisition method	Equity acquisition time point	Shareholding proportion (%)
Chengdu SERES Technology Co., Ltd.	Newly established	2021-12-20	80.65
SERES Automobile Sales Service (Hangzhou) Co., Ltd.	Newly established	2021-01-15	41.50
SERES Automobile Sales Service (Jinan) Co., Ltd.	Newly established	2021-01-29	41.50
SERES Automobile Sales Service (Chongqing) Co., Ltd.	Newly established	2021-04-27	41.50
SERES Auto Sales Service (Shenzhen) Co., Ltd.	Newly established	2021-05-06	41.50
SERES Automobile Sales Service (Xuzhou) Co., Ltd.	Newly established	2021-05-18	41.50
Beijing Jinkang SERES Technology Co., Ltd.	Newly established	2021-02-07	41.50
Shanghai SERES New energy Vehicle Sales Co., Ltd.	Newly established	2021-11-10	41.50
Chongqing SERES Technology Co., Ltd.	Newly established	2021-06-21	41.50
Chongqing SERES Electric Vehicle Co., Ltd.	Newly established	2021-12-31	80.65

Cancellation of subsidiaries in this period:

Unit: CNY

Name	Cancellation time	Net assets on cancellation date	Net profit from the beginning of the period to the cancellation date
Tianjin Ruikang New Energy Vehicle Sales Co., Ltd.	2021.10	-341,130.66	299,552.97
Shanghai Jiayan New Energy Vehicle Sales Service Co., Ltd.	2021.09	-3,400,259.72	3,365,683.03
SFMOTORSSINGAPOREPTE.LTD	2021.03	6.77	

6. Others

□ Applicable √ Not applicable

IX. Equity in Other Entities

1. Equity in subsidiaries

(1) Constitution of enterprise group

√ Applicable □ Not applicable

Subsidiary name	Main place of business	Place of registration	Business nature	Shareholding proportion (%)		Acquisition method
				Direct	Indirect	
Dongfeng Sokon Automobile Co., Ltd.	Shiyan City	Shiyan City, Hubei Province	Industrial manufacturing	100.00		Establishment
Chongqing Sokon Automobile Co., Ltd.	Chongqing	Jiangjin District, Chongqing	Industrial manufacturing		100.00	Establishment
Chongqing Dongfeng FENGON Automobile Sales Co., Ltd.	Chongqing	Shapingba District, Chongqing	Commerce and trade		100.00	Establishment
Chongqing Dongfeng Sokon Automobile Sales Co., Ltd.	Chongqing	Jiangbei District, Chongqing	Commerce and trade		100.00	Establishment
Shiyan Dongfeng FENGON Automobile Sales Co., Ltd.	Shiyan City	Shiyan City, Hubei Province	Commerce and trade		100.00	Establishment
Chongqing Dongkang Automobile Manufacturing Co., Ltd.	Chongqing	Jiangjin District, Chongqing	Industrial manufacturing		100.00	Establishment
Chongqing Jiangkang Automobile Technology Co., Ltd.	Chongqing	Jiangjin District, Chongqing	Technology research and development		81.82	Establishment
Chongqing Sokon Import and Export Co., Ltd.	Chongqing	Shapingba District, Chongqing	Import and export	100.00		Business combination under the same control
Chongqing Sinkon Motor International Trade Co., Ltd.	Chongqing	Shapingba District, Chongqing	Commerce and trade		100.00	Establishment
Chongqing Yu'an Huaihai Powertrain Co., Ltd.	Chongqing	Shapingba District, Chongqing	Industrial manufacturing	100.00		Business combination under the same control
Chongqing Sokon Powertrain Co., Ltd.	Chongqing	Changshou District, Chongqing	Industrial manufacturing	100.00		Establishment
Chongqing Sokon Automobile Transmission Co., Ltd.	Chongqing	Changshou District, Chongqing	Industrial manufacturing		100.00	Business combination not under the same control
Luzhou Rongda Intelligent Transmission Limited Company	Luzhou City	Luzhou High-tech Zone	Industrial manufacturing		86.37	Business combination not under the same control
Hunan Rongda Intelligent Transmission Co., Ltd.	Changsha City	Yuelu District, Changsha City	Industrial manufacturing		84.82	Business combination not under the same control
Chongqing Ruichi Automobile Industry Co., Ltd.	Chongqing	Jiangbei District, Chongqing	Industrial manufacturing	100.00		Business combination under the same control
Xiamen Ruidongkang Automobile Sales Co., Ltd.	Xiamen	Jimei District, Xiamen City	Commerce and trade		100.00	Establishment

APPENDIX II

FINANCIAL INFORMATION OF SOKON

Chongqing Sokon Automobile Parts Co., Ltd.	Chongqing	Jiangjin District, Chongqing	Industrial manufacturing		100.00	Establishment
Chongqing Yu'an Shock Absorber Co., Ltd.	Chongqing	Shapingba District, Chongqing	Industrial manufacturing		100.00	Business combination under the same control
Shiyan Xinkang Automobile Parts Co., Ltd.	Shiyan City	Shiyan City, Hubei Province	Industrial manufacturing		100.00	Establishment
Chongqing Sokon Machinery Parts Co., Ltd.	Chongqing	Shapingba District, Chongqing	Industrial manufacturing		100.00	Business combination under the same control
Chongqing Jinkangbao Technology Co., Ltd.	Chongqing	Jiangjin District, Chongqing	Commerce and trade		100.00	Establishment
Chongqing Ruichi New Energy Vehicle Sales Service Co., Ltd.	Chongqing	Jiangbei District, Chongqing	Commerce and trade		100.00	Establishment
Guangzhou Jiayuanyi New Energy Vehicle Sales Service Co., Ltd.	Guangzhou City	Nansha District, Guangzhou City	Commerce and trade		100.00	Establishment
Shenzhen Dongkang New Energy Vehicle Sales Service Co., Ltd.	Shenzhen	Shenzhen-Hong Kong Modern Service Industry Cooperation Zone in Qianhai, Shenzhen	Commerce and trade		100.00	Establishment
Wuhan Ruidongyi New Energy Vehicle Sales Service Co., Ltd.	Wuhan City	Dongxihu District, Wuhan City	Commerce and trade		100.00	Establishment
Chongqing Kangfei Power Technology Co., Ltd.	Chongqing	Jiangbei District, Chongqing	Industrial manufacturing		100.00	Establishment
Chongqing Sokon Engine R&D Co., Ltd.	Chongqing	Jiangbei District, Chongqing	Technology research and development	100.00		Business combination under the same control
Chongqing Sokon Automobile Sales Service Co., Ltd.	Chongqing	Shapingba District, Chongqing	Commerce and trade	100.00		Business combination under the same control
Sokon Group (Hong Kong) Limited	Hong Kong	Hong Kong	Investment	100.00		Establishment
PT. SOKONINDO AUTOMOBILE	North Jakarta	North Jakarta, Indonesia	Industrial manufacturing		99.00	Capital increase and holding
SOKON MOTORS DO BRASIL INDUSTRIA E COMERCIO DE VEICULOS LTDA	Brazil	Brazil	Commerce and trade		100.00	Establishment
Yu'an Power System Co., Ltd. (Indonesia)	Serang, Banten	Serang, Banten, Indonesia	Industrial manufacturing		100.00	Establishment
Chongqing Jinkang New Energy Automobile Co., Ltd.	Chongqing	Jiangbei District, Chongqing	Industrial manufacturing	80.65		Establishment
Chongqing Jinkang SERES New Energy Automobile Design Institute Co., Ltd.	Chongqing	Yubei District, Chongqing	Design		80.65	Establishment
Chongqing Dongkang New Energy Automobile Design Institute Co., Ltd.	Chongqing	Yubei District, Chongqing	Design		80.65	Establishment
Chongqing Jinkang Powertrain New Energy Co., Ltd.	Chongqing	Shapingba District, Chongqing	R&D technology, industrial manufacturing, commerce and trade		41.50	Establishment
Chongqing Jinkang SERES Automobile Sales Co., Ltd.	Chongqing	Shapingba District, Chongqing	Commerce and trade		41.50	Establishment
Tianjin Jinkang SERES Automobile Sales Service Co., Ltd.	Tianjin	Heping District, Tianjin	Commerce and trade		41.50	Establishment
Shanghai SERES Automobile Sales Service Co., Ltd.	Shanghai	Songjiang District, Shanghai	Commerce and trade		41.50	Establishment
Chongqing Jinkang SERES New Electric Vehicle Sales Co., Ltd.	Chongqing	Jiangbei District, Chongqing	Commerce and trade		80.65	Establishment
Chongqing FENGON New Energy Vehicle Sales Co., Ltd.	Chongqing	Jiangbei District, Chongqing	Commerce and trade		80.65	Establishment
SF Motors, Inc	The United States	The United States	Manufacturing		80.64	Establishment

	States					
Chongqing Jinkang SERES Automobile Co., Ltd.	Chongqing	Jiangbei District, Chongqing	R&D, production and sales		80.65	Establishment
SINKON INTERNATIONAL (SINGAPORE) PTE. LTD.	Singapore	Singapore	Commerce and trade	100.00		Establishment
PUJIR Financial Leasing Co., Ltd.	Chongqing	Jiangbei District, Chongqing	Lease	100.00		Establishment
Chongqing Sinkon International Holdings Limited	Chongqing	Yubei District, Chongqing	Investment	100.00		Establishment
Chongqing International Automobile Experience Center Co., Ltd.	Chongqing	Yubei District, Chongqing	Commerce and trade		100.00	Establishment
Chengdu SERES Technology Co., Ltd.	Chengdu City	Chengdu Hi-Tech Industrial Development Zone	Commerce and trade		80.65	Establishment
SERES Automobile Sales Service (Guangzhou) Co., Ltd.	Guangzhou City	Huadu District, Guangzhou City	Commerce and trade		41.50	Establishment
SERES Automobile Sales Service (Hangzhou) Co., Ltd.	Hangzhou city	Gongshu District, Hangzhou City	Commerce and trade		41.50	Establishment
SERES Automobile Sales Service (Jinan) Co., Ltd.	Jinan City	Shizhong District, Jinan City	Commerce and trade		41.50	Establishment
SERES Automobile Sales Service (Chongqing) Co., Ltd.	Chongqing	Liangjiang New Area, Chongqing	Commerce and trade		41.50	Establishment
SERES Auto Sales Service (Shenzhen) Co., Ltd.	Shenzhen	Longgang District, Shenzhen	Commerce and trade		41.50	Establishment
SERES Automobile Sales Service (Xuzhou) Co., Ltd.	Xuzhou	Xuzhou Economic and Technological Development Zone	Commerce and trade		41.50	Establishment
Beijing Jinkang SERES Technology Co., Ltd.	Beijing	Chaoyang District, Beijing	Commerce and trade		41.50	Establishment
Shanghai SERES New energy Vehicle Sales Co., Ltd.	Shanghai	Jiading District, Shanghai	Commerce and trade		41.50	Establishment
Chongqing SERES Technology Co., Ltd.	Chongqing	Shapingba District, Chongqing	Technology research and development		41.50	Establishment
Chongqing SERES Electric Vehicle Co., Ltd.	Chongqing	Shapingba District, Chongqing	Manufacturing		80.65	Establishment

Description that the shareholding proportion in the subsidiary is different from the voting right proportion:

None

Basis for holding half or less of the voting rights but still controlling the investee, and for holding more than half of the voting rights but not controlling the investee:

None

For important structured entities that are included into the consolidation scope, the basis for control is:

None

Basis for determining whether the Company is an agent or a principal:

None

Other descriptions:

None

(2) Important non-wholly owned subsidiary

√ Applicable □ Not applicable

Unit: CNY

Currency: RMB

Subsidiary name	Shareholding proportion of minority shareholders	Profits and losses belonging to minority shareholders in the current period	Dividends announced and distributed to minority shareholders in current period	Ending balance of minority interests
Chongqing Jinkang New Energy	19.35	-301,905,990.81		-92,062,888.32

Automobile Co., Ltd.				
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Description that the shareholding proportion of minority shareholders in the subsidiary is different from the voting right proportion:

Applicable Not applicable

Other descriptions:

Applicable Not applicable

(3) Main financial information of important non-wholly owned subsidiaries

Applicable Not applicable

Unit: CNY

Currency: RMB

Subsidiary name	Ending balance						Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Chongqing Jinkang New Energy Automobile Co., Ltd.	432,445.88	864,096.73	1,296,542.61	1,209,059.27	158,514.96	1,367,574.23	118,056.65	755,667.29	873,723.94	628,147.07	134,594.85	762,741.92

Subsidiary name	Accrual in the current period				Accrual in the previous period			
	Operating income	Net profit	Total comprehensive incomes	Cash flow from operating activities	Operating income	Net profit	Total comprehensive incomes	Cash flow from operating activities
Chongqing Jinkang New Energy Automobile Co., Ltd.	277,565.74	-221,492.94	223,357.03	108,325.14	61,957.26	-152,516.91	-161,356.44	81,345.08

Other descriptions:

None

(4) Limitations in using enterprise group assets and liquidating enterprise group liabilities

Applicable Not applicable

(5) Financial support or other supports provided to structure entities incorporated into the scope of consolidated financial statements

Applicable Not applicable

Other descriptions:

Applicable Not applicable

2. Transactions in which the owner's equity share of a subsidiary changes while still controlling the subsidiary

Applicable Not applicable

3. Equity in joint venture or associated enterprise

Applicable Not applicable

(1) Important joint venture or associated enterprise

Applicable Not applicable

Unit: CNY

Currency: RMB

Name of joint venture or associated enterprise	Main place of business	Place of registration	Business nature	Shareholding proportion (%)		Accounting treatment method of the investment to joint venture or associated enterprise
				Direct	Indirect	

New Energy Automobile Industry Development (Chongqing) Co., Ltd.	Chongqing	No. 19, Yinglong Avenue, Longxing Town, Yubei District, Chongqing	Industrial investment	33.00		Equity method
Chongqing Yunwan Technology Co., Ltd.	Chongqing	1/F, Building 12, No. 22, Jinyu Avenue, New North Zone, Chongqing	Technical services		50.00	Equity method
TIVENIMERGECO, INC	Delaware, USA	Delaware, USA	R&D		47.00	Equity method

Description of shareholding proportion in joint ventures or associated enterprises different from voting right proportion:

None

Basis of having significance with 20% below voting rights, or having no significance with 20% or above voting rights:

None

(2) Main financial information of important joint ventures

Applicable Not applicable

Unit: CNY

Currency: RMB

	Ending balance/accrual in the current period	Beginning balance/accrual in the previous period
	Chongqing Yunwan Technology Co., Ltd.	Chongqing Yunwan Technology Co., Ltd.
Current assets	3,093,170.63	1,602,367.89
Including: Cash and cash equivalents	239,486.21	557.54
Non-current assets	11,670,574.16	13,402,422.65
Total assets	14,763,744.79	15,004,790.54
Current liabilities	1,396,452.16	230,546.18
Non-current liabilities	11,715,602.45	11,995,602.45
Total liabilities	13,112,054.61	12,226,148.63
Minority shareholders' equities		
Owners' equities attributable to the parent company	1,651,690.18	2,778,641.91
Net asset share calculated in shareholding proportion	825,845.09	1,389,320.96
Adjustment item		
- Goodwill		
- Unrealized profits of internal transaction		
- Others		
Book value of equity investment in joint ventures	3,182,167.55	3,760,181.09
Fair value of the equity investment in the joint venture with public offerings		
Operating income	10,074,033.02	5,432,254.50
Financial expenses	6,950.72	55,223.34
Income tax expenses		
Net profit	-1,126,951.73	-3,847,266.27
Net profit from discontinued operations		
Other comprehensive incomes		
Total comprehensive incomes	-1,126,951.73	-3,847,266.27

Dividends received from joint ventures in the current year		
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Other descriptions:

None

(3) Main financial information of important associated enterprises

Applicable Not applicable

Unit: CNY

Currency: RMB

	Ending balance/accrual in the current period	Beginning balance/accrual in the previous period
	New Energy Automobile Industry Development (Chongqing) Co., Ltd.	New Energy Automobile Industry Development (Chongqing) Co., Ltd.
Current assets	109,528,624.51	105,361,692.52
Non-current assets	6,283,565.78	7,489,928.97
Total assets	115,812,190.29	112,851,621.49
Current liabilities	4,290,092.16	3,048,223.38
Non-current liabilities		
Total liabilities	4,290,092.16	3,048,223.38
Minority shareholders' equities		
Owners' equities attributable to the parent company	111,522,098.13	109,803,398.11
Net asset share calculated in shareholding proportion	36,802,292.38	36,235,121.37
Adjustment item		
- Goodwill		
- Unrealized profits of internal transaction		
- Others		
Book value of equity investment in joint ventures	36,802,292.38	36,235,121.37
Fair value of the equity investment in the joint venture with public offerings		
Operating income	5,222,165.73	2,688,313.61
Net profit	1,718,700.02	3,602,348.97
Net profit from discontinued operations		
Other comprehensive incomes	1,718,700.02	3,602,348.97
Total comprehensive incomes		
Dividends received from joint ventures in the current year		

Other descriptions

None

(4) Financial information summary of unimportant joint ventures and associated enterprises

Applicable Not applicable

(5) Descriptions for major limitations in the ability of joint ventures or associated enterprises transferring funds to the Company

Applicable Not applicable

(6) Excess deficit of joint ventures or associated enterprises

Applicable Not applicable

(7) Unconfirmed commitment related to the investment of joint ventures

Applicable Not applicable

(8) Contingent liabilities related to the investment of joint ventures or associated enterprises

Applicable Not applicable

4. Important joint operation

Applicable Not applicable

5. Equity in the structured entities that are not incorporated in the consolidated financial statements

Relevant description of structured entities not included into the consolidated financial statements:

Applicable Not applicable

6. Others

Applicable Not applicable

X. Risks Related to Financial Instruments

Applicable Not applicable

XI. Disclosure of Fair Value

1. Period-end fair value of assets and liabilities measured by fair value

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Fair value at the end of the period			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Continuous fair value measurement				
(I) Trading financial assets	320,316,449.65			320,316,449.65
1. Financial assets measured at the fair value with its changes included into the current profit and loss.	320,316,449.65			320,316,449.65
(1) Debt instrument investment				
(2) Equity instrument investment	320,316,449.65			320,316,449.65
(3) Derivative financial assets				
2. Financial assets designated to be measured at fair value with changes included into the current profit or loss				
(1) Debt instrument investment				
(2) Equity instrument investment				
(II) Other creditor's right investments				
(III) Other equity instrument investments				
(IV) Investment property				
1. Land use rights for lease				
2. Buildings for lease				
3. Land use right held and to be transferred after appreciation				
(V) Biological assets				
1. Consumptive biological assets				
2. Productive biological assets				
(VI) Receivables financing			377,361,946.64	377,361,946.64
Total assets continuously measured with	320,316,449.65		377,361,946.64	697,678,396.29

fair value				
(VI) Trading financial liabilities				
1. Financial liabilities measured at the fair value with its changes included into the current profit and loss				
Including: Trading bonds issued				
Derivative financial liabilities				
Others				
2. Financial liabilities designated to be measured at fair value with changes included into the current profit or loss				
Total liabilities continuously measured with fair value				
II. Non-continuous fair value measurement				
(I) Held-for-sale assets				
Total assets not continuously measured with fair value				

2. Basis of determining the market price of continuous and non-continuous level 1 fair value measurement items

Applicable Not applicable

Trading financial assets that are continuously measured at the level 1 fair value are equity investments held by the Company in listed companies, and their fair value is determined by the stock price of the listed company.

3. Continuous and non-continuous level 2 fair value measurement item, using valuation technology and quantitative and qualitative information of important parameters

Applicable Not applicable

4. Continuous and non-continuous level 3 fair value measurement item, using valuation technology and quantitative and qualitative information of important parameters

Applicable Not applicable

The receivables financing continuously measured at level 3 fair value is notes receivable, and its fair value is determined by book value.

5. For continuous level 3 fair value measurement item, adjustment of the book value between the beginning and the end of the paper and the sensitivity analysis of unobservable parameters

Applicable Not applicable

6. For continuous fair value measurement items, in case of transfer between different levels in this period, the reasons for the transformation and the policy to determine the transition point

Applicable Not applicable

7. Changes in valuation technology and the causes in the current period

Applicable Not applicable

8. Fair value of the financial assets and financial liabilities not measured at fair value

Applicable Not applicable

9. Others

Applicable Not applicable

XII. Related Parties and Related-party Transactions

1. Parent company of the Company

Applicable Not applicable

Unit: CNY

Currency: RMB

Parent company name	Place of registration	Business nature	Registered capital	Shareholding proportion of parent company to the Company (%)	Voting right proportion of parent company to the Company (%)
Chongqing Sokon Holdings Co., Ltd.	No. 61-3, Jinqiao Road, Shapingba District	Investment	RMB 200,000,000	30.98	32.63

Description for the parent company of the Company

None

The final controlling party of the Company is Mr. Xinghai ZHANG, a natural person

Other descriptions: The difference between the shareholding proportion and voting right proportion is that Chongqing Sokon Holdings Co., Ltd. issued convertible corporate bonds and deposited 22,437,232 shares in the trust property account, with a shareholding proportion of 1.65%.

2. Subsidiaries of the Company

Refer to Notes for the subsidiaries of the Company

Applicable Not applicable

Refer to "IX. Equity in Other Entities" for details.

3. Joint ventures and associated enterprises of the Company

Refer to the Notes for the Company's important joint ventures or associated enterprises

Applicable Not applicable

Refer to "IX. Equity in Other Entities" for details

Situation of other joint ventures or associated enterprises that have formed balance in related-party transaction with the Company in current period, or related-party transaction with the Company in previous periods is as follows

Applicable Not applicable

Other descriptions

Applicable Not applicable

4. Conditions of other related parties

Applicable Not applicable

Names of other related parties	Relationship of other related parties with the Company
Chongqing Chirui Property Management Co., Ltd.	Controlled by the same party
Chongqing Sokon Hotel Co., Ltd.	Controlled by the same party
Chongqing XGJAO Motorcycle Sales Co., Ltd.	Controlled by the same party
Chongqing XGJAO Motorcycle Co., Ltd.	Controlled by the same party
Chongqing Sinkon Xingrui Real Estate Co., Ltd.	Controlled by the same party
Chongqing Yu'an Innovation Technology Co., Ltd.	Controlled by the same party
Chongqing Yu'an Machinery Manufacturing Co., Ltd.	Controlled by the same party
Chongqing Yu'an Intelligent Suspension Co., Ltd.	Controlled by the same party
SOKONINVESTMENT(USA).INC	Controlled by the same party

Dongfeng Motor Group Co. Ltd.	Parent company of Dongfeng Motor Group Co., Ltd.
Dongfeng Motor Company Limited	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Motor Group Co., Ltd.	Shareholder of the Company
Passenger vehicle company of Dongfeng Motor Group Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Motor Group Co., Ltd. VOYAH Automobile Technology Branch	Subsidiary of Dongfeng Motor Group Co. Ltd.
VOYAH Automobile Technology Co., Ltd	Subsidiary of Dongfeng Motor Group Co. Ltd.
VOYAH Automobile Sales Service Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
VOYAH Automobile Sales Service Co., Ltd. Anhui Hefei Branch	Subsidiary of Dongfeng Motor Group Co. Ltd.
VOYAH Automobile Sales Service Co., Ltd. Chengdu Branch	Subsidiary of Dongfeng Motor Group Co. Ltd.
VOYAH Automobile Sales Service Co., Ltd. Guangzhou Branch	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Nissan Passenger Vehicle Company of Dongfeng Motor Company Limited	Subsidiary of Dongfeng Motor Group Co. Ltd.
Railway Transport Department of Dongfeng Motor Group Co. Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
DONGFENGMOTORRUSCO.,LTD.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Motor City Logistics Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Die & Stamping Technology Co., Ltd	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng VENUCIA Automobile Sales Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Automobile Wheel (Suizhou) Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Automobile Power Parts Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Motor Trading Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Trucks Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Communication Technology Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Communication Technology Co., Ltd. Shiyuan Branch	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Logistics (Wuhan) Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Guangzhou Feisuo Cloud Supply Chain Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Create Greantness Financing Lease Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Hubei Dongfeng Newspaper Media Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Shenzhen Lan-You Technology Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Shenzhen Lan-You Technology Co., Ltd. Guangzhou Branch	Subsidiary of Dongfeng Motor Group Co. Ltd.
China Dongfeng Motor Industry Imp. & Exp. Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Zhengzhou Dongfeng Motor Industry Imp. & Exp. Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Wuhan Dongfeng Motor Imp. & Exp. Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Wuhan Fengshen Kechuang Auto Parts Integration Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Xiangyang DaAn Automobile Test Center Corporation Limited	Subsidiary of Dongfeng Motor Group Co. Ltd.
Wuhan DaAn Technology Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Motor Finance Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Zhengzhou Nissan Automobile Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.

Other descriptions

None

5. Related-party transaction

(1) Related-party transaction about the purchase and sale of goods and the supply and acceptance of the labor services

Goods procurement and labor service acceptance

√ Applicable □ Not applicable

Unit: CNY

Currency: RMB

Related parties	Content of related-party transactions	Accrual in the current period	Accrual in the previous period
DONGFENGMOTORRUSCO.,LTD.	RV66 imported navigator	979,270.27	179,670.80

APPENDIX II

FINANCIAL INFORMATION OF SOKON

Create Greantness Financing Lease Co., Ltd.	Financing expenses	21,447,973.50	55,585,140.78
Dongfeng Motor City Logistics Co., Ltd.	Transportation and storage charges	28,118,282.25	44,683,212.73
Dongfeng Die & Stamping Technology Co., Ltd	Body parts	41,996,772.91	2,354,217.78
Dongfeng VENUCIA Automobile Sales Co., Ltd.	Accessories	436,300.20	97,183.17
Dongfeng Automobile Wheel (Suizhou) Co., Ltd.	Outsourcing of semi-finished products	11,023,875.16	9,413,197.63
Dongfeng Motor Group Co. Ltd.	Residency fees		188,679.25
Railway Transport Department of Dongfeng Motor Group Co. Ltd.	Transportation expenses	676,222.27	414,337.02
Dongfeng Motor Company Limited	Testing fees	15,109.43	103,104.72
Dongfeng Communication Technology Co., Ltd.	Materials		1,646.02
Dongfeng Communication Technology Co., Ltd. Shiyuan Branch	Telephone and network fees		175,221.24
Guangzhou Feisuo Cloud Supply Chain Co., Ltd.	Fee of three guarantees	1,801,795.87	1,466,902.15
Hubei Dongfeng Newspaper Media Co., Ltd.	Advertising and promotion expenses		28,301.89
Shenzhen Lan-You Technology Co., Ltd.	Technical service fees	158,490.56	957,962.26
Shenzhen Lan-You Technology Co., Ltd. Guangzhou Branch	Software service fees	1,687,971.11	
Shenzhen Lan-You Technology Co., Ltd. Guangzhou Branch	Outsourcing of semi-finished products	5,416,566.75	1,950,914.00
Wuhan Dongfeng Motor Imp. & Exp. Co., Ltd.	KD parts	402,998,661.96	54,437,987.63
Wuhan Fengshen Kechuang Auto Parts Integration Co., Ltd.	Logistics service	22,975,147.73	5,827,956.37
Xiangyang DaAn Automobile Test Center Corporation Limited	Utility bills		388,280.34
Xiangyang DaAn Automobile Test Center Corporation Limited	Testing fees, road test fees, training fees	16,824,049.99	16,438,511.70
Chongqing Chirui Property Management Co., Ltd.	Property fees		466,245.28
Chongqing Sokon Hotel Co., Ltd.	Catering and accommodation	5,283,568.61	3,439,995.38
Chongqing Sokon Holdings Co., Ltd.	Promotion expenses	45,188.67	429.66
Chongqing XGJAO Motorcycle Co., Ltd.	Fee of three guarantees and promotion expenses	144,478.11	17,984.35
Chongqing Yu'an Machinery Manufacturing Co., Ltd.	Materials	6,427,276.33	3,735,100.39
Chongqing Yunwan Technology Co., Ltd.	Materials	6,207,750.57	743,951.56
Chongqing Yunwan Technology Co., Ltd.	Production fees	1,083,430.23	3,856,313.96
Zhengzhou Nissan Automobile Co., Ltd.	Vehicle		282,300.88
Dongfeng Motor Finance Co., Ltd.	Commission and discount fee	1,090,756.54	
Passenger vehicle company of Dongfeng Motor Group Co., Ltd.	Trial production fees	206,100.26	
Dongfeng Logistics (Wuhan) Co., Ltd.	Logistics service	1,097,287.50	
VOYAH Automobile Sales Service Co., Ltd.	Vehicle	277,522.12	
Wuhan DaAn Technology Co., Ltd.	Testing fees	47,633.96	
Chongqing XGJAO Motorcycle Sales Co., Ltd.	Promotion expenses	73,396.23	
Chongqing Yu'an Innovation Technology Co., Ltd.	Promotion expenses and low-value consumables	298,983.12	

Sales of products/provision of labor services

√ Applicable □ Not applicable

Unit: CNY

Currency: RMB

Related parties	Content of related-party transactions	Accrual in the current period	Accrual in the previous period
DONGFENGMOTORRUSCO.,LTD.	Vehicles and accessories	32,131,884.58	409,838.16
Dongfeng Motor Finance Co., Ltd.	Service fees	11,932.08	40,543.39
Dongfeng Motor Finance Co., Ltd.	Interest income	915,332.62	2,022.64
Dongfeng Automobile Wheel (Suizhou) Co., Ltd.	Fee of three guarantees, maintenance cost, testing fees	165,744.84	380,896.18
Dongfeng Automobile Power Parts Co., Ltd.	Fee of three guarantees		645.20
Dongfeng Motor Group Co., Ltd.	Service fees and technical service fees		-3,205,660.56
Dongfeng Motor Group Co., Ltd.	Mule car, battery pack, engine, and parts		7,011,515.62
Passenger vehicle company of Dongfeng Motor Group Co., Ltd.	Accessories		47,913.37
Dongfeng Motor Group Co., Ltd. VOYAH Automobile Technology Branch	Technical service fees		1,679,245.28
Dongfeng Motor Group Co., Ltd. VOYAH Automobile Technology Branch	Electric drive system, battery pack, engine, materials	118,726,459.38	11,547,463.38
Railway Transport Department of Dongfeng Motor Group Co. Ltd.	Waste materials	23,962.14	16,199.00
Dongfeng Motor Trading Co., Ltd.	Vehicle		1,053,628.32
Dongfeng Nissan Passenger Vehicle Company of Dongfeng Motor Company Limited	Accessories		118,873.45
Dongfeng Trucks Co., Ltd.	Materials	2,033,367.19	33,697,846.68
Wuhan Fengshen Kechuang Auto Parts Integration Co., Ltd.	Fee of three guarantees		22,123.90
Wuhan Fengshen Kechuang Auto Parts Integration Co., Ltd.	Utilities and materials	287,577.70	392,611.16
Zhengzhou Dongfeng Motor Industry Imp. & Exp. Co., Ltd.	Vehicles and accessories		31,238.94
China Dongfeng Motor Industry Imp. & Exp. Co., Ltd.	Vehicles and accessories	35,780,622.30	53,757,702.68
Chongqing Sokon Hotel Co., Ltd.	Utilities	223,239.58	249,833.31
Chongqing Sokon Holdings Co., Ltd.	Maintenance revenue	2,158.30	6,705.09
Chongqing Sokon Holdings Co., Ltd.	Vehicle		189,292.04
Chongqing XGJAO Motorcycle Co., Ltd.	Testing fees, service fees, maintenance cost	48,245.77	32,247.17
Chongqing XGJAO Motorcycle Co., Ltd.	Utilities	57,543.45	42,013.31
Chongqing XGJAO Motorcycle Co., Ltd.	Vehicle, engine, accessories	1,408,577.85	1,177,393.56
Chongqing Sinkon Xingrui Real Estate Co., Ltd.	Maintenance cost	2,929.20	2,493.81
Chongqing Yu'an Innovation Technology Co., Ltd.	Testing fees and maintenance revenue	395,165.86	542,670.37
Chongqing Yu'an Innovation Technology Co., Ltd.	Parts	4,999,324.20	228,849.56
Chongqing Yu'an Machinery Manufacturing Co., Ltd.	Testing fees and maintenance revenue	261,130.82	281,570.03
Chongqing Yu'an Machinery Manufacturing Co., Ltd.	Utilities	2,972,939.33	2,441,620.21
Chongqing Yu'an Machinery Manufacturing Co., Ltd.	Parts	124,752.78	55,346.49
Dongfeng Logistics (Wuhan) Co., Ltd.	Water, electricity, gas fees	69,970.15	
VOYAH Automobile Technology Co., Ltd	Electric drive system,	357,729,783.74	

	battery pack, engine, materials, testing fees		
VOYAH Automobile Sales Service Co., Ltd.	Engine parts	160,547.06	
VOYAH Automobile Sales Service Co., Ltd.	Maintenance cost	15,292.04	
VOYAH Automobile Sales Service Co., Ltd. Anhui Hefei Branch	Maintenance cost	9,021.24	
VOYAH Automobile Sales Service Co., Ltd. Chengdu Branch	Maintenance cost	6,287.39	
VOYAH Automobile Sales Service Co., Ltd. Guangzhou Branch	Maintenance cost	9,964.60	
Wuhan Dongfeng Motor Imp. & Exp. Co., Ltd.	Accessories	1,123,653.92	
Chongqing XGJAO Motorcycle Sales Co., Ltd.	Maintenance cost	2,107.96	
Chongqing Yu'an Intelligent Suspension Co., Ltd.	Parts	58,000.00	
Chongqing Yu'an Intelligent Suspension Co., Ltd.	Testing fees and maintenance revenue	59,882.34	
Chongqing Yu'an Intelligent Suspension Co., Ltd.	Utilities	210,842.58	

Description of related-party transaction about the purchase and sale of goods and the supply and acceptance of the labor services

Applicable Not applicable

(2) Affiliated trusteeship/contracting and entrusted management/outsourcing conditions

Trusteeship management/contracting of the Company:

Applicable Not applicable

Description of associated trusteeship /contracting

Applicable Not applicable

Entrusted management/outsourcing of the Company:

Applicable Not applicable

Description of associated management/outsourcing

Applicable Not applicable

(3) Associated lease

The Company acts as the lessor:

Applicable Not applicable

Unit: CNY

Currency: RMB

Name of the lessee	Types of leased assets	Lease income recognized in the current period	Lease income recognized in the previous period
Chongqing Yu'an Machinery Manufacturing Co., Ltd.	House leasing	784,734.00	784,733.99
Dongfeng Trucks Co., Ltd.	Equipment leasing		180,530.97
Chongqing XGJAO Motorcycle Co., Ltd.	House leasing	2,190,857.08	1,529,999.95
Chongqing Sokon Holdings Co., Ltd.	House leasing		63,726.60
Chongqing Yu'an Intelligent Suspension Co., Ltd.	House leasing	1,583,758.24	

The Company acts as the lessee:

Applicable Not applicable

Unit: CNY

Currency: RMB

Name of the lessor	Types of leased	Lease fee recognized in the	Lease fee recognized in the
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	assets	current period	previous period
SOKONINVESTMENT(USA).INC	House leasing	48,501,742.33	58,259,658.28
Xiangyang DaAn Automobile Test Center Corporation Limited	Venue leasing	246,279.29	157,914.68

Description of associated lease

Applicable Not applicable

(4) Associated guarantee

The Company acts as the guarantor

Applicable Not applicable

The Company acts as the guaranteed party

Applicable Not applicable

Unit: CNY

Currency: RMB

Guarantor	Amount guaranteed	Start date of guarantee	Maturity date of guarantee	Whether the guarantee is mature
Xinghai ZHANG	250,000,000.00	2021-06-29	2022-08-15	No
Chongqing Sokon Holdings Co., Ltd.	USD 37,200,000.00	2017-10-25	2024-10-18	No
Xinghai ZHANG, Xingming ZHANG, Xingli ZHANG	199,000,000.00	2021-01-01	2024-02-24	No

Description of associated guarantee

Applicable Not applicable

(5) Loan at call of related parties

Applicable Not applicable

Unit: CNY

Currency: RMB

Related parties	Lending amount	Start date	Maturity date	Description
Borrowing				
Chongqing Sokon Holdings Co., Ltd.	600,000,000.00	2021-11-29	2023-05-28	
Chongqing Sokon Holdings Co., Ltd.	50,000,000.00	2021-12-09	2023-06-08	
Chongqing Sokon Holdings Co., Ltd.	200,000,000.00	2021-12-15	2023-06-14	
Chongqing Sokon Holdings Co., Ltd.	100,000,000.00	2021-09-27	2021-10-18	
Chongqing Sokon Holdings Co., Ltd.	60,000,000.00	2021-09-27	2023-09-26	
Chongqing Sokon Holdings Co., Ltd.	50,000,000.00	2021-09-27	2021-10-11	
Chongqing Sokon Holdings Co., Ltd.	90,000,000.00	2021-09-27	2021-11-01	
Chongqing Sokon Holdings Co., Ltd.	150,000,000.00	2021-12-09	2023-06-08	

Related parties	Lending amount	Start date	Maturity date	Description
Lending				
Chongqing Sokon Holdings Co., Ltd.	90,000,000.00	2021-09-27	2021-11-01	
Chongqing Sokon Holdings Co., Ltd.	100,000,000.00	2021-09-27	2021-10-18	
Chongqing Sokon Holdings Co., Ltd.	50,000,000.00	2021-09-27	2021-10-11	

(6) Asset transfer and debt restructuring of related parties√ Applicable Not applicable

Unit: CNY

Currency: RMB

Related parties	Content of related-party transactions	Accrual in the current period	Accrual in the previous period
Chongqing Sinkon Xingrui Real Estate Co., Ltd.	Disposal of computer and air conditioning	9,661.61	
Chongqing Sokon Holdings Co., Ltd.	Equity transfer	67,427,877.00	
Dongfeng Motor Group Co. Ltd.	Equity transfer		3,849,999,995.52

(7) Remuneration of key management personnel√ Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Remuneration of key management personnel	2,514.28	2,468.77

(8) Other related-party transactions√ Applicable Not applicable

① On May 18, 2017, Chongqing Yu'an Huaihai Powertrain Co., Ltd. signed a *Dongfeng Trademark License Contract* with Dongfeng Motor Corporation, stipulating that Dongfeng Motor Corporation granted Chongqing Yu'an Huaihai Powertrain Co., Ltd. the license to use the trademark (registration No.: 571137, 1018708, 110702, 4225060) on its automobile engines produced in conjunction with Dongfeng Sokon Automobile Co., Ltd. during the contract period. The term of the contract is 2 years, and the trademark licensing fee is charged at a fixed rate of RMB 100,000 per year. On August 30, 2019, the *Dongfeng Trademark License Contract* was renewed, with a validity period from May 19, 2019 to May 19, 2021. The trademark licensing fee is charged at a fixed rate of RMB 100,000 per year.

② In May 2020, Dongfeng Motor Group Co. Ltd. signed a *Dongfeng Trademark License Contract* with Dongfeng Sokon Automobile Co., Ltd., licensing Dongfeng Sokon to use the Dongfeng trademark in its legitimate operating activities during the validity period of the contract, specifically for Dongfeng Sokon's vehicle products, product descriptions, promotion materials for product sales, and other matters approved by the licensor. The contract period is five years, and the trademark licensing fee is charged at a fixed rate of RMB 1 million per year.

③ On January 1, 2021, Dongfeng Motor Group Co. Ltd. signed a *Registered Trademark License Contract* with Dongfeng Sokon Automobile Co., Ltd. and Sokon Motor Co., Ltd. (Indonesia). According to the contract terms, Dongfeng

Group hereby grants Dongfeng Sokon a non exclusive and non transferable right to use the registered trademark for KD parts of licensed products manufactured domestically and exported to Sokon Indonesia (to the authorized area) during the term of the contract, with a validity period of one year. The trademark licensing fee is RMB 200,000.

Dongfeng Sokon Automobile Co., Ltd. has applied to Dongfeng Motor Finance Co., Ltd. for a total credit limit of RMB 800 million, which includes a 20% deposit. The actual exposure is RMB 640 million, of which Dongfeng Sokon Automobile Co., Ltd. has a credit limit of RMB 100 million, and Shiyang Dongfeng FENGON Automobile Sales Co., Ltd. has a credit limit of RMB 700 million. As of December 31, 2021, the exposure has been used for RMB 560 million, with a deposit of RMB 140 million and an acceptance bill of RMB 700 million processed. Among them: Dongfeng Sokon Automobile Co., Ltd. used RMB 80 million, deposited a deposit of RMB 20 million, and processed an acceptance bill of RMB 100 million; Shiyang Dongfeng FENGON Automobile Sales Co., Ltd. used RMB 480 million, deposited a deposit of RMB 120 million, and processed an acceptance bill of RMB 600 million.

6. Receivables and payables of related parties

(1) Receivables

Applicable Not applicable

Item name	Related parties	Ending balance		Beginning balance	
		Book balance	Bad-debt reserves	Book balance	Bad-debt reserves
Advance payment	Dongfeng VENUZIA Automobile Sales Co., Ltd.	57,164.03		40,183.05	
Advance payment	Wuhan Fengshen Kechuang Auto Parts Integration Co., Ltd.			2,698,565.85	
Accounts receivable	Dongfeng Motor Group Co., Ltd. VOYAH Automobile Technology Branch	1,160,636.73	58,031.84	12,792,489.61	623,896.22
Accounts receivable	VOYAH Automobile Technology Co., Ltd	204,900,773.47	7,672,534.43		
Accounts receivable	VOYAH Automobile Sales Service Co., Ltd.	14,738.48	157.70		
Accounts receivable	China Dongfeng Motor Industry Imp. & Exp. Co., Ltd.	17,871.00	191.22		
Other receivables	VOYAH Automobile Sales Service Co., Ltd.	5,000.00	250.00		
Other receivables	Chongqing Sokon Holdings Co., Ltd.	1,361,093,416.28			

(2) Payables

Applicable Not applicable

Unit: CNY

Currency: RMB

Item name	Related parties	Ending book balance	Beginning book balance
Accounts payable	Dongfeng Motor City Logistics Co., Ltd.	4,680,318.60	6,122,070.24

Accounts payable	Dongfeng Automobile Wheel (Suizhou) Co., Ltd.	1,652,604.46	1,611,518.37
Accounts payable	Dongfeng Automobile Power Parts Co., Ltd.	9,316.32	9,316.32
Accounts payable	Railway Transport Department of Dongfeng Motor Group Co. Ltd.	116,756.57	144,002.79
Accounts payable	Dongfeng Communication Technology Co., Ltd. Shiyan Branch		198,000.00
Accounts payable	Guangzhou Feisuo Cloud Supply Chain Co., Ltd.	118,382.46	632,840.69
Accounts payable	Wuhan Dongfeng Motor Imp. & Exp. Co., Ltd.	67,021,677.78	0.02
Accounts payable	Xiangyang DaAn Automobile Test Center Corporation Limited	338,722.00	10,418.14
Accounts payable	Dongfeng Die & Stamping Technology Co., Ltd.	76,354.10	
Accounts payable	Dongfeng Logistics (Wuhan) Co., Ltd.	1,131,293.12	
Accounts payable	Wuhan DaAn Technology Co., Ltd.	11,943.00	
Other payables	Dongfeng Motor City Logistics Co., Ltd.	2,410,000.00	2,410,000.00
Other payables	Dongfeng Automobile Wheel (Suizhou) Co., Ltd.	350,000.00	350,000.00
Other payables	Dongfeng Trucks Co., Ltd.		2,000,000.00
Other payables	Wuhan Fengshen Kechuang Auto Parts Integration Co., Ltd.		500,000.00
Other payables	Dongfeng Logistics (Wuhan) Co., Ltd.	600,000.00	
Long-term payables	Create Greantness Financing Lease Co., Ltd.	118,500,044.03	423,214,064.69
Long-term payables	Chongqing Sokon Holdings Co., Ltd.	1,060,000,000.00	

7. Commitment of related parties

Applicable Not applicable

8. Others

Applicable Not applicable

Item name	Related parties	Ending balance	Beginning balance
Contract liabilities	DONGFENGMOTORRUSCO.,LTD.	605.69	338,714.46
Contract liabilities	Dongfeng Motor Group Co., Ltd.		50,000.00
Contract liabilities	Dongfeng Trucks Co., Ltd.		2,464,980.28
Contract liabilities	Wuhan Dongfeng Motor Imp. & Exp. Co., Ltd.	12,553.09	860,705.31
Contract liabilities	China Dongfeng Motor Industry Imp. & Exp. Co., Ltd.		818,507.94
Contract liabilities	Passenger vehicle company of Dongfeng Motor Group Co., Ltd.	26,515.81	

XIII. Share-based Payment

1. Overall situation of share-based payment

Applicable Not applicable

Unit: CNY

Currency: RMB

Total equity instruments granted by the Company in the current period	38,740,000
Total equity instruments exercised by the Company in the current period	
Total equity instruments that have expired in the current period of the Company	
Scope of the exercise price of the Company's outstanding share option and remaining period of the contract at the end of the period	(1) The exercise price of the stock option granted for the first time on July 26, 2021 is RMB 66.03. Within 12 months from the grant

	<p>date and 24 months thereafter, 50% and 50% can be unlocked respectively;</p> <p>(2) The exercise price of the stock option granted for the first time on December 20, 2021 is RMB 66.03. Within 12 months from the grant date and 24 months thereafter, 50% and 50% can be unlocked respectively.</p>
Scope of the exercise price of the Company's other equity instruments and remaining period of the contract at the end of the period	

Other descriptions

None

2. Share-based payment settled by equity

Applicable Not applicable

Unit: CNY

Currency: RMB

Determination method of fair value of equity instruments on grant date	Black-Scholes
Determination basis of the quantity of vesting equity instruments	On each balance sheet date within the waiting period, the Company makes a best estimate according to the newly acquired change in the number of workers with feasible right and other subsequent information, and modifies the number of equity instruments expected feasible right, to make the best estimate of equity instruments with feasible right.
Reasons for the significant difference between the estimate in the current period and the estimate in the previous period	
Cumulative amount of share-based payment in equity included in capital reserves	20,437,865.04
Total expenses recognized by share-based payment in equity in current period	20,437,865.04

Other descriptions

None

3. Share-based payment settled by cash

Applicable Not applicable

4. Modification and termination of share-based payment

Applicable Not applicable

5. Others

Applicable Not applicable

XIV. Commitments and Contingencies

1. Important commitments

Applicable Not applicable

2. Contingencies

(1) Important contingencies existing on the balance sheet date

√ Applicable □ Not applicable

1. Guarantee for the subsidiary:

Guaranteed party	Amount guaranteed (RMB 0,000)	Start date of guarantee	Maturity date of guarantee	Whether the guarantee is mature
Chongqing Sokon Powertrain Co., Ltd.	6,000.00	2021-01-29	2022-01-21	No
Chongqing Sokon Powertrain Co., Ltd.	6,000.00	2021-02-26	2022-02-23	No
Chongqing Sokon Powertrain Co., Ltd.	3,000.00	2021-08-24	2022-08-22	No
Chongqing Sokon Powertrain Co., Ltd.	1,999.73	2021-02-01	2022-01-28	No
Chongqing Sokon Powertrain Co., Ltd.	3,000.00	2021-10-25	2022-10-24	No
Chongqing Sokon Powertrain Co., Ltd.	10,000.00	2021-10-25	2022-04-25	No
Chongqing Yu'an Huaihai Powertrain Co., Ltd.	1,000.00	2021-05-21	2022-05-18	No
Chongqing Sokon Automobile Parts Co., Ltd.	2,000.00	2021-03-02	2022-03-01	No
Chongqing Sokon Automobile Parts Co., Ltd.	4,000.00	2021-03-04	2022-03-02	No
Chongqing Sokon Automobile Parts Co., Ltd.	2,000.00	2021-03-24	2022-03-24	No
Chongqing Sokon Import and Export Co., Ltd.	2,800.00	2021-03-19	2022-03-16	No
Chongqing Yu'an Huaihai Powertrain Co., Ltd.	5,999.99	2021-07-23	2022-07-22	No
Chongqing Yu'an Huaihai Powertrain Co., Ltd.	10,000.00	2021-09-10	2022-09-09	No
Chongqing Yu'an Huaihai Powertrain Co., Ltd.	5,000.00	2021-12-28	2022-12-27	No
Chongqing Sokon Import and Export Co., Ltd.	2,000.00	2021-08-31	2022-08-29	No
Chongqing Sokon Automobile Parts Co., Ltd.	2,986.10	2021-08-23	2022-02-22	No
Chongqing Sokon Import and Export Co., Ltd.	8,000.00	2021-08-19	2022-08-12	No
Chongqing Sokon Import and Export Co., Ltd.	10,000.00	2021-08-16	2022-08-11	No
Chongqing Sokon Import and Export Co., Ltd.	2,000.00	2021-11-03	2022-03-03	No
Chongqing Sokon Powertrain Co., Ltd.	10.00	2020-09-27	2022-03-26	No
Chongqing Sokon Powertrain Co., Ltd.	10.00	2020-09-27	2022-09-26	No
Chongqing Sokon Powertrain Co., Ltd.	3,560.00	2020-09-27	2023-03-26	No
Chongqing Sokon Powertrain Co., Ltd.	3,400.00	2020-09-27	2023-09-26	No
Chongqing Ruichi Automobile Industry Co., Ltd.	10.00	2020-09-23	2022-03-22	No
Chongqing Ruichi Automobile Industry Co., Ltd.	10.00	2020-09-23	2022-09-22	No

Ltd.				
Chongqing Ruichi Automobile Industry Co., Ltd.	1,480.00	2020-09-23	2023-03-22	No
Chongqing Ruichi Automobile Industry Co., Ltd.	1,500.00	2020-09-23	2023-09-22	No
Chongqing Ruichi Automobile Industry Co., Ltd.	500.00	2021-03-26	2022-03-26	No
Chongqing Ruichi Automobile Industry Co., Ltd.	500.00	2021-03-26	2022-09-26	No
Chongqing Ruichi Automobile Industry Co., Ltd.	19,000.00	2021-03-26	2023-03-26	No
Chongqing Sokon Automobile Parts Co., Ltd.	4,981.55	2021-07-27	2022-03-26	No
Chongqing Yu'an Huaihai Powertrain Co., Ltd.	5,000.00	2021-11-26	2022-05-24	No
Chongqing Sokon Powertrain Co., Ltd.	6,000.00	2021-07-29	2022-01-26	No
Chongqing Sokon Automobile Parts Co., Ltd.	2,000.00	2021-11-25	2022-05-25	No
Chongqing Sokon Powertrain Co., Ltd.	12,300.00	2021-08-23	2022-02-16	No
Chongqing Sokon Powertrain Co., Ltd.	12,150.00	2021-08-24	2022-02-16	No
Luzhou Rongda Intelligent Transmission Limited Company Changshou Branch	1,000.00	2021-09-10	2022-03-08	No
Luzhou Rongda Intelligent Transmission Limited Company	1,000.00	2021-09-16	2022-03-08	No
Sokon Automobile Co., Ltd. (Indonesia)	16,340.00	2020-06-30	2026-09-21	No
Dongfeng Sokon Automobile Co., Ltd.	30,000.00	2021-07-29	2022-07-28	No
Dongfeng Sokon Automobile Co., Ltd.	693.04	2021-03-29	2022-03-29	No
Dongfeng Sokon Automobile Co., Ltd.	10,220.00	2021-09-18	2022-03-18	No
Dongfeng Sokon Automobile Co., Ltd.	6,150.58	2021-11-29	2022-05-29	No
Dongfeng Sokon Automobile Co., Ltd.	3,000.00	2020-06-19	2022-04-01	No
Dongfeng Sokon Automobile Co., Ltd.	4,000.00	2020-06-19	2023-06-18	No
Dongfeng Sokon Automobile Co., Ltd.	3,000.00	2021-02-04	2022-04-01	No
Dongfeng Sokon Automobile Co., Ltd.	3,000.00	2021-02-04	2023-04-01	No
Dongfeng Sokon Automobile Co., Ltd.	4,000.00	2021-02-04	2024-02-24	No
Dongfeng Sokon Automobile Co., Ltd.	2,900.00	2021-09-28	2022-09-28	No
Dongfeng Sokon Automobile Co., Ltd.	16,889.00	2021-12-23	2022-06-23	No
Dongfeng Sokon Automobile Co., Ltd.	10,638.10	2021-08-30	2022-02-28	No
Dongfeng Sokon Automobile Co., Ltd.	18,835.88	2021-09-29	2022-03-29	No
Dongfeng Sokon Automobile Co., Ltd.	3,675.32	2021-11-26	2022-05-26	No
Dongfeng Sokon Automobile Co., Ltd.	313.88	2021-12-16	2022-06-16	No
Dongfeng Sokon Automobile Co., Ltd.	1,786.74	2021-12-16	2022-12-16	No
Dongfeng Sokon Automobile Co., Ltd.	1,833.89	2021-11-26	2022-11-26	No
Dongfeng Sokon Automobile Co., Ltd.	30,000.00	2021-05-20	2022-05-19	No
Dongfeng Sokon Automobile Co., Ltd.	16,739.60	2021-11-26	2022-05-26	No
Dongfeng Sokon Automobile Co., Ltd.	12,530.31	2021-07-28	2022-01-27	No
Dongfeng Sokon Automobile Co., Ltd.	19,733.94	2021-09-03	2022-03-03	No
Dongfeng Sokon Automobile Co., Ltd.	20,861.68	2021-09-29	2022-03-29	No
Dongfeng Sokon Automobile Co., Ltd.	13,347.65	2021-08-04	2022-02-04	No

Dongfeng Sokon Automobile Co., Ltd.	16,086.00	2021-08-30	2022-03-01	No
Dongfeng Sokon Automobile Co., Ltd.	13,939.14	2021-10-27	2022-04-27	No
Dongfeng Sokon Automobile Co., Ltd.	9,957.77	2021-12-24	2022-06-24	No

2. Estimated liabilities refer to the provision of risk reserves in cooperation with Industrial and Commercial Bank of China for leasing and the provision of fee of three guarantees for automobile sales. Refer to "Note 50 Estimated liabilities" to "VII. Item Notes for Consolidated Financial Statement" for details.

(2) The Company shall also give the indication for no important contingencies to be disclosed:

Applicable Not applicable

3. Others

Applicable Not applicable

XV. Events after the Balance Sheet Date

1. Important non-adjusting events

Applicable Not applicable

2. Profit distribution

Applicable Not applicable

3. Sales return

Applicable Not applicable

4. Description of other events after the balance sheet date

Applicable Not applicable

XVI. Other Important Matters

1. Correction of accounting error in the early stage

(1) Retrospective restatement method

Applicable Not applicable

(2) Prospective application method

Applicable Not applicable

2. Debt restructuring

Applicable Not applicable

3. Asset replacement

(1) Exchange of non-monetary assets

Applicable Not applicable

(2) Replacement of other assets

Applicable Not applicable

4. Annuity plan

Applicable Not applicable

5. Discontinuing operation

Applicable Not applicable

6. Segment information**(1) Determination basis and accounting policies of report segment**

Applicable Not applicable

(2) Financial information of report segment

Applicable Not applicable

(3) Explaining why the Company does not set report segment or cannot report or disclose total assets and indebtedness of report segment

Applicable Not applicable

(4) Other descriptions

Applicable Not applicable

7. Other important transactions and matters affecting the investors' decision-making

Applicable Not applicable

8. Others

Applicable Not applicable

XVII. Main Item Notes to the Parent Company's Financial Statement**1. Accounts receivable****(1) Disclosure by aging**

Applicable Not applicable

Unit: CNY

Currency: RMB

Account age	Ending book balance
Within 1 year	
Including: Sub-item within 1 year	
Subtotal within 1 year	2,623,552.30
1-2 years	
2-3 years	
More than 3 years	
3-4 years	
4-5 years	
More than 5 years	
Total	2,623,552.30

(2) Classified disclosure by the bad debt provision method

Applicable Not applicable

Unit: CNY

Currency: RMB

Type	Ending balance					Beginning balance				
	Book balance		Bad-debt reserves		Book value	Book balance		Bad-debt reserves		Book value
	Amount	Proportion (%)	Amount	Calculation and withdrawing proportion (%)		Amount	Proportion (%)	Amount	Calculation and withdrawing proportion (%)	
Withdrawal of bad-debt reserves by single item	2,623,552.30	100.00			2,623,552.30	423,650.00	100.00			423,650.00
Including:										
Withdrawal of bad-debt reserves in portfolios										
Including:										
Total	2,623,552.30	/		/	2,623,552.30	423,650.00	/		/	423,650.00

Withdrawal of bad-debt reserves by single item:

Applicable Not applicable

Withdrawal of bad-debt reserves in portfolios:

Applicable Not applicable

If the bad-debt reserve is made according to the general model of expected credit losses, refer to the disclosure of other receivables:

Applicable Not applicable

(3) Bad-debt reserves

Applicable Not applicable

Thereinto, important amounts of bad-debt reserves recovered or reversed in the current period:

Applicable Not applicable

(4) Actual write-off accounts receivable in the current period

Applicable Not applicable

Thereinto, write-off of important accounts receivable

Applicable Not applicable

(5) Accounts receivable with the ending balance ranked among the first five as collected by the borrower

Applicable Not applicable

Unit: CNY

Currency: RMB

Unit name	Ending balance	Proportion in the ending balance of accounts receivable (%)	Ending balance of bad-debt reserves
Unit I	787,513.64	30.02	
Unit II	577,366.63	22.01	
Unit III	408,886.50	15.59	
Unit IV	351,668.17	13.40	
Unit V	182,622.66	6.96	
Total	2,308,057.60	87.98	

Other descriptions

None

(6) Accounts receivable derecognized due to transfer of financial assets Applicable Not applicable**(7) Amount of assets and liabilities formed by transferring accounts receivable and continuing to be involved** Applicable Not applicable

Other descriptions:

 Applicable Not applicable**2. Other receivables** Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance	Beginning balance
Interests receivable		
Dividends receivable		1,000,000.00
Other receivables	10,069,886,389.65	5,554,597,123.87
Total	10,069,886,389.65	5,555,597,123.87

Other descriptions:

 Applicable Not applicable**Interests receivable****(1) Classification of interest receivable** Applicable Not applicable**(2) Important overdue interest** Applicable Not applicable**(3) Withdrawal of bad-debt reserves** Applicable Not applicable

Other descriptions:

 Applicable Not applicable

Dividends receivable**(4) Dividends receivable**√ Applicable Not applicable

Unit: CNY

Currency: RMB

Item (or investee)	Ending balance	Beginning balance
New Energy Automobile Industry Development (Chongqing) Co., Ltd.		1,000,000.00
Total		1,000,000.00

(5) Important dividends receivable with an aging of over 1 year Applicable √ Not applicable**(6) Withdrawal of bad-debt reserves**√ Applicable Not applicable

Unit: CNY

Currency: RMB

Bad-debt reserves	Stage I	Stage II	Stage III	Total
	Expected credit loss in the next 12 months	Expected credit loss throughout the entire duration (credit impairment that has not occurred)	Expected credit loss throughout the entire duration (credit impairment that has occurred)	
Balance as of January 1, 2021				
Balance on January 1, 2021 in the current				
- Transfer to Stage II				
- Transfer to Stage III				
- Transfer back to Stage II				
- Transfer back to Stage I				
Calculation and withdrawal in the current period	1,000,000.00			1,000,000.00
Reverse in the current period				
Write-off in the current period				
Charge-off in the current period				
Other changes				
Balance as of December 31, 2021	1,000,000.00			1,000,000.00

Description of the significant changes in the book balance of dividends receivable in which changes in loss reserves occurred in the current period:

 Applicable √ Not applicable

Other descriptions:

 Applicable √ Not applicable**Other receivables****(1) Disclosure by aging**

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Account age	Ending book balance
Within 1 year	
Including: Sub-item within 1 year	
Subtotal within 1 year	6,683,926,015.39
1-2 years	2,108,856,004.85
2-3 years	1,277,012,761.05
More than 3 years	
3-4 years	95,685.42
4-5 years	
More than 5 years	500,000.00
Total	10,070,390,466.71

(2) Classification by nature of payment

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Nature of payment	Ending book balance	Beginning book balance
Performance compensation	1,220,416,536.79	
Intercourse funds	8,849,402,032.75	5,554,560,697.14
Reserves and security deposits	571,897.17	538,343.93
Total	10,070,390,466.71	5,555,099,041.07

(2) Classification by nature of payment

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Bad-debt reserves	Stage I	Stage II	Stage III	Total
	Expected credit loss in the next 12 months	Expected credit loss throughout the entire duration (credit impairment that has not occurred)	Expected credit loss throughout the entire duration (credit impairment that has occurred)	
Balance as of January 1, 2021	501,917.20			501,917.20
Balance on January 1, 2021 in the current	501,917.20			501,917.20
- Transfer to Stage II				
- Transfer to Stage III				
- Transfer back to Stage II				
- Transfer back to Stage I				
Calculation and withdrawal in the current period	2,159.86			2,159.86
Reverse in the current period				
Write-off in the current period				
Charge-off in the current period				

Other changes			
Balance as of December 31, 2021	504,077.06		504,077.06

Description of the significant changes in the book balance of other receivables in which changes in loss reserves occurred in the current period:

Applicable Not applicable

The basis for adopting whether the amount of the bad-debt reserves in the current period and the credit risk of financial instruments has increased significantly:

Applicable Not applicable

(4) Bad-debt reserves

Applicable Not applicable

Unit: CNY

Currency: RMB

Type	Beginning balance	Changed amount in the current period				Ending balance
		Calculation and withdrawal	Recover or reverse	Write-off or charge-off	Other changes	
Withdrawal of bad-debt reserves in portfolios	501,917.20	2,159.86				504,077.06
Total	501,917.20	2,159.86				504,077.06

Thereinto, important amounts of bad-debt reserves reversed or recovered in the current period:

Applicable Not applicable

(5) Other actual write-off receivables in the current period

Applicable Not applicable

(6) Other receivables of the top five ending balances that collected by the debtor

Applicable Not applicable

Unit: CNY

Currency: RMB

Unit name	Nature of payment	Ending balance	Account age	Proportion in the ending balance of other receivables (%)	Ending balance of bad-debt reserves
Unit I	Intercourse funds	7,040,656,419.65	Within 1 year, 1-2 years, 2-3 years	69.91	
Unit II	Performance compensation	1,220,416,536.79	Within 1 year	12.12	
Unit III	Intercourse funds	713,770,425.95	Within 1 year	7.09	
Unit IV	Intercourse funds	387,276,777.84	Within 1 year	3.85	
Unit V	Intercourse funds	367,936,004.51	Within 1 year, 1-2 years, 2-3 years	3.65	
Total	/	9,730,056,164.74	/	96.62	

(7) Receivables involving government subsidies

Applicable Not applicable

(8) Other receivables derecognized due to transfer of financial assets

□ Applicable √ Not applicable

(9) Amount of assets and liabilities formed by transferring other receivables and continuing to be involved

□ Applicable √ Not applicable

Other descriptions:

□ Applicable √ Not applicable

3. Long-term equity investment

√ Applicable □ Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment reserves	Book value	Book balance	Impairment reserves	Book value
Investment in subsidiaries	9,577,056,851.93	5,000,000.00	9,572,056,851.93	9,551,977,818.42	5,000,000.00	9,546,977,818.42
Investment in associated enterprises and joint ventures	36,802,292.38		36,802,292.38	36,235,121.37		36,235,121.37
Total	9,613,859,144.31	5,000,000.00	9,608,859,144.31	9,588,212,939.79	5,000,000.00	9,583,212,939.79

(1) Investment in subsidiaries

√ Applicable □ Not applicable

Unit: CNY

Currency: RMB

Investee	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Accruing impairment reserves in the current period	Ending balance of impairment reserves
Chongqing Sokon Import and Export Co., Ltd.	2,000,000.00	8,505,622.57		10,505,622.57		
Chongqing Yu'an Huaihai Powertrain Co., Ltd.	8,000,000.00	689,085.97		8,689,085.97		
Chongqing Ruichi Automobile Industry Co., Ltd.	7,600,000.00	1,040,778.69		8,640,778.69		
Chongqing Sokon Automobile Sales Service Co., Ltd.		49,921.02		49,921.02		5,000,000.00
Dongfeng Sokon Automobile Co., Ltd.	4,280,686,416.23	2,023,424.53		4,282,709,840.76		
Chongqing Sokon Powertrain Co., Ltd.	350,000,000.00	711,459.63		350,711,459.63		
Chongqing Sokon Engine R&D Co., Ltd.	5,000,000.00	19,495.78		5,019,495.78		
Sokon Group (Hong Kong) Limited	63,506,500.00	129,676.48		63,636,176.48		
PUJIR Financial Leasing Co., Ltd.	800,000,000.00			800,000,000.00		
SINKON INTERNATIONAL(SINGAPORE)PTE.LTD.	3,029,196.72			3,029,196.72		
Chongqing Jinkang New Energy Automobile Co., Ltd.	3,971,741,406.96	11,909,568.84		3,983,650,975.80		
Chongqing Sinkon International Holdings	55,414,298.51			55,414,298.51		

Limited					
Total	9,546,977,818.42	25,079,033.51		9,572,056,851.93	5,000,000.00

(2) Investment in associated enterprises and joint ventures

√ Applicable □ Not applicable

Unit: CNY

Currency: RMB

Investor	Beginning balance	Increase/decrease changes in the current period								Ending balance	Ending balance of impairment reserves
		Additional investments	Negative investments	Investment profit and loss recognized by the equity method	Adjustments of other comprehensive incomes	Other equity changes	Cash dividends or profits to be issued as announced	Provision for impairment reserves	Others		
I. Joint venture											
Subtotal											
II. Associated enterprise											
New Energy Automobile Industry Development (Chongqing) Co., Ltd.	36,235,121.37			567,171.01							36,802,292.38
Subtotal	36,235,121.37			567,171.01							36,802,292.38
Total	36,235,121.37			567,171.01							36,802,292.38

Other descriptions:

None

4. Operating income and operating cost**(1) Operating income and operating cost**

√ Applicable □ Not applicable

Unit: CNY

Currency: RMB

Item	Accrual in the current period		Accrual in the previous period	
	Revenue	Cost	Revenue	Cost
Main business				
Other businesses	39,630,496.09	10,705,373.23	44,828,086.18	10,848,516.94
Total	39,630,496.09	10,705,373.23	44,828,086.18	10,848,516.94

(2) Income generated by the contract

□ Applicable √ Not applicable

(3) Description of performance obligations

□ Applicable √ Not applicable

(4) Description of allocation to remaining performance obligations

Applicable Not applicable

Other descriptions:

None

5. Return on investment

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Incomes from long-term equity investments calculated under the cost method	43,000,000.00	380,000,000.00
Incomes from long-term equity investments calculated under the equity method	567,171.01	1,188,775.16
Return on investment from disposal of long-term equity investment		
Return on investment from trading financial assets during the holding period	8,766,780.00	9,082,700.00
Dividend income from other equity instruments during the holding period		
Interest income from creditor's right investment during the holding period		
Interest income from other creditor's right investments during the holding period		
Return on investment for disposal of trading financial assets		
Return on investment from disposal of other equity instrument investments		
Return on investment from disposal of creditor's right investment		
Return on investment from disposal of other creditor's right investments		
Incomes from debt restructuring		
Total	52,333,951.01	390,271,475.16

Other descriptions:

None

6. Others

Applicable Not applicable

XVIII. Supplementary Information

1. Current non-recurring profits and losses

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Amount	Description
Losses from the disposal of non-current assets	579,690,605.41	

Tax returns, reduction or exemption for ultra vires approval or without formal approval documents		
Government subsidies recognized in current profit and loss (with the exception of the government subsidies closely related to the business of the enterprise and enjoyed in accordance with the national uniform standard in fixed or quantitative amount)	297,392,896.47	
Expense to non-financial enterprises for capital utilization charged to current profit and loss		
The cost of investments in subsidiaries, associated enterprises and joint ventures acquired by an enterprise is less than the revenues from the fair value of the identifiable net assets of the investee at the time the investment is acquired		
Gains and losses from non-monetary asset exchange		
Profits and losses on entrusting others to invest or manage assets		
Provision for impairment of various assets due to force majeure factors, such as natural disasters, etc.		
Gains and losses from debt restructuring		
Enterprise restructuring costs, such as expenditures for relocating employees, integration costs, etc.		
Profit and loss in excess of fair value arising from transactions where the transaction price is not clearly fair		
Net profits and losses of the subsidiaries under the same control and arising from the business combination since the beginning of the period to the combination date		
Profits and losses arising from contingencies not related to the Company's normal operating business		
In addition to effective hedging operations related to the Company's normal business operations, profits and losses from changes in fair value of trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liabilities, and return on investment from the disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other creditor's right investments	-135,254,102.02	Mainly due to changes in fair value of trading financial assets
Reversion of provision for impairment for receivables and contract assets that are individually conducted with impairment test		
Profits and losses on external entrusted loans		
Profits and losses arising from changes in fair value of investment property subsequently measured using the fair value model		
Effect of one-time adjustments to current profit and		

loss in accordance with tax, accounting and other laws and regulations on current profit and loss		
Custodian expense incomes earned from entrusted operations		
Non-operating income and expenditure other than those mentioned above	292,250,212.46	
Other items of profits and losses that meet the definition of non-recurring profits and losses		
Minus: Influenced amount of income tax	3,846,268.23	
Influenced amount of minority shareholders' equities	60,859,061.75	
Total	969,374,282.34	

For the non-recurring profits and losses that the company defines in accordance with the *Explanatory Announcement No. 1 on the Information Disclosure of Companies with Public Offerings - Non-recurring Profits and Losses*, and defining the items of non-recurring profits and losses listed in the *Explanatory Announcement No. 1 on the Information Disclosure of Companies with Public Offerings - Non-recurring Profits and Losses* as items of recurring profits and losses, the reasons should be explained.

Applicable Not applicable

2. Return on net assets and earnings per share

Applicable Not applicable

Unit: CNY

Currency: RMB

Profit during the reporting period	Return on weighted average net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to common shareholders of the Company	-30.70	-1.38	-1.38
Net profit attributable to common shareholders of the Company after deducting non-recurring gains and losses	-47.01	-2.11	-2.11

3. Accounting data difference under domestic and foreign accounting standards

Applicable Not applicable

4. Others

Applicable Not applicable

Section X Financial Statements

I. Audit Report

✓ Applicable Not applicable

Audit Report

DXS Zi (2023) No. 2-00289

To all shareholders of SERES Group Co., Ltd.:**I. Audit Opinions**

We have audited the financial statements of SERES Group Co., Ltd. (hereinafter referred to as "your Company"), including the Consolidated Balance Sheet and that of the parent company as of December 31, 2022, Consolidated Profit Statement and that of the parent company, Consolidated Cash Flow Statement and that of the parent company, Consolidated Statement of Changes in Shareholders' Equities and that of the parent company and Notes to Financial Statements in 2022.

In our opinion, the attached financial statements are prepared in accordance with the provisions of Accounting Standards for Business Enterprises in all material respects and present fairly your Company's consolidated and the parent company's financial position as of December 31, 2022 and the consolidated and parent company's operating results and cash flows in 2022.

II. Basis for Audit Opinions

We have conducted our audit in accordance with the Auditing Standards for Chinese Certified Public Accountants. Our responsibilities thereunder are further described in the "CPA's Responsibilities for the Audit of the Financial Statements" section of this report. According to the Codes of Professional Ethics of the Chinese Certified Public Accountant, we are independent of your Company and have fulfilled other responsibilities in respect of professional ethics.

We believe that the audit evidences we have obtained are sufficient and appropriate and provide a basis for our audit opinions.

III. Key Audit Matters

Key audit matters mean the matters that we consider as most important for auditing the financial statements in accordance with our professional judgments. The response to these matters is based on the audit of the financial statements as a whole and the formation of audit opinions, we do not express opinions on these matters separately.

(I) Revenue recognition

1. Matter description

Refer to Note 3 (24) for the accounting policies for revenue recognition, and Note 5 (46) for the amount of revenue incurred. Your Company mainly engages in the manufacturing and sales of vehicles, powertrain systems, and automobile parts. In 2022, your Company's main business income was RMB 32.967 billion, an increase of 107.03% compared to the previous year. Given that operating income is one of the key performance indicators of your Company, there is an inherent risk that management may adjust the timing of revenue recognition to achieve specific goals or expectations. Therefore, we have identified revenue recognition as a key audit matter.

2. Audit response

The audit procedures we implement for revenue recognition mainly include:

- (1) Understand the internal control loop of sales and receipts and conduct walkthrough tests, and conduct control tests on important control points;
- (2) Perform analysis procedures on revenue and cost, including: analysis of monthly income, cost, and gross profit fluctuations for the current period, and comparative analysis of current income, cost, and gross margin of main products with the previous period;
- (3) Check the supporting vouchers related to revenue recognition through sampling, including sales contracts, dispatch notes, and other original documents, to verify the authenticity of the revenue;
- (4) Perform a cut-off test on operating income to determine whether revenue recognition is recorded in the correct accounting period;
- (5) Check the accuracy of the recognized revenue amount by combining accounts receivable and main business income verification procedures.

(II) Book value of intangible assets

1. Matter description

As stated in Notes 5 (17) "Intangible assets", the book value of intangible assets was RMB 6.91 billion, which had a significant impact on the total assets. The main increase in the current period was the investment in NEV research and development. The management's judgment on the timing of converting development expenditure into intangible assets and the amortization period of intangible assets will have an impact on the book value of intangible assets. With the adjustment of the product structure, your Company conducts impairment tests on intangible assets - non-patented technology, and estimates the recoverable amount of the asset group based on the higher of the net amount after deducting disposal expenses from fair value and the present value of expected future cash flows. The estimate of the recoverable amount involves the management's judgment and estimate, so we consider the book value of intangible assets as a key audit matter.

2. Audit response

Our audit procedures for the book value of intangible assets mainly include:

- (1) Understand the internal control of intangible assets, evaluate their design and implementation effectiveness, test the operational effectiveness of relevant internal control, and review whether relevant accounting policies are correct and

consistently applied;

- (2) Select samples of intangible assets that have increased in the current period, and check supporting documents such as contracts, invoices, acceptance, and payments, etc.;
- (3) On the basis of sampling, pay attention to the date on the acceptance report and determine the accuracy of the timing when development expenditure is transferred to intangible assets;
- (4) Obtain evaluation reports from external independent professional institutions and review their important assumptions, compare their important assumptions with the Company's plans and actual sales, and re-check the competence, independence, objectivity, experience, and qualifications of external independent professional institutions;
- (5) Check whether the information related to intangible assets has been appropriately presented and disclosed in the financial statements.

IV. Other Information

Your Company's management (hereinafter referred to as "the management") is responsible for other information. Other information includes the information contained in the annual report 2022 of your Company, but excludes financial statements and our audit report.

Our audit opinions on the financial statements do not cover other information, and we do not give any authentication conclusions about other information.

In combination with our audit of the financial statements, our responsibility is to read other information, and we should, in this process, consider whether other information is materially inconsistent with the financial statements or the information we learned during the audit, or there are material misstatements.

Based on the work we have performed, we shall report if we confirm that other information is materially misstated. In this regard, we have nothing to be reported.

V. Responsibilities of Management and Governance for Financial Statements

The management is responsible for preparing financial statements in accordance with provisions of Accounting Standards for Business Enterprises to realize a fair presentation of financial conditions, designing, implementing as well as maintaining necessary internal control to avoid the material misstatements in the financial statements due to frauds or errors.

During the preparation of the financial statements, the management is responsible for assessing the going-concern ability of your Company, disclosing the matters related to going-concern (if applicable) and applying the going-concern assumption, unless the management is planning to liquidate your Company and terminate operation, or has no other realistic choice.

The governance is responsible for supervising your Company's financial reporting process.

VI. CPA's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement due to frauds or errors, and to issue an audit report containing our audit opinions. Reasonable assurance is a high level of assurance, but there is no guarantee that the audit carried out in accordance with auditing standards will always find major misstatements. Misstatement may be caused by frauds or errors. If it is reasonably expected that the misstatement, individually or collectively, may affect the economic decisions made by users of financial statements based on the financial statements, it is generally considered that the misstatement is significant.

In the course of performing the audit in accordance with the auditing standards, we used professional judgment and maintained professional suspicion. At the same time, we have completed the following tasks:

- (I) Identify and assess material misstatement risks of the financial statement caused by frauds or errors, design and implement audit procedures to deal with these risks, and obtain adequate, proper audit evidence as the basis for expressing audit opinions. The risk of not detecting a material misstatement resulting from frauds is higher than that resulting from errors, as frauds may involve collusion, forgery, omissions, misrepresentations, or the override of internal control.
- (II) Obtain internal control information related to the audit in order to design appropriate audit procedures.
- (III) Evaluate the appropriateness of accounting policies adopted by and the reasonableness of accounting estimates and related disclosures made by the management.
- (IV) Draw conclusions about the appropriateness of the going-concern assumption used by the management.

At the same time, based on the audit evidence obtained, draw a conclusion whether a material uncertainty exists related to events or conditions that may cast significant doubt on your Company's ability to continue as a going concern. If we come to the conclusion of the existence of material uncertainty, the auditing standards require us to remind the users of the statements to pay attention to related disclosure in the financial statements in the audit report; in the event that the disclosures are not sufficient, we should publish a non-unqualified opinion. Our conclusions are based on information available as of the date of the audit report. Whereas, future events or circumstances may cause your Company to cease going-concern.

(V) Evaluate the general presentation, structure and content of the financial statement, and evaluate whether the financial statement reflects related transactions and matters fairly.

(VI) Obtain sufficient and appropriate audit evidence for the financial information in the entity or business activities of your Company to make an audit opinion on the consolidated financial statements. We are responsible for guiding, supervising and implementing the Group audit, and fully liable for audit opinions.

We communicate with the governance with respect to the planned audit scope, time arrangement, major audit findings and

other matters, including the internal control deficiencies identified in our audit.

We also provide a statement to the governance about our compliance with professional ethics requirements in terms of independence, and communicate with the governance about all relationships and other matters that may reasonably be considered to affect our independence, and relative precautions (if applicable).

From the matters that we communicate with the governance, we determine which matters are most important for the current financial statements audit, and therefore constitute the key audit matters. We describe these matters in the audit report unless public disclosure of these matters is prohibited by laws and regulations or, in rare cases, we determine that these matters should not be communicated in the audit report if the negative consequences of communicating certain matters in audit report would reasonably be expected to surpass the benefit in the public interest.

Daxin Certified Public Accountants (Special General
Partnership)

Chinese Certified Public Accountant: Tao HU

(Project Partner)

Beijing, China

Chinese Certified Public Accountant: Yawen YU

April 27, 2023

II. Financial Statements

Consolidated Balance Sheet

December 31, 2022

Prepared by: SERES Group Co., Ltd.

Unit: CNY Currency: RMB

Item	Notes	December 31, 2022	December 31, 2021
Current assets:			
Monetary capital		16,364,802,780.43	5,832,248,989.73
Deposit reservation for balance			
Lending funds			
Trading financial assets		1,751,529,308.50	320,316,449.65
Derivative financial assets			
Notes receivable			
Accounts receivable		1,780,806,784.01	996,687,692.10
Receivables financing		242,278,901.77	377,361,946.64
Advance payment		442,024,964.07	660,335,098.89
Premium receivable			
Reinsurance accounts receivable			
Reserves for reinsurance contract receivable			
Other receivables		1,002,129,626.08	1,610,869,459.99
Including: Interests receivable			
Dividends receivable			
Redemptory monetary capital for sale			
Inventory		3,992,865,090.61	2,772,885,269.70
Contract assets		938,248,097.44	956,435,009.58
Held-for-sale assets			
Non-current assets due within one year		8,461,717.67	246,987,388.15
Other current assets		452,825,509.09	893,398,767.20
Total current assets		26,975,972,779.67	14,667,526,071.63
Non-current assets:			
Loan granted and advances			
Creditor's right investment			
Other creditor's right investment			
Long-term receivables		71,344,449.54	301,666,696.28
Long-term equity investment		41,346,493.87	39,984,459.93
Other equity instrument investments		100,203,246.25	94,203,246.25
Other non-current financial assets			
Investment property			
Fixed assets		9,140,463,562.33	7,799,051,911.85
Construction in progress		345,661,017.62	1,532,734,544.45
Productive biological assets			
Oil-gas assets			
Right-of-use assets		479,710,469.50	304,543,772.37
Intangible assets		6,910,291,648.67	5,152,726,059.59
Development expenditure		1,352,355,992.12	1,533,729,211.17
Goodwill		65,011,991.71	75,704,910.86
Long-term unamortized expenses		162,093,267.95	82,432,532.62
Deferred income tax assets		127,549,844.22	151,540,064.61
Other non-current assets		1,275,584,410.41	288,020,170.93
Total non-current assets		20,071,616,394.19	17,356,337,580.91
Total assets		47,047,589,173.86	32,023,863,652.54
Current liabilities:			

Short-term borrowings		2,078,656,419.46	2,109,310,997.38
Borrowings from the central bank			
Borrowing funds			
Trading financial liabilities			
Derivative financial liabilities			
Notes payable		16,111,654,518.09	1,767,566,728.28
Accounts payable		9,558,566,230.48	6,143,477,684.12
Advance receipt		1,323,318.82	120,066,603.00
Contract liabilities		962,942,319.15	756,471,653.65
Financial assets sold for repurchase			
Deposits from customers and interbank			
Acting trading securities			
Acting underwriting securities			
Payroll payable		661,601,896.68	503,708,425.39
Taxes payable		532,226,770.06	159,759,485.75
Other payables		1,285,573,477.90	699,096,463.55
Including: Interests payable			
Dividends payable			
Fees and commissions payable			
Reinsurance accounts payable			
Held-for-sale liabilities			
Non-current liabilities due within one year		1,032,060,455.00	595,464,129.62
Other current liabilities		106,878,665.89	68,939,520.85
Total current liabilities		32,331,484,071.53	18,923,861,691.59
Non-current liabilities:			
Reserves for insurance contract			
Long-term borrowings		1,191,814,354.86	1,846,948,687.97
Bonds payable		147,295,747.61	141,040,688.85
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		424,899,883.88	338,126,853.35
Long-term payables		1,158,421,917.81	1,777,710,628.85
Long-term employee remuneration payable			
Estimated liabilities		51,414,168.87	24,950,562.09
Deferred income		1,889,274,456.12	1,185,400,294.10
Deferred income tax liabilities		50,509,282.58	56,481,046.42
Other non-current liabilities			
Total non-current liabilities		4,913,629,811.73	5,370,658,761.63
Total liabilities		37,245,113,883.26	24,294,520,453.22
Owners' equities (or shareholders' equities):			
Paid-in capital (or share capital)		1,497,279,083.00	1,359,932,415.00
Other equity instruments		56,817,665.06	56,979,017.86
Including: Preferred shares			
Perpetual bonds			
Capital reserves		15,294,922,009.97	8,087,379,561.18
Minus: Treasury shares		99,991,090.70	
Other comprehensive incomes		-80,938,770.04	-128,143,478.50
Special reserves			
Surplus reserves		357,853,946.41	296,491,575.32
General risk reserves			

Undistributed profits		-5,606,271,604.18	-1,713,042,861.87
Total owners' equities (or shareholders' equities) attributable to the parent company		11,419,671,239.52	7,959,596,228.99
Minority shareholders' equities		-1,617,195,948.92	-230,253,029.67
Total owners' equities (or shareholders' equities)		9,802,475,290.60	1,729,343,199.32
Total liabilities and owners' equities (or shareholders' equities)		47,047,589,173.86	32,023,863,652.54

Person in charge of the Company: Zhengping ZHANG

Person in charge of accountancy: Lian LIU

Person in charge of accounting agency: Delin LIU

Balance Sheet of the Parent Company

December 31, 2022

Prepared by: SERES Group Co., Ltd.

Unit: CNY Currency: RMB

Item	Notes	December 31, 2022	December 31, 2021
Current assets:			
Monetary capital		735,339,793.64	515,038,709.66
Trading financial assets		1,751,295,242.80	152,036,500.00
Derivative financial assets			
Notes receivable			
Accounts receivable			2,623,552.30
Receivables financing			
Advance payment		13,756,868.16	12,030,029.03
Other receivables		13,105,425,040.15	10,069,886,389.65
Including: Interests receivable			
Dividends receivable			
Inventory			
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets		10,925.17	10,999.16
Total current assets		15,605,827,869.92	10,751,626,179.80
Non-current assets:			
Creditor's right investment			
Other creditor's right investment			
Long-term receivables		91,425,692.98	
Long-term equity investment		8,818,794,477.58	9,608,859,144.31
Other equity instrument investments		84,000,000.00	78,000,000.00
Other non-current financial assets			
Investment property			
Fixed assets		261,169,983.55	292,095,201.13
Construction in progress			
Productive biological assets			
Oil-gas assets			
Right-of-use assets		110,476,460.87	
Intangible assets		55,767,301.09	63,136,507.77
Development expenditure			
Goodwill			
Long-term unamortized expenses			5,675,219.56
Deferred income tax assets		1,915,676.16	709,844.66
Other non-current assets		1,014,477,654.55	1,039,984.11

Total non-current assets		10,438,027,246.78	10,049,515,901.54
Total assets		26,043,855,116.70	20,801,142,081.34
Current liabilities:			
Short-term borrowings		360,342,833.33	250,366,666.67
Trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable		6,595,588.18	823,869.42
Advance receipt			120,066,603.00
Contract liabilities			
Payroll payable		26,630,634.78	23,323,601.69
Taxes payable		40,357,149.33	3,967,245.99
Other payables		3,568,530,532.53	5,055,972,704.18
Including: Interests payable			
Dividends payable			
Held-for-sale liabilities			
Non-current liabilities due within one year		545,289,908.26	300,058,680.00
Other current liabilities			
Total current liabilities		4,547,746,646.41	5,754,579,370.95
Non-current liabilities:			
Long-term borrowings		468,568,000.00	983,849,776.66
Bonds payable		147,295,747.61	141,040,688.85
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		164,925,260.55	
Long-term payables			1,060,000,000.00
Long-term employee remuneration payable			
Estimated liabilities			
Deferred income		1,669,144.29	6,382,311.26
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities		782,458,152.45	2,191,272,776.77
Total liabilities		5,330,204,798.86	7,945,852,147.72
Owners' equities (or shareholders' equities):			
Paid-in capital (or share capital)		1,497,279,083.00	1,359,932,415.00
Other equity instruments		56,817,665.06	56,979,017.86
Including: Preferred shares			
Perpetual bonds		16,883,703,189.61	9,676,160,740.82
Capital reserves			
Minus: Treasury shares		99,991,090.70	
Other comprehensive incomes			
Special reserves			
Surplus reserves		358,682,684.29	297,320,313.20
Undistributed profits		2,017,158,786.58	1,464,897,446.74
Total owners' equities (or shareholders' equities)		20,713,650,317.84	12,855,289,933.62
Total liabilities and owners' equities (or shareholders' equities)		26,043,855,116.70	20,801,142,081.34

Person in charge of the Company: Zhengping ZHANG
Person in charge of accounting agency: Delin LIU

Person in charge of accountancy: Lian LIU

Consolidated Profit Statement

January - December 2022

Unit: CNY Currency: RMB

Item	Notes	2022	2021
I. Total operating income		34,104,996,188.52	16,717,920,929.77
Including: Operating income		34,104,996,188.52	16,717,920,929.77
Interest income			
Earned premium			
Incomes from fees and commissions			
II. Total operating costs		39,250,391,209.52	20,000,537,038.76
Including: Operating cost		30,243,611,627.56	16,087,604,150.41
Interest expenditure			
Fee and commission expenses			
Surrender value			
Net amount of compensation payout			
Withdrawal of net amount of reserve fund for insurance liabilities			
Bond insurance expense			
Reinsurance expenses			
Taxes and surcharges		926,003,488.28	351,787,302.20
Sales expenses		4,819,624,056.74	1,279,955,159.89
Management expenses		1,775,340,393.67	1,088,753,488.91
R&D expenses		1,313,661,262.38	947,986,961.92
Financial expenses		172,150,380.89	244,449,975.43
Including: Interest expenses		330,170,794.19	260,712,007.29
Interest income		189,493,487.11	52,595,840.69
Plus: Other incomes		521,772,405.98	295,020,730.67
Return on investment (the loss is expressed with "-")		-37,390,482.84	-82,477,549.92
Including: Return on investment in associated enterprises and joint ventures		1,362,033.94	-11,209,592.80
Income from derecognition of financial assets measured at amortized cost			
Incomes from exchange (the loss is expressed with "-")			
Income from net exposure hedging (the loss is expressed with "-")			
Income from change in fair value (the loss is expressed with "-")		-169,612,103.76	-135,254,102.02
Credit impairment loss (the loss is expressed with "-")		-71,553,699.93	-20,074,083.46
Asset impairment loss (the loss is expressed with "-")		-305,725,891.93	-246,533,733.59
Income from asset disposal (the loss is expressed with "-")		280,977,863.58	587,197,828.37
III. Operating profit (the loss is expressed with "-")		-4,926,926,929.90	-2,884,737,018.94
Plus: Non-operating income		32,688,074.83	300,779,210.22
Minus: Non-operating expenditure		36,171,154.04	25,902,452.98
IV. Total profits (the total losses are expressed with "-")		-4,930,410,009.11	-2,609,860,261.70
Minus: Income tax expenses		290,147,272.04	20,963,463.20
V. Net profit (the net loss is expressed with "-")		-5,220,557,281.15	-2,630,823,724.90
(I) Classification by operation continuity			
1. Net profit from continuing operation (the net loss is expressed in with "-")		-5,220,557,281.15	-2,630,823,724.90
2. Net profit from discontinuing operation (the net loss is expressed in with "-")			

(二) 按所有权归属分类			
1. Net profit attributable to the shareholders of parent company (the net loss is expressed with "-")		-3,831,866,371.22	-1,823,911,349.24
2. Minority shareholders' profit and loss (the net loss is expressed with "-")		-1,388,690,909.93	-806,912,375.66
VI. Net after-tax amount of other comprehensive incomes		48,917,617.34	-27,125,195.00
(I) Net of tax of other comprehensive incomes attributable to the owners of the parent company		47,204,708.46	-24,282,131.01
1. Other comprehensive incomes that cannot be reclassified into profits and losses			
(1) Re-measurement of changed amount in the defined benefit plan			
(2) Other comprehensive incomes that cannot be transferred into the profits and losses under the equity method			
(3) Changes in fair value of other equity instrument investments			
(4) Changes in fair value of enterprise credit risk			
2. Other comprehensive incomes that will be reclassified into profits and losses		47,204,708.46	-24,282,131.01
(1) Other comprehensive incomes that can be transferred into the profits and losses under the equity method			
(2) Changes in fair value of other creditor's right investment			
(3) Amount of financial assets reclassified into other comprehensive incomes			
(4) Credit impairment reserves of other creditor's right investment			
(5) Cash flow hedging reserves			
(6) Translation balance of foreign currency financial statements		47,204,708.46	□ 24,282,131.01
(7) Others			
(II) Net after-tax amount of other comprehensive incomes attributable to the minority shareholders		1,712,908.88	-2,843,063.99
VII. Total comprehensive incomes		-5,171,639,663.81	-2,657,948,919.90
(I) Total comprehensive incomes attributable to the owners of the parent company		-3,784,661,662.76	-1,848,193,480.25
(II) Total comprehensive incomes attributable to minority shareholders		-1,386,978,001.05	-809,755,439.65
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		-2.68	-1.38
(II) Diluted earnings per share (RMB/share)		-2.68	-1.38

As for the business combination under the same control in the current period, net profits achieved by the combined party before the combination was: RMB 0; net profit realized by the combined party in the previous period was: RMB 0.

Person in charge of the Company: Zhengping ZHANG

Person in charge of accountancy: Lian LIU

Person in charge of accounting agency: Delin LIU

Profit Statement of the Parent Company

January - December 2022

Unit: CNY Currency: RMB

Item	Notes	2022	2021
I. Operating income		44,823,443.01	39,630,496.09
Minus: Operating cost		17,260,274.70	10,705,373.23
Taxes and surcharges		10,322,198.60	9,481,146.19
Sales expenses			

Management expenses		188,679,908.63	142,615,100.92
R&D expenses			
Financial expenses		-208,050,422.74	7,363,654.28
Including: Interest expenses		158,571,302.78	245,274,917.36
Interest income		374,167,898.80	244,714,391.62
Plus: Other incomes		6,747,117.94	86,508,285.06
Return on investment (the loss is expressed with "-")		540,613,392.93	52,333,951.01
Including: Return on investment in associated enterprises and joint ventures		512,417.92	567,171.01
Income from derecognition of financial assets measured at amortized cost			
Income from net exposure hedging (the loss is expressed with "-")			
Income from change in fair value (the loss is expressed with "-")		-731,257.20	— 25,668,500.00
Credit impairment loss (the loss is expressed with "-")		-53,503.74	-1,002,159.86
Asset impairment loss (the loss is expressed with "-")			
Income from asset disposal (the loss is expressed with "-")		97,122,290.80	419,520,196.31
II. Operating profit (the loss is expressed with "-")		680,309,524.55	401,156,993.99
Plus: Non-operating income		296,283.42	1,716,123.72
Minus: Non-operating expenditure		15,331,184.88	400,589.66
III. Total profits (the total losses are expressed with "-")		665,274,623.09	402,472,528.05
Minus: Income tax expenses		51,650,912.16	5,795,149.32
IV. Net profit (the net loss is expressed with "-")		613,623,710.93	396,677,378.73
(I) Net profit from continuing operation (the net loss is expressed in with "-")		613,623,710.93	396,677,378.73
(II) Net profit from discontinuing operation (the net loss is expressed with "-")			
V. Net after-tax amount of other comprehensive incomes			
(I) Other comprehensive incomes that cannot be reclassified into profits and losses			
1. Re-measurement of changed amount in the defined benefit plan			
2. Other comprehensive incomes that cannot be transferred into the profits and losses under the equity method			
3. Changes in fair value of other equity instrument investments			
4. Changes in fair value of enterprise credit risk			
(II) Other comprehensive incomes that will be reclassified into profits and losses			
1. Other comprehensive incomes that can be transferred into the profits and losses under the equity method			
2. Changes in fair value of other creditor's right investment			
3. Amount of financial assets reclassified into other comprehensive incomes			
4. Credit impairment reserves of other creditor's right investment			
5. Cash flow hedging reserves			
6. Translation balance of foreign currency financial statements			

7. Others			
VI. Total comprehensive incomes		613,623,710.93	396,677,378.73
VII. Earnings per share:			
(I) Basic earnings per share (RMB/share)			
(II) Diluted earnings per share (RMB/share)			

Person in charge of the Company: Zhengping ZHANG
 Person in charge of accounting agency: Delin LIU

Person in charge of accountancy: Lian LIU

Consolidated Cash Flow Statement

January - December 2022

Unit: CNY Currency: RMB

Item	Notes	2022	2021
I. Cash flow generated from operating activities:			
Cash received from sales of goods and provisions of labor services		36,722,981,394.71	18,093,914,298.80
Net increase of deposits from customers and other banks			
Net increase in borrowings from the central bank			
Net increase in borrowing funds from other financial institutions			
Cash received from the original insurance contract premium			
Net cash received from reinsurance premiums			
Net increase in policy holder deposits and investment funds			
Cash received from interests, fees and commissions			
Net increase in borrowing funds			
Net increase in repurchase business funds			
Net cash received from vicariously traded securities			
Refund of tax and fees received		1,603,463,660.78	558,181,747.34
Other cash received related to operating activities		2,105,872,582.06	656,397,186.26
Subtotal of cash inflow from operating activities		40,432,317,637.55	19,308,493,232.40
Cash paid for purchasing goods and receiving labor service		22,698,685,721.64	14,195,003,085.30
Net increase in customer loans and advances			
Net increase of deposits in central bank and other banks			
Cash paid for indemnity of original insurance contract			
Net increase in lending funds			
Cash paid for interests, fees and commissions			
Cash paid for policy dividends			
Cash paid to and for employees		2,268,890,503.83	1,734,410,067.04
Tax and fees paid		1,655,375,083.92	631,612,350.76
Other cash paid related to operating activities		14,977,908,318.74	3,734,916,180.80
Subtotal of cash outflow from operating activities		41,600,859,628.13	20,295,941,683.90
Net cash flow generated from operating activities		-1,168,541,990.58	-987,448,451.50
II. Cash flow generated from investing activities:			
Cash received from withdrawing investment			67,427,877.00
Cash received from obtaining return on investment		10,696,225.00	8,766,780.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		749,759,577.29	1,056,100,575.37

Net cash received from disposal of subsidiaries and other business units		229,115,849.68	
Other cash received related to investing activities		1,361,093,416.28	
Subtotal of cash inflow from investing activities		2,350,665,068.25	1,132,295,232.37
Net cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		3,367,026,732.80	2,132,984,510.08
Cash paid for investment		2,605,990,000.00	
Net increase in pledged loans			
Net cash paid for disposal of subsidiaries and other business units			
Other cash paid related to investing activities		531,652,091.29	562,049,346.19
Subtotal of cash outflow from investing activities		6,504,668,824.09	2,695,033,856.27
Net cash flow generated from investing activities		-4,154,003,755.84	-1,562,738,623.89
III. Cash flow generated from financing activities:			
Cash received from attracting investment		7,069,356,876.86	3,033,082,411.74
Including: Cash received by subsidiaries from absorbing investments from minority shareholders		35,081.80	465,042,113.74
Cash received from obtaining borrowings		4,283,500,000.00	3,379,567,299.99
Other cash received related to financing activities		1,662,399,303.19	1,062,782,971.41
Subtotal of cash inflow from financing activities		13,015,256,180.05	7,475,432,683.14
Cash paid for repaying debts		4,586,119,873.69	3,521,518,064.41
Cash paid for the distribution of dividends, profits or repayment of interests		274,172,431.78	250,991,118.81
Cash			
Including: Dividends and profits paid to minority shareholders by subsidiaries			
Other cash paid related to financing activities		1,829,679,533.25	766,790,041.92
Subtotal of cash outflow from financing activities		6,689,971,838.72	4,539,299,225.14
Net cash flow generated from financing activities		6,325,284,341.33	2,936,133,458.00
IV. Effect of changes in exchange rate on cash and cash equivalents		5,694,119.18	-1,805,794.65
V. Net increase in cash and cash equivalents		1,008,432,714.09	384,140,587.96
Plus: Balance of cash and cash equivalents at the beginning of the period		1,318,960,938.94	934,820,350.98
VI. Balance of cash and cash equivalents at the beginning of the period		2,327,393,653.03	1,318,960,938.94

Person in charge of the Company: Zhengping ZHANG

Person in charge of accountancy: Lian LIU

Person in charge of accounting agency: Delin LIU

Cash Flow Statement of the Parent Company

January - December 2022

Unit: CNY

Currency: RMB

Item	Notes	2022	2021
I. Cash flow generated from operating activities:			
Cash received from sales of goods and provisions of labor services		2,428,640.00	2,202,710.00
Refund of tax and fees received			
Other cash received related to operating activities		76,225,789.59	18,989,124.95
Subtotal of cash inflow from operating activities		78,654,429.59	21,191,834.95
Cash paid for purchasing goods and receiving labor service			
Cash paid to and for employees		104,447,322.42	90,695,274.05
Tax and fees paid		40,680,055.20	19,498,140.11

Other cash paid related to operating activities		4,590,071,396.05	2,762,252,024.59
Subtotal of cash outflow from operating activities		4,735,198,773.67	2,872,445,438.75
Net cash flow generated from operating activities		-4,656,544,344.08	-2,851,253,603.80
II. Cash flow generated from investing activities:			
Cash received from withdrawing investment			
Cash received from obtaining return on investment		474,696,225.00	51,766,780.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		119,095.03	257,939,853.98
Net cash received from disposal of subsidiaries and other business units		734,366,000.00	
Other cash received related to investing activities		1,220,416,536.79	
Subtotal of cash inflow from investing activities		2,429,597,856.82	309,706,633.98
Net cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		5,471,586.23	7,916,407.29
Cash paid for investment		3,069,990,000.00	8,000,000.00
Net cash paid for disposal of subsidiaries and other business units			
Other cash paid related to investing activities			
Subtotal of cash outflow from investing activities		3,075,461,586.23	15,916,407.29
Net cash flow generated from investing activities		-645,863,729.41	293,790,226.69
III. Cash flow generated from financing activities:			
Cash received from attracting investment		7,069,321,795.06	2,568,040,298.00
Cash received from obtaining borrowings		1,146,000,000.00	920,000,000.00
Other cash received related to financing activities		512,320,000.28	1,098,439,802.50
Subtotal of cash inflow from financing activities		8,727,641,795.34	4,586,480,100.50
Cash paid for repaying debts		1,375,866,420.00	1,329,528,080.00
Cash paid for the distribution of dividends, profits or repayment of interests		143,061,167.42	223,305,365.52
Other cash paid related to financing activities		1,686,958,892.88	1,073,796.11
Subtotal of cash outflow from financing activities		3,205,886,480.30	1,553,907,241.63
Net cash flow generated from financing activities		5,521,755,315.04	3,032,572,858.87
IV. Effect of changes in exchange rate on cash and cash equivalents		-96,460.18	-1,323,918.40
V. Net increase in cash and cash equivalents		219,250,781.37	473,785,563.36
Plus: Balance of cash and cash equivalents at the beginning of the period		480,088,433.53	6,302,870.17
VI. Balance of cash and cash equivalents at the beginning of the period		699,339,214.90	480,088,433.53

Person in charge of the Company: Zhengping ZHANG

Person in charge of accountancy: Lian LIU

Person in charge of accounting agency: Delin LIU

Consolidated Statement of Changes in Owners' Equities
Annual Report 2022 January - December 2022

Item	2022											Unit: CNY	Currency: RMB
	Owners' equities attributable to the parent company											Minority shareholders' equities	Total owners' equities
	Paid-in capital (or share capital)	Other equity instruments		Capital reserves	Minus: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk	Undistributed profits	Others		
Preferred	Perpetual bonds	Others											
I. Balance at the end of last year	1,359,932,415.00	56,979,017.86		8,087,379,561.18		128,143,478.50	296,491,575.32		1,713,042,861.87		7,959,596,228.99	230,253,029.67	7,729,343,199.32
Plus: Changes in accounting policies													
Error correction in the previous period													
Business combination under the same control													
Others													
II. Balance at the beginning of the year	1,359,932,415.00	56,979,017.86		8,087,379,561.18		128,143,478.50	296,491,575.32		1,713,042,861.87		7,959,596,228.99	230,253,029.67	7,729,343,199.32
III. Increase/decrease amount of the current period (the decrease is expressed with "-")	137,346,668.00	-161,352.80		7,207,542,448.79	99,991,090.70	47,204,708.46	61,362,371.09		3,893,228,742.31		3,460,075,010.53	1,386,942,919.25	2,073,132,091.28
(I) Total comprehensive incomes						47,204,708.46			3,831,866,371.22		3,784,661,662.76	1,386,978,001.05	5,171,639,663.81
(II) Capital invested by the owners and	137,346,668.00	-161,352.80		7,207,542,448.79	99,991,090.70						7,244,736,673.29	35,081.80	7,244,771,755.09

transferred from surplus reserves																			
3. Recovery of losses by surplus reserves																			
4. Change of amount of defined benefit plan carried forward to retained earnings																			
5. Retained earnings carried forward from other comprehensive incomes																			
6. Others																			
(V) Special reserves																			
1. Withdrawal in the current period																			
2. Use in the current period																			
(VI) Others																			
IV. Ending balance of the current period	1,497,279,083.00				56,817,665.06	15,294,922,009.97	99,991,090.70	80,938,770.04	357,853,946.41	5,606,271,604.18	11,419,671,239.52	1,617,195,948.92	9,802,475,290.60						

Item	2021											Total owners' equities	
	Owners' equities attributable to the parent company												Minority shareholders' equities
	Paid-in capital (or share capital)	Other equity instruments		Capital reserves	Minus: Treasury shares	Other comprehensive	Special reserves	Surplus reserves	General	Undistributed profits	Others		
	Pre	Pe	Others										

4. Others						1,699,904,653.77						1,699,904,653.77								1,366,169,923.13	
(III) Profit distribution																					
1. Withdrawal of surplus reserves																					
2. Withdrawal of general risk reserves																					
3. Distribution to the owners (or shareholders)																					
4. Others																					
(IV) Internal carry-over of owners' equities																					
1. Capital (or share capital) transferred from capital reserves																					
2. Capital (or share capital) transferred from surplus reserves																					
3. Recovery of losses by surplus reserves																					
4. Change amount of defined benefit plan carried forward to retained earnings																					
5. Retained earnings carried forward from other comprehensive incomes																					
6. Others																					
(V) Special reserves																					
1. Withdrawal in the current period																					

policies																							
Error correction in the previous period																							
Others																							
II. Balance at the beginning of the year	1,278,439,873.00							166,258,372,865.42	1,095,890.63											257,652,575.33	1,107,887,805.88	8,231,334,517.70	
III. Increase/decrease amount of the current period (the decrease is expressed with "-")	81,492,542.00							109,279,355.00	-4,255,064,850.19											39,667,737.87	357,009,640.86	4,623,955,415.92	
(I) Total comprehensive incomes																					396,677,378.73	396,677,378.73	
(II) Capital invested by the owners and reduced	81,492,542.00							109,279,355.00	-4,255,064,850.19														4,227,278,037.19
1. Common share contributed by owners	56,368,913.00								2,511,530,649.07														2,567,899,562.07
2. Capital invested by holders of other equity instruments	25,123,629.00							109,279,355.00	-497,603,292.44														413,447,566.44
3. Amount of share-based payment included into owners' equities									20,437,865.04														20,437,865.04
4. Others									1,225,493,043.64														1,225,493,043.64
(III) Profit distribution																							
1. Withdrawal of surplus reserves																							
2. Distribution to the owners (or shareholders)																							
3. Others																							
(IV) Internal carry-over of owners' equities																							
1. Capital (or share capital) transferred from capital reserves																							
2. Capital (or share capital) transferred from surplus reserves																							
3. Recovery of losses by surplus reserves																							
4. Change amount of defined benefit plan carried forward to retained																							

earnings													
5. Retained earnings carried forward from other comprehensive incomes													
6. Others													
(V) Special reserves													
1. Withdrawal in the current period													
2. Use in the current period													
(VI) Others													
IV. Ending balance of the current period							1,359,932,415.00		56,979,017,869,676,160,740.82		297,320,313.20	1,464,897,446.74	12,855,289,933.62
Person in charge of the Company: Zhengping ZHANG													
Person in charge of accountancy: Lian LIU													
Person in charge of accounting agency: Delin LIU													

III. Basic Information of the Company

1. Company profile

Applicable Not applicable

(I) Registration place, organizational form and headquarters address of the Company
SERES Group Co., Ltd. (hereinafter referred to as "the Company") was established on May 11, 2007, with the Business License of Enterprise Legal Person issued by Shapingba District Administration for Market Regulation of Chongqing (unified social credit code: 915001066608898456), registration place at No. 7, Wuyunhu Road, Shapingba District, Chongqing, legal representative of Zhengping ZHANG, and registered capital of RMB 1,497,279,083.00.

(II) Business nature and main operating activities of the Company

The Company is a manufacturing enterprise. Business scope: manufacturing and sales of: automobile parts, motor vehicle parts, general machinery, electrical machinery, electrical appliances, electronic products (excluding electronic publications), instruments and meters; sales of: daily necessities, household appliances, hardware, and metal materials (excluding rare and precious metals); house leasing and machinery & equipment; economic and technical consulting services; import and export of goods (except for items that require approval in accordance with the law, independently carry out operating activities based on the business license).

2. Consolidated financial statement scope

Applicable Not applicable

Refer to "Note VIII. Changes in Consolidation Scope" and "Note IX. Equity in Other Entities" to the financial statements for the consolidation scope of the Company.

IV. Basis of Preparation of the Financial Statements

1. Preparation basis

On a going-concern basis, the financial statements of the Company are prepared.

2. Continuing operation

Applicable Not applicable

The Company has the going-concern capacity for at least 12 months from the end of the reporting period and has no significant events affecting its going-concern capacity.

V. Significant Accounting Policies and Accounting Estimates

Specific accounting policy and accounting estimate prompt:

Applicable Not applicable

1. Declaration of complying with the Accounting Standards for Business Enterprises

The Company's financial statements are compiled conforming with Accounting Standards for Business Enterprises, and reflect the relevant information such as Company's financial status, operating results, the change of stockholders' equities and cash flow truly and completely.

2. Accounting period

The accounting year of the Company is from January 1 to December 31 of the Gregorian calendar.

3. Operating cycle

Applicable Not applicable

The Company takes 12 months of a year as the normal operating cycle, which is taken as the liquidity classification standard of assets and liabilities.

4. Recording currency

The Company takes RMB as the recording currency.

5. Accounting treatment methods for business combination under the same control and not under the same control

Applicable Not applicable

1. Business combination under the same control

For the long-term equity investment resulted from business combination under the same control, if the combining party realizes the combined consideration by paying cash, transferring non-cash assets or assuming the debts, the share of the book value of the owner's equity of the combined party of the Company in the consolidated financial statements of the final controlling party on the combination date is regarded as the initial cost of a long-term equity investment. Where the combining party realizes the combined consideration by issuing equity instruments, it should be taken as the share capital as per the total par value of share issued. The capital reserves should be adjusted through the difference between the initial investment cost of long-term equity investment and the book value of the combined consideration (or total issued share

value); the retained earnings shall be adjusted if the capital reserve is insufficient for write-off.

2. Business combination not under the same control

For the business combination not under the same control, the combination costs refer to the sum of the fair value of assets, liabilities incurred or undertaken and issued equity securities paid by the acquiree for the control right over the acquirer on the acquisition date. The identifiable assets, liabilities and contingent liabilities in line with the recognition criteria of the acquiree and obtained in the business combination not under the same control shall be measured by the fair value on the acquisition date. If the combination costs are larger than the balance of fair value share of the acquiree's identifiable net assets during combination, it should be recognized as goodwill by acquirer. If the combination costs are smaller than the difference of the fair value share of the identifiable net assets of the acquiree during the combination and after re-check, and the combination cost is still smaller than the above-mentioned difference, which will be included into the current non-operating income by the acquirer.

6. Methods for preparing consolidated financial statements

Applicable Not applicable

1. Consolidated financial statement scope

The Company incorporates all of its subsidiaries (including the individual entities controlled by the Company) into the scope of the consolidated financial statements, including the companies controlled by the Company, the divisible parts of the investees and the structured entities.

2. Unite the accounting policies, balance sheet date and accounting period of the parent company and subsidiaries.

If the subsidiaries and the Company take inconsistent accounting policies or the accounting periods, when consolidated financial statements are prepared, the necessary adjustment will be made to the subsidiary's financial statements according to the Company's accounting policy or accounting period.

3. Offset matters of consolidated financial statements

The internal transactions between the Company and its subsidiaries and between subsidiaries have been offset in the consolidated financial statements based on the financial statements of the Company and its subsidiaries. The shares in the owner's equity of the subsidiaries that does not belong to the Company should be regarded as the minority shareholders' equities, and should be listed as "minority shareholders' equities" under the item of shareholders' equities in the consolidated balance sheet. The long-term equity investment of the Company held by the subsidiary is regarded as the treasury shares of the Company, which is as the subtract item of the shareholders' equities and listed as "minus: treasury shares" under the item of shareholders' equities in the consolidated balance sheets.

4. Accounting treatment for consolidated subsidiaries

For subsidiaries acquired due to the business combination under the same control, it should be deemed that the business combination has occurred at the beginning of the period of the control by final controlling party, and their assets, liabilities, operating results and cash flow should be incorporated into the consolidated financial statements at the beginning of the combination period; for subsidiaries acquired due to the business combination not under the same control, when preparing the consolidated financial statements, individual financial statements should be adjusted based on the fair value of net identifiable assets on the acquisition date.

5. Accounting treatment for disposal of subsidiaries

If the Company disposes a part of the long-term equity investment of subsidiaries without losing the control right, in the consolidated financial statements, the difference between the disposal price and the share of net assets continuously calculated by subsidiaries from the acquisition date or the combination date corresponding to the disposal of the long-term equity investment should be disposed, and the capital reserves (capital premium or share capital premium) should be adjusted, and if the capital reserves are insufficient to be offset, the retained earnings should be adjusted.

When losing the control right to the investee due to disposal of a part of equity investments or other reasons, the Company should conduct calculation and measurement again as per fair value on the date of losing control right for the rest equity when compiling the consolidated financial statements. The balance of sum of the consideration from equity disposal and fair value of residual equity, deducting the shares of net asset continuously calculated from the acquisition date or combination date of original subsidiaries as per the original shareholding proportion, is recorded in the current return on investment of losing control right and write down the goodwill at the same time. Other comprehensive incomes associated with the equity investment of the original subsidiaries should be converted into current return on investment when losing the control right.

7. Classification of joint-operation arrangement and treatment method of joint-operation accounting

Applicable Not applicable

1. Classification of joint-operation arrangement

The joint-operation arrangement is divided into the joint operation and joint venture. The joint-operation arrangement not concluded by the independent entity shall be classified as a joint venture. The independent entity refers to an entity with

separate and identifiable financial regime, including independent legal entity and entity without the qualification of legal entity but recognized legally. In general, the joint-operation arrangement concluded by independent entity shall be divided into the joint ventures. Where changes occur to the rights and obligations of the parties involved in the joint-operation arrangement due to change of the relevant facts and situations, the joint venture party should re-assess the classification of the joint-operation arrangement.

2. Accounting treatment for joint operation

When the Company is a party involved in the joint operation, the following items related to the shares in the joint operation should be recognized, and the accounting treatment should be made in accordance with the regulations of the related Accounting Standards for Business Enterprises: recognize the assets or liabilities held by separately, and the assets or liabilities held jointly as per the shares; recognize the revenue from selling the output shares involved in the joint operation; recognize the revenue of the joint operation due to sales, according to the share; recognize the expenses incurred independently and the expenses incurred from joint operation by its shares.

For the participant of joint operation regardless of the same control, in case the Company enjoys and assumes the relevant assets and liabilities of joint operation, the accounting treatment should be made with reference to the provisions of the participant of the joint operation; otherwise, the accounting treatment shall be made in accordance with the related Accounting Standards for Business Enterprises.

3. Accounting treatment for joint venture

When the Company is the joint venturer of joint venture, the accounting treatment should be made on the joint ventures' investment according to *Accounting Standards for Business Enterprises No. 2 - Long-term Equity Investment*; when the company is a non-joint venturer, the accounting treatment should be made based on the degree of influence on the joint venture.

8. Determination standard of cash and cash equivalents

Cash equivalents refer to investments that are of short-term (usually its expiration date is within 3 months from the acquisition date), with highly liquid, readily convertible to known amounts of cash, and with little risk of changes in value hold by enterprises.

9. Foreign currency business and translation of foreign currency statement

Applicable Not applicable

1. Foreign currency business translation

The foreign currency transaction of the Company is converted into standard money by using the spot rate on the transaction date and included into the accounts. Foreign currency monetary items on balance sheet date are converted based on sight rate on balance sheet date. The exchange balance between the sight rate on that day and initial sight rate or sight rate on former balance sheet date is included into current profit and loss besides the exchange balance of foreign currency borrowings meeting capitalization conditions is included into the capital cost upon capitalization during the capitalization period. Non-monetary items in foreign currencies measured at historical cost are still converted at the spot exchange rate on the date of transaction, and the amount in recording currency does not change. For non-monetary items in foreign currency measured at fair value, spot exchange rate on the fair value recognition day will be used for conversion. The difference between the converted recording currency amount and the original recording currency amount should be disposed as the fair value change (including exchange rate fluctuation) and included into the current profit and loss or other comprehensive incomes.

2. Translation of foreign currency financial statements

If the Company's subsidiaries, joint ventures, associated enterprises, etc. adopt different recording currency from the Company, they should firstly conduct the translation of the foreign currency financial statements, and then conduct business accounting and prepare the consolidated financial statements. The asset and liability items in the balance sheet shall be converted in accordance with the spot exchange rate on the balance sheet date. Among the item of owner's equity, except for the items as "undistributed profits" item, other items will be translated adopting the spot exchange rate on the transaction date. As for the items of incomes and expenses in the profit statement, the translation shall adopt the spot exchange rate on the transaction date. The translation difference of foreign currency financial statement should be listed under the other comprehensive incomes of the item of owner's equity in the balance sheet. The foreign currency cash flow should be translated using the spot exchange rate on the cash flow occurrence date. The amount that is affected by the exchange rate movement on cash shall be separately listed in the cash flow statement. During disposal of overseas business, translation difference in the foreign currency statements related to the overseas business shall be transferred into the current profit and loss in full or disposal proportion of overseas business.

10. Financial instruments

Applicable Not applicable

1. Classification and reclassification of financial instruments

Financial instruments refer to contracts of forming the financial assets of one party and the financial liabilities or equity instruments of other entities.

(1) Financial assets

The Company classifies the financial assets meeting the following conditions as financial assets measured at amortized costs: ① The Company aims to take the collection of contractual cash flow as the business model managing the financial assets; ② In accordance with the contract terms of the financial assets, the cash flow generated on the specific date is only the payment of the principal and the interest on the basis of the outstanding principal amount.

The financial assets complying with the following conditions were classified by the Company as those measured at fair value with their changes included into other comprehensive incomes: ① The Company aims to collect contractual cash flow and to sell the financial assets in business mode of the management of financial assets; ② In accordance with the contract terms of the financial assets, the cash flow generated on the specific date is only the payment of the principal and the interest on the basis of the outstanding principal amount.

For non-trading equity instrument investment, the Company may, at initial recognition, irrevocably designate it as the financial assets measured at the fair value with its changes included into other comprehensive incomes. The designation is based on independent investment and related investment conforms to the definition of equity instrument from the issuer's point of view.

Financial assets other than those classified as financial assets at amortized cost and financial assets at fair value through other comprehensive incomes are classified by the Company as financial assets measured at the fair value with its changes included into the current profit and loss. Upon initial recognition, in order to eliminate or reduce accounting mismatch, the Company may irrevocably designate the financial assets measured at the fair value with its changes included into the current profit and loss.

When the Company changes the business model of managing financial assets, it should reclassify all the affected relevant financial assets on the first day of the first reporting period after the business model changes, and if the Company adopts the prospective application method for relevant accounting treatment from the reclassifying date, the Company should not make retroactive adjustments to previously recognized gains, losses (including impairment losses or gains) or interests.

(2) Financial liabilities

At initial recognition, the financial liabilities are classified as: Financial liabilities measured at the fair value with its changes included into the current profit and loss; Financial liabilities formed when the transfer of financial assets does not meet the conditions for derecognition or continues to be involved in the transferred financial assets; financial liabilities measured at amortized cost. All financial liabilities are not reclassified.

2. Measurement of financial instruments

The initial recognition of the Company's financial instruments should be measured at fair value. For the financial assets and liabilities measured at the fair value with its changes included into the current profit and loss, the related transaction costs shall be directly included into the current profit and loss; for other types of financial assets or liabilities, the related transaction costs shall be included into the initial recognition amount. As for accounts receivable or notes receivable produced from selling products or providing labor services, excluding or taking no account of the accounts receivable or notes receivable of significant financing components, the Company takes the amount of consideration anticipated to be collected as initial recognition amount. The subsequent measurement of financial instruments depends on the classification.

(1) Financial assets

① financial assets measured at amortized cost. After the initial recognition, the effective interest method is used for amortized cost measurement of such financial assets. The gain or loss generated from financial assets subject to the amortized cost measurement and not belonging to any hedging relationship is included into current profit and loss at the moment of derecognition, reclassification or amortization or recognition of impairment as per effective interest method.

② Financial assets measured at the fair value with its changes included into the current profit and loss. After the initial recognition, such financial assets (except for a part of the financial assets belonging to hedging relationship) should be subsequently measured at fair value, and the resulting gains or losses (including interests and dividend incomes) should be included into the current profit and loss.

③ Investment in debt instruments measured at fair value with changes included into other comprehensive incomes. After the initial recognition, such financial assets should be subsequently measured at fair value. The interest, impairment loss or gain and exchange gain or loss calculated pursuant to the effective interest method is included into current profit and loss, and other gains or losses are included into other comprehensive incomes. Upon derecognition, the accumulated gains or losses previously included into other comprehensive incomes were transferred from other comprehensive incomes and included in current profit and loss.

④ Non-trading equity instrument investments designated to be measured at the fair value with its changes included into other comprehensive incomes. After the initial recognition, such financial assets should be subsequently measured at fair value. Except for dividends received (excluding those that belong to the recovery of investment costs), all other related gains and losses are included into other comprehensive incomes and are not subsequently transferred to the current profit and loss.

(2) Financial liabilities

① Financial liabilities measured at the fair value with its changes included into the current profit and loss. The financial liabilities include trading financial liabilities and financial liabilities measured at the fair value with its changes included into the current profit and loss. After the initial recognition, such financial liabilities should be subsequently measured at fair value. In addition to the trading financial liabilities related to hedging accounting, the resulting gains or losses (including interest expense) by fair value changes of financial liability should be included into the current profit and loss.

The amount of changes in the fair value of the financial liabilities measured at the fair value with its changes included into the current profit and loss caused by the change of the enterprise's own credit risk should be included into other comprehensive incomes and other fair value changes should be included into the current profit and loss. If the impact of the change of the financial liability credit risk is included into other comprehensive incomes, which will cause or expand the accounting mismatch in the profit and loss, the Company should include all the gains or losses of the such financial liabilities in the current profit and loss.

② Financial liabilities measured at amortized cost. After the initial recognition, the effective interest method is used for amortized cost measurement of such financial liabilities.

3. Recognition method of financial instrument's fair value by the Company

For example, the fair value of the financial instruments that exist in the active market should be determined by the quoted price in the active market; for financial instruments in an inactive market, their fair values should be determined through the valuation technique. The valuation technique includes market method, income method and cost method. If the information for determining the fair value is insufficient or the distribution range of the possible estimated amount of the fair value is extensive in a finite number of cases and the cost represents the fair value within such range is the optimal estimate, such cost can represent the appropriate estimate regarding the fair value within such distribution range. The Company should use all the information about the performance and operation of the investee which can be obtained after the initial recognition date to judge whether the cost can represent the fair value.

4. Recognition basis and measurement methods of financial assets and liabilities

(1) Financial assets

In case the Company's financial assets meet one of the following conditions, the derecognition should be carried out: ① The contractual rights which will charge the financial assets' cash flow are terminated; ② The financial assets have been transferred, and the Company has transferred almost all the risks and rewards of the ownership of financial assets; ③ The financial assets have been transferred, and although the Company has neither transferred nor reserved almost all the rewards of ownership of financial assets, it has waived the control on the financial assets.

If the Company neither transfers nor reserves almost all the rewards over the ownership of financial assets and retains control over the financial assets, the relevant financial assets should be recognized as per the degree of continuing to involve in the transferred financial assets and the relevant liabilities should be recognized accordingly.

When the whole transfer of financial assets meets the conditions of derecognition, the following balances of two amounts should be included into the current profit and loss: ① Book value of transferred financial assets on the derecognition date; ② Sum of consideration received for transferring financial assets and the amount of the corresponding derecognition part in the accumulated amount of changes in fair value originally and directly included into other comprehensive incomes (the financial assets involved in transfer refer to financial assets which are classified as measured at fair value and whose changes are included into other comprehensive incomes).

If the partial transfer of financial assets meets the derecognition conditions, the overall book value of the transferred financial assets should be amortized as per their own relative fair value on transfer date between the derecognized part and the part that are not derecognized, and the balances of the following two amounts should be included into current profit and loss: ① Book value of the derecognized part on the derecognition date; ② Sum of consideration received for the derecognized part and the amount of the corresponding derecognition part in the accumulated amount of changes in fair value originally included into other comprehensive incomes (the financial assets involved in transfer refer to financial assets which are classified as measured at fair value and whose changes are included into other comprehensive incomes).

(2) Financial liabilities

If the current obligation of financial liabilities (or partial financial liabilities) is terminated, derecognition of such financial liabilities (or partial financial liabilities) is conducted by the Company.

In case of derecognition of financial liabilities (partial financial liabilities), the Company includes the balance between its book value and payment consideration (including non-cash assets transferred out or borne liabilities) into the current profit and loss.

11. Notes receivable

Determination method and accounting treatment method of expected credit loss of notes receivable

Applicable Not applicable

12. Accounts receivable

Determination method and accounting treatment method of expected credit loss of accounts receivable

Applicable Not applicable

1. Determination method of the expected credit losses

Based on the expected credit loss, the Company will depreciate the accounts receivable that are measured at amortized cost and recognize the loss reserves.

The Company should assess whether the credit risk of relevant financial instruments has increased significantly since initial recognition on each balance sheet date. The process of credit impairment of financial instruments can be divided into three stages, and the Company should adopt different accounting methods for the impairment of financial instruments in different stages:

(1) In the first stage, if the credit risks of the financial instrument fail to increase significantly after the initial recognition, the Company should measure the loss reserves as per the expected credit losses of the financial instruments in the next 12 months, and calculate the interest income as per its book balances (namely: no deduction of the impairment reserves) and the actual interest rate; (2) In the second stage, if the credit risks of the financial instrument increase significantly without credit impairment after the initial recognition, the Company should measure the loss reserves as per the expected credit losses of the financial instruments of the whole duration, and calculate the interest income as per its book balances and the actual interest rate; (3) In the third stage, if the credit impairment occurs after the initial recognition, the Company should measure the loss reserves as per the expected credit losses of the financial instruments of the whole duration, and calculate the interest income as per its amortized costs (book balance minus the calculated and withdrawn impairment reserves) and the actual interest rate.

Method for measuring loss reserves for accounts receivable

For the accounts receivable excluding significant financing components resulting from transactions governed by *Accounting Standards for Business Enterprises No. 14 - Revenue*, the Company shall adopt simplified method, namely, the Company will always measure the loss reserve as per the expected credit loss of the whole duration.

For the accounts receivable resulting from transactions governed by *Accounting Standards for Business Enterprises No. 14 - Revenue* (whether or not containing significant financing components), the Company shall adopt simplified method, namely, the Company will always measure the loss reserve as per the expected credit loss of the whole duration.

The Company should assess whether the credit risk significantly increases on the basis of single financial assets or financial assets portfolio pursuant to the nature of financial instruments. The Company divides the accounts receivable into several portfolios based on the credit risk characteristics, and calculates the expected credit loss on the basis of the portfolios. The basis for determining the portfolios is as follows:

Accounts receivable portfolio I	New energy business receivables	Payments receivable from dealers and customers
Accounts receivable portfolio II	Non-new energy business receivables	Payments receivable from dealers and customers

However, if there is objective evidence showing that credit impairment of a certain accounts receivable has occurred, the Company shall singly calculate and withdraw the bad-debt reserves of the receivable and recognize the expected credit losses.

2. Accounting treatment method of expected credit losses

To reflect changes of the credit risks of financial instruments and changes since initial recognition, the Company shall re-measure the expected credit losses on each balance sheet date, and the resulting increased or reversed amounts of loss reserves shall be included into the current profit and loss as impairment losses or gains. According to the types of financial instruments, the book value of the financial assets listed on the balance sheet shall be offset or included in estimated liabilities (loan commitment or financial guarantee contract) or included into other comprehensive incomes (creditor's right investment measured at fair value with changes included into other comprehensive incomes).

13. Receivables financing

Applicable Not applicable

1. Determination method of the expected credit losses

Based on the expected credit loss, the Company depreciates creditor's right investment (including receivables financing) measured at fair value with its changes included into other comprehensive incomes, and recognizes the loss reserves.

The Company should assess whether the credit risk of relevant financial instruments has increased significantly since initial recognition on each balance sheet date. The process of credit impairment of financial instruments can be divided into three stages, and the Company should adopt different accounting methods for the impairment of financial instruments in different stages: (1) In the first stage, if the credit risks of the financial instrument fail to increase significantly after the initial recognition, the Company should measure the loss reserves as per the expected credit losses of the financial instruments in the next 12 months, and calculate the interest income as per its book balances (namely: no deduction of the impairment reserves) and the actual interest rate; (2) In the second stage, if the credit risks of the financial instrument increase significantly without credit impairment after the initial recognition, the Company should measure the loss reserves as per the expected credit losses of the financial instruments of the whole duration, and calculate the interest income as per its book balances and the actual interest rate; (3) In the third stage, if the credit impairment occurs after the initial recognition, the Company should measure the loss reserves as per the expected credit losses of the financial instruments of the whole duration, and calculate the interest income as per its amortized costs (book balance minus the calculated and withdrawn impairment reserves) and the actual interest rate.

The Company measures loss reserves for receivables financing using the general method, that is, the "three-stage" model.

2. Accounting treatment method of expected credit losses

To reflect changes of the credit risks of financial instruments and changes since initial recognition, the Company shall re-measure the expected credit losses on each balance sheet date, and the resulting increased or reversed amounts of loss reserves shall be included into the current profit and loss as impairment losses or gains. According to the types of financial instruments, the book value of the financial assets listed on the balance sheet shall be offset or included in estimated liabilities (loan commitment or financial guarantee contract) or included into other comprehensive incomes (creditor's right investment measured at fair value with changes included into other comprehensive incomes).

14. Other receivables

Determination method and accounting treatment method of expected credit loss of other receivables

Applicable Not applicable

1. Determination method of the expected credit losses

Based on the expected credit loss, the Company will depreciate other receivables that are measured at amortized cost and recognize the loss reserves.

The Company should assess whether the credit risk of relevant financial instruments has increased significantly since initial recognition on each balance sheet date. The process of credit impairment of financial instruments can be divided into three stages, and the Company should adopt different accounting methods for the impairment of financial instruments in different stages:

(1) In the first stage, if the credit risks of the financial instrument fail to increase significantly after the initial recognition, the Company should measure the loss reserves as per the expected credit losses of the financial instruments in the next 12 months, and calculate the interest income as per its book balances (namely: no deduction of the impairment reserves) and the actual interest rate; (2) In the second stage, if the credit risks of the financial instrument increase significantly without credit impairment after the initial recognition, the Company should measure the loss reserves as per the expected credit losses of the financial instruments of the whole duration, and calculate the interest income as per its book balances and the actual interest rate; (3) In the third stage, if the credit impairment occurs after the initial recognition, the Company should measure the loss reserves as per the expected credit losses of the financial instruments of the whole duration, and calculate the interest income as per its amortized costs (book balance minus the calculated and withdrawn impairment reserves) and the actual interest rate.

The Company measures loss reserves for other receivables using the general method, that is, the "three-stage" model.

2. Accounting treatment method of expected credit losses

To reflect changes of the credit risks of financial instruments and changes since initial recognition, the Company shall re-measure the expected credit losses on each balance sheet date, and the resulting increased or reversed amounts of loss reserves shall be included into the current profit and loss as impairment losses or gains. According to the types of financial instruments, the book value of the financial assets listed on the balance sheet shall be offset or included in estimated liabilities (loan commitment or financial guarantee contract) or included into other comprehensive incomes (creditor's right investment measured at fair value with changes included into other comprehensive incomes).

15. Inventory

Applicable Not applicable

1. Inventory classification

Inventories include finished goods or goods for sale in daily activities, products in process in the manufacturing process, and materials and supplies consumed in the process of work-in-process or providing labor services, etc. held by the Company. It mainly includes raw materials, low-value consumables, products in progress, inventory goods, and goods shipped in transit.

2. Valuation method for inventory in transit

The weighted average method is used to determine the actual cost of the inventory in transit.

3. Calculation and withdrawal method of inventory falling price reserve

On the balance sheet date, the inventory should be measured based on the lower one between the cost and net realizable value, and calculation and withdrawal for inventory falling price reserves should be conducted according to the single inventory item. For inventory with large quantity and lower unit price, calculation and withdrawal for inventory falling price reserves should be conducted according to the categories of inventory.

4. Inventory system

The inventory system of the Company is the perpetual inventory system.

5. Amortization method of low-value consumables and packing materials

The low-value consumables and packing materials are amortized by one-off write-off method.

16. Contract assets

(1) Recognition method and standard of contract assets

Applicable Not applicable

The right of collecting the consideration because the Company has transferred the goods or supplying the service to the customer (and such right depends on other factors except for time lapsing) should be listed as contract assets.

(2) Determination method and accounting treatment method of expected credit loss of contract assets

Applicable Not applicable

The calculation and withdrawal of impairment reserves of contract assets should be made with reference to the expected credit loss method of financial instruments. For contract assets excluding significant financing components, the Company should measure loss reserves using the simplified method. For contract assets including significant financing components, the Company should measure loss reserves using the general method.

If there is an impairment losses from the contract assets, the "asset impairment loss" should be debited according to the amount that should be written down, and the contract asset impairment reserves should be credited; when the asset impairment reserves that have already been calculated and withdrawn are transferred back, the reverse entry should be made.

17. Held-for-sale assets

Applicable Not applicable

18. Creditor's right investment

(1) Determination method and accounting treatment method of expected credit loss of creditor's right investment

Applicable Not applicable

19. Other creditor's right investment

(1) Determination method and accounting treatment method of expected credit loss of other creditor's right investments

Applicable Not applicable

20. Long-term receivables

(1) Determination method and accounting treatment method of expected credit loss of long-term receivables

Applicable Not applicable

1. Determination method of the expected credit losses

Based on the expected credit loss, the Company will depreciate the financial assets and lease receivable that are measured at amortized cost and recognize the loss reserves; the Company's long-term receivables are financing lease receivable.

The Company should assess whether the credit risk of relevant financial instruments has increased significantly since initial recognition on each balance sheet date. The process of credit impairment of financial instruments can be divided into three stages, and the Company should adopt different accounting methods for the impairment of financial instruments in different stages:

(1) In the first stage, if the credit risks of the financial instrument fail to increase significantly after the initial recognition, the Company should measure the loss reserves as per the expected credit losses of the financial instruments in the next 12 months, and calculate the interest income as per its book balances (namely: no deduction of the impairment reserves) and the actual interest rate; (2) In the second stage, if the credit risks of the financial instrument increase significantly without credit impairment after the initial recognition, the Company should measure the loss reserves as per the expected credit losses of the financial instruments of the whole duration, and calculate the interest income as per its book balances and the actual interest rate; (3) In the third stage, if the credit impairment occurs after the initial recognition, the Company should measure the loss reserves as per the expected credit losses of the financial instruments of the whole duration, and calculate the interest income as per its amortized costs (book balance minus the calculated and withdrawn impairment reserves) and the actual interest rate.

Method of measuring loss reserves of accounts receivable and lease receivables

For the accounts receivable excluding significant financing components resulting from transactions governed by *Accounting Standards for Business Enterprises No. 14 - Revenue*, the Company shall adopt simplified method, namely, the Company will always measure the loss reserve as per the expected credit loss of the whole duration.

For receivables resulting from transactions governed by *Accounting Standards for Business Enterprises No. 14 - Revenue* (whether or not containing significant financing components) and for lease receivables governed by *Accounting Standards for Business Enterprises No. 21 - Leases*, the Company uses a simplified method, whereby the loss reserves are always measured on the basis of expected credit losses over the entire life of the receivable.

2. Accounting treatment method of expected credit losses

To reflect changes of the credit risks of financial instruments and changes since initial recognition, the Company shall re-measure the expected credit losses on each balance sheet date, and the resulting increased or reversed amounts of loss reserves shall be included into the current profit and loss as impairment losses or gains. According to the types of financial instruments, the book value of the financial assets listed on the balance sheet shall be offset or included in estimated liabilities (loan commitment or financial guarantee contract) or included into other comprehensive incomes (creditor's right investment measured at fair value with changes included into other comprehensive incomes).

21. Long-term equity investment

Applicable Not applicable

1. Determination of initial investment cost

For the long-term equity investment obtained in a business combination, if it is a business combination under the same control, the share of the book value of the owner's equity of the combined party in the final controlling party's consolidated financial statements should be used as the initial investment cost of the long-term equity investment on the combination date; for business combination not under the same control, the Company regards the combination costs determinate on the acquisition date as the initial investment cost of the long-term equity investment; for the long-term equity investment obtained through paying cash, the actual purchase price paid should be the initial investment cost; for long-term equity investment obtained through issuing equity securities, the initial investment cost is the fair value of issuing equity securities; the initial cost of a long-term equity investment obtained by recombination of debts should be determined in accordance with *Accounting Standards for Business Enterprises No. 12 - Debt Restructuring*; the initial investment cost of long-term equity investment acquired by exchange of non-monetary assets shall be recognized in accordance with the *Accounting Standards for Business Enterprises No. 7 - Exchange of Non-monetary Assets*.

2. Subsequent measurement and recognition method of profit and loss

The Company adopts the cost method to account the long-term equity investment controlled by the investee and equity method to account the long-term equity investment of associated enterprises and joint ventures. For the equity investments in associated enterprises by the Company, if a part of them are held indirectly through venture capital institutions, mutual funds, trust companies, or similar entities including investment-linked insurance funds, regardless of whether the above entities have a significant influence on this part of the investments, the Company shall handle them in accordance with the relevant provisions of the *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments*, and account the rest with the equity method.

3. Basis for determining joint control and significant impact on the investee

The same control of the investee refers to that the activity having a significant effect on the return of one arrangement should not be determined without the consensus of all participants sharing the control rights, including sales and purchase of goods or labor, management of financial assets, purchase and disposition of assets, research and development activities and financing activities. Having a significant effect on the investee refers to holding 20%- 50% of voting capital of the investee. Or, although it is less than 20%, but it meets one of the following conditions: there are representatives in the board of directors or other power authorities of the investee; it participates in the policy-making process of the investee; it dispatches the management personnel to the investee; the investee depends on the technology or technical data of the investment company; it conducts important deals with the investee.

22. Investment property

N/A

23. Fixed assets

(1) Recognition conditions

Applicable Not applicable

The fixed assets refer to tangible assets held for goods production, provision of labor service, renting or operational management, having a service life of more than one accounting year. It can be recognized when they meet the following conditions: the economic benefits related to the fixed assets are likely to flow into the enterprise; the cost of the fixed assets can be reliably measured.

(2) Depreciation method

Applicable Not applicable

Type	Depreciation method	Depreciation life (year)	Residual value rate	Annual depreciation rate
Houses and buildings	Straight-line method	10-35	3.00	2.77%-9.70%
Machinery and equipment	Straight-line method	5-10	3.00	9.70%-19.40%
Transport equipment	Straight-line method	3-8	3.00	12.13%-32.33%
Other equipment	Straight-line method	3-5	3.00	19.40%-32.33%

Fixed assets of the Company are mainly classified into: houses and buildings, machinery and equipment, office equipment and other equipment; The depreciation method is the straight-line method. The Company should determine the service life and predicted net residual value of the fixed assets according to their nature and use condition. At the end of the year, the service life, anticipated net residual value and depreciation method of the fixed assets were re-checked. In case of difference from the original estimate, corresponding adjustment would be made. In addition to the fixed assets which have been depreciated and continued to use and the land priced and booked independently, the Company may withdraw depreciation of all fixed assets.

(3) Identification basis, valuation and depreciation method of fixed assets under financing lease

Applicable Not applicable

24. Construction in progress

Applicable Not applicable

The construction in progress of the Company includes the self-construction and the construction of outsourcing. The construction in progress should be transferred to the fixed assets when it reaches the expected usable status. The criteria of expected usable status should meet one of the following circumstances: the entity building work of fixed assets (including

installation) has been finished wholly or has been finished substantially; the assets have been in pilot production or operation, and the results show that the assets may normally operate or stably produce qualified products, or the operation and business is normal; there is little or even no amount for fixed assets of the construction; the purchased or constructed fixed assets have already reached or basically agrees with the requirements of design or contract.

Borrowing expenses

Applicable Not applicable

1. Recognition principles for the capitalization of borrowing expenses

Where the borrowing expenses incurred to the Company can be directly attributable to the acquisition and construction or production of assets eligible for capitalization, they shall be capitalized and included into the costs of relevant assets; for other borrowing expenses, they are recognized as costs based on the accrual during the occurrence and included into the current profit and loss. Assets eligible for capitalization refer to fixed assets, investment property, inventories, and other assets that require a considerable amount of time for acquisition or construction, or production to reach the intended use or available-for-sale state.

2. Calculation method of capitalization amount

Capitalization period refers to the period from the capitalization beginning of borrowing expenses to the time point of stopping capitalization. The period that borrowing expenses are suspended for capitalization is not included. In the process of acquisition, construction or production is interrupted abnormally, and the interruption lasts for more than 3 months, the capitalization of borrowing expenses should be suspended.

For special loan, subtract the interest income obtained from depositing the borrowings which have not been used in the bank or return on investment from the temporary investment, according to the actual interest expenses of special loan in the current period; for ordinary loan, multiply assets expense weighted average of assets expenses exceeding the special loan by the capitalization rate of ordinary borrowing, with the capitalization rate of the weighted average rate of ordinary borrowing; where there is any discount or premium for the borrowing, the amount of discounts or premiums which should be amortized during each accounting period should be determined by the effective interest method, and the adjustment should be made to the amount of interests in each period.

The effective interest method is to calculate its amortizing discount or premium or interest cost according to the actual interest rate of the borrowing. Wherein, the effective interest rate is the rate used by converting the future cash flow of the borrowing during the expected duration into the present book value of the borrowing.

25. Biological assets

Applicable Not applicable

26. Oil-gas assets

Applicable Not applicable

27. Right-of-use assets

Applicable Not applicable

The right-of-use assets refer to the lessee's right to use the leased asset during the lease term. The initial measurement of right-of-use assets shall be based on the costs on the commencement date of the lease term. The costs include: ① Initially measured amount of lease liabilities; ② Amount of lease payments made on or before the commencement date of the lease term; in case of any lease incentive, the related amount of such lease incentive having been enjoyed shall be deducted; ③ Initial direct costs incurred to the lessee; ④ Costs that the lessee expects to incur to disassemble and remove leased assets, restore the site where leased assets are located or restore leased assets to the agreed condition under the terms of the lease. For the depreciation of right-of-use assets of the Company, the straight-line method is used for classification. Whereas the ownership of the lease assets can be reasonably recognized at the expiration of the lease term, depreciation of the lease assets should be withdrawn within the service life thereof; for the ownership of the leased assets cannot be reasonably recognized at the expiration of the lease term, the depreciation should be calculated and withdrawn within the shorter of the lease term and the remaining service life of the leased asset.

Whether the right-of-use assets have been impaired and carried out accounting treatment based on the relevant provisions of the *Accounting Standards for Business Enterprises No. 8 - Impairment of Assets* should be determined by the Company.

28. Intangible assets

(I) Valuation method, service life, impairment test

Applicable Not applicable

1. Valuation method for intangible assets

The intangible assets of the Company shall be measured initially in accordance with its cost. The actual cost of bought-in intangible assets shall be recognized as the amount actually paid and other relevant expenses. The actual costs of intangible assets invested by investors will be determined by the value agreed in investment contract or agreements. In case that the agreed value in such contract or agreement is not fair, the fair value will be used to determine the actual cost. The actual cost of self-developed intangible assets are total expenses incurred prior to achieving its expected use.

The subsequent measurement methods of intangible assets of the Company are as shown separately: the intangible assets with the limited service life should be amortized with straight-line method within service life. The service life and amortization method of intangible assets should be re-checked at year end. If there is different from the original estimate, the adjustments should be conducted; intangible assets with uncertain service life should not conduct the amortization, but

the service life should be re-checked at the end of the year. When there is unambiguous evidence proving that the service life is limited, estimate on service life should be made, and straight-line method should be used for amortization.

2. Judgment basis for uncertain service life

The Company is unable to predicate the period of the assets' economic benefit or the recognition period when the intangible assets which have the uncertain service life are recognized to be uncertain. The judgment basis for uncertain service life is as follows: it comes from the contract rights or other legal rights, but there is no undefined service life specified by the contract or law; it is still unable to judge the period of intangible assets that brings economic benefits to the Company by combining the information of the same industry and relevant demonstration of experts.

The Company should recheck the service life of the intangible assets which have the uncertain service life from bottom to top, and then the using departments of intangible assets should make the basic recheck and evaluate whether the judgment basis of uncertain service life has been changed.

(2) Accounting policy in internal R&D expenditure

Applicable Not applicable

Expenditures at the research stage of the internal R&D item should be included into current profit and loss when occurred; expenditures at the development stage that meet the following conditions are recognized as intangible assets: (1) Where it is technically feasible to complete the intangible assets in order for use or sale; (2) Where it has the intention to complete and use or sell the intangible assets; (3) Ways in which intangible assets generate economic benefits including the ability to prove that the products produced by such intangible assets exist in the market or that the intangible assets themselves exist in the market, and that the intangible assets shall be used internally, which can prove their usefulness; (4) Where it has sufficient technical, financial and other resources to support the development of the intangible assets and the ability using or selling the intangible assets; (5) Where the expenditures attributable to the development stage of the intangible assets can be reliably measured.

Specific standards for dividing research stage and development stage of internal R&D item: the planned investigation stage for obtaining new skills and knowledge should be identified as research stage, and such stage is planned and exploratory; before commercial production or use, the stages of applying research results or other knowledge to a plan or design of some items in order to produce new materials, devices, products, etc. with substantive improvement should be determined as the development stage, and such stage has targeted and more likely to produce results with more possible and other features.

29. Impairment of long-term assets

Applicable Not applicable

The impairment test will be conducted if the long-term assets such as long-term equity investment, investment property measured with the cost model, fixed assets, construction in progress, productive biological assets measured with the cost model, oil-gas assets, intangible assets, and goodwill have signs of impairment on the balance sheet date. If the impairment test result shows that the recoverable amount of assets is lower than the book value thereof, the impairment reserves should be withdrawn in accordance with its difference and included into the impairment losses.

The recoverable amount is the higher one between the net amount of the fair value of the asset minus the disposal expenses and the present value of the expected future cash flow of the asset. The asset impairment reserves should be calculated and recognized on the basis of a single asset. If it is hard to assess the recoverable amount of a single asset, the recoverable amount of the asset group should be determined in accordance with the asset group of the assets. The asset group refers to the minimum asset portfolio that is capable of independently generating cash inflow.

As for the goodwill separately listed in the financial statement, no matter whether the sign of impairment arises or not, the impairment test should be done at least every year. During the impairment test, the book value of goodwill should be apportioned to the asset group or portfolio of asset group expected to benefit from the synergistic effect of business combination. If the test results show that the recoverable amount of the asset group or asset group portfolio containing the apportioned goodwill is lower than its book value, the corresponding impairment loss should be recognized. The amount of impairment loss firstly offsets the book value of goodwill apportioned to the asset group or asset group portfolio, and then offsets the book value of other assets in proportion according to the proportion of the book value other than goodwill in the asset group or asset group portfolio.

Once the above-mentioned asset impairment losses are determined, the part whose value can be recovered should not be reserved in subsequent periods.

30. Long-term unamortized expenses

Applicable Not applicable

Long-term unamortized expenses of the Company refers to expenses which have been paid, but the benefit period is more than one year (exclusive). Long-term unamortized expenses should be amortized evenly by stages within the benefit period of expense items. If the item for long-term unamortized expenses cannot bring profits for the following accounting period, amortized value of such item that has not been amortized will be transferred into current profit and loss fully.

31. Contract liabilities

(1) Recognition method of contract liabilities

Applicable Not applicable

The Company should list reserves the obligation of transferring goods or providing services to customers due to consideration received or receivable as contract liabilities.

The Company lists the contract assets and liabilities under the same contract as the net amount.

32. Payroll

(1) Accounting treatment method for short-term remuneration

Applicable Not applicable

The Company will recognize the actual short-term remuneration as the liabilities during the accounting period when the employees deliver service, which should be included into the current profit and loss, except for the remuneration required or admitted to be included into the asset cost by the Accounting Standards for Business Enterprises. The employee services and benefit of the Company should be included into the current profit and loss or relevant asset loss according to actual amount when it actually occurs. Non-monetary employee services and benefits should be measured in accordance with fair value. During the accounting period when employees deliver service, for social insurance premiums such as medical insurance premiums, work-related injury insurance premiums, birth insurance premiums and housing provident funds as well as labor union expenditure and employee education expenses paid for employees by the Company should be calculated according to specified accrual foundation and ratio to determine corresponding employee remuneration and recognize corresponding liabilities, which are included into the current profit and loss or relevant asset costs.

(2) Accounting treatment method for post-employment benefit

Applicable Not applicable

In the accounting period when the employee serves the Company, the deposited amount calculated based on defined contribution plan will be recognized as liabilities and included into the current profit and loss or the relevant asset costs. The Company attributes the benefits arising out of the defined benefit plan in accordance with the expected cumulative benefit unit method to the service periods of the employees, which are included into the current profit and loss or relevant asset cost.

(3) Accounting treatment method for dismissal benefits

Applicable Not applicable

If the Company provides dismissal benefits to employees, the employee remuneration liabilities arising from the dismissal benefits are recognized on an earlier day of the following, and included into the current profit and loss: when the Company cannot unilaterally withdraw the dismissal benefits provided by the termination of the labor relations plan or the reduction proposal; when the Company recognizes the costs or expenses associated with the restructuring involving the payment of the dismissal benefits.

(4) Accountant treatment method of other long-term employee benefits

Applicable Not applicable

If other long-term employee benefits provided by the Company meet the conditions in the defined contribution plan, it should be treated based on the provisions of defined contribution plan; besides, the net liability or net asset of other long-term employee benefits is recognized and measured according to relevant provisions on the defined benefit plan.

33. Lease liabilities

Applicable Not applicable

The lease liabilities should be initially measured at the present value of the unpaid lease payments at the commencement date of the lease term. Lease payment includes: ① Fixed payment (including substantial fixed payment), in case of lease incentives, the related amount of such lease incentives should be deducted; ② Variable lease payment dependent on the index or ratio; ③ Amount expected to be paid based on the guaranteed residual value provided by the lessee; ④ Executive price of buying the option is in the premise that the lessee reasonably confirms it shall exercise such option; ⑤ Funds to be paid for the option of exercising the determination of the lease is in the premise that the lease term reflects the lessee shall exercise the option of determination of the lease.

34. Estimated liabilities

Applicable Not applicable

When obligation related to the contingencies is the current obligation of the Company, the performance of such obligation may cause the damage to economic benefits, and if its amount can be reliably measured, the obligation should be recognized as estimated liabilities. The initial measurement should be performed by the Company according to the optimal estimate of required expenditure for performing the relevant current obligation. In addition, if the required expenditure has a continuous range, and the possibility of various results within such range is same, the optimal estimate should be determined according to the middle value within such range; if involving multiple items, the optimal estimate should be calculated and determined according to various possible results and relevant probability.

The book value of estimated liabilities should be rechecked on the balance sheet date. If there are unambiguous evidences proving the book value cannot actually reflect the optimal estimate, the book value should be adjusted according to the optimal estimate.

35. Share-based payment

Applicable Not applicable

The share-based payments of the Company include of equity-settled share-based payments and cash-settled share-based payments. The equity-settled share-based payment in return for employee services should be measured at the fair value of the equity instruments granted to the employees. The Company uses the quotation at the active market if the market exists; if the active market does not exist, the Company uses the valuation technology to determine, mainly include the prices adopted by the parties, who are familiar with the condition, in the latest market transaction upon their own free will, the current fair value obtained by referring to other financial instruments of the same essential nature, discounted cash flow method and the option pricing model, etc.

According to the vesting number changes, completion of performance index and other subsequent information that have obtained, it is necessary to modify the predicted vesting share option number on each balance sheet date and determine the cost that should be apportioned at each period. The options tariff that step over multiple accounting periods is generally apportioned according to the proportion of the stay period of the options at an accounting period in the whole stay period.

36. Other financial instruments such as preferred shares, perpetual bonds, etc.

Applicable Not applicable

38. Revenue**(1) Accounting policies adopted for revenue recognition and measurement**

Applicable Not applicable

The Company has fulfilled the performance obligations in the contract, that is, the revenue is recognized at the transaction price allocated to the performance obligation when the customer obtains control right of the relevant goods or services.

Gaining the control right of relevant goods means being able to dominate the use of the goods and derive almost total economic benefit from them. The performance obligation refers to the commitment of the Company to transfer clearly distinguishable goods to the customer in the contract. Transaction price refers to the amount of consideration that the company expects to be entitled to receive due to the transfer of goods or services to customers, but does not include payments received on behalf of third parties and the amount that the Company expects to return to customers.

Whether the performance obligation is fulfilled within a certain period or at a certain time point depends on the contract terms and relevant legal provisions. If the performance obligation is fulfilled within a certain period, the Company recognizes the revenue based on the performance progress. Otherwise, the Company recognizes the revenue at a certain time point when the customer gains the control right of the relevant assets. When judging whether the customer has obtained the control right of the goods, the Company can consider the following signs:

- (1) The Company has the current collection right of the goods, namely the customer is responsible for current payment obligation of the goods;
- (2) The Company has transferred legal ownership of the goods to the customer, i.e., the customer has obtained legal ownership of the goods;
- (3) The Company has transferred the physical goods to the customer, i.e., the customer has taken physical possession of the goods;
- (4) The Company has transferred main risks and rewards concerning the ownership of the goods to the customer, namely the customer has obtained them;
- (5) Other signs indicating that the customer has obtained the control right of the goods.

1. Goods sales contract

Goods sales contract between the Company and its customers normally only include performance obligations to transfer the goods. The Company generally recognizes revenues at the point of completion of acceptance based on a combination of the following factors since the Company's performance obligations to transfer goods does not satisfy the three conditions for performance at a point in time; acquisition of the current collection rights of the goods, the transfer of the main risks and rewards of the ownership of the goods, the transfer of the legal ownership of the goods, the transfer of the physical assets of the goods, and the customer's acceptance of the goods.

2. Service provision contract

The service provision contract between the company and its customers usually includes the contract performance obligations such as maintenance guarantee services, operation and maintenance services and engineering services, and since the customer can obtain and consume the economic benefits brought by the contract performance of the group when the company performs the contract, the company shall take it as the contract performance obligation performed within a certain period of time, and the revenue shall be recognized according to the contract performance progress. For service contracts with clear output indicators, such as maintenance guarantee services, operation and maintenance services, etc., the Company will determine the performance progress of the services provided by the output method; for the contract with a few output indicators that cannot be clearly measured, the input method shall be used to determine the performance progress of the service.

3. Transfer of asset use rights

The transfer of asset use rights is recognized as operating lease income, and operating income is recognized on a regular basis according to the lease agreement. That is, the revenue from the charge for use obtained from the transfer of asset use rights is recognized when the economic benefits related to the transaction are likely to flow into the enterprise and the

amount of revenue can be reliably measured.

Variable consideration

Some of the Company's contracts with customers have cash discounts and price guarantees, etc., resulting in variable consideration. The Company determines the best estimate of the variable consideration according to the expected value or the most likely amount, but the transaction price including the variable consideration does not exceed the revenue that is likely not to be significantly reversed when the relevant uncertainty is eliminated.

Terms of sales return

For sales with terms of sales return, the Company will recognize revenues based on the amount of consideration that it is entitled to obtain due to the transfer of the goods to the customer, and recognize the expected return due to the sales return as estimated liabilities when the customer obtains control right of the relevant goods; the balance after deducting the estimated cost of recovering the goods (including the value impairment of the returned goods) is recognized as an asset according to the expected book value of the returned goods at the time of transfer, that is, the receivable return cost-the amount after deducting the net carry-over cost of the aforementioned asset cost with book value at the time of goods transfer. The Company will reevaluate the future sales returns and re-measure the aforementioned assets and liabilities on each balance sheet date.

Quality assurance obligations

The Company provides quality assurance for the goods sold and the assets constructed in accordance with contractual agreements, legal provisions, etc. For warranty-type quality assurance for the purpose of guaranteeing to customers that the goods sold meet established standards, the accounting treatment should be performed by the Company in accordance with Note 3 (22). For the service quality assurance that provides a separate service in order to assure customers that the goods sold meet the established standards, the Company regards it as a single performance obligation, and part of the transaction price is allocated to service quality assurance according to the relative proportion of the stand-alone selling price for the provision of quality assurance goods and services, and revenue is recognized when the customer obtains control right of the service. When assessing whether the quality assurance provides a separate service in addition to assuring customers that the sales of goods meet the established standards, the Company considers whether the quality assurance is a legal requirement, the quality assurance period, and the nature of the Company's commitment to perform the tasks.

(2) Differences in revenue recognition accounting policies due to the adoption of different business models in similar businesses

Applicable Not applicable

39. Contract costs

Applicable Not applicable

The contract costs of the Company include incremental costs incurred from acquisition of contracts and contract performance costs. Incremental costs incurred from acquisition of the contract ("contract acquisition costs") refer to the costs that would not be incurred without acquisition of the contract. If the cost is expected to be recovered, the Company should take it as the contract acquisition cost and recognize it as an asset.

For the cost incurred by the Company for the performance of the contract that is not within the scope of other accounting standards for business enterprises such as inventory but meets the following conditions simultaneously, the contract performance costs should be recognized as an asset:

1. The cost is directly related to a current or anticipated contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), costs clearly borne by the customer and other costs incurred solely due to the contract;
2. The cost includes the resources used by the Company for the future performance obligations;
3. The cost is expected to be recovered.

The Company should recognize it as the contract performance cost of assets, and if the amortization period does not exceed one year or a normal operating cycle at the time of initial recognition, it should be included into the "inventory" item in the balance sheet; in the event that the amortization period exceeds one year or a normal operating cycle upon the initial recognition, it should be included as "other non-current assets" in the balance sheet.

The Company should recognize it as the contract acquisition cost of assets, and if the amortization period does not exceed one year or a normal operating cycle at the time of initial recognition, it should be included into the item of "other current assets" in the balance sheet; in the event that the amortization period exceeds one year or a normal operating cycle upon the initial recognition, it should be included as "other non-current assets" in the balance sheet.

The Company should amortize the assets recognized by contract acquisition costs and contract performance costs (hereinafter referred to as "assets related to contract costs") on the same basis as the recognition of goods revenue related to the assets and be included into the current profit and loss.

If the book value of assets related to contract costs is higher than the difference between the following two items, the Company should withdraw the impairment reserves of the excess part and recognize it as the asset impairment loss;

1. Residual consideration expected to be obtained arising from the transfer of goods related to the assets;
2. Cost estimated to be occurred arising from the transfer of the relevant goods.

If the aforesaid difference is higher than the book value of the asset because the impairment factors in the previous period change later, the Company should reverse the impairment reserves already accrued and include it in the current profit and loss, but the book value of the asset after reversal should not exceed the book value of the asset on the reversal date assuming no impairment reserves are made.

40. Government subsidies√ Applicable Not applicable**1. Type of government subsidies and accounting treatment**

Government subsidies refer to the monetary or non-monetary assets obtained free of charge by the company from the government, (excluding the capital invested by the government as the owner of the Company). If the government subsidies are monetary assets, they shall be measured at the amount received or receivable. If the government subsidies are non-monetary assets, they should be measured by the fair value; if fair value cannot be reliably determined, they are measured at nominal amount.

Government subsidies related to the daily activities should be counted into other incomes based on nature of business transactions. Government subsidies unrelated to daily activities shall be included into the non-operating incomes.

The government document explicitly stipulates that government subsidies used to purchase and construction or form long-term assets in other ways are classified as government subsidies related to assets. If the government does not stipulate the subsidy object explicitly, the government subsidies that can form long-term assets and correspond to the asset value should be taken as the asset-related government subsidies, and the rest parts should be taken as the income-related government subsidies. For the government subsidies that are difficult to be differentiated, the overall government subsidies should be taken as the income-related government subsidies.

The government subsidies other than those related to assets should be recognized as income-related government subsidies. The income-related government subsidies should be recognized as the deferred income if it is used to compensate the relevant expenses or losses in the later period of the enterprise and included into the current profit and loss in the period of recognizing the related expenses; those used for compensating the related expenses or losses in the Company should be included into the current profit and loss directly.

If the Company obtains the policy-type concessional loan with discounted interest and finance department appropriating funds with interest subsidy to the loan bank which provides the Company with the loan based on the policy-type preferential interest rate, the Company should take the borrowing amount actually received as the entry value of the loan and calculates related borrowing expenses in accordance with borrowing principal and the policy-type preferential interest rate; if the Ministry of Finance allocates the funds with discounted interest subsidies to the Company, it should write down related borrowing expenses with corresponding interest subsidy.

2. Recognition date of government subsidies

The government subsidies should be recognized when the conditions are met, and the subsidies could be received. The government subsidies calculated in accordance with the amount receivable shall be recognized if there is concrete evidence that it can meet the related conditions specified in the financial support policies at the end of the period and is expected to be able to receive financial support. Other government subsidies except for the government subsidies measured based on amount receivable should be recognized when such subsidies are received.

41. Deferred income tax assets/deferred income tax liabilities√ Applicable Not applicable

1. According to the difference between book value of assets or liabilities and tax base (those items which are not recognized as assets or liabilities, but of which tax base can be determined according to the regulations of tax law, the tax base can be determined as the difference), the Company shall calculate and recognize deferred income tax assets and deferred income tax liabilities according to the applicable tax rate during the period of debt.

2. Deferred income tax assets shall be recognized to the limit of acquiring any amount of taxable income tax that may be used for offsetting the deductible temporary difference. On the balance sheet date, if there is convincing evidence that sufficient taxable income will be available in future periods to deduct deductible temporary differences, deferred income tax assets that were not recognized in prior accounting periods are recognized. If it may not obtain sufficient taxable income for deducting the deferred income tax assets, the book value of the deferred income tax assets should be written down.

3. The deductible/taxable temporary difference related to the investment of subsidiaries and associated enterprises shall be recognized as deferred income tax liabilities, unless the Company may control the transferring time of temporary differences and the temporary differences may not be transferred back in the foreseeable future. For deductible temporary differences related to subsidiaries and associated enterprises, only when it's possible that the temporary difference should be returned in the predictable future and obtain the taxable revenue for deducting the deductible temporary difference in the future, the differences can be recognized as the deferred income tax assets.

42. Lease**(1) Accounting treatment method of operating lease**√ Applicable Not applicable

During each period of the lease term, the Company recognizes the lease receipts from operating leases as rental revenues by using the straight-line method. The Company capitalizes the initial direct costs pertaining to the operating lease as well as apportions and includes such costs into current profit and loss as per the same basis used for recognizing the rental revenues within the lease term.

(2) Accounting treatment method of financing lease√ Applicable Not applicable

The Company should recognize the difference between the sum of the receivable financing lease outlay and the unguaranteed residual value and its present value as unrealized financing incomes on the inception of lease, and recognize it as rental revenues within each period of receiving rent in the future. The initial direct costs incurred by the Company in connection with the leasing transactions are included into the initial recorded value of the financing lease receivables.

(3) Determination method and accounting treatment method of lease under the new lease standard

Applicable Not applicable

Accounting treatment for leased assets

On the commencement date of the lease term, the Company recognizes right-of-use assets and lease liabilities for leases other than short-term leases and leases of low-value assets, and recognizes the depreciation expenses and interest expenses, respectively, during the lease term.

The Company recognizes lease payments under short-term leases and leases of low-value assets as current expenses using the straight-line method for each period of the lease term.

(1) Right-of-use assets

The right-of-use assets refer to the lessee's right to use the leased asset during the lease term. The initial measurement of right-of-use assets shall be based on the costs on the commencement date of the lease term. The costs include: ① Initially measured amount of lease liabilities; ② Amount of lease payments made on or before the commencement date of the lease term; in case of any lease incentive, the related amount of such lease incentive having been enjoyed shall be deducted; ③ Initial direct costs incurred to the lessee; ④ Costs that the lessee expects to incur to disassemble and remove leased assets, restore the site where leased assets are located or restore leased assets to the agreed condition under the terms of the lease. For the depreciation of right-of-use assets of the Company, the straight-line method is used for classification. Whereas the ownership of the lease assets can be reasonably recognized at the expiration of the lease term, depreciation of the lease assets should be withdrawn within the service life thereof; for the ownership of the leased assets cannot be reasonably recognized at the expiration of the lease term, the depreciation should be calculated and withdrawn within the shorter of the lease term and the remaining service life of the leased asset.

Whether the right-of-use assets have been impaired and carried out accounting treatment based on the relevant provisions of the *Accounting Standards for Business Enterprises No. 8 - Impairment of Assets* should be determined by the Company.

(2) Lease liabilities

The lease liabilities should be initially measured at the present value of the unpaid lease payments at the commencement date of the lease term. Lease payment includes: ① Fixed payment (including substantial fixed payment), in case of lease incentives, the related amount of such lease incentives should be deducted; ② Variable lease payment dependent on the index or ratio; ③ Amount expected to be paid based on the guaranteed residual value provided by the lessee; ④ Executive price of buying the option is in the premise that the lessee reasonably confirms it shall exercise such option; ⑤ Funds to be paid for the option of exercising the determination of the lease is in the premise that the lease term reflects the lessee shall exercise the option of determination of the lease.

The interest rate embedded in the lease is adopted by the Company as the discount rate; if the interest rate embedded in the lease cannot be determined, the Company's incremental borrowing interest rate should be used as the discount rate. The Company calculates the interest expenses of the lease liabilities in each period of the lease term at a fixed cyclical interest rate and includes it in the financial expenses. This cyclical interest rate is the discount rate or revised discount rate used by the Company.

The variable lease payment not included into the measurement of lease liabilities shall be included into the current profit and loss when it actually occurs.

Lease liabilities should be remeasured at the present value of the changed lease payments and the revised discount rate, and the book value of the right-of-use assets should be adjusted accordingly when the Company's evaluation of the renewal option, termination option or purchase option changes. Lease liabilities should be remeasured at the present value of the changed lease payments and the original discount rate, and the book value of the right-of-use assets should be adjusted accordingly when there is a change in the substantive lease payments, the amount expected to be payable for the residual value of the guarantee or the variable lease payments depending on an index or rate.

43. Other significant accounting policies and accounting estimates

Applicable Not applicable

44. Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

Applicable Not applicable

(2) Changes in significant accounting estimates

Applicable Not applicable

(3) Adjustment of the financial statements at the beginning of the year after the first implementation of new accounting standards or standard interpretations in 2022

Applicable Not applicable

45. Others

√ Applicable □ Not applicable

VI. Taxes**1. Main tax category and tax rate**

Conditions of main tax category and tax rate

√ Applicable □ Not applicable

Tax category	Taxation basis	Tax rate
VAT	Taxable income	3%, 5%, 6%, 9%, 13%
Consumption tax	Taxable income	1%, 3%, 5%
Business tax		
Urban maintenance and construction tax	Turnover tax amount payable	5%, 7%
Corporate income tax	Taxable income	15%, 20%, 25%

Note: For passenger vehicles produced by the Company with a displacement of less than 1.0 L (including 1.0 L), more than 1.0-1.5 L (including 1.5 L), and more than 1.5-2.0 L (including 2.0 L), a consumption tax of 1%, 3% and 5% shall be levied respectively; the medium and light commercial buses produced by the Company (≤ 23 seats including the driver's seat) are subject to a consumption tax of 5%; the tax rebate rate for export vehicles with a displacement of less than 1.0 L (including 1.0 L), above 1.0-1.5 L (including 1.5 L), and above 1.5-2.0 L (including 2.0 L) by the Company's foreign trade enterprises is 1%, 3% and 5% respectively.

The Company implements the "exemption and refund" tax management method for the consumption tax on exported goods, and fully refunds the tax based on the original production process tax amount.

The situation should be disclosed if there exist different enterprise income tax rates in taxpaying bodies.

√ Applicable □ Not applicable

Names of taxpaying bodies	Income tax rate (%)
SERES Group Co., Ltd.	25
Dongfeng Sokon Automobile Co., Ltd.	15
Dongfeng Sokon Automobile Co., Ltd. Shapingba Branch	15
Dongfeng Sokon Automobile Co., Ltd. Chongqing Branch	15
Dongfeng Sokon Automobile Co., Ltd. Shiyang Branch	25
Dongfeng Sokon Automobile Co., Ltd. Chongqing Liangjiang New Area Branch	25
Chongqing Sokon Automobile Co., Ltd.	25
Chongqing Dongfeng FENGON Automobile Sales Co., Ltd.	15
Chongqing Dongfeng Sokon Automobile Sales Co., Ltd.	15
Shiyang Dongfeng FENGON Automobile Sales Co., Ltd.	25
Chongqing Dongkang Automobile Manufacturing Co., Ltd.	15
Chongqing Jiangkang Automobile Technology Co., Ltd.	25
Chongqing SERES New Energy Automobile Manufacturing Co., Ltd.	25
Chongqing Ruichi Automobile Industry Co., Ltd.	15
Xiamen Ruidongkang Automobile Sales Co., Ltd.	2.5
Chongqing Ruichi New Energy Vehicle Sales Service Co., Ltd.	25
Guangzhou Jiayuanyi New Energy Vehicle Sales Service Co., Ltd.	2.5
Shenzhen Dongkang New Energy Vehicle Sales Service Co., Ltd.	25
Wuhan Ruidongyi New Energy Vehicle Sales Service Co., Ltd.	2.5
Chongqing Kangfei Power Technology Co., Ltd.	25
Chongqing Sokon Automobile Parts Co., Ltd.	15
Chongqing Yu'an Shock Absorber Co., Ltd.	15
Shiyang Xinkang Automobile Parts Co., Ltd.	25
Chongqing Sokon Machinery Parts Co., Ltd.	15
Chongqing Jingkangbao Technology Co., Ltd.	2.5
SERES (Chongqing) Automobile Parts Co., Ltd.	25

Chongqing Sokon Import and Export Co., Ltd.	15
Chongqing Sinkon Motor International Trade Co., Ltd.	2.5
Chongqing Yu'an Huaihai Powertrain Co., Ltd.	15
Chongqing Sokon Powertrain Co., Ltd.	15
Chongqing Sokon Automobile Transmission Co., Ltd.	25
Luzhou Rongda Intelligent Transmission Limited Company	15
Luzhou Rongda Intelligent Transmission Limited Company Changshou Branch	15
Hunan Rongda Intelligent Transmission Co., Ltd.	15
Chongqing Sokon Engine R&D Co., Ltd.	25
Chongqing Sokon Automobile Sales Service Co., Ltd.	25
Sokon Group (Hong Kong) Limited	16.5
PT. SOKONIN DO AUTO MOBILE	22
SOKONMOTORS DO BRASIL INDUSTRIA E COMERCIO DE VEICULOS LTDA	15
PT. Yuan Powertrain Indonesia	22
SERES Automobile Co., Ltd.	15
Chengdu SERES Technology Co., Ltd.	25
Chongqing SERES New Energy Automobile Design Institute Co., Ltd.	25
Chongqing Dongkang New Energy Automobile Design Institute Co., Ltd.	25
Chongqing Jinkang Powertrain New Energy Co., Ltd.	25
SERES Automobile Sales Co., Ltd.	25
SERES Automobile Sales Service (Guangzhou) Co., Ltd.	2.5
Tianjin Jinkang SERES Automobile Sales Service Co., Ltd.	2.5
Shanghai SERES Automobile Sales Service Co., Ltd.	25
SERES Automobile Sales Service (Hangzhou) Co., Ltd.	25
SERES Automobile Sales Service (Jinan) Co., Ltd.	25
Chongqing SERES Automobile Sales Service Co., Ltd.	25
SERES Automobile Sales Service (Xuzhou) Co., Ltd.	2.5
Beijing SERES Zhixing Technology Co., Ltd.	2.5
Shanghai SERES New energy Vehicle Sales Co., Ltd.	2.5
Chongqing Saiwei Automobile Sales Service Co., Ltd.	2.5
Chongqing Kangwei Automobile Sales Service Co., Ltd. Shenzhen Branch	2.5
SERES Automobile Sales Service (Suzhou) Co., Ltd.	2.5
SERES Automobile Sales Service (Beijing) Co., Ltd.	25
Chongqing Siwei Automobile Sales Service Co., Ltd.	2.5
Chongqing SERES Technology Co., Ltd.	25
SERES Auto Sales Service (Shenzhen) Co., Ltd.	25
Chongqing SERES Electric Vehicle Sales Co., Ltd.	25
Chongqing FENGON New Energy Vehicle Sales Co., Ltd.	2.5
Sokon (United States) New energy Vehicle Co., Ltd.	29.84
Chongqing Jinkang SERES Automobile Co., Ltd.	25
Chongqing SERES Electric Vehicle Co., Ltd.	25
SINKON INTERNATIONAL (SINGAPORE) PTE. LTD	17
Chongqing Sinkon International Holdings Limited	25
Chongqing International Automobile Experience Center Co., Ltd.	25

2. Tax preference

√ Applicable Not applicable

1. According to the *Announcement of the Ministry of Finance, the State Administration of Taxation, and the National Development and Reform Commission on Continuing the Corporate Income Tax Policy for the Western Development*

(Ministry of Finance Announcement No. 23 of 2020), from January 1, 2021 to December 31, 2030, the corporate income tax will be levied at a reduced rate of 15% on encouraged industrial enterprises located in the western region. With the permission of the competent tax authority:

Chongqing Sokon Powertrain Co., Ltd., Chongqing Yu'an Huaihai Powertrain Co., Ltd., Chongqing Sokon Automobile Parts Co., Ltd., Chongqing Sokon Machinery Parts Co., Ltd., Chongqing Yu'an Shock Absorber Co., Ltd., Chongqing Sokon Import and Export Co., Ltd., Chongqing Dongfeng Sokon Automobile Sales Co., Ltd., Chongqing Dongfeng FENGON Automobile Sales Co., Ltd., Chongqing Ruichi Automobile Industry Co., Ltd., and Chongqing Dongkang Automobile Manufacturing Co., Ltd. can calculate and pay corporate income tax at a tax rate of 15%.

2. According to the *Announcement of the Ministry of Finance and the State Administration of Taxation on Further Implementing Preferential Income Tax Policies for Small and Micro Enterprises* (Announcement No. 13 of 2022), from January 1, 2022 to December 31, 2024, for the portion of small low-profit enterprises with an annual taxable income between RMB 1-3 million, a reduction of 25% shall be included in the taxable income, and corporate income tax shall be paid at a rate of 20%.

Guangzhou Jiayuanyi New Energy Vehicle Sales Service Co., Ltd., Wuhan Ruidongyi New Energy Vehicle Sales Service Co., Ltd., Xiamen Ruidongkang Automobile Sales Co., Ltd., SERES Automobile Sales Service (Guangzhou) Co., Ltd., Tianjin Jinkang SERES Automobile Sales Service Co., Ltd., SERES Automobile Sales Service (Xuzhou) Co., Ltd., Beijing SERES Zhixing Technology Co., Ltd., Shanghai SERES New energy Vehicle Sales Co., Ltd., Chongqing Saiwei Automobile Sales Service Co., Ltd., SERES Automobile Sales Service (Suzhou) Co., Ltd., Chongqing FENGON New Energy Vehicle Sales Co., Ltd., Chongqing Siwei Automobile Sales Service Co., Ltd., Chongqing Kangwei Automobile Sales Service Co., Ltd. Shenzhen Branch, Chongqing Jingkangbao Technology Co., Ltd., and Chongqing Sinkon International Automobile Trade Co., Ltd. can calculate and pay corporate income tax at a rate of 20%.

3. Dongfeng Sokon Automobile Co., Ltd. was recognized as a high-tech enterprise by the Science and Technology Department of Hubei Province, the Hubei Provincial Finance Department, and the Hubei Provincial Taxation Bureau of the State Administration of Taxation in 2021 (certificate No.: GR202142002328). From 2021 to 2023, the corporate income tax will be calculated and paid at a rate of 15%.

4. Hunan Rongda Intelligent Transmission Co., Ltd. was recognized as a high-tech enterprise by the Science and Technology Department of Hunan Province, the Hunan Provincial Finance Department, and the Hunan Provincial Taxation Bureau of the State Administration of Taxation in 2021 (certificate No.: GR202143004631). From 2021 to 2023, the corporate income tax will be calculated and paid at a rate of 15%.

5. Luzhou Rongda Intelligent Transmission Limited Company was recognized as a high-tech enterprise by the Science and Technology Department of Sichuan Province, the Sichuan Provincial Finance Department, and the Sichuan Provincial Taxation Bureau of the State Administration of Taxation in 2020 (certificate No.: GR202051000894). From 2020 to 2022, the corporate income tax will be calculated and paid at a rate of 15%.

6. SERES Automobile Co., Ltd. was recognized as a high-tech enterprise by the Chongqing Science and Technology Department, the Chongqing Finance Department, and the Chongqing Taxation Bureau of the State Administration of Taxation in 2022 (certificate No.: GR202251101435). From 2022 to 2024, the corporate income tax will be calculated and paid at a rate of 15%.

3. Others

Applicable Not applicable

VII. Item Notes for Consolidated Financial Statement

1. Monetary capital

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Cash on hand	228,249.62	166,692.34
Bank deposit	2,332,728,645.62	1,325,983,371.50
Other monetary funds	14,031,845,885.19	4,506,098,925.89
Total	16,364,802,780.43	5,832,248,989.73
Including: total amount of payments deposited overseas	352,166,429.37	139,514,680.06
Deposits in financial company	120,064,798.99	140,395,019.59

Other descriptions

RMB 5,563,242.21 in bank deposits has been frozen, while other monetary funds include bank acceptance bill deposits, and loan deposits.

2. Trading financial assets

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
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Financial assets measured at the fair value with its changes included into the current profit and loss	1,751,529,308.50	320,316,449.65
Including:		
equity instrument investments	139,633,765.70	320,316,449.65
Structured deposits	1,611,895,542.80	
Financial assets that are designated to be measured at the fair value with its changes included into the current profit and loss		
Including:		
Total	1,751,529,308.50	320,316,449.65

Other descriptions:

Applicable Not applicable

Equity instrument investment includes 39,490,000 A-shares of Chongqing Rural Commercial Bank and 54,945-shares of Zotye Automobile Co., Ltd.

3. Derivative financial assets

Applicable Not applicable

4. Notes receivable

(1) Classified presentation of the notes receivable

Applicable Not applicable

(2) Notes receivable that have been pledged by the Company at the end of the period

Applicable Not applicable

(3) Notes receivable that have been endowed or discounted by the Company and not due on balance sheet date at the end of the period

Applicable Not applicable

(4) Notes that have been transferred to accounts receivable by the Company at the end of the period because the drawer fails to perform contract

Applicable Not applicable

(5) Classified disclosure by the bad debt provision method

Applicable Not applicable

Withdrawal of bad-debt reserves by single item:

Applicable Not applicable

Withdrawal of bad-debt reserves in portfolios:

Applicable Not applicable

If the bad-debt reserve is made according to the general model of expected credit losses, refer to the disclosure of other receivables:

Applicable Not applicable

(6) Bad-debt reserves

Applicable Not applicable

(7) Actual write-off notes receivable in the current period

Applicable Not applicable

Other descriptions

Applicable Not applicable

5. Accounts receivable

1. Disclosed by aging

Applicable Not applicable

		Unit: CNY	Currency: RMB
Account age	Ending book balance		
Within 1 year			
Including: Sub-item within 1 year			
Within 1 year			1,572,639,797.54
Subtotal within 1 year			1,572,639,797.54
1-2 years			26,596,568.38
2-3 years			30,111,197.96

More than 3 years	
3-4 years	37,245,899.25
4-5 years	169,712,000.00
More than 5 years	76,454.10
Total	1,836,381,917.23

The audited contract assets are adjusted to accounts receivable in the current period.

(2) Classified disclosure by the bad debt provision method

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Type	Ending balance					Beginning balance				
	Book balance		Bad-debt reserves		Book value	Book balance		Bad-debt reserves		Book value
	Amount	Proportion (%)	Amount	Calculation and withdrawing proportion (%)		Amount	Proportion (%)	Amount	Calculation and	
Withdrawal of bad-debt reserves by single item	10,508,871.85	0.57	10,508,871.85	100		10,812,093.04	1.05	10,812,093.04	100	
Including:										
Withdrawal of bad-debt reserves in portfolios	1,825,873,045.38	99.43	45,066,261.37	2.47	1,780,806,784.01	1,016,185,720.93	98.95	19,498,028.83	1.92	996,687,692.10
Including:										
Withdrawal of bad-debt reserves as per credit risk feature portfolio	1,825,873,045.38	99.43	45,066,261.37	2.47	1,780,806,784.01	1,016,185,720.93	98.95	19,498,028.83	1.92	996,687,692.10
Total	1,836,381,917.23		55,575,133.22		1,780,806,784.01	1,026,997,813.97		30,310,121.87		996,687,692.10

Withdrawal of bad-debt reserves by single item:

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Name	Ending balance			
	Book balance	Bad-debt reserves	Calculation and withdrawing proportion (%)	Reasons for calculation and withdrawal
Hunan Jiangnan Automobile	9,224,403.70	9,224,403.70	100.00	Bankruptcy

Manufacturing Co., Ltd. Hubei Branch				reorganization
Chongqing Meiwan New Energy Automobile Technology Co., Ltd.	1,149,400.00	1,149,400.00	100.00	Debtor's suspension of production and business
Changsha Junma Automobile Sales Co., Ltd. Hubei Branch	135,068.15	135,068.15	100.00	Debtor's suspension of production and business
Total	10,508,871.85	10,508,871.85	100.00	/

Description of withdrawal of bad-debt reserves by single item:

Applicable Not applicable

Withdrawal of bad-debt reserves in portfolios:

Applicable Not applicable

Portfolio withdrawal items: Withdrawal of bad-debt reserves as per credit risk feature portfolio

Unit: CNY Currency: RMB

Name	Ending balance		
	Accounts receivable	Bad-debt reserves	Calculation and withdrawing proportion (%)
New energy portfolio	719,141,181.76	22,650,141.50	3.15
Non-new energy portfolio	1,106,731,863.62	22,416,119.87	2.03
Total	1,825,873,045.38	45,066,261.37	2.47

Recognition criteria and description of withdrawal of bad-debt reserves in portfolios:

Applicable Not applicable

If the bad-debt reserve is made according to the general model of expected credit losses, refer to the disclosure of other receivables:

Applicable Not applicable

(3) Bad-debt reserves

Applicable Not applicable

Unit: CNY Currency: RMB

Type	Beginning balance	Changed amount in the current period				Ending balance
		Calculation and withdrawal	Recover or reverse	Write-off or charge-off	Other changes	
Withdrawal by single item	10,812,093.04		134,559.36	168,661.83		10,508,871.85
Withdrawal in portfolios	19,498,028.83	31,366,463.98	5,797,606.24	625.20		45,066,261.37
Total	30,310,121.87	31,366,463.98	5,932,165.60	169,287.03		55,575,133.22

Thereinto, important amounts of bad-debt reserves recovered or reversed in the current period:

Applicable Not applicable

(4) Actual write-off accounts receivable in the current period

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Written-off amount
Actual write-off accounts receivable	169,287.03

Thereinto, write-off of important accounts receivable

Applicable Not applicable

Instructions for write-off of accounts receivable:

Applicable Not applicable

(5) Accounts receivable with the ending balance ranked among the first five as collected by the borrower

Applicable Not applicable

Unit: CNY Currency: RMB

Unit name	Ending balance	Proportion in the ending balance of accounts receivable (%)	Ending balance of bad-debt reserves
Unit I	286,375,356.28	15.59	
Unit II	178,869,786.57	9.74	7,930,186.84
Unit III	156,876,099.48	8.54	2,400,204.32
Unit IV	97,292,871.26	5.30	4,864,643.57
Unit V	96,044,837.41	5.23	1,469,486.01
Total	815,458,951.00	44.40	16,664,520.74

Other descriptions

None

(6) Accounts receivable derecognized due to transfer of financial assets

Applicable Not applicable

(7) Amount of assets and liabilities formed by transferring accounts receivable and continuing to be involved

Applicable Not applicable

Other descriptions:

Applicable Not applicable

6. Receivables financing

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Notes receivable	242,278,901.77	377,361,946.64
Total	242,278,901.77	377,361,946.64

Changes in receivables financing during the current period and changes in fair value:

Applicable Not applicable

If the bad-debt reserve is made according to the general model of expected credit losses, refer to the disclosure of other receivables:

Applicable Not applicable

Other descriptions:

Applicable Not applicable

At the end of the period, the amount of notes receivable pledged by the Company was RMB 141,870,648.60, and the amount of bank acceptance bills endorsed or discounted but not yet due was RMB 10,053,871,022.77. The Company will derecognize the endorsed or discounted but not yet due bank acceptance bills.

7. Advance payment

(1) Presentation of advance payment by age

Applicable Not applicable

Unit: CNY Currency: RMB

Account age	Ending balance		Beginning balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	367,002,703.88	83.03	593,036,990.45	89.81
1-2 years	42,966,181.89	9.72	16,766,985.53	2.54
2-3 years	2,966,318.87	0.67	50,278,028.37	7.61
More than 3 years	29,089,759.43	6.58	253,094.54	0.04
Total	442,024,964.07	100.00	660,335,098.89	100.00

Description for reasons of failure in timely settlement of advance payment with over 1 year of account age and important

amounts:
None

(2) Advance payment of the top five among ending balances collected by advance payment object

Applicable Not applicable

Unit name	Ending balance	Proportion in the ending balance of advance payment (%)
Unit I	87,571,246.23	19.81
Unit II	29,057,000.00	6.57
Unit III	29,017,534.85	6.56
Unit IV	26,028,457.56	5.89
Unit V	18,396,774.82	4.16
Total	190,071,013.46	42.99

Other descriptions
None

Other descriptions
 Applicable Not applicable

8. Other receivables

Item presentation

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Interests receivable		
Dividends receivable		
Other receivables	1,002,129,626.08	1,610,869,459.99
Total	1,002,129,626.08	1,610,869,459.99

Other descriptions:
 Applicable Not applicable

Interests receivable

(1) Classification of interest receivable

Applicable Not applicable

(2) Important overdue interest

Applicable Not applicable

(3) Bad-debt reserves

Applicable Not applicable

Other descriptions:
 Applicable Not applicable

Dividends receivable

(4) Dividends receivable

Applicable Not applicable

Unit: CNY Currency: RMB

Item (or investee)	Ending balance	Beginning balance
New Energy Automobile Industry Development (Chongqing) Co., Ltd.	1,000,000.00	1,000,000.00
Chongqing New Energy Automobile Finance Leasing Co., Ltd.	11,727,677.71	11,727,677.71

Minus: Bad-debt reserves	12,727,677.71	12,727,677.71
Total	0	0

(5) Important dividends receivable with an aging of over 1 year

Applicable Not applicable

(6) Withdrawal of bad-debt reserves

Applicable Not applicable

Unit: CNY Currency: RMB

Bad-debt reserves	Stage I	Stage II	Stage III	Total
	Expected credit loss in the next 12 months	Expected credit loss throughout the entire duration (credit impairment that has not occurred)	Expected credit loss throughout the entire duration (credit impairment that has occurred)	
Balance as of January 1, 2022	12,727,677.71			12,727,677.71
Balance as of January 1, 2022 in the current	12,727,677.71			12,727,677.71
- Transfer to Stage II				
- Transfer to Stage III				
- Transfer back to Stage II				
- Transfer back to Stage II				
Calculation and withdrawal in the current period				
Reverse in the current period				
Write-off in the current period				
Charge-off in the current period				
Other changes				
Balance as of December 31, 2022	12,727,677.71			12,727,677.71

Description of the significant changes in the book balance of dividends receivable in which changes in loss reserves occurred in the current period:

Applicable Not applicable

Other descriptions:

Applicable Not applicable

Other receivables**(7) Disclosed by aging**

Applicable Not applicable

Unit: CNY Currency: RMB

Account age	Ending book balance
Within 1 year	
Including: Sub-item within 1 year	
Within 1 year	834,603,408.02
Subtotal within 1 year	834,603,408.02
1-2 years	214,705,915.51
2-3 years	2,936,491.63

More than 3 years	
3-4 years	34,217,416.57
4-5 years	41,287,084.22
More than 5 years	593,000.00
Total	1,128,343,315.95

(8) Classification by nature of payment

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Nature of payment	Ending book balance	Beginning book balance
Performance compensation	222,460,413.36	1,361,093,416.28
Reserves, margins and security deposits	724,076,872.87	202,590,171.68
Other intercourse funds	181,806,029.72	129,469,236.77
Total	1,128,343,315.95	1,693,152,824.73

(9) Withdrawal of bad-debt reserves

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Bad-debt reserves	Stage I	Stage II	Stage III	Total
	Expected credit loss in the next 12 months	Expected credit loss throughout the entire duration (credit impairment that has not occurred)	Expected credit loss throughout the entire duration (credit impairment that has occurred)	
Balance as of January 1, 2022	18,526,364.74		63,757,000.00	82,283,364.74
Balance as of January 1, 2022 in the current	18,526,364.74		63,757,000.00	82,283,364.74
- Transfer to Stage II				
- Transfer to Stage III				
- Transfer to Stage II				
- Transfer back to Stage I				
Calculation and withdrawal in the current period	39,026,499.38			39,026,499.38
Reverse in the current period				
Write-off in the current period				
Charge-off in the current period	985,174.25			985,174.25
Other changes			5,889,000.00	5,889,000.00
Balance as of December 31, 2022	56,567,689.87		69,646,000.00	126,213,689.87

Other changes are due to the exchange rate fluctuations for the full provision of bad-debt reserves for TIVENIMERGECO,INC accounts receivable of USD 10 million.

Description of the significant changes in the book balance of other receivables in which changes in loss reserves occurred in the current period:

□ Applicable √ Not applicable

The basis for adopting whether the amount of the bad-debt reserves in the current period and the credit risk of financial instruments has increased significantly:

Applicable Not applicable

(10) Bad-debt reserves

Applicable Not applicable

Type	Beginning balance	Unit: CNY			Currency: RMB	
		Changed amount in the current period				Ending balance
		Calculation and withdrawal	Recover or reverse	Write-off or charge-off	Other changes	
Withdrawal of bad-debt reserves as per credit risk feature portfolio	82,283,364.74	39,026,499.38		985,174.25	5,889,000.00	126,213,689.87
Total	82,283,364.74	39,026,499.38		985,174.25	5,889,000.00	126,213,689.87

Thereinto, important amounts of bad-debt reserves reversed or recovered in the current period:

Applicable Not applicable

(11) Other actual write-off receivables in the current period

Applicable Not applicable

Item	Unit: CNY	Currency: RMB
	Written-off amount	
Other actual write-off receivables		985,174.25

Thereinto, other important write-off receivables:

Applicable Not applicable

Write-off descriptions of other receivables:

Applicable Not applicable

(12) Other receivables of the top five ending balances that collected by the debtor

Applicable Not applicable

Unit name	Nature of payment	Ending balance	Account age	Proportion in the ending balance of other receivables (%)	Ending balance of bad-debt reserves
Unit I	Margins	650,000,000.00	Within 1 year/1-2 years	57.61	42,500,000.00
Unit II	Performance compensation	222,460,413.36	Within 1 year	19.72	
Unit III	Receipts and deposits	96,419,809.00	Within 1 year	8.55	4,820,990.45
Unit IV	Intercourse funds	69,646,000.00	3-4 years/4-5 years	6.17	69,646,000.00
Unit V	Margins	18,615,631.40	Within 1 year/1-2 years	1.65	961,017.57
Total	/	1,057,141,853.76	/	93.70	117,928,008.02

(13) Receivables involving government subsidies

Applicable Not applicable

(14) Other receivables derecognized due to transfer of financial assets

Applicable Not applicable

(15) Amount of assets and liabilities formed by transferring other receivables and continuing to be involved

Applicable Not applicable

Other descriptions:

Applicable Not applicable

9. Inventory**(1) Inventory classification**

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Inventory falling price reserves/impairment reserves for contract performance cost	Book value	Book balance	Inventory falling price reserves/impairment reserves for contract performance cost	Book value
Raw materials	2,658,433,450.90	84,555,711.38	2,573,877,739.52	1,384,520,594.53	74,684,039.62	1,309,836,554.91
Low-value consumables	12,542,102.08	700,199.96	11,841,902.12	21,263,251.17	1,112,368.36	20,150,882.81
Products in progress	151,935,093.39	4,178,172.25	147,756,921.14	171,531,023.84	17,468,316.19	154,062,707.65
Inventory goods	1,116,054,654.13	78,141,125.34	1,037,913,528.79	999,067,145.56	38,946,921.38	960,120,224.18
Goods shipped in transit	222,916,781.03	1,441,781.99	221,474,999.04	346,260,469.02	17,545,568.87	328,714,900.15
Revolving materials						
Consumptive biological assets						
Contract performance costs						
Total	4,161,882,081.53	169,016,990.92	3,992,865,090.61	2,922,642,484.12	149,757,214.42	2,772,885,269.70

(2) Inventory falling price reserves and impairment reserves for contract performance cost

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Beginning balance	Increase in the current period	Amount Others	Amount decreased in the current period		Ending balance
		Calculation and withdrawal		Reverse or charge-off	Others	
Raw materials	74,684,039.62	98,630,524.41		88,758,852.65		84,555,711.38
Low-value consumables	1,112,368.36	92,878.31		505,046.71		700,199.96
Products in progress	17,468,316.19	27,153,882.61		40,444,026.55		4,178,172.25
Inventory goods	38,946,921.38	152,972,123.06		113,777,919.10		78,141,125.34
Goods shipped in transit	17,545,568.87	1,602,486.06		17,706,272.94		1,441,781.99
Revolving materials						
Consumptive biological assets						
Contract performance costs						
Total	149,757,214.42	280,451,894.45		261,192,117.95		169,016,990.92

(3) Description of the capitalized amount of borrowing expenses included in the ending balance of inventory

□ Applicable √ Not applicable

(4) Description of current amortization amount of the contract performance cost

□ Applicable √ Not applicable

Other descriptions

 Applicable Not applicable**10. Contract assets****(1) Contract assets** Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment reserves	Book value	Book balance	Impairment reserves	Book value
New energy subsidy	948,823,892.35	10,575,794.91	938,248,097.44	961,677,939.68	5,242,930.10	956,435,009.58
Total	948,823,892.35	10,575,794.91	938,248,097.44	961,677,939.68	5,242,930.10	956,435,009.58

(2) Amount with major changes in its book value during the reporting period and its reasons Applicable Not applicable**(3) Impairment reserve for contract assets in the current period** Applicable Not applicable

Unit: CNY Currency: RMB

Item	Calculation and withdrawal in the current period	Reverse in the current period	Charge-off/write-off in the current period	Reasons
New energy subsidy	5,332,864.81			
Total	5,332,864.81			/

If the bad-debt reserve is made according to the general model of expected credit losses, refer to the disclosure of other receivables:

 Applicable Not applicable

Other descriptions:

 Applicable Not applicable**11. Held-for-sale assets** Applicable Not applicable**12. Non-current assets due within one year** Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Creditor's right investment due within one year		
Other creditor's right investment due within one year		
Long-term receivables due within one year	8,461,717.67	246,987,388.15
Total	8,461,717.67	246,987,388.15

Important creditor's right investment and other creditor's right investment at the end of the period:

 Applicable Not applicable

Other descriptions

None

13. Other current assets Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Contract acquisition costs		

Return cost receivable		
VAT to be credited or certified	429,335,247.08	889,353,721.39
Pre-paid taxes and others	23,490,262.01	4,045,045.81
Total	452,825,509.09	893,398,767.20

Other descriptions

None

14. Creditor's right investment

(1) Creditor's right investment

Applicable Not applicable

(2) Important creditor's right investment at the end of the period

Applicable Not applicable

(3) Withdrawal of impairment reserves

Applicable Not applicable

The basis for adopting whether the amount of the impairment reserves in the current period and the credit risk of financial instruments has increased significantly

Applicable Not applicable

Other descriptions

Applicable Not applicable

15. Other creditor's right investments

(1) Other creditor's right investment

Applicable Not applicable

(2) Other important creditor's right investment at the end of the period

Applicable Not applicable

(3) Withdrawal of impairment reserves

Applicable Not applicable

The basis for adopting whether the amount of the impairment reserves in the current period and the credit risk of financial instruments has increased significantly

Applicable Not applicable

Other descriptions:

Applicable Not applicable

16. Long-term receivables

(1) Long-term receivables

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance			Beginning balance			Range of discount rate
	Book balance	Bad-debt reserves	Book value	Book balance	Bad-debt reserves	Book value	
Financing lease payment	54,731,880.74		54,731,880.74	193,351,544.77	7,957,152.68	185,394,392.09	
Including: unrealized financing income	9,654,045.90		9,654,045.90	17,635,936.05		17,635,936.05	
Sales of goods by	23,932,568.80	7,320,000.00	16,612,568.80	51,697,226.95	5,380,000.00	46,317,226.95	

installment payment							
Provision of labor services by installment payment							
Installment payments obtained from the disposal of EVAP Factory				69,955,077.24		69,955,077.24	
Total	78,664,449.54	7,320,000.00	71,344,449.54	315,003,848.96	13,337,152.68	301,666,696.28	

(2) Withdrawal of bad-debt reserves

Applicable Not applicable

Unit: CNY Currency: RMB

Bad-debt reserves	Stage I	Stage II	Stage III	Total
	Expected credit loss in the next 12 months	Expected credit loss throughout the entire duration (credit impairment that has not occurred)	Expected credit loss throughout the entire duration (credit impairment that has occurred)	
Balance as of January 1, 2022	13,337,152.68			13,337,152.68
Balance as of January 1, 2022 in the current	13,337,152.68			13,337,152.68
- Transfer to Stage II				
- Transfer to Stage III				
- Transfer back to Stage II				
- Transfer back to Stage I				
Calculation and withdrawal in the current period	1,203,902.17			1,203,902.17
Reverse in the current period				
Write-off in the current period	7,221,054.85			7,221,054.85
Charge-off in the current period				
Other changes				
Balance as of December 31, 2022	7,320,000.00			7,320,000.00

Description of the significant changes in the book balance of long-term receivables in which changes in loss reserves occurred in the current period:

Applicable Not applicable

The basis for adopting whether the amount of the bad-debt reserves in the current period and the credit risk of financial instruments has increased significantly

Applicable Not applicable

(3) Long-term receivables derecognized due to transfer of financial assets

Applicable Not applicable

(4) Amount of assets and liabilities formed by transferring long-term receivables and continuing to be involved

- Applicable Not applicable
 Other descriptions
 Applicable Not applicable
 17. Long-term equity investment
 Applicable Not applicable

Unit: CNY Currency: RMB

Investee	Beginning balance	Increase/decrease changes in the current period							Ending balance	Ending balance of impairment reserves	
		Additional investments	Negative	Investment profit and loss recognized by the equity method	Adjustments of other comprehensive incomes	Other equity changes	Cash dividends or profits to be issued as announced	Provision for impairment			Others
I. Joint venture											
Chongqing Yunwan Technology Co., Ltd.	3,182,167.55			849,616.02						4,031,783.57	
Subtotal	3,182,167.55			849,616.02						4,031,783.57	
II. Associated enterprise											
New Energy Automobile Industry Development (Chongqing) Co., Ltd.	36,802,292.38			512,417.92						37,314,710.30	
Subtotal	36,802,292.38			512,417.92						37,314,710.30	
Total	39,984,459.93			1,362,033.94						41,346,493.87	

Other descriptions
None

18. Other equity instrument investments**(1) Other equity instrument investments**

- Applicable Not applicable
 Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Chongqing Liangjiang New Area Strategic Emerging Industry Equity Investment Fund Management Co., Ltd.	3,000,000.00	3,000,000.00
InnovusionHoldingsLtd	10,100,250.00	10,100,250.00
Guangdong Rongchuang Lingyue Intelligent Manufacturing and Information Technology Industry Equity Investment Fund Partnership Enterprise (Limited Partnership)	75,000,000.00	75,000,000.00
Terawatt	6,102,996.25	6,102,996.25
Chongqing Yuxinhuang Private Equity Investment Fund Partnership (Limited Partnership)	6,000,000.00	
Total	100,203,246.25	94,203,246.25

(2) Non-trading equity instrument investment

- Applicable Not applicable
 Other descriptions:
 Applicable Not applicable

19. Other non-current financial assets

□ Applicable √ Not applicable

Other descriptions:

□ Applicable √ Not applicable

20. Investment property

Measurement model for investment property

N/A

21. Fixed assets**Item presentation**

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Fixed assets	9,140,463,562.33	7,799,051,911.85
Liquidation of fixed assets		
Total	9,140,463,562.33	7,799,051,911.85

Other descriptions:

□ Applicable √ Not applicable

Fixed assets**(1) Fixed assets**

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Houses and buildings	Machinery and equipment	Means of transport	Other equipment	Total
I. Original book value:					
1. Beginning balance	3,250,702,733.92	8,456,781,573.42	82,100,896.60	333,709,835.04	12,123,295,038.98
2. Amount increased in the current period	618,550,114.21	1,914,694,564.17	114,276,479.93	153,942,746.94	2,801,463,905.25
(1) Acquisition	31,634,452.03	147,000,868.84	112,378,936.30	82,595,171.45	373,609,428.62
(2) Transfer-in from construction in progress	587,336,720.71	1,763,859,662.25	1,878,365.06	70,351,669.57	2,423,426,417.59
(3) Increase in business combination					
(4) Translation balance of foreign currency statements	421,058.53	3,834,033.08	19,178.57	995,905.92	4,428,059.04
3. Amount decreased in the current period	29,523,732.37	467,611,972.58	9,284,972.69	16,558,202.02	522,978,879.66
(1) Disposal or scrapping	29,523,732.37	467,611,972.58	9,284,972.69	16,558,202.02	522,978,879.66
4. Ending balance	3,839,729,115.76	9,903,864,165.01	187,092,403.84	471,094,379.96	14,401,780,064.57
II. Accumulated depreciation					
1. Beginning balance	549,911,672.60	3,494,724,682.20	37,858,989.59	219,378,412.02	4,301,873,756.41
2. Amount increased in the current period	122,125,137.63	1,031,528,937.49	17,407,830.16	62,305,284.00	1,233,367,189.28
(1) Calculation and withdrawal	122,217,160.57	1,029,424,142.14	17,388,170.36	61,343,457.22	1,230,372,930.29
(2) Translation balance of foreign currency statements	-92,022.94	2,104,795.35	19,659.80	961,826.78	2,994,258.99
3. Amount decreased in the current period	10,656,035.14	267,082,812.21	4,349,983.23	15,178,335.27	297,267,165.85
(1) Disposal or scrapping	10,656,035.14	267,082,812.21	4,349,983.23	15,178,335.27	297,267,165.85
4. Ending balance	661,380,775.09	4,259,170,807.48	50,916,836.52	266,505,360.75	5,237,973,779.84
III. Impairment reserves					
1. Beginning balance		22,369,370.72			22,369,370.72
2. Amount increased in the current period		9,248,213.52			9,248,213.52
(1) Calculation and withdrawal		9,248,213.52			9,248,213.52

3. Amount decreased in the current period		8,274,861.84			8,274,861.84
(1) Disposal or scrapping		8,274,861.84			8,274,861.84
4. Ending balance		23,342,722.40			23,342,722.40
IV. Book value					
1. Ending book value	3,178,348,340.67	5,621,350,635.13	136,175,567.32	204,589,019.21	9,140,463,562.33
2. Beginning book value	2,700,791,061.32	4,939,687,520.50	44,241,907.01	114,331,423.02	7,799,051,911.85

(2) Temporary idle fixed assets

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Original book value	Accumulated depreciation	Impairment reserves	Book value	Remarks
Machinery and equipment	112,489,076.17	85,791,538.95	23,322,950.47	3,374,586.75	

(3) Fixed assets obtained by financing lease

□ Applicable √ Not applicable

(4) Fixed assets spent by operating lease

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Ending book value
Houses and buildings	212,787,586.57
Machinery and equipment	15,655,284.43
Means of transport	1,835,164.19

(5) Fixed assets with certificate of title non-completed

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Book value	Reasons for unsettlement
Motor Electronic Control Workshop	73,957,802.81	In process
Logistics Center	57,279,029.80	In process
Pack Workshop	43,384,870.00	In process
Sewage Treatment Station	25,196,283.43	In process
Power Station	12,708,848.06	In process

Other descriptions:

□ Applicable √ Not applicable

Liquidation of fixed assets

□ Applicable √ Not applicable

22. Construction in progress**Item presentation**

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Construction in progress	345,661,017.62	1,532,734,544.45
Engineering materials		
Total	345,661,017.62	1,532,734,544.45

Other descriptions:

□ Applicable √ Not applicable

Construction in progress**(1) Construction in progress**

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
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	Book balance	Impairment reserves	Book value	Book balance	Impairment reserves	Book value
Shuangfu Production Base	32,087,189.15		32,087,189.15	90,694,124.65		90,694,124.65
Changshou Production Base	88,674,187.51		88,674,187.51	139,131,541.72		139,131,541.72
Shiyan Production Base	49,395,129.16		49,395,129.16	119,504,414.02		119,504,414.02
Liangjiang New Area Production Base	83,252,919.05		83,252,919.05	407,915,472.77		407,915,472.77
Production Base in Indonesia	3,366,530.52		3,366,530.52	8,744,476.80		8,744,476.80
Qingfeng Production Base				631,167,941.13		631,167,941.13
University Town Production Base	88,534,264.01		88,534,264.01	48,897,919.45		48,897,919.45
Others	350,798.22		350,798.22	86,678,653.91		86,678,653.91
Total	345,661,017.62		345,661,017.62	1,532,734,544.45		1,532,734,544.45

(2) Changes of major project construction in progress in the current period

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item name	Budget	Beginning balance	Amount increased in the current period	Transfer-in amount of fixed assets in current period	Other decreased amount in the current period	Ending balance	Proportion	Project	Accumulated interest	Including interest	Sources of Interest
Shuangfu Production Base		90,694,124.65	59,240,287.32	117,847,222.82		32,087,189.15					
Changshou Production Base		139,131,541.72	54,708,566.74	93,697,263.52	11,468,657.43	88,674,187.51					
Shiyan Production Base		119,504,414.02	91,928,157.32	162,037,442.18		49,395,129.16					
Liangjiang New Area Production Base		407,915,472.77	789,753,501.67	1,099,005,808.58	15,410,246.81	83,252,919.05					
Qingfeng Production Base		631,167,941.13	206,520,579.15	837,688,520.28							
University Town Production Base		48,897,919.45	148,037,039.64	108,400,695.08		88,534,264.01					
Others		86,678,653.91	410,772.96	476,666.76	86,261,961.89	350,798.22					
Total		1,523,990,067.65	1,350,598,904.80	2,419,153,619.22	113,140,866.13	342,294,487.10	/	/			/

The other decrease in this current period is due to the disposal of construction in progress of RMB 26,878,904.24 and government receipts and deposit of RMB 86,261,961.89.

(3) Withdrawal of construction in progress impairment reserve in the current period

□ Applicable √ Not applicable

Other descriptions

□ Applicable √ Not applicable

Engineering materials**(4) Engineering materials**

Applicable Not applicable

23. Productive biological assets**(1) Productive biological assets measured at cost**

Applicable Not applicable

(2) (2) Productive biological assets measured at fair value

Applicable Not applicable

Other descriptions

Applicable Not applicable

24. Oil-gas assets

Applicable Not applicable

25. Right-of-use assets

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Houses and buildings	Machinery and equipment	Total
I. Original book value			
1. Beginning balance	505,481,107.78	33,612,730.98	539,093,838.76
2. Amount increased in the current period	485,345,657.07		485,345,657.07
(1) New lease	452,384,971.03		452,384,971.03
(2) Translation balance of foreign currency statements	32,960,686.04		32,960,686.04
3. Amount decreased in the current period	338,398,607.20	21,364,057.70	359,762,664.90
(1) Acquisition	333,172,722.36	658,623.10	333,831,345.46
(2) External sublease	1,484,227.34		1,484,227.34
(3) Transfer of fixed assets upon maturity of financing lease		20,705,434.60	20,705,434.60
(4) Reduction of business combination	3,741,657.50		3,741,657.50
4. Ending balance	652,428,157.65	12,248,673.28	664,676,830.93
II. Accumulated depreciation			
1. Beginning balance	223,564,218.57	10,985,847.82	234,550,066.39
2. Amount increased in the current period	113,295,909.44	4,492,300.82	117,788,210.26
(1) Calculation and withdrawal	98,051,413.92	4,492,300.82	102,543,714.74
(2) Translation balance of foreign currency statements	15,244,495.52		15,244,495.52
3. Amount decreased in the current period	159,936,294.39	7,435,620.83	167,371,915.22
(1) Disposal	157,391,062.14	128,065.60	157,519,127.74
(2) External sublease	148,422.73		148,422.73
(3) Translation balance of foreign currency statements	4,602.26		4,602.26
(4) Transfer of fixed assets upon maturity of financing lease		7,307,555.23	7,307,555.23
(5) Reduction of business combination	2,392,207.26		2,392,207.26
4. Ending balance	176,923,833.62	8,042,527.81	184,966,361.43
III. Impairment reserves			
1. Beginning balance			
2. Amount increased in the current period			
(1) Calculation and withdrawal			
3. Amount decreased in the current period			
(1) Disposal			
4. Ending balance			

IV. Book value			
1. Ending book value	475,504,324.03	4,206,145.47	479,710,469.50
2. Beginning book value	281,916,889.21	22,626,883.16	304,543,772.37

Other descriptions:

None

26. Intangible assets**(1) Intangible assets**

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Land use right	Chartered right	Patent right	Non-patented technology	Software and others	Total
I. Original book value						
1. Beginning balance	1,632,556,331.31	272,471,209.90		4,753,266,996.90	354,358,189.16	7,012,652,727.27
2. Amount increased in the current period	38,342,308.54			2,790,529,214.21	80,283,583.32	2,909,155,106.07
(1) Acquisition	38,342,308.54			370,471.71	80,283,583.32	118,996,363.57
(2) Internal R&D				2,790,158,742.50		2,790,158,742.50
(3) Increase in business combination						
3. Amount decreased in the current period	268,213,173.83			1,320,754.72	2,655,767.34	272,189,695.89
(1) Disposal	268,031,944.95			1,320,754.72		269,352,699.67
(2) Translation balance of foreign currency statements	181,228.88				23,020.53	204,249.41
(3) Reduction in combination					2,632,746.81	2,632,746.81
4. Ending balance	1,402,685,466.02	272,471,209.90		7,542,475,456.39	431,986,005.14	9,649,618,137.45
II. Accumulated amortization						
1. Beginning balance	194,847,468.18	272,471,209.90		1,224,228,724.32	131,036,207.59	1,822,583,609.99
2. Amount increased in the current period	31,562,832.13			856,191,394.10	45,577,228.69	933,331,454.92
(1) Calculation and withdrawal	31,562,832.13			856,191,394.10	45,577,228.69	933,331,454.92
3. Amount decreased in the current period	51,999,794.34				1,931,839.48	53,931,633.82
(1) Disposal	51,924,595.22					51,924,595.22
(2) Translation balance of foreign currency statements	75,199.12				33,173.31	108,372.43
(3) Reduction in combination					1,898,666.17	1,898,666.17
4. Ending balance	174,410,505.97	272,471,209.90		2,080,420,118.42	174,681,596.80	2,701,983,431.09
III. Impairment reserves						
1. Beginning balance				37,343,057.69		37,343,057.69
2. Amount increased in the current period						
(1) Calculation and withdrawal						
3. Amount decreased in the current period						
(1) Disposal						
4. Ending balance				37,343,057.69		37,343,057.69
IV. Book value						
1. Ending book value	1,228,274,960.05			5,424,712,280.28	257,304,408.34	6,910,291,648.67
2. Beginning book value	1,437,708,863.13			3,491,695,214.89	223,321,981.57	5,152,726,059.59

The proportion of intangible asset through the Company's internal R&D at the end of the period account for balance of intangible assets was 40.38%

(2) Land use right with certificate of title non-completed

Applicable Not applicable

Other descriptions:

Applicable Not applicable

27. Development expenditure

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Beginning balance	Increase in the current period	Amount		Amount decreased in the current period		Ending balance
		Internal development expenditures	Others	Recognized as intangible assets	Transferred into current profit and loss		
Automobile development	1,449,603,802.67	2,965,531,952.18			2,683,698,178.47	411,487,521.97	1,319,950,054.41
Engine development	79,609,492.82	109,749,469.48			106,460,564.03	50,492,460.56	32,405,937.71
Transmission development	4,515,915.68	30,582,574.87				35,098,490.55	
Total	1,533,729,211.17	3,105,863,996.53			2,790,158,742.50	497,078,473.08	1,352,355,992.12

Other descriptions

None

28. Goodwill

(1) Original book value of goodwill

Applicable Not applicable

Unit: CNY Currency: RMB

Name of the investee and matters generating goodwill	Beginning balance	Increase in the current period	Decrease in the current period		Ending balance
		Resulted from business combination	Disposal		
Luzhou Rongda Intelligent Transmission Limited Company	156,052,314.11				156,052,314.11
Total	156,052,314.11				156,052,314.11

(2) Goodwill impairment reserve

Applicable Not applicable

Unit: CNY Currency: RMB

Name of the investee and matters generating goodwill	Beginning balance	Increase in the current period	Decrease in the current period		Ending balance
		Calculation and withdrawal	Disposal		
Luzhou Rongda Intelligent Transmission Limited Company	80,347,403.25	10,692,919.15			91,040,322.40
Total	80,347,403.25	10,692,919.15			91,040,322.40

(3) Related information about the asset group or asset group portfolio in which the goodwill is located

√ Applicable □ Not applicable

The Company acquired Luzhou Rongda Intelligent Transmission Limited Company in 2018, generating goodwill of RMB 156,052,314.11. The asset group includes long-term assets such as fixed assets and intangible assets that make up the asset group.

(4) Description of the impairment test process for goodwill, key parameters (such as the growth rate in forecast period when the present value of future cash flows is expected, the growth rate in steady period, the profit rate, the discount rate, the forecast period, etc., if applicable), and the recognition method of the impairment loss for goodwill

√ Applicable □ Not applicable

Unit: CNY

Item	Luzhou Rongda Intelligent Transmission Limited Company
Book balance of goodwill ①	156,052,314.11
Balance of goodwill impairment reserve ②	80,347,403.25
Book value of goodwill ③=①-②	75,704,910.86
Value of goodwill not recognized as belonging to minority shareholders' rights and interests ④	11,946,948.42
Book value of overall goodwill after adjustment ⑤=④+③	87,651,859.28
Book value of asset group ⑥	351,790,232.33
Book value of asset group including overall goodwill ⑦=⑤+⑥	439,442,091.61
Present value (recoverable amount) of the asset group's estimated future cash flows ⑧	427,061,729.04
Goodwill impairment loss (when greater than 0) ⑨=⑦-⑧ ⑧	12,380,362.57
Goodwill impairment loss attributable to the parent company ⑩	10,692,919.15

The recoverable amount of an asset group is determined based on the higher of the net amount of the fair value of the asset group minus disposal expenses and the present value of its expected future cash flows. The present value (recoverable amount) of the expected future cash flows of the asset group is determined at the present value of its expected future cash flows based on the evaluation results of *Valuation Report on the Value Assets of Luzhou Rongda Intelligent Transmission Limited Company and Goodwill Related Asset Groups Involved in the Implementation of Goodwill Impairment Test by SERES Group Co., Ltd.* (JXPB Zi (2023) No. 169) issued by Zhongjing Minxin (Beijing) Asset Evaluation Co., Ltd. on April 15, 2023.

The estimated cash flow is based on the 5-year cash flow forecast from 2023 to 2027. The cash flow forecast uses a reasonable discount rate and is prepared based on historical actual operating data, industry development trends, expected revenue growth rate, gross margin, and other indicators to predict the next 5 years of cash flow. The cash flow after the forecast period remains unchanged. Other key data used in the impairment test are: estimated selling price, sales, operating cost and other related expenses. The Company determined the above key data in accordance with historical experience and forecasts on market development. The Company adopts a reasonable discount rate as the pre tax discount rate for calculating the present value of future cash flows. The discount rate used has taken into account factors such as the Company's cost of capital and market expected rate of return, reflecting the specific risks of the asset group.

(5) Influence of goodwill impairment test

√ Applicable □ Not applicable

The above estimate of the recoverable amount indicates that there is an impairment loss on goodwill. The asset group in which the goodwill is located during the reporting period has been tested for impairment of goodwill, and a provision for impairment of goodwill of RMB 10,692,919.15 has been made.

Other descriptions

√ Applicable □ Not applicable

29. Long-term unamortized expenses

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Beginning balance	Amount increased in the current period	Amount amortized in current period	Other decreased amount	Ending balance
House renovation fees	48,775,584.65	132,159,698.63	33,904,323.54	571,659.88	146,459,299.86
Rent and others	20,568,823.41	2,672,701.69	8,838,665.04	3,024,892.01	11,377,968.05
Financing lease	320,124.56			320,124.56	

commission					
IGBT capacity payment	12,768,000.00		2,127,999.96	6,384,000.00	4,256,000.04
Total	82,432,532.62	134,832,400.32	44,870,988.54	10,300,676.45	162,093,267.95

Other descriptions:
None

30. Deferred income tax assets/deferred income tax liabilities

(1) Deferred income tax assets without offset

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance		Beginning balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Asset impairment reserves	169,834,178.76	25,845,203.50	158,288,355.19	23,894,052.00
Deferred income	344,252,122.13	51,637,818.32	348,918,711.96	52,471,336.96
Amortization of long-term assets	80,627,743.19	12,707,958.73	66,524,235.34	9,978,635.30
Accrued expenses	53,399,166.05	8,654,176.29	56,838,276.04	9,309,591.74
Unrealized profits of internal transaction	19,961,883.16	1,195,840.48	22,564,232.91	2,439,582.26
Deductible losses	149,572,105.20	27,508,846.90	315,040,000.49	53,446,866.35
Total	817,647,198.49	127,549,844.22	968,173,811.93	151,540,064.61

(2) Deferred income tax liabilities without offset

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance		Beginning balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Value increase in asset evaluation of business combination not under the same control	183,666,918.15	44,912,387.70	216,626,482.64	49,856,322.37
Changes in fair value of other creditor's right investment				
Changes in fair value of other equity instrument investments				
One-off deduction of fixed assets	22,387,579.52	5,596,894.88	26,498,896.19	6,624,724.05
Total	206,054,497.67	50,509,282.58	243,125,378.83	56,481,046.42

(3) Deferred income tax assets or liabilities presented with net amount after offsetting

Applicable Not applicable

(4) Details of unrecognized deferred income tax assets

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Deductible temporary differences	893,896,038.69	655,620,900.59
Deductible losses	11,131,052,861.64	6,276,339,614.38
Total	12,024,948,900.33	6,931,960,514.97

(5) Deductible losses of unrecognized deferred income tax assets will expire in the succeeding year

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Year	Ending amount	Beginning amount	Remarks
2022		293,119,622.13	
2023	284,972,039.36	300,189,210.38	
2024	591,648,833.19	603,349,883.39	
2025	1,696,514,263.72	2,082,053,339.53	
2026	3,073,033,478.41	2,997,627,558.95	
2027	5,484,884,246.96		
Total	11,131,052,861.64	6,276,339,614.38/	

Other descriptions:

□ Applicable √ Not applicable

31. Other non-current assets

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Ending balance		Beginning balance	
	Book balance	Book value	Book balance	Book value
Contract acquisition costs				
Contract performance costs				
Return cost receivable				
Contract assets				
Advance payment for acquisition of long-term assets	262,945,660.40	262,945,660.40	288,020,170.93	288,020,170.93
Certificate of deposit	1,012,638,750.01	1,012,638,750.01		
Total	1,275,584,410.41	1,275,584,410.41	288,020,170.93	288,020,170.93

Other descriptions:

None

32. Short-term borrowings**(1) Classification of short-term loans**

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Pledge borrowings		432,199,999.99
Mortgage borrowings		
Guaranteed borrowings	1,710,000,000.00	1,466,997,300.00
Credit borrowings	360,000,000.00	200,000,000.00
Accrued interest	8,656,419.46	10,113,697.39
Total	2,078,656,419.46	2,109,310,997.38

Description for classification of short-term borrowings:

The guaranteed borrowing at the end of the period is the borrowing of RMB 1,540,000,000 obtained by the subsidiary with the Company as the guarantor; the borrowing of RMB 100,000,000 obtained by the subsidiary with the Company, its subsidiary Chongqing Sokon Automobile Parts Co., Ltd., and its actual controllers, Xinghai ZHANG, Xingli ZHANG, and Xingming ZHANG, as the guarantor; the borrowing of RMB 70,000,000 obtained by the subsidiary with the Company and its actual controllers, Xinghai ZHANG, Xingli ZHANG, and Xingming ZHANG, as guarantors.

(2) Overdue and outstanding short-term borrowings

Applicable Not applicable

Wherein, the important overdue and outstanding short-term borrowings are as follows:

Applicable Not applicable

Other descriptions

Applicable Not applicable

33. Trading financial liabilities

Applicable Not applicable

34. Derivative financial liabilities

Applicable Not applicable

35. Notes payable

(1) Presentation of notes payable

Applicable Not applicable

Unit: CNY Currency: RMB

Category	Ending balance	Beginning balance
Commercial acceptance draft		
Bank acceptance bill	16,111,654,518.09	7,767,566,728.28
Total	16,111,654,518.09	7,767,566,728.28

Total amount of due unpaid notes payable at the end of the current period is RMB 0.

36. Accounts payable

(1) Presentation of accounts payable

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Within 1 year (inclusive)	9,184,119,876.67	5,673,821,789.84
More than 1 year	374,446,353.81	469,655,894.28
Total	9,558,566,230.48	6,143,477,684.12

(2) Important accounts payable with aging of more than 1 year

Applicable Not applicable

Other descriptions

Applicable Not applicable

37. Advance receipt

(1) Presentation of advance receipt

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Within 1 year (inclusive)	1,323,318.82	120,066,603.00
Total	1,323,318.82	120,066,603.00

(2) Important advance receipt with aging of more than 1 year

Applicable Not applicable

Other descriptions

Applicable Not applicable

38. Contract liabilities

(1) Contract liabilities

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Advances on sales	962,942,319.15	756,471,653.65
Total	962,942,319.15	756,471,653.65

(2) Amount with major changes in its book value during the reporting period and its reasons Applicable Not applicable

Other descriptions:

 Applicable Not applicable**39. Payroll payable****(1) Presentation of payroll payable** Applicable Not applicable

Unit: CNY Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
I. Short-term remuneration	503,602,064.56	2,980,497,438.16	2,830,508,224.35	653,591,278.37
II. Post-employment benefit - defined contribution plans	106,360.83	136,230,502.79	128,326,245.31	8,010,618.31
III. Dismissal benefit				
IV. Other benefits due within one year				
Total	503,708,425.39	3,116,727,940.95	2,958,834,469.66	661,601,896.68

(2) Presentation of short-term remuneration Applicable Not applicable

Unit: CNY Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
I. Salaries, bonuses, allowances and subsidies	501,387,128.76	2,627,044,856.11	2,481,161,775.71	647,270,209.16
II. Employee services and benefits		153,249,248.50	153,249,248.50	
III. Social insurance premiums	69,335.18	94,037,141.25	91,138,354.57	2,968,121.86
Including: Medical insurance premiums	67,684.97	83,138,513.67	82,734,037.44	472,161.20
Work-related injury insurance premiums	1,650.21	7,389,041.10	4,894,730.65	2,495,960.66
Birth insurance premiums		3,509,586.48	3,509,586.48	
IV. Housing provident funds	66,368.00	100,399,777.87	100,331,360.87	134,785.00
V. Labor union expenditure and employees education fund	2,079,232.62	5,766,414.43	4,627,484.70	3,218,162.35
VI. Short-term compensated absences				
VII. Short-term profit sharing plan				
Total	503,602,064.56	2,980,497,438.16	2,830,508,224.35	653,591,278.37

(3) Presentation of defined contribution plan Applicable Not applicable

Unit: CNY Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
1. Basic pension insurance	103,137.76	132,112,994.39	125,575,076.12	6,641,056.03
2. Unemployment insurance	3,223.07	4,117,508.40	2,751,169.19	1,369,562.28

premium				
3. Enterprise annuity payment				
Total	106,360.83	136,230,502.79	128,326,245.31	8,010,618.31

Other descriptions:

Applicable Not applicable

40. Taxes payable

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
VAT	303,761,463.89	52,145,821.97
Consumption tax	34,918,077.45	59,583,671.99
Business tax		
Corporate income tax	84,807,801.58	24,362,820.31
Property tax	1,580,613.97	2,116,082.60
Land use tax	589,695.04	
Land value-added tax	48,613,044.81	
Individual income tax	13,813,143.36	6,528,420.72
Urban maintenance and construction tax	15,891,310.44	2,847,687.95
Education surcharges	6,810,561.61	1,220,437.68
Other taxes	21,441,057.91	10,954,542.53
Total	532,226,770.06	159,759,485.75

Other descriptions:

None

41. Other payables

Item presentation

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Interests payable		
Dividends payable		
Other payables	1,285,573,477.90	699,096,463.55
Total	1,285,573,477.90	699,096,463.55

Other descriptions:

Applicable Not applicable

Interests payable

(1) Classified presentation

Applicable Not applicable

Dividends payable

(2) Classified presentation

Applicable Not applicable

Other payables

(1) Other payables by the nature of the funds

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
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Temporary withholding of the social security and housing provident fund	10,788,415.03	6,878,998.39
Quality guarantee deposits and intercourse funds	1,274,785,062.87	692,217,465.16
Total	1,285,573,477.90	699,096,463.55

(2) Other important payables with aging of more than 1 year

Applicable Not applicable

Other descriptions:

Applicable Not applicable

42. Held-for-sale liabilities

Applicable Not applicable

43. Non-current liabilities due within one year

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Long-term borrowings due within one year	891,984,161.94	511,238,680.00
Bonds payable due within one year		
Long-term payables due within one year	3,007,251.24	8,309,405.43
Lease liabilities due within one year	137,069,041.82	75,916,044.19
Total	1,032,060,455.00	595,464,129.62

Other descriptions

None

44. Other current liabilities

Other current liabilities

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Short-term bonds payable		
Refund payable		
Output tax to be written-off	106,878,665.89	68,939,520.85
Total	106,878,665.89	68,939,520.85

Increase or decrease of short-term bonds payable:

Applicable Not applicable

Other descriptions:

Applicable Not applicable

45. Long-term borrowings**(1) Classification of long-term borrowings**

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Pledge borrowings		190,000,000.00
Mortgage borrowings	554,320,000.00	862,760,000.00
Guaranteed borrowings	517,700,000.00	790,983,893.70
Credit borrowings	117,600,000.00	
Accrued interest	2,194,354.86	3,204,794.27
Total	1,191,814,354.86	1,846,948,687.97

Description for classification of long-term borrowings:

Note 1: The mortgage borrowing at the end of the period is the borrowing of RMB 350,000,000 obtained by the Company through the use of land use rights of its subsidiary; the borrowing of RMB 204,320,000 obtained by the subsidiary through its own property rights and equipment rights.

Note 2: The guaranteed borrowing at the end of the period is the borrowing of RMB 477,700,000 obtained by the subsidiary with the Company as the guarantor; the borrowing of RMB 40,000,000 obtained by the subsidiary with the Company, its subsidiary Chongqing Sokon Automobile Parts Co., Ltd., and its actual controllers, Xinghai ZHANG, Xingli ZHANG, and Xingming ZHANG, as the guarantor.

Other descriptions, including the range of interest rate:

Applicable Not applicable

46. Bonds payable

(1) Bonds payables

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Sokon convertible bond	146,588,900.21	140,400,627.04
Accrued interest	706,847.40	640,061.81
Total	147,295,747.61	141,040,688.85

(2) Increase or decrease of bonds payable: (Excluding preferred shares, perpetual bonds and other financial instruments divided into the financial liabilities)

Applicable Not applicable

Unit: RMB 0,000 Currency: RMB

Name of bonds	Face value	Issue date	Maturity of bonds	Amount issued	Beginning balance	Issue in the current period	Provision of interests based on face value	Amortization of premium and discount	Repayment in the current period	Ending balance
Sokon convertible bond	0.01	2017-11-6	6 years	105,826.67	14,040.06			677.43	58.60	14,658.89
Total	/	/	/	105,826.67	14,040.06			677.43	58.60	14,658.89

(3) Share transfer conditions and time of Company's convertible bonds

Applicable Not applicable

The Company issued convertible corporate bonds worth RMB 1.5 billion on November 6, 2017, which will expire in 2023. On July 5, 2021, the conversion price of the Company's convertible bonds was adjusted from RMB 15.70 per share to RMB 16.96 per share due to non-public offering of shares.

As of December 31, 2022, Sokon convertible bonds worth RMB 586,000.00 have been converted into corporate stocks in the current period, with 32,808 shares converted.

(4) Description of other financial instruments classified as financial liabilities

Basic information of outstanding preferred shares, perpetual bonds, and other financial instruments at the end of the period

Applicable Not applicable

Changes of outstanding preferred shares, perpetual bonds, and other financial instruments at the end of the period

Applicable Not applicable

Description of the basis of dividing other financial instruments as financial liabilities:

Applicable Not applicable

Other descriptions:

Applicable Not applicable

47. Lease liabilities

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Lease payments	632,828,214.67	467,237,192.77
Minus: Unrecognized financing expenses	70,859,288.97	53,194,295.23
Minus: Lease liabilities due within one year	137,069,041.82	75,916,044.19
Total	424,899,883.88	338,126,853.35

Other descriptions:

None

48. Long-term payables

Item presentation

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Long-term payables	1,158,421,917.81	1,182,755,393.80
Special payables		594,955,235.05
Total	1,158,421,917.81	1,777,710,628.85

Other descriptions:

Applicable Not applicable

Long-term payables

(1) Long-term payables by the nature of the funds

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Financing lease payment		122,755,393.80
Financial aid		1,060,000,000.00
Government platform financing	1,158,421,917.81	

Other descriptions:

None

Special payables

(2) Special payables by the nature of the funds

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Cause of formation
Jingkou Base Relocation Project	593,861,235.05		593,861,235.05		Relocation compensation

Automobile and related parts	1,094,000.00	3,712,330.71	4,806,330.71		Electric power engineering funds
Total	594,955,235.05	3,712,330.71	598,667,565.76		/

According to the supplementary agreement of the *Cooperation Agreement for Automobile and Related Parts*, Chongqing Gongxiang Industry Investment Co., Ltd. has received an electric power engineering fund of RMB 3,712,330.71; the decrease in the current period is due to the transfer of special payables to deferred income based on project progress.

Other descriptions
None

49. Long-term employee remuneration payable

Applicable Not applicable

50. Estimated liabilities

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Beginning balance	Ending balance	Cause of formation
Providing external guarantee			
Pending action			
Product quality assurance	24,777,506.92	48,859,267.51	
Restructuring obligation			
Loss contract to be executed			
Refund payable			
Others	173,055.17	2,554,901.36	
Total	24,950,562.09	51,414,168.87	/

Other descriptions, including description of important assumptions and estimates of important estimated liabilities:

Note 1: Product quality assurance refers to the provision of fees of three guarantees for the Company's sales of automobiles.

Note 2: Others refer to the deductible amount for fire losses incurred by the subsidiary Dongfeng Sokon Co., Ltd.

51. Deferred income

Deferred income

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Cause of formation
Government subsidies	1,185,400,294.10	825,684,755.71	121,810,593.69	1,889,274,456.12	
Total	1,185,400,294.10	825,684,755.71	121,810,593.69	1,889,274,456.12	/

Projects involving government subsidies:

Applicable Not applicable

Unit: CNY Currency: RMB

Liability item	Beginning balance	Newly increased subsidy amount in the current period	Amount included in non-operating income in the current period	Amount included into other incomes in the current period	Other changes	Ending balance	Asset-related/income-related
Subsidy for	16,586,686.89	8,150,000.00		3,651,508.64		21,085,178.25	Asset-related

technological transformation (Note 1)							
Subsidy for investment of Jingkou Industrial Park	2,740,750.51			2,740,750.51			Asset-related
Urban construction supporting subsidies	95,347,004.42			5,722,371.94		89,624,632.48	Asset-related
Subsidy for investment in Liangjiang New Area	69,754,869.54			4,544,725.20		65,210,144.34	Asset-related
New project industry development funds	1,746,207.59			582,069.24		1,164,138.35	Asset-related
Equipment and R&D subsidy (Note 2)	86,211,727.07	31,503,000.00		15,066,639.25		102,648,087.82	Asset-related
Subsidy for the expansion of continuously variable transmissions	11,439,131.04			572,999.97		10,866,131.07	Asset-related
Power Engineering Project (Note 3)		4,806,330.71		80,105.51		4,726,225.20	Asset-related
Jingkou Base Relocation Project		775,000,000.00		20,359,435.33		754,640,564.67	Asset-related
Shiyan relocation project subsidy (Note 5)	901,573,917.04	6,225,425.00		68,489,988.10		839,309,353.94	Asset-related

Note 1: Dongfeng Sokon Automobile Co., Ltd. received a payment of RMB 1,000,000.00 from the Shiyan Municipal Treasury Collection and Payment Bureau for the first batch of provincial-level manufacturing high-quality development projects (technical transformation) in 2022, RMB 6,150,000.00 from the Shiyan Municipal Treasury Collection and Payment Bureau for the second batch of provincial-level manufacturing high-quality development projects (Dongfeng Sokon 2021 passenger vehicle technology transformation project - 505V new energy pure electric vehicle) in 2022, and RMB 500,000.00 from the Shiyan Municipal Economic and Information Technology Bureau for enterprise technological transformation; RMB 500,000.00 from the Finance Bureau of Shiyan Economic Development Zone for enterprise technological transformation.

Note 2: Chongqing Sokon Powertrain Co., Ltd. received special fund subsidies of RMB 3,300,000.00 from the Finance Bureau of Changshou District, Chongqing for the first batch of industrial and information technology in 2022 (construction of machining digital workshops); SERES Automobile Co., Ltd. received a payment of RMB 5,000,000.00 from the Finance Bureau of Chongqing Liangjiang New Area for the third batch of special funds for industrial and information technology in 2022 (construction of Jinkang new energy intelligent factory - digital workshop and intelligent factory), and special funds of RMB 1,000,000.00 from the Finance Bureau of Chongqing Liangjiang New Area for the first batch of industrial technology transformation (intelligent factory) in 2022, special funds of RMB 3,500,000.00 from the Finance Bureau of Chongqing Liangjiang New Area for the second batch of industrial technology renovation in 2022 (M5 high-end intelligent vehicle construction project); Chongqing Jinkang Powertrain New Energy Co., Ltd. received special funds of RMB 5,000,000.00 from the Economic and Information Commission of Shapingba District, Chongqing, for the third batch of municipal industrial and information in 2022 (new energy vehicle core component innovation demonstration intelligent factory); Chongqing SERES Electric Vehicle Co., Ltd. received special funds of RMB 5,000,000.00 from the Economic and Information Commission of Shapingba District, Chongqing, for the third batch of municipal industrial and information in 2022 (SERES new energy vehicle innovation demonstration intelligent factory); Chongqing Dongkang Automobile Manufacturing Co., Ltd. received special funds of RMB 700,000.00 from the Economic and Information Commission of Jiangjin District, Chongqing for the first batch of industrial and information technology in 2022 (construction of Dongkang

welding and assembly digital workshop - digital workshop and intelligent factory); Dongfeng Sokon Automobile Co., Ltd. Shapingba Branch received special funds of RMB 800,000.00 from the Economic and Information Commission of Shapingba District, Chongqing, for the third batch of municipal industrial and information in 2022 (automobile flexible manufacturing operation management system - integrated innovative application of new industrial Internet model); Dongfeng Sokon Automobile Co., Ltd. Chongqing Branch received special funds of RMB 3,600,000.00 from the Economic and Information Commission of Jiangjin District, Chongqing for the third batch of industrial and information technology in 2022 (construction of high-performance flexible manufacturing intelligent factories for automobiles - digital workshops and intelligent factories).

Note 3: According to the supplementary agreement of the *Cooperation Agreement for Automobile and Related Parts*, Chongqing Gongxiang Industry Investment Co., Ltd. has received an electric power engineering fund, which is carried forward from long-term payables to deferred income.

Note 4: Dongfeng Sokon Automobile Co., Ltd. Shapingba Branch received a new factory relocation subsidy of RMB 181,138,764.95 from the Shiyang State Treasury Collection and Payment Bureau, and the Jingkou relocation project carried forward long-term payables to deferred income in accordance with the *Acquisition Reserve Agreement* and the progress of the new factory construction.

Note 5: Dongfeng Sokon Automobile Co., Ltd. received a relocation subsidy of RMB 5,000,000.00 from Shiyang Economic Development Zone Urban Infrastructure Construction Investment Co., Ltd. and a land subsidy of RMN 1,225,425.00 from the Finance Bureau of Shiyang Economic Development Zone.

Other descriptions:

Applicable Not applicable

52. Other non-current liabilities

Applicable Not applicable

53. Share capital

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Beginning balance	Increase and decrease of this change (+, -)					Ending balance
		Issuance of new shares	Share donation	Provident fund converted into share capital	Others	Subtotal	
Total number of shares	1,359,932,415.00	137,168,141.00			178,527.00	137,346,668.00	1,497,279,083.00

Other descriptions

On June 2, 2022, in accordance with the approval of the China Securities Regulatory Commission's document "ZJ W [2022] No. 1162" on *Approval of the Non-public Offering of Stocks by Chongqing Sokon Industrial Group Co., Ltd.*, the Company issued 137,168,141 new shares to specific investors; others refer to the conversion of convertible bonds into 32,808 shares of corporate stocks by Sokon in the current period and 145,719 shares of equity incentive exercise.

54. Other equity instruments

(1) Basic information of outstanding preferred shares, perpetual bonds, and other financial instruments at the end of the period

Applicable Not applicable

(2) Changes of outstanding financial instruments such as, preferred shares, perpetual bonds, etc., at the end of the period

Applicable Not applicable

Unit: CNY Currency: RMB

Outstanding financial instruments	Beginning of the period		Increase in the current period		Decrease in the current period		End of the period	
	Quantity	Book value	Quantity	Book value	Quantity	Book value	Quantity	Book value
Convertible corporate bonds		56,979,017.86				161,352.80		56,817,665.06
Total		56,979,017.86				161,352.80		56,817,665.06

The decrease in the current period is due to the conversion of Sokon convertible bonds into corporate stocks, and other

equity instruments are adjusted based on the proportion of the conversion amount in each period.

Description of the increase and decrease changes in other equity instruments and the causes, and the basis of accounting treatment:

Applicable Not applicable

Other descriptions:

Applicable Not applicable

55. Capital reserves

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Capital premium (share capital premium)	5,974,914,825.32	6,931,719,533.11		12,906,634,358.43
Other capital reserves	2,112,464,735.86	275,994,835.24	171,919.56	2,388,287,651.54
Total	8,087,379,561.18	7,207,714,368.35	171,919.56	15,294,922,009.97

Other descriptions, including the increase and decrease changes and reasons in the current period:

Note 1: The increase in capital premium in the current period was approved by the China Securities Regulatory Commission, which approved the non-public offering of new shares by Chongqing Sokon Industrial Group Co., Ltd. to form a capital reserve - share premium of RMB 6,921,387,947.13. The conversion of Sokon convertible bonds into corporate stocks increased the capital premium by RMB 695,654.81. The exercise of equity incentives increased the capital premium by RMB 9,635,931.17.

Note 2: The increase in other capital reserves in the current period is due to Chongqing Sokon Holdings Co., Ltd. paying performance compensation of RMB 222,460,413.36, granting stock options with an increase of RMB 31,661,202.70, and controlling shareholder financial aid with an increase of RMB 21,873,219.18 in other capital reserves; the decrease in other capital reserves is due to the exercise of equity incentives of RMB 171,919.56.

56. Treasury share

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Share incentive repurchase		99,991,090.70		99,991,090.70
Total		99,991,090.70		99,991,090.70

Other descriptions, including the increase and decrease changes and reasons in the current period:

None

57. Other comprehensive incomes

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Beginning balance	Accrual in the current period						Ending balance
		Amount incurred before income tax in the current period	Minus: Included into other comprehensive incomes at the earliest stage and transferred into profit and loss in the current period	Minus: Included into other comprehensive incomes at the earliest stage and transferred into retained earnings in the current	Minus: Income tax expenses	Attributable to parent company after tax	Attributable to minority shareholders after tax	

				period				
I. Other comprehensive incomes that cannot be reclassified into profits and losses								
Including: Re-measurement of changed amount in the defined benefit plan								
Other comprehensive incomes that cannot be transferred into the profits and losses under the equity method								
Changes in fair value of other equity instrument investments								
Changes in fair value of enterprise credit risk								
II. Other comprehensive incomes that will be reclassified into profits and losses	128,143,478.50	48,917,617.34			47,204,708.46	1,712,908.88	80,938,770.04	
Including: Other comprehensive incomes that can be transferred into the profits and losses under the equity method								
Changes in fair value of other creditor's right investment								
Amount of financial assets								

reclassified into other comprehensive incomes								
Credit impairment reserves of other creditor's right investment								
Cash flow hedging reserves								
Translation balance of foreign currency financial statements	128,143,478.50	48,917,617.34				47,204,708.46	1,712,908.88	80,938,770.04
Total other comprehensive incomes	128,143,478.50	48,917,617.34				47,204,708.46	1,712,908.88	80,938,770.04

Other descriptions, including transferring the effective part of cash-flow hedge profit and loss to initial recognition amount adjustment of hedged items:
None

58. Special reserves

Applicable Not applicable

59. Surplus reserves

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Statutory surplus reserves	296,491,575.32	61,362,371.09		357,853,946.41
Discretionary surplus reserves				
Reserve funds				
Enterprise development funds				
Others				
Total	296,491,575.32	61,362,371.09		357,853,946.41

Description of surplus reserves, including the increase and decrease changes and reasons in the current period:
None

60. Undistributed profits

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Current period	Previous period
Undistributed profit at the end of the previous period before adjustment	-1,713,042,861.87	207,836,460.35
Adjustment of the total undistributed profits at the beginning of the period (increased+, reduced-)		-57,300,235.11
Undistributed profit at the beginning of the period after adjustment	-1,713,042,861.87	150,536,225.24
Plus: Net profit attributable to the owners of the parent company in the current period	-3,831,866,371.22	-1,823,911,349.24
Minus: Withdrawal of statutory surplus reserves	61,362,371.09	39,667,737.87

Withdrawal of discretionary surplus reserves		
Withdrawal of general risk reserves		
Common stock dividends payable		
Common stock dividends converted to share capital		
Undistributed profits at the end period	-5,606,271,604.18	-1,713,042,861.87

Details of undistributed profit at the beginning of the period during adjustment period:

1. Due to retroactive adjustment for the *Accounting Standards for Business Enterprises* and its related new regulations, the affected undistributed profit at the beginning of the period is RMB 0.
2. The affected undistributed profit at the beginning of the period is RMB 0 due to the changes in accounting policies.
3. The affected undistributed profit at the beginning of the period is RMB 0 due to corrections of significant accounting errors.
4. The affected undistributed profit at the beginning of the period is RMB 0 due to the changes of combination range under the same control.
5. The affected undistributed profit at the end of the period is RMB 0 due to other adjustments.

61. Operating income and operating cost

(1) Operating income and operating cost

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period		Accrual in the previous period	
	Revenue	Cost	Revenue	Cost
Main business	32,967,305,927.52	29,388,653,738.00	15,924,309,75285	15,443,723,941.94
Other businesses	1,137,690,261.00	854,957,889.56	793,611,176.92	643,880,208.47
Total	34,104,996,188.52	30,243,611,627.56	16,717,920,929.77	16,087,604,150.41

(2) Operating income deduction

Unit: RMB 0,000 Currency: RMB

Item	Current year	Specific deduction	Previous year	Specific deduction
Amount of operating income	3,410,499.62		1,671,792.09	
Total amount of deducted items from operating income	43,671.70		30,392.86	
Proportion of total deducted items from operating income to operating income (%)	1.28	/	1.82	/
I. Business income unrelated to main business				
1. Other business income beyond normal operations. Income from rental of fixed assets, intangible assets, packing materials, selling materials, exchanging non monetary assets with materials, operating entrusted management businesses, and other activities, as well as income that is not included in the normal operation of a listed company, although included in the main business income.	43,671.70	Mainly including income from material sales, income from rental of fixed assets, and other miscellaneous incomes	30,392.86	Mainly including income from material sales, income from rental of fixed assets, and other miscellaneous incomes
2. Unqualified financial business income, such as interest income from lending funds; The income generated from new financial businesses in this fiscal year and the previous fiscal year, such as guarantee, commercial factoring, petty loan, financing lease, pawnshops, etc., is excluded from the financing lease business carried out for the sales of main products.				
3. Income from new trade transactions in the current and previous fiscal years.				
4. Income from related party transactions unrelated to the existing normal business				

operations of the listed company.				
5. Income of subsidiaries under the same control from the beginning of the period to the date of business combination.				
6. Income from businesses that have not formed or are difficult to form a stable business model.				
Subtotal of business income unrelated to main business	43,671.70		30,392.86	
II. Income without commercial substance				
1. Income from transactions or events that do not significantly alter the risk, time distribution, or amount of future cash flows of the enterprise.				
2. Income from transactions without real business. Including the false income realized by self trading, and the false income generated by using Internet technology or other methods to construct transactions.				
3. Income from transactions with significantly unfair transaction prices.				
4. Income from the combination of subsidiaries or businesses obtained through unfair consideration or non transaction methods in the current fiscal year.				
5. Income related to non-standard audit opinions in audit opinions.				
6. Income from other transactions or events that are not commercially reasonable.				
Subtotal of income without commercial substance				
III. Other incomes unrelated to the main business or without commercial substance				
Amount after deducting operating income	3,366,827.92		1,641,399.23	

(3) Income generated by the contract

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Contract classification	Vehicles and relevant products - segment	Total
Product type		
Classified by business area		
Market or customer type		
Contract type		
Classified by time of product transfer		
Recognized at a certain time point	34,056,073,601.96	34,056,073,601.96
Recognized within a certain period	48,922,586.56	48,922,586.56
Classified by contract term		

Classified by sales channel		
Total	34,104,996,188.52	34,104,996,188.52

Description of income generated by the contract:

Applicable Not applicable

(4) Description of performance obligations

Applicable Not applicable

(5) Description of allocation to remaining performance obligations

Applicable Not applicable

Other descriptions:

None

62. Taxes and surcharges

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Consumption tax	666,730,336.08	216,186,253.35
Business tax		
Urban maintenance and construction tax	78,795,737.85	23,229,795.36
Education surcharges	56,282,669.76	16,592,627.36
Resource tax		
Property tax	44,191,261.86	34,944,888.61
Land use tax	31,713,586.97	32,664,439.79
Vehicle and vessel tax	61,434.15	155,634.11
Stamp tax	47,721,432.42	27,341,710.00
Others	507,029.19	671,953.62
Total	926,003,488.28	351,787,302.20

Other descriptions

None

63. Sales expenses

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Payroll	340,560,589.73	261,466,673.52
Transportation and storage charges	29,120,102.38	14,178,002.10
Advertising and promotion expenses, image shop construction costs, and service fees	4,036,183,258.15	679,659,317.93
Fee of three guarantees	182,485,278.29	188,148,445.17
Travel expenses	48,838,789.90	34,431,776.75
Commodity inspection and certification charges	7,549,954.19	14,466,197.58
Office and hospitality expenses	73,797,826.72	32,834,489.99
Depreciation, amortization and repair	77,655,572.64	38,252,497.26

charges		
Others	23,432,684.74	16,517,759.59
Total	4,819,624,056.74	1,279,955,159.89

Other descriptions:
None

64. Management expenses

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Payroll	900,149,116.33	568,280,122.21
Repair costs, depreciation and amortization expenses, and low-value consumables	229,135,105.85	215,134,386.16
Trademark and patent fees	17,579,003.98	10,435,159.91
Operating expenses such as office expenses and travel expenses	505,066,382.61	208,725,706.22
Transportation, vehicle and fuel costs	18,126,312.28	10,783,979.70
Consulting service expenses	39,357,870.79	36,960,949.76
Share-based payment	31,661,202.71	20,437,865.04
Others	34,265,399.12	17,995,319.91
Total	1,775,340,393.67	1,088,753,488.91

Other descriptions:
None

65. R&D expenses

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Payroll	168,940,955.65	129,926,145.88
Repair costs, depreciation and amortization expenses, and low-value consumables	963,771,233.27	562,140,344.73
Outsourced R&D and design fees	66,862,969.48	124,899,337.73
Trial production fees, testing fees, and process procedure fees	44,360,540.75	56,562,348.17
Purchase expenses of prototype samples, etc.	15,647,134.91	39,320,504.80
Others	54,078,428.32	35,138,280.61
Total	1,313,661,262.38	947,986,961.92

Other descriptions: None

66. Financial expenses

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Interest expenses	330,170,794.19	260,712,007.29
Minus: Interest income	189,493,487.11	52,595,840.69
Foreign exchange loss	9,948,936.91	21,311,262.35
Service fee expense and others	21,524,136.90	15,022,546.48
Total	172,150,380.89	244,449,975.43

Other descriptions:

None

67. Other incomes√ **Applicable** □ **Not applicable**

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Subsidy for job stabilization	9,379,625.35	5,424,721.57
Patent R&D project subsidies	26,826,200.00	53,675,137.00
Procurement and sales logistics subsidies	7,636,741.26	11,495,659.47
Return handling charges of individual income tax	1,776,861.39	1,599,227.43
Tax reduction and refund	1,087,601.35	10,385,684.21
Financing guarantee subsidy	3,958,500.00	4,190,000.00
Environment-protecting subsidy	239,000.00	381,549.00
Government financing	349,057,282.94	33,143,500.00
Amortization of deferred income	121,810,593.69	174,725,251.99
Total	521,772,405.98	295,020,730.67

Other descriptions:

None

68. Return on investment√ **Applicable** □ **Not applicable**

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Incomes from long-term equity investments calculated under the equity method	1,362,033.94	-11,209,592.80
Return on investment from disposal of long-term equity investment	-24,586,746.81	12,238,398.06
Return on investment from trading financial assets during the holding period	10,696,225.00	8,766,780.00
Dividend income from other equity instruments during the holding period		
Interest income from creditor's right investment during the holding period		
Interest income from other creditor's right investments during the holding period		
Return on investment for disposal of trading financial assets		
Return on investment from disposal of other equity instrument investments		
Return on investment from disposal of creditor's right investments		
Return on investment from disposal of other creditor's right investments		
Incomes from debt restructuring		
Return on investment from the disposal of creditor's rights		-42,808.96
Bill discount interest	-37,500,744.98	-92,230,326.22
Others	12,638,750.01	
Total	-37,390,482.84	-82,477,549.92

Other descriptions:

Others refer to the provision of interest on certificate of deposit.

69. Income from net exposure hedging□ **Applicable** √ **Not applicable**

70. Income from change in fair value

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Source of incomes from changes in fair value	Accrual in the current period	Accrual in the previous period
Trading financial assets	-169,612,103.76	-135,254,102.02
Including: Income from changes in fair value generated by derivative financial instruments		
Trading financial liabilities		
Investment property measured at fair value		
Total	-169,612,103.76	-135,254,102.02

Other descriptions:

None

71. Credit impairment losses

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Bad debt losses of notes receivable		
Bad debt losses of accounts receivable	-25,434,298.38	-5,462,848.70
Bad debt losses of other receivables	-44,915,499.38	-26,846,766.68
Impairment loss of creditor's right investment		
Impairment loss of other creditor's right investments		
Bad debt losses of long-term receivables	-1,203,902.17	12,235,531.92
Impairment losses of contract assets		
Total	-71,553,699.93	-20,074,083.46

Other descriptions:

None

72. Asset impairment losses

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
I. Bad debt loss		
II. Loss on inventory falling price and impairment loss of contract performance cost	-280,451,894.45	-199,414,498.82
III. Impairment loss of long-term equity investment		
IV. Impairment loss of investment property		
V. Impairment loss of fixed assets	-9,248,213.52	-7,313,490.78
VI. Impairment loss of engineering materials		
VII. Impairment loss of construction in progress		
VIII. Impairment loss of productive biological assets		
IX. Impairment loss of oil-gas assets		
X. Impairment loss of intangible assets		-37,343,057.69
XI. Impairment loss of goodwill	-10,692,919.15	-6,056,663.79
XII. Others	-5,332,864.81	3,593,977.49
Total	-305,725,891.93	-246,533,733.59

Other descriptions:
None

73. Income from asset disposal

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Income from disposal of long-term assets	280,977,863.58	587,197,828.37
Total	280,977,863.58	587,197,828.37

Other descriptions:
None

74. Non-operating income

Non-operating income

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period	Amount included into the current non-recurring profits and losses
Total non-current assets disposal gains	130,516.19	497,163.25	130,516.19
Including: Gains from disposal of fixed assets	130,516.19	497,163.25	130,516.19
Gains from disposal of intangible assets			
Gains from non-monetary asset exchange			
Accepting donations			
Government subsidies	1,702,031.21	2,372,165.80	1,702,031.21
Income from fines	1,931,854.58	4,481,808.58	1,931,854.58
Income from wastes	13,232,143.04	2,518,067.69	13,232,143.04
Compensation		278,053,402.50	
Others	15,691,529.81	12,856,602.40	15,691,529.81
Total	32,688,074.83	300,779,210.22	32,688,074.83

Government subsidies included into the current profit and loss

Applicable Not applicable

Unit: CNY Currency: RMB

Subsidy project	Accrual in the current period	Amount incurred in the last period	Asset-related/income-related
Incentive payment	1,626,698.63	2,370,365.80	Income-related
Others	75,332.58	1,800.00	Income-related

Other descriptions:

Applicable Not applicable

75. Non-operating expenditure

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current	Accrual in the previous	Amount included into the
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	period	period	current non-recurring profits and losses
Total non-current assets disposal losses	14,157,220.91	20,242,784.27	14,157,220.91
Including: Losses from disposal of fixed assets	14,157,220.91	20,242,784.27	14,157,220.91
Losses from disposal of intangible assets			
Losses from non-monetary asset exchange			
Outward donation	15,432,178.23	50,000.00	15,432,178.23
Others	6,581,754.90	5,609,668.71	6,581,754.90
Total	36,171,154.04	25,902,452.98	36,171,154.04

Other descriptions:

None

76. Income tax expenses

(1) Income tax expenses

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Current income tax expenses	272,629,902.94	84,126,263.31
Deferred income tax expenses	17,517,369.10	-63,162,800.11
Total	290,147,272.04	20,963,463.20

(2) Accounting profit and income tax expense adjustment process

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period
Total profits	-4,930,410,009.11
Income tax expenses at statutory/applicable tax rate	-1,232,602,502.28
Influence of different tax rates on subsidiaries	586,508,724.96
Influence of income tax before the adjustment	
Influence of non-taxable incomes	
Influence of non-deductible costs, expenses and losses	86,661,174.70
Influence of deductible loss of deferred income tax assets not recognized in the early stage of use	-40,570,034.51
Influence of deductible temporary differences or deductible losses in unrecognized deferred income tax in the current period	893,896,038.69
Influence of additional deduction items	-3,746,129.52
Income tax expenses	290,147,272.04

Other descriptions:

Applicable Not applicable

77. Other comprehensive incomes

Applicable Not applicable

Refer to Note 57 for details

78. Items of cash flow statement

(1) Other cash received related to operating activities√ Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Interest income	189,493,487.11	52,595,840.69
Relocation subsidies received	187,364,189.95	211,861,235.05
Government subsidies received	445,029,174.21	144,077,644.48
Temporary payment for received quality assurance deposit, security deposit, etc.	1,283,985,730.79	247,862,466.04
Total	2,105,872,582.06	656,397,186.26

Description of other cash received related to operating activities:

None

(2) Other cash paid related to operating activities√ Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Other monetary funds, bill margin	9,003,353,371.20	1,669,680,085.30
Freezing of bank deposits	5,563,242.21	7,189,124.90
Period expenses paid	5,298,609,638.27	1,815,292,235.91
Temporary payment for quality assurance deposit, security deposit, etc.	670,382,067.06	242,754,734.69
Total	14,977,908,318.74	3,734,916,180.80

Description of other cash paid relating to operating activities:

None

(3) Other cash received related to investing activities√ Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Performance compensation	1,361,093,416.28	
Total	1,361,093,416.28	

Description of other cash received relating to investing activities:

None

(4) Other cash paid related to investing activities√ Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Other monetary funds, bill margin	531,652,091.29	562,049,346.19
Total	531,652,091.29	562,049,346.19

Description of other cash paid related to investing activities:

None

(5) Other cash received related to financing activities√ Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Loan deposits	9,258,503.19	
Receipt of financial aid from controlling shareholder	500,000,000.00	1,060,000,000.00
Collection of after-sales and leaseback payments	53,140,800.00	2,782,971.41
Government platform financing	1,100,000,000.00	
Total	1,662,399,303.19	1,062,782,971.41

Description of other cash received relating to financing activities:

None

(6) Other cash paid related to financing activities

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Return of financing fund of Create Greantness		326,161,994.16
Repayment of after-sales and leaseback payments	36,734,351.44	40,390,100.00
Stock repurchase	100,107,339.26	
Return of financial aid to controlling shareholder	1,560,000,000.00	
Loan deposits		280,611,556.06
Payment fees for issuing stocks	4,851,553.62	1,073,796.11
Lease liabilities	127,986,288.93	118,552,595.59
Total	1,829,679,533.25	766,790,041.92

Description of other cash paid relating to financing activities:

None

79. Supplementary information of cash flow statement

(1) Supplementary information of cash flow statement

Applicable Not applicable

Unit: CNY Currency: RMB

Supplementary information	Amount of the current period	Amount of the previous period
1. Adjustment of the net profit into the cash flow of operating activities:		
Net profit	-5,220,557,281.15	-2,630,823,724.90
Plus: Asset impairment reserves	305,725,891.93	246,533,733.59
Credit impairment losses	71,553,699.93	20,074,083.46
Depreciation of fixed assets, waste of oil-gas assets and depreciation of productive biological assets	1,230,372,930.29	1,023,917,062.23
Amortization of right-of-use assets	102,543,714.74	76,370,951.19
Amortization of intangible assets	933,331,454.92	597,822,243.87
Amortization of long-term unamortized expenses	44,870,988.54	43,505,392.96
Losses of disposal of fixed assets, intangible assets and other long-term assets (the income is expressed with "-")	-280,977,863.58	-587,197,828.37
Losses from abandonment of fixed assets (the income is expressed with "-")	14,026,704.72	19,745,621.02
Income from change in fair value (the loss is expressed with "-")	169,612,103.76	135,254,102.02
Financial expenses (the income is expressed with "-")	335,864,913.37	258,906,212.64
Investment loss (the income is expressed with "-")	110,262.14	82,477,549.92
Decrease in deferred income tax assets (the increase is expressed with "-")	23,990,220.39	-57,280,474.48

Increase in deferred income tax liabilities (the decrease is expressed with "-")	-5,971,763.84	-5,882,325.63
Decrease in inventories (the increase is expressed with "-")	-1,239,239,597.41	-844,949,839.01
Decrease in operational receivable items (the increase is expressed with "-")	471,860,863.13	-458,680,060.97
Increase in operational payable items (the decrease is expressed with "-")	1,874,340,767.54	1,092,758,848.96
Others		
Net cash flow generated from operating activities	-1,168,541,990.58	-987,448,451.50
2. Important investing and financing activities unrelated to cash payment and income:		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Fixed assets under financing lease		
3. Changes in cash and cash equivalents:		
Ending balance of cash	2,327,393,653.03	1,318,960,938.94
Minus: Beginning balance of cash	1,318,960,938.94	934,820,350.98
Plus: Ending balance of cash equivalents		
Minus: Beginning balance of cash equivalents		
Net increase in cash and cash equivalents	1,008,432,714.09	384,140,587.96

(2) Net cash of subsidiaries and gained and paid in the current period√ Applicable Not applicable**(3) Net cash received from the disposal of the subsidiaries in the current period**√ Applicable Not applicable

Unit: CNY Currency: RMB

	Amount
Cash or cash equivalents received from disposal of subsidiary in the current period	234,366,000.00
PUJIR Financial Leasing Co., Ltd.	234,366,000.00
Minus: Cash and cash equivalents held by the subsidiary on the date of loss of control right	5,250,150.32
PUJIR Financial Leasing Co., Ltd.	5,250,150.32
Plus: Cash or cash equivalents received from disposal of subsidiary in the previous period	
Net cash received from disposal of subsidiary	229,115,849.68

Other descriptions:

None

(4) Constitution of cash and cash equivalents√ Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
I. Cash	2,327,393,653.03	1,318,960,938.94
Including: Cash on hand	228,249.62	166,692.34
Bank deposit available for payment at any time	2,327,165,403.41	1,318,794,246.6
Other monetary funds available for payment at any time		

Deposit in the central bank available for payment at any time		
Deposits in other banks		
Loans from other banks		
II. Cash equivalents		
Including: bond investment due within three months		
III. Balance of cash and cash equivalents at the beginning of the period	2,327,393,653.03	1,318,960,938.94
Including: cash and cash equivalents with restricted use by the parent company or subsidiary within the group		

Other descriptions:

Applicable Not applicable

None

80. Item notes to statement of changes in owner's equity

Explain the item names of the "others" and the adjustment amount for adjusting the balance at the end of previous year:

Applicable Not applicable

81. Assets whose ownership or right of use is limited

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending book value	Reasons for limitation
Monetary capital	14,037,409,127.40	Freeze, bill margin, loan deposit, etc.
Notes receivable	141,870,648.60	Pledge of notes
Inventory		
Fixed assets	1,382,505,179.26	Provide mortgage guarantee for borrowing
Intangible assets	167,748,254.00	Provide mortgage guarantee for borrowing
Total	15,729,533,209.26	/

Other descriptions:

None

82. Foreign currency monetary items

(1) Foreign currency monetary items

Applicable Not applicable

Unit: CNY

Item	Balance of foreign currency at the end of the period	Conversion exchange rate	RMB balance converted at the end of the period
Monetary capital	-	-	
Including: USD	52,077,719.53	6.9646	362,700,485.44
EUR	114.55	7.4229	850.29
HKD	994.98	0.8933	888.82
IDR	111,648,168,876.41	0.000445	49,683,435.15
SGD	14,046.40	5.1831	72,803.90
Accounts receivable	-	-	
Including: USD	96,494,034.16	6.9646	672,042,350.31
EUR			
HKD			
IDR	10,863,482,617.00	0.000445	4,834,249.76

Other receivables	-	-	-
Including: USD	15,498,188.45	6.9646	107,938,683.28
IDR	2,027,725,000.00	0.000445	902,337.63
Accounts payable			
Including: USD	222,025.37	6.9646	1,546,317.89
IDR	2,410,770,083.00	0.000445	1,072,792.69
Long-term borrowings	-	-	-
Including: USD			
EUR			
HKD			
Accounts payable	-	-	-
Including: USD	95,012,735.52	6.9646	661,725,697.80
IDR	19,740,118,697.00	0.000445	8,784,352.82
Other payables	-	-	-
Including: USD	52,617,868.94	6.9646	366,462,410.02
IDR	10,118,109,270.00	0.000445	4,502,558.63
Contract liabilities			
Including: USD	5,841,458.60	6.9646	40,683,422.57
IDR	4,718,842,382.00	0.000445	2,099,884.86

Other descriptions:

None

(2) Description of the overseas business entity, including the important overseas business entity, indicated that its main place of business abroad, recording currency and selection basis, as well as the reasons for changes of recording currency shall be disclosed.

Applicable Not applicable

Important overseas business entities	Main place of business abroad	Recording currency	Selection basis
PT.SOKONINDOAUTOMOBILE	Jakarta, Indonesia	IDR	Currency of the main economic environment within the operating area
SFMotors,Inc	Silicon Valley, California	USD	Currency of the main economic environment within the operating area

83. Hedging

Applicable Not applicable

84. Government subsidies

(1) Basic information of government subsidies

Applicable Not applicable

The total amount of government subsidies for this period is RMB 632,393,364.16, of which RMB 230,729,520.66 is asset-related government subsidies, and RMB 401,663,843.50 is included into the current profit and loss. For asset-related government subsidies, refer to "Note 51 Deferred income" and "Note 48 Long-term payables" to "VII. Item Notes for Consolidated Financial Statement"; Details of income-related government subsidies:

Category	Amount	Presentation item	Unit: CNY Currency: RMB
			Amount included into the current profit and loss
Subsidy for job stabilization	9,379,625.35	Other incomes	9,379,625.35
Patent R&D project subsidies	26,826,200.00	Other incomes	26,826,200.00
Procurement and sales logistics subsidies	7,636,741.26	Other incomes	7,636,741.26
Return handling charges of individual income tax	1,776,861.39	Other incomes	1,776,861.39

Tax reduction and refund	1,087,601.35	Other incomes	1,087,601.35
Financing guarantee subsidy	3,958,500.00	Other incomes	3,958,500.00
Environment-protecting subsidy	239,000.00	Other incomes	239,000.00
Government financing	349,057,282.94	Other incomes	349,057,282.94
Incentive payment	1,626,698.63	Non-operating income	1,626,698.63
Others	75,332.58	Non-operating income	75,332.58

(2) Refund of government subsidies

Applicable Not applicable

Other descriptions:

None

85. Others

Applicable Not applicable

VIII. Changes of Consolidation Scope**1. Business combination not under the same control**

Applicable Not applicable

2. Business combination under the same control

Applicable Not applicable

3. Counter purchase

Applicable Not applicable

4. Disposal of subsidiaries

Whether there is a case that the control right on subsidiary is lost upon single disposal

Applicable Not applicable

Unit: CNY Currency: RMB

Subsidiary name	Equity disposal price	Equity disposal ratio (%)	Equity disposal method		Determination basis of the time point of loss of control right	Consolidated financial statements corresponding to disposal of price and investment enjoy the balance of the share of net assets of subsidiaries	Proportion of remaining equity on the date of loss of control right (%)	Book value of residual equity on the date of loss of control right	Fair value of residual equity on the date of loss of control right	Gains or losses generated by re-measurement of the residual equity based on the fair value	Determination method and major assumptions of the fair value of the residual equity on the date of loss of control right	Amount of profit and loss on investment transferred from other comprehensive incomes related to the equity investment of original subsidiary
PUJIR Financial Leasing Co., Ltd.	234,366,000	100	Transfer	January 2022	Transfer of control right	-24,586,746.81						

Other descriptions:

Applicable Not applicable

5. Changes of consolidation scope due to other reasons

Describe the changes in the consolidation scope (e.g. new subsidiaries, liquidation subsidiaries) caused by other reasons and the relevant information:

Applicable Not applicable

Subsidies acquired through the method of establishment in the current period

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Name	Equity acquisition method	Equity acquisition time point	Shareholding proportion (%)
SERES (Chongqing) Automobile Parts Co., Ltd.	Newly established	2022-08-25	100.00
Chongqing SERES New Energy Automobile Manufacturing Co., Ltd.	Newly established	2022-10-17	100.00
Chongqing Saiwei Automobile Sales Service Co., Ltd.	Newly established	2022-03-25	41.50
SERES Automobile Sales Service (Suzhou) Co., Ltd.	Newly established	2022-5-9	41.50
SERES Automobile Sales Service (Beijing) Co., Ltd.	Newly established	2022-6-14	41.50
Chongqing Siwei Automobile Sales Service Co., Ltd.	Newly established	2022-9-2	41.50

Cancellation of subsidiaries in this period

Unit: CNY

Name	Cancellation time	Net assets at the date of disposal	Net profit from the beginning of the period to the disposal date
SERES Automobile Sales Service (Hangzhou) Co., Ltd.	2022-3-28	-652,064.13	-50,976.17

6. Others

□ Applicable √ Not applicable

IX. Equity in Other Entities**1. Equity in subsidiaries****(1) Constitution of enterprise group**

√ Applicable □ Not applicable

Subsidiary name	Main place of business	Place of registration	Business nature	Shareholding proportion (%)		Acquisition method
				Direct	Indirect	
Dongfeng Sokon Automobile Co., Ltd.	Shiyan City	Shiyan City, Hubei Province	Industrial manufacturing	100.00		Establishment
Chongqing Sokon Automobile Co., Ltd.	Chongqing	Jiangjin District, Chongqing	Industrial manufacturing		100.00	Establishment
Chongqing Dongfeng FENGON Automobile Sales Co., Ltd.	Chongqing	Shapingba District, Chongqing	Commerce and trade		100.00	Establishment
Chongqing Dongfeng Sokon Automobile Sales Co., Ltd.	Chongqing	Jiangbei District, Chongqing	Commerce and trade		100.00	Establishment
Shiyan Dongfeng FENGON Automobile Sales Co., Ltd.	Shiyan City	Shiyan City, Hubei Province	Commerce and trade		100.00	Establishment
Chongqing Dongkang Automobile Manufacturing Co., Ltd.	Chongqing	Jiangjin District, Chongqing	Industrial manufacturing		100.00	Establishment
Chongqing Jiangkang Automobile Technology Co., Ltd.	Chongqing	Jiangjin District, Chongqing	Technology research and development		81.82	Establishment
Chongqing SERES New Energy Automobile Manufacturing Co., Ltd.	Chongqing	Liangjiang New Area, Chongqing	Industrial manufacturing		100.00	Establishment
Chongqing Sokon Automobile Parts Co., Ltd.	Chongqing	Jiangjin District, Chongqing	Industrial manufacturing		100.00	Establishment
Chongqing Yu'an Shock Absorber Co., Ltd.	Chongqing	Shapingba District, Chongqing	Industrial manufacturing		100.00	Business combination under the same control
Chongqing Sokon Machinery Parts Co., Ltd.	Chongqing	Shapingba District, Chongqing	Industrial manufacturing		100.00	Business combination

						under the same control
Chongqing Jingkangbao Technology Co., Ltd.	Chongqing	Jiangjin District, Chongqing	Commerce and trade		100.00	Establishment
SERES (Chongqing) Automobile Parts Co., Ltd.	Chongqing	Shapingba District, Chongqing	Commerce and trade		100.00	Establishment
Shiyan Xinkang Automobile Parts Co., Ltd.	Shiyan City	Shiyan City, Hubei Province	Industrial manufacturing		100.00	Establishment
Chongqing Sokon Import and Export Co., Ltd.	Chongqing	Shapingba District, Chongqing	Import and export		100.00	Business combination under the same control
Chongqing Sinkon Motor International Trade Co., Ltd.	Chongqing	Shapingba District, Chongqing	Commerce and trade		100.00	Establishment
Chongqing Ruichi Automobile Industry Co., Ltd.	Chongqing	Jiangbei District, Chongqing	Industrial manufacturing		100.00	Business combination under the same control
Xiamen Ruidongkang Automobile Sales Co., Ltd.	Xiamen	Jimei District, Xiamen City	Commerce and trade		100.00	Establishment
Chongqing Kangfei Power Technology Co., Ltd.	Chongqing	Jiangbei District, Chongqing	Industrial manufacturing		100.00	Establishment
Chongqing Ruichi New Energy Vehicle Sales Service Co., Ltd.	Chongqing	Jiangbei District, Chongqing	Commerce and trade		100.00	Establishment
Guangzhou Jiayuanyi New Energy Vehicle Sales Service Co., Ltd.	Guangzhou City	Nansha District, Guangzhou City	Commerce and trade		100.00	Establishment
Shenzhen Dongkang New Energy Vehicle Sales Service Co., Ltd.	Shenzhen	Shenzhen-Hong Kong Modern Service Industry Cooperation Zone in Qianhai, Shenzhen	Commerce and trade		100.00	Establishment
Wuhan Ruidongyi New Energy Vehicle Sales Service Co., Ltd.	Wuhan City	Dongxihu District, Wuhan City	Commerce and trade		100.00	Establishment
Chongqing Sokon Powertrain Co., Ltd.	Chongqing	Changshou District, Chongqing	Industrial manufacturing	100.00		Establishment
Chongqing Sokon Automobile Transmission Co., Ltd.	Chongqing	Changshou District, Chongqing	Industrial manufacturing		100.00	Business combination not under the same control
Luzhou Rongda Intelligent Transmission Limited Company	Luzhou City	Luzhou High-tech Zone	Industrial manufacturing		86.37	Business combination not under the same control
Hunan Rongda Intelligent Transmission Co., Ltd.	Changsha City	Yuelu District, Changsha City	Industrial manufacturing		84.82	Business combination not under the same control
Chongqing Sokon Automobile Sales Service Co., Ltd.	Chongqing	Shapingba District, Chongqing	Commerce and trade	100.00		Business combination under the same control
Chongqing Sinkon International Holdings Limited	Chongqing	Yubei District, Chongqing	Investment	100.00		Establishment
Chongqing International Automobile Experience Center Co., Ltd.	Chongqing	Yubei District, Chongqing	Commerce and trade		100.00	Establishment
SERES Automobile Co., Ltd.	Chongqing	Jiangbei District, Chongqing	R&D, production and sales	80.65		Establishment
Chongqing SERES New Energy Automobile Design Institute Co., Ltd.	Chongqing	Yubei District, Chongqing	Design		80.65	Establishment
Chongqing Dongkang New Energy Automobile Design Institute Co., Ltd.	Chongqing	Yubei District, Chongqing	Design		80.65	Establishment

APPENDIX II

FINANCIAL INFORMATION OF SOKON

SFMotors,Inc	The United States	The United States	Manufacturing		80.64	Establishment
Chongqing SERES Electric Vehicle Sales Co., Ltd.	Chongqing	Jiangbei District, Chongqing	Commerce and trade		80.65	Establishment
Chongqing FENGON New Energy Vehicle Sales Co., Ltd.	Chongqing	Jiangbei District, Chongqing	Commerce and trade		80.65	Establishment
Chongqing Jinkang Powertrain New Energy Co., Ltd.	Chongqing	Shapingba District, Chongqing	R&D technology, industrial manufacturing, commerce and trade		41.50	Establishment
SERES Automobile Sales Co., Ltd.	Chongqing	Shapingba District, Chongqing	Commerce and trade		41.50	Establishment
SERES Automobile Sales Service (Guangzhou) Co., Ltd.	Guangzhou City	Huadu District, Guangzhou City	Commerce and trade		41.50	Establishment
Tianjin Jinkang SERES Automobile Sales Service Co., Ltd.	Tianjin	Heping District, Tianjin	Commerce and trade		41.50	Establishment
Shanghai SERES Automobile Sales Service Co., Ltd.	Shanghai	Songjiang District, Shanghai	Commerce and trade		41.50	Establishment
Chongqing Saiwei Automobile Sales Service Co., Ltd.	Chongqing	Liangjiang New Area, Chongqing	Establishment		41.50	Establishment
SERES Automobile Sales Service (Jinan) Co., Ltd.	Jinan City	Shizhong District, Jinan City	Commerce and trade		41.50	Establishment
Chongqing SERES Automobile Sales Service Co., Ltd.	Chongqing	Liangjiang New Area, Chongqing	Commerce and trade		41.50	Establishment
SERES Automobile Sales Service (Suzhou) Co., Ltd.	Suzhou City	Suzhou City, Jiangsu Province	Commerce and trade		41.50	Establishment
SERES Automobile Sales Service (Xuzhou) Co., Ltd.	Xuzhou City	Xuzhou Economic and Technological Development Zone	Commerce and trade		41.50	Establishment
Beijing SERES Zhixing Technology Co., Ltd.	Beijing	Chaoyang District, Beijing	Commerce and trade		41.50	Establishment
Shanghai SERES New energy Vehicle Sales Co., Ltd.	Shanghai	Jiading District, Shanghai	Commerce and trade		41.50	Establishment
SERES Automobile Sales Service (Beijing) Co., Ltd.	Beijing	Beijing	Commerce and trade		41.50	Establishment
Chongqing Siwei Automobile Sales Service Co., Ltd.	Chongqing	Nan'an District, Chongqing	Commerce and trade		41.50	Establishment
Chongqing SERES Technology Co., Ltd.	Chongqing	Shapingba District, Chongqing	Technology research and development		41.50	Establishment
Chongqing Jinkang SERES Automobile Co., Ltd.	Chongqing	Jiangbei District, Chongqing	R&D, production and sales		80.65	Establishment
Chongqing SERES Electric Vehicle Co., Ltd.	Chongqing	Shapingba District, Chongqing	Manufacturing		80.65	Establishment
Chengdu SERES Technology Co., Ltd.	Chengdu City	Chengdu Hi-Tech Industrial Development Zone	Commerce and trade		80.65	Establishment
SERES Auto Sales Service (Shenzhen) Co., Ltd.	Shenzhen	Longgang District, Shenzhen	Commerce and trade		80.65	Establishment
Sokon Group (Hong Kong) Limited	Hong Kong	Hong Kong	Investment	100.00		Establishment
PT.SOKONINDOAUTOMOBILE	North Jakarta	North Jakarta, Indonesia	Industrial manufacturing		99.00	Capital increase and holding
SOKONMOTORS DOBRASIL INDUSTRIA ECOMERCIO DE VEICULOS LTDA	Brazil	Brazil	Commerce and trade		100.00	Establishment
Yu'an Power System Co., Ltd. (Indonesia)	Serang, Banten	Serang, Banten, Indonesia	Industrial manufacturing		100.00	Establishment

Chongqing Yu'an Huaihai Powertrain Co., Ltd.	Chongqing	Shapingba District, Chongqing	Industrial manufacturing	100.00		Business combination under the same control
Chongqing Sokon Engine R&D Co., Ltd.	Chongqing	Jiangbei District, Chongqing	Technology research and development	100.00		Business combination under the same control
Sinkon International (Singapore) Limited	Singapore	Singapore	Commerce and trade	100.00		Establishment

Description that the shareholding proportion in the subsidiary is different from the voting right proportion:
None

Basis for holding half or less of the voting rights but still controlling the investee, and for holding more than half of the voting rights but not controlling the investee:

None

For important structured entities that are included into the consolidation scope, the basis for control is:
None

Basis for determining whether the Company is an agent or a principal:
None

Other descriptions:
None

(2) Important non-wholly owned subsidiary

Applicable Not applicable

Unit: CNY Currency: RMB

Subsidiary name	Shareholding proportion of minority shareholders	Profits and losses belonging to minority shareholders in the current period	Dividends announced and distributed to minority shareholders in current period	Ending balance of minority interests
SERES Automobile Co., Ltd.	19.35	-806,226,164.73		-896,631,950.62

Description that the shareholding proportion of minority shareholders in the subsidiary is different from the voting right proportion:

Applicable Not applicable

Other descriptions:
 Applicable Not applicable

(3) Main financial information of important non-wholly owned subsidiaries

Applicable Not applicable

Unit: RMB 0,000 Currency: RMB

Subsidiary name	Ending balance						Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
SERES Automobile Co., Ltd.	1,568,150.81	1,267,715.09	2,835,865.90	3,143,558.25	233,465.13	3,377,023.37	432,445.88	864,096.73	1,296,542.61	1,209,059.27	158,514.96	1,367,574.23

Subsidiary name	Accrual in the current period				Accrual in the previous period			
	Operating income	Net profit	Total comprehensive incomes	Cash flow from operating activities	Operating income	Net profit	Total comprehensive incomes	Cash flow from operating activities
SERES Automobile Co., Ltd.	2,312,411.04	-473,050.97	472,194.81	264,833.10	277,565.74	-221,492.94	-223,357.03	108,325.14

Other descriptions:
None

(4) Limitations in using enterprise group assets and liquidating enterprise group liabilities

Applicable Not applicable

(5) Financial support or other supports provided to structure entities incorporated into the scope of consolidated financial statements

Applicable Not applicable

Other descriptions:

Applicable Not applicable

2. Transactions in which the owner's equity share of a subsidiary changes while still controlling the subsidiary

Applicable Not applicable

3. Equity in joint venture or associated enterprise

Applicable Not applicable

(1) Important joint venture or associated enterprise

Applicable Not applicable

Unit: CNY Currency: RMB

Name of joint venture or associated enterprise	Main place of business	Place of registration	Business nature	Shareholding proportion (%)		Accounting treatment method of the investment to joint venture or associated enterprise
				Direct	Indirect	
New Energy Automobile Industry Development (Chongqing) Co., Ltd.	Chongqing	No. 19, Yinglong Avenue, Longxing Town, Yubei District, Chongqing	Industrial investment	33.00		Equity method
Chongqing Yunwan Technology Co., Ltd.	Chongqing	1/F, Building 12, No. 22, Jinyu Avenue, New North Zone, Chongqing	Technical services		40.32	Equity method

Description of shareholding proportion in joint ventures or associated enterprises different from voting right proportion:

None

Basis of having significance with 20% below voting rights, or having no significance with 20% or above voting rights:
None

(2) Main financial information of important joint ventures

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

	Ending balance/accrual in the current period Chongqing Yunwan Technology Co., Ltd.	Beginning balance/accrual in the previous period Chongqing Yunwan Technology Co., Ltd.
Current assets	3,930,900.72	3,093,170.63
Including: Cash and cash equivalents	1,293,277.59	239,486.21
Non-current assets	10,009,461.28	11,670,574.16
Total assets	13,940,362.00	14,763,744.79
Current liabilities	2,151,366.78	1,396,452.16
Non-current liabilities	8,480,810.56	11,715,602.45
Total liabilities	10,632,177.34	13,112,054.61
Minority shareholders' equities		
Owners' equities attributable to the parent company	3,308,184.66	1,651,690.18
Net asset share calculated in shareholding proportion	1,654,092.33	825,845.09
Adjustment item		
- Goodwill		
- Unrealized profits of internal transaction		
- Others		
Book value of equity investment in joint ventures	4,031,783.57	3,182,167.55
Fair value of the equity investment in the joint venture with public offerings		
Operating income	13,993,583.48	10,074,033.02
Financial expenses	9,045.44	6,950.72
Income tax expenses		
Net profit	1,656,494.48	-1,126,951.73
Net profit from discontinued operations		
Other comprehensive incomes		
Total comprehensive incomes	1,656,494.48	-1,126,951.73
Dividends received from joint ventures in the current year		

Other descriptions

None

(3) Main financial information of important associated enterprises

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

	Ending balance/accrual in the current period New Energy Automobile Industry Development (Chongqing) Co., Ltd.	Beginning balance/accrual in the previous period New Energy Automobile Industry Development (Chongqing) Co., Ltd.

Current assets	117,344,014.29	109,528,624.51
Non-current assets	8,962.18	6,283,565.78
Total assets	117,352,976.47	115,812,190.29
Current liabilities	4,278,096.77	4,290,092.16
Non-current liabilities		
Total liabilities	4,278,096.77	4,290,092.16
Minority shareholders' equities		
Owners' equities attributable to the parent company	113,074,879.70	111,522,098.13
Net asset share calculated in shareholding proportion	37,314,710.30	36,802,292.38
Adjustment item		
- Goodwill		
- Unrealized profits of internal transaction		
- Others		
Book value of equity investment in associated enterprises	37,314,710.30	36,802,292.38
Fair value of the equity investment in the associated enterprise with public offerings		
Operating income	3,281,131.99	5,222,165.73
Net profit	1,552,781.57	1,718,700.02
Net profit from discontinued operations		
Other comprehensive incomes		
Total comprehensive incomes	1,552,781.57	1,718,700.02
Dividends received from associated enterprises in the current year		

Other descriptions
None

(4) Financial information summary of unimportant joint ventures and associated enterprises

Applicable Not applicable

(5) Descriptions for major limitations in the ability of joint ventures or associated enterprises transferring funds to the Company

Applicable Not applicable

(6) Excess deficit of joint ventures or associated enterprises

Applicable Not applicable

(7) Unconfirmed commitment related to the investment of joint ventures

Applicable Not applicable

(8) Contingent liabilities related to the investment of joint ventures or associated enterprises

Applicable Not applicable

4. Important joint operation

Applicable Not applicable

5. Equity in the structured entities that are not incorporated in the consolidated financial statements

Relevant description of structured entities not included into the consolidated financial statements:

 Applicable Not applicable**6. Others** Applicable Not applicable**X. Risks Related to Financial Instruments** Applicable Not applicable**XI. Disclosure of Fair Value****1. Period-end fair value of assets and liabilities measured by fair value** Applicable Not applicable

Unit: CNY Currency: RMB

Item	Fair value at the end of the period			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Continuous fair value measurement				
(I) Trading financial assets	1,751,529,308.50			1,751,529,308.50
1. Financial assets measured at the fair value with its changes included into the current profit and loss	1,751,529,308.50			1,751,529,308.50
(1) Debt instrument investment				
(2) Equity instrument investment	139,633,765.70			139,633,765.70
(3) Derivative financial assets				
(4) Others	1,611,895,542.80			1,611,895,542.80
2. Financial assets designated to be measured at fair value with changes included into the current profit or loss				
(1) Debt instrument investment				
(2) Equity instrument investment				
(II) Other creditor's right investments				
(III) Other equity instrument investments				
(IV) Investment property				
1. Land use rights for lease				
2. Buildings for lease				
3. Land use right held and to be transferred after appreciation				
(V) Biological assets				
1. Consumptive biological assets				
2. Productive biological				

assets				
(VI) Receivables financing			242,278,901.77	242,278,901.77
Total assets continuously measured with fair value	1,751,529,308.50		242,278,901.77	1,993,808,210.27
(VI) Trading financial liabilities				
1. Financial liabilities measured at the fair value with its changes included into the current profit and loss				
Including: Trading bonds issued				
Derivative financial liabilities				
Others				
2. Financial liabilities designated to be measured at fair value with changes included into the current profit or loss				
Total liabilities continuously measured with fair value				
II. Non-continuous fair value measurement				
(I) Held-for-sale assets				
Total assets not continuously measured with fair value				
Total liabilities not continuously measured with fair value				

2. Basis of determining the market price of continuous and non-continuous level 1 fair value measurement items

Applicable Not applicable

Trading financial assets that are continuously measured at the level 1 fair value are equity investments and structured deposits held by the Company in listed companies, and their fair value is determined by the stock price of the listed company and the net value on the balance sheet date.

3. Continuous and non-continuous level 2 fair value measurement item, using valuation technology and quantitative and qualitative information of important parameters

Applicable Not applicable

4. Continuous and non-continuous level 3 fair value measurement item, using valuation technology and quantitative and qualitative information of important parameters

Applicable Not applicable

The receivables financing continuously measured at level 3 fair value is notes receivable, and its fair value is determined by book value.

5. For continuous level 3 fair value measurement item, adjustment of the book value between the beginning and the

end of the paper and the sensitivity analysis of unobservable parameters

Applicable Not applicable

6. For continuous fair value measurement items, in case of transfer between different levels in this period, the reasons for the transformation and the policy to determine the transition point

Applicable Not applicable

7. Changes in valuation technology and the causes in the current period

Applicable Not applicable

8. Fair value of the financial assets and financial liabilities not measured at fair value

Applicable Not applicable

9. Others

Applicable Not applicable

XII. Related Parties and Related-party Transactions**1. Parent company of the Company**

Applicable Not applicable

Unit: RMB 0,000 Currency: RMB

Parent company name	Place of registration	Business nature	Registered capital	Shareholding proportion of parent company to the Company (%)	Voting right proportion of parent company to the Company (%)
Chongqing Sokon Holdings Co., Ltd.	No. 5-13, Wuyunhu Road, Shapingba District, Chongqing	Investment	20,000	28.45	28.45

Description for the parent company of the Company

None

The final controlling party of the Company is Mr. Xinghai ZHANG, a natural person

Other descriptions:

None

2. Subsidiaries of the Company

Refer to Notes for the subsidiaries of the Company

Applicable Not applicable

Refer to "IX. Equity in Other Entities" for details

3. Joint ventures and associated enterprises of the Company

Refer to the Notes for the Company's important joint ventures or associated enterprises

Applicable Not applicable

Refer to "IX. Equity in Other Entities" for details

Situation of other joint ventures or associated enterprises that have formed balance in related-party transaction with the Company in current period, or related-party transaction with the Company in previous periods is as follows

Applicable Not applicable

Other descriptions

Applicable Not applicable

4. Conditions of other related parties

Applicable Not applicable

Names of other related parties	Relationship of other related parties with the Company
Chongqing Sokon Hotel Co., Ltd.	Controlled by the same party
Chongqing XGJAO Motorcycle Sales Co., Ltd.	Controlled by the same party
Chongqing XGJAO Motorcycle Co., Ltd.	Controlled by the same party

Chongqing Sinkon Xingrui Real Estate Co., Ltd.	Controlled by the same party
Chongqing Yu'an Innovation Technology Co., Ltd.	Controlled by the same party
Chongqing Yu'an Machinery Manufacturing Co., Ltd.	Controlled by the same party
Chongqing Yu'an Intelligent Suspension Co., Ltd.	Controlled by the same party
SOKONINVESTMENT(USA).INC	Controlled by the same party
Dongfeng Motor Group Co. Ltd.	Parent company of Dongfeng Motor Group Co., Ltd.
Dongfeng Motor Group Co., Ltd.	Shareholder of the Company
Dongfeng Motor Company Limited	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Motor Co. Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Passenger vehicle company of Dongfeng Motor Group Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Motor Group Co., Ltd. VOYAH Automobile Technology Branch	Subsidiary of Dongfeng Motor Group Co. Ltd.
VOYAH Automobile Technology Co., Ltd	Subsidiary of Dongfeng Motor Group Co. Ltd.
VOYAH Automobile Sales Service Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
VOYAH Automobile Sales Service Co., Ltd. Anhui Hefei Branch	Subsidiary of Dongfeng Motor Group Co. Ltd.
VOYAH Automobile Sales Service Co., Ltd. Chengdu Branch	Subsidiary of Dongfeng Motor Group Co. Ltd.
VOYAH Automobile Sales Service Co., Ltd. Guangzhou Branch	Subsidiary of Dongfeng Motor Group Co. Ltd.
VOYAH Automobile Sales Service Co., Ltd. Chongqing Branch	Subsidiary of Dongfeng Motor Group Co. Ltd.
VOYAH Automobile Sales Service Co., Ltd. Zhengzhou Branch	Subsidiary of Dongfeng Motor Group Co. Ltd.
VOYAH Automobile Sales Service Co., Ltd. Wenzhou Branch	Subsidiary of Dongfeng Motor Group Co. Ltd.
VOYAH Automobile Sales Service Co., Ltd. Tianjin Branch	Subsidiary of Dongfeng Motor Group Co. Ltd.
VOYAH Automobile Sales Service Co., Ltd. Jinan Branch	Subsidiary of Dongfeng Motor Group Co. Ltd.
VOYAH Automobile Sales Service Co., Ltd. Hangzhou Branch	Subsidiary of Dongfeng Motor Group Co. Ltd.
VOYAH Automobile Sales Service Co., Ltd. Foshan Branch	Subsidiary of Dongfeng Motor Group Co. Ltd.
VOYAH Automobile Sales Service Co., Ltd. Donguan Branch	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Liuzhou Automobile Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Motor Finance Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongcheng Huizhong Asset Management Co., Ltd. Railway Logistics Branch	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Nissan Passenger Vehicle Company of Dongfeng Motor Company Limited	Subsidiary of Dongfeng Motor Group Co. Ltd.
Railway Transport Department of Dongfeng Motor Group Co. Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
DONGFENGMOTORRUSCO.,LTD.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Motor City Logistics Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Die & Stamping Technology Co., Ltd	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng VENUCIA Automobile Sales Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Automobile Wheel (Suizhou) Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Automobile Power Parts Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Motor Trading Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Trucks Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Communication Technology Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Communication Technology Co., Ltd. Shiyuan Branch	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Logistics (Wuhan) Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Guangzhou Feisuo Cloud Supply Chain Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Create Greantness Financing Lease Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Hubei Dongfeng Newspaper Media Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Shenzhen Lan-You Technology Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Shenzhen Lan-You Technology Co., Ltd. Guangzhou Branch	Subsidiary of Dongfeng Motor Group Co. Ltd.
China Dongfeng Motor Industry Imp. & Exp. Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Zhengzhou Dongfeng Motor Industry Imp. & Exp. Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Wuhan Dongfeng Motor Imp. & Exp. Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Wuhan Fengshen Kechuang Auto Parts Integration Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.

Xiangyang DaAn Automobile Test Center Corporation Limited	Subsidiary of Dongfeng Motor Group Co. Ltd.
Wuhan DaAn Technology Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Motor Finance Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Zhengzhou Nissan Automobile Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.

Other descriptions
None

5. Related-party transaction

(1) Related-party transaction about the purchase and sale of goods and the supply and acceptance of the labor services

Goods procurement and labor service acceptance

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Related parties	Content of related-party transactions	Accrual in the current period	Approved transaction limit (if applicable)	Exceed transaction limit or not (if applicable)	Accrual in the previous period
DONGFENGMOTORRUSCO.LTD.	RV66 imported navigator				979,270.27
DONGFENGMOTORRUSCO.LTD.	Fee of three guarantees	29,484.59			
Dongcheng Huizhong Asset Management Co., Ltd. Railway Logistics Branch	Transportation expenses	75,283.15			
Create Greantness Financing Lease Co., Ltd.	Financing expenses				21,447,973.50
Dongfeng Motor City Logistics Co., Ltd.	Transportation and storage charges	12,093,328.28			28,118,282.25
Dongfeng Die & Stamping Technology Co., Ltd	Body parts	32,881,041.81			41,996,772.91
Dongfeng VENUCIA Automobile Sales Co., Ltd.	Accessories	295,008.84			436,300.20
Dongfeng Automobile Wheel (Suizhou) Co., Ltd.	Outsourcing of semi-finished products	10,463,734.93			11,023,875.16
Dongfeng Motor Group Co. Ltd.	Trademark licensing fees	1,143,396.23			
Railway Transport Department of Dongfeng Motor Group Co. Ltd.	Transportation expenses				676,222.27
Dongfeng Motor Company Limited	Testing fees				15,109.43
Dongfeng Communication Technology Co., Ltd.	Network infrastructure service	71,845.00			
Guangzhou Feisuo Cloud Supply Chain Co., Ltd.	Fee of three guarantees	833,293.24			1,801,795.87
Shenzhen Lan-You Technology Co., Ltd.	Technical service fees	113,207.54			158,490.56
Shenzhen Lan-You Technology Co., Ltd. Guangzhou Branch	Software service fees				1,687,971.11
Shenzhen Lan-You Technology Co., Ltd. Guangzhou Branch	Outsourcing of semi-finished products	9,099,175.00			5,416,566.75
Wuhan Dongfeng Motor Imp. & Exp. Co., Ltd.	KD parts	235,498,043.47			402,998,661.96

APPENDIX II

FINANCIAL INFORMATION OF SOKON

Wuhan Fengshen Kechuang Auto Parts Integration Co., Ltd.	Logistics service				22,975,147.73
Xiangyang DaAn Automobile Test Center Corporation Limited	Testing fees, road test fees, training fees	38,256,760.84			16,824,049.99
Chongqing Sokon Hotel Co., Ltd.	Promotion expenses	27,316.98			
Chongqing Sokon Hotel Co., Ltd.	Catering and accommodation	3,099,977.44			5,283,568.61
Chongqing Sokon Holdings Co., Ltd.	Promotion expenses	26,981.14			45,188.67
Chongqing Sokon Holdings Co., Ltd.	Interest expenses	2,052,840.67			
Chongqing XGJAO Motorcycle Sales Co., Ltd.	Promotion expenses	33,396.24			
Chongqing XGJAO Motorcycle Co., Ltd.	Fee of three guarantees and promotion expenses	132,503.28			144,478.11
Chongqing Yu'an Machinery Manufacturing Co., Ltd.	Materials	5,593,824.58			6,427,276.33
Chongqing Yunwan Technology Co., Ltd.	Materials	10,536,464.95			6,207,750.57
Chongqing Yunwan Technology Co., Ltd.	Production fees	1,975,179.75			1,083,430.23
Dongfeng Motor Finance Co., Ltd.	Commission and discount fee	970,564.68			1,090,756.54
Passenger vehicle company of Dongfeng Motor Group Co., Ltd.	Trial production fees				206,100.26
Dongfeng Logistics (Wuhan) Co., Ltd.	Logistics service	21,323,278.14			1,097,287.50
VOYAH Automobile Technology Co., Ltd.	Fee of three guarantees	1,466,030.62			
VOYAH Automobile Sales Service Co., Ltd.	Vehicle	24,424.78			277,522.12
VOYAH Automobile Sales Service Co., Ltd. Chongqing Branch	Vehicle	281,946.90			
Wuhan DaAn Technology Co., Ltd.	Testing fees	50,715.09			47,633.96
Chongqing XGJAO Motorcycle Sales Co., Ltd.	Promotion expenses				73,396.23
Chongqing Yu'an Innovation Technology Co., Ltd.	Promotion expenses and low-value consumables	142,830.19			298,983.12

Sales of products/provision of labor services

√ Applicable □ Not applicable

Related parties	Content of related-party transactions	Unit: CNY Currency: RMB	
		Accrual in the current period	Accrual in the previous period
DONGFENGMOTORRUSCO.,LTD.	Vehicles and accessories	25,335,000.00	32,131,884.58
Dongfeng Motor Finance Co., Ltd.	Financial service	1,173,136.25	
Dongfeng Liuzhou Automobile Co., Ltd.	Transmission assembly	225,000.00	
Dongfeng Motor Finance Co., Ltd.	Service fees	992,806.58	11,932.08
Dongfeng Motor Finance Co., Ltd.	Interest income	2,038,340.40	915,332.62
Dongfeng Automobile Wheel (Suizhou) Co., Ltd.	Fee of three guarantees, maintenance cost, testing fees	54,823.32	165,744.84
Dongfeng Motor Co. Ltd.	Service fees and technical service fees	39,283.02	
Dongfeng Motor Group Co., Ltd. VOYAH Automobile Technology Branch	Electric drive system, battery pack, engine,	-1,325,041.80	118,726,459.38

	materials		
Railway Transport Department of Dongfeng Motor Group Co. Ltd.	Waste materials		23,962.14
Dongfeng Trucks Co., Ltd.	Materials		2,033,367.19
Wuhan Fengshen Kechuang Auto Parts Integration Co., Ltd.	Utilities and materials		287,577.70
China Dongfeng Motor Industry Imp. & Exp. Co., Ltd.	Vehicles and accessories	163,681,812.58	35,780,622.30
Chongqing Sokon Hotel Co., Ltd.	Utilities		223,239.58
Chongqing Sokon Holdings Co., Ltd.	Maintenance revenue		2,158.30
Chongqing XGJAO Motorcycle Co., Ltd.	Testing fees, service fees, maintenance cost	80,114.02	48,245.77
Chongqing XGJAO Motorcycle Co., Ltd.	Utilities		57,543.45
Chongqing XGJAO Motorcycle Co., Ltd.	Vehicle, engine, accessories	8,092,107.70	1,408,577.85
Chongqing Sinkon Xingrui Real Estate Co., Ltd.	Maintenance cost	3,043.36	2,929.20
Chongqing Yu'an Innovation Technology Co., Ltd.	Testing fees and maintenance revenue	3,887.61	395,165.86
Chongqing Yu'an Innovation Technology Co., Ltd.	Parts	1,089,059.84	4,999,324.20
Chongqing Yu'an Machinery Manufacturing Co., Ltd.	Testing fees and maintenance revenue	205,577.66	261,130.82
Chongqing Yu'an Machinery Manufacturing Co., Ltd.	Utilities		2,972,939.33
Chongqing Yu'an Machinery Manufacturing Co., Ltd.	Parts, three guarantees	987.33	124,752.78
Dongfeng Logistics (Wuhan) Co., Ltd.	Fees of three guarantees	2,192,450.74	
Dongfeng Logistics (Wuhan) Co., Ltd.	Water, electricity, gas fees		69,970.15
VOYAH Automobile Technology Co., Ltd	Electric drive system, battery pack, engine, materials, testing fees	1,151,061,466.66	357,729,783.74
VOYAH Automobile Sales Service Co., Ltd.	Engine parts	395,112.06	160,547.06
VOYAH Automobile Sales Service Co., Ltd.	Maintenance cost	11,127.30	15,292.04
VOYAH Automobile Sales Service Co., Ltd. Anhui Hefei Branch	Maintenance cost		9,021.24
VOYAH Automobile Sales Service Co., Ltd. Chengdu Branch	Maintenance cost	11,196.34	6,287.39
VOYAH Automobile Sales Service Co., Ltd. Guangzhou Branch	Maintenance cost	43,065.15	9,964.60
VOYAH Automobile Sales Service Co., Ltd. Dongguan Branch	Maintenance cost	22,832.96	
VOYAH Automobile Sales Service Co., Ltd. Foshan Branch	Maintenance cost	50,418.81	
VOYAH Automobile Sales Service Co., Ltd. Hangzhou Branch	Maintenance cost	17,366.61	
VOYAH Automobile Sales Service Co., Ltd. Jinan Branch	Maintenance cost	42,697.37	
VOYAH Automobile Sales Service Co., Ltd. Tianjin Branch	Maintenance cost	11,112.90	
VOYAH Automobile Sales Service Co., Ltd. Wenzhou Branch	Maintenance cost	114,412.08	
VOYAH Automobile Sales Service Co., Ltd. Zhengzhou Branch	Maintenance cost	40,922.53	
PUJIR Financial Leasing Co., Ltd.	Maintenance cost	8,062.83	
Wuhan Dongfeng Motor Imp. & Exp. Co., Ltd.	Accessories	1,707,079.65	1,123,653.92
Chongqing XGJAO Motorcycle Sales Co., Ltd.	Maintenance cost		2,107.96
Chongqing Yu'an Intelligent Suspension Co., Ltd.	Parts	7,306,584.12	58,000.00
Chongqing Yu'an Intelligent Suspension Co., Ltd.	Testing fees and maintenance revenue	421,939.20	59,882.34

Chongqing Yu'an Intelligent Suspension Co., Ltd.	Utilities		210,842.58
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Description of related-party transaction about the purchase and sale of goods and the supply and acceptance of the labor services

Applicable Not applicable

(2) Affiliated trusteeship/contracting and entrusted management/outsourcing conditions

Trusteeship management/contracting of the Company:

Applicable Not applicable

Description of associated trusteeship /contracting

Applicable Not applicable

Entrusted management/outsourcing of the Company:

Applicable Not applicable

Description of associated management/outsourcing

Applicable Not applicable

(3) Associated lease

The Company acts as the lessor:

Applicable Not applicable

Unit: CNY Currency: RMB

Name of the lessee	Types of leased assets	Lease income recognized in the current period	Lease income recognized in the previous period
Chongqing Yu'an Machinery Manufacturing Co., Ltd.	House leasing	457,761.50	784,734.00
Chongqing Sinkon Xingrui Real Estate Co., Ltd.	House leasing	10,318.35	
Chongqing Sokon Holdings Co., Ltd.	House leasing	170,167.23	
Chongqing Yu'an Intelligent Suspension Co., Ltd.	House leasing	3,676,258.56	
Chongqing XGJAO Motorcycle Co., Ltd.	House leasing	3,389,142.80	2,190,857.08
Chongqing Yu'an Intelligent Suspension Co., Ltd.	House leasing	4,751,274.72	1,583,758.24

The Company acts as the lessee:

Applicable Not applicable

Unit: CNY Currency: RMB

Name of the lessor	Types of leased assets	Simplified rent for short-term leases and low-value asset leases (if applicable)		Variable lease payments not included into the measurement of lease liability (if applicable)	Rent paid		Interest expenditure of lease liabilities undertaken		Right-of-use assets added
		Accrual in the current period	Accrual in the previous period		Accrual in the current period	Accrual in the previous period	Accrual in the current period	Accrual in the previous period	Accrual in the previous period

SOKON INVESTMENT (USA). INC	Houses and buildings					24,425,291.17	48,501,742.33	5,237,469.45	10,768,094.65	168,475,389.77
Xiangyang DaAn Automobile Test Center Corporation Limited	Venue leasing	226,800.00	246,279.29			226,800.00	246,279.29			

Description of associated lease

Applicable Not applicable

(4) Associated guarantee

The Company acts as the guarantor

Applicable Not applicable

The Company acts as the guaranteed party

Applicable Not applicable

Unit: CNY Currency: RMB

Guarantor	Amount guaranteed	Start date of guarantee	Maturity date of guarantee	Whether the guarantee is mature
Xinghai ZHANG, Xingming ZHANG, Xingli ZHANG	6,120,846.19	2022/07/19	2023/02/24	No
Xinghai ZHANG, Xingming ZHANG, Xingli ZHANG	100,000,000.00	2022/01/29	2023/04/28	No
Xinghai ZHANG, Xingming ZHANG, Xingli ZHANG	110,000,000.00	2021/01/01	2024/02/24	No
Xinghai ZHANG, Xingming ZHANG, Xingli ZHANG	70,000,000.00	2022/1/24	2023/1/24	No

Description of associated guarantee

Applicable Not applicable

(5) Loan at call of related parties

Applicable Not applicable

Unit: CNY Currency: RMB

Related parties	Lending amount	Start date	Maturity date	Description
Borrowing				
Chongqing Sokon Holdings Co., Ltd.	316,000,000.00	2022-04-24	2022-06-30	
Chongqing Sokon Holdings Co., Ltd.	80,000,000.00	2022-02-28	2022-06-28	
Chongqing Sokon Holdings Co., Ltd.	20,000,000.00	2022-02-28	2022-06-28	
Chongqing Sokon Holdings Co., Ltd.	200,000,000.00	2022-01-25	2022-04-29	
Chongqing Sokon Holdings Co., Ltd.	100,000,000.00	2022-01-28	2022-04-29	
Chongqing Sokon Holdings Co., Ltd.	100,000,000.00	2022-04-14	2022-06-28	

Related parties	Lending amount	Start date	Maturity date	Description
Lending				
Chongqing Sokon Holdings Co., Ltd.	100,000,000.00	2022-01-28	2022-04-29	
Chongqing Sokon Holdings Co., Ltd.	100,000,000.00	2022-02-28	2022-06-28	
Chongqing Sokon Holdings Co., Ltd.	200,000,000.00	2021-12-09	2022-04-29	
Chongqing Sokon Holdings Co., Ltd.	350,000,000.00	2021-11-29	2022-04-28	
Chongqing Sokon Holdings Co., Ltd.	316,000,000.00	2022-04-24	2022-06-30	
Chongqing Sokon Holdings Co., Ltd.	180,000,000.00	2021-12-15	2022-04-29	
Chongqing Sokon Holdings Co., Ltd.	60,000,000.00	2021-09-27	2022-04-28	
Chongqing Sokon Holdings Co., Ltd.	200,000,000.00	2022-01-25	2022-04-29	
Chongqing Sokon Holdings Co., Ltd.	100,000,000.00	2022-04-14	2022-06-28	
Chongqing Sokon Holdings Co., Ltd.	250,000,000.00	2021-11-29	2022-04-29	
Chongqing Sokon Holdings Co., Ltd.	20,000,000.00	2021-12-15	2022-04-29	

(6) Asset transfer and debt restructuring of related parties

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Related parties	Content of related-party transactions	Accrual in the current period	Accrual in the previous period
Chongqing Yu'an Innovation Technology Co., Ltd.	Equity transfer	234,366,000.00	
Chongqing Yu'an Machinery Manufacturing Co., Ltd.	Computer host	104.33	
Chongqing Sinkon Xingrui Real Estate Co., Ltd.	Disposal of computer and air conditioning		9,661.61
Chongqing Sokon Holdings Co., Ltd.	Equity transfer		67,427,877.00

(7) Remuneration of key management personnel

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Remuneration of key management personnel	2,935.71	2,514.28

(8) Other related-party transactions

√ Applicable □ Not applicable

① ② In May 2020, Dongfeng Motor Group Co. Ltd. signed a *Dongfeng Trademark License Contract* with Dongfeng Sokon Automobile Co., Ltd., licensing Dongfeng Sokon to use the Dongfeng trademark in its legitimate operating activities during the validity period of the contract, specifically for Dongfeng Sokon's vehicle products, product descriptions, promotion materials for product sales, and other matters approved by the licensor. The contract period is five years, and the trademark licensing fee is charged at a fixed rate of RMB 1 million per year.

② ③ On January 1, 2022, Dongfeng Motor Group Co. Ltd. signed a *Registered Trademark License Contract* with Dongfeng Sokon Automobile Co., Ltd. and Sokon Motor Co., Ltd. (Indonesia). According to the contract terms, Dongfeng

Group hereby grants Dongfeng Sokon a non exclusive and non transferable right to use the registered trademark for KD parts of licensed products manufactured domestically and exported to Sokon Indonesia (to the authorized area) during the term of the contract, with a validity period of one year. The trademark licensing fee is RMB 200,000.

③ Dongfeng Sokon Automobile Co., Ltd. has applied to Dongfeng Motor Finance Co., Ltd. for a total credit limit of RMB 800 million, which includes a 20% deposit. The actual exposure is RMB 640 million, of which Dongfeng Sokon Automobile Co., Ltd. has a credit limit of RMB 200 million, and Shiyang Dongfeng FENGON Automobile Sales Co., Ltd. has a credit limit of RMB 600 million. As of December 31, 2022, the exposure has been used for RMB 480 million, with a deposit of RMB 120 million and an acceptance bill of RMB 600 million processed. Among them: Dongfeng Sokon Automobile Co., Ltd. used RMB 160 million, deposited a deposit of RMB 40 million, and processed an acceptance bill of RMB 200 million; Shiyang Dongfeng FENGON Automobile Sales Co., Ltd. used RMB 320 million, deposited a deposit of RMB 80 million, and processed an acceptance bill of RMB 400 million.

6. Receivables and payables of related parties

(1) Receivables

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item name	Related parties	Ending balance		Beginning balance	
		Book balance	Bad-debt reserves	Book balance	Bad-debt reserves
Advance payment	Dongfeng VENUZIA Automobile Sales Co., Ltd.	31,804.01		57,164.03	
Advance payment	Dongfeng Logistics (Wuhan) Co., Ltd.	392,525.19			
Accounts receivable	Dongfeng Liuzhou Automobile Co., Ltd.	14,250.00	218.03		
Accounts receivable	Dongfeng Motor Finance Co., Ltd.	212,290.00	10,614.50		
Accounts receivable	Dongfeng Motor Group Co., Ltd. VOYAH Automobile Technology Branch	16,098.76	1,609.88	1,160,636.73	58,031.84
Accounts receivable	VOYAH Automobile Technology Co., Ltd	178,869,786.57	7,930,186.84	204,900,773.47	7,672,534.43
Accounts receivable	VOYAH Automobile Sales Service Co., Ltd.	47,701.82	729.84	14,738.48	157.70
Accounts receivable	VOYAH Automobile Sales Service Co., Ltd. Dongguan Branch	12,806.56	640.33		
Accounts receivable	VOYAH Automobile Sales Service Co., Ltd. Foshan Branch	33,819.04	1,690.95		
Accounts receivable	VOYAH Automobile Sales Service Co., Ltd. Hangzhou Branch	19,624.27	981.21		
Accounts receivable	VOYAH Automobile Sales Service Co., Ltd. Jinan Branch	36,204.61	1,810.23		
Accounts receivable	VOYAH Automobile Sales Service Co., Ltd. Tianjin Branch	12,557.58	627.88		
Accounts receivable	VOYAH Automobile Sales Service Co., Ltd. Wenzhou Branch	34,771.27	1,738.56		
Accounts receivable	China Dongfeng Motor Industry Imp. & Exp. Co., Ltd.	17,851,127.06	273,122.24	17,871.00	191.22
Accounts receivable	Dongfeng Motor Finance Co., Ltd.	1,243,524.42	62,176.22		
Other receivables	VOYAH Automobile Sales Service Co., Ltd.			5,000.00	250.00
Other receivables	Chongqing Sokon Holdings Co., Ltd.	222,460,413.36		1,361,093,416.28	
Long-term receivables	Chongqing Sinkon Xingrui Real Estate Co., Ltd.	62,691.90			
Long-term receivables	Chongqing Sokon Holdings Co., Ltd.	1,274,764.83			

(2) Payables

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item name	Related parties	Ending book balance	Beginning book balance
Accounts payable	Dongcheng Huizhong Asset Management Co., Ltd. Railway Logistics Branch	36,751.70	
Accounts payable	Dongfeng Motor City Logistics Co., Ltd.	901,278.52	4,680,318.60
Accounts payable	Dongfeng Automobile Wheel (Suizhou) Co., Ltd.	1,969,650.59	1,652,604.46
Accounts payable	Dongfeng Automobile Power Parts Co., Ltd.	8,728.72	9,316.32
Accounts payable	Railway Transport Department of Dongfeng Motor Group Co. Ltd.		116,756.57
Accounts payable	Guangzhou Feisuo Cloud Supply Chain Co., Ltd.		118,382.46
Accounts payable	Wuhan Dongfeng Motor Imp. & Exp. Co., Ltd.		67,021,677.78
Accounts payable	Xiangyang DaAn Automobile Test Center Corporation Limited	1,938,028.83	338,722.00
Accounts payable	Dongfeng Die & Stamping Technology Co., Ltd.		76,354.10
Accounts payable	Dongfeng Logistics (Wuhan) Co., Ltd.	59,865.92	1,131,293.12
Accounts payable	Wuhan DaAn Technology Co., Ltd.		11,943.00
Other payables	Dongfeng Motor City Logistics Co., Ltd.	1,810,000.00	2,410,000.00
Other payables	Dongfeng Automobile Wheel (Suizhou) Co., Ltd.	350,000.00	350,000.00
Other payables	Dongfeng Logistics (Wuhan) Co., Ltd.	5,700,000.00	600,000.00
Long-term payables	Create Greantness Financing Lease Co., Ltd.		118,500,044.03
Long-term payables	Chongqing Sokon Holdings Co., Ltd.		1,060,000,000.00

7. Commitment of related parties

□ Applicable √ Not applicable

8. Others

√ Applicable □ Not applicable

Contract liabilities

Unit: CNY

Related parties	Ending balance	Beginning balance
DONGFENGMOTORRUSCO.LTD.	686.64	605.69
Wuhan Dongfeng Motor Imp. & Exp. Co., Ltd.	149,446.09	12,553.09
Passenger vehicle company of Dongfeng Motor Group Co., Ltd.	26,515.81	26,515.81

XIII. Share-based Payment**1. Overall situation of share-based payment**

√ Applicable □ Not applicable

Unit: Share Currency: RMB

Total equity instruments granted by the Company in the current period	35,906,000.00
Total equity instruments exercised by the Company in the current period	161,394.00
Total equity instruments that have expired in the current period of the Company	3,985,956.00
Scope of the exercise price of the Company's outstanding share option and remaining period of the contract at the end of the period	
Scope of the exercise price of the Company's other equity instruments and remaining period of the contract at the end of	

the period	
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Other descriptions
None

2. Share-based payment settled by equity

Applicable Not applicable

Unit: CNY Currency: RMB

Determination method of fair value of equity instruments on grant date	Black-Scholes
Determination basis of the quantity of vesting equity instruments	
Reasons for the significant difference between the estimate in the current period and the estimate in the previous period	
Cumulative amount of share-based payment in equity included in capital reserves	52,099,067.75
Total expenses recognized by share-based payment in equity in current period	31,661,202.71

Other descriptions
None

3. Share-based payment settled by cash

Applicable Not applicable

4. Modification and termination of share-based payment

Applicable Not applicable

5. Others

Applicable Not applicable

XIV. Commitments and Contingencies

1. Important commitments

Applicable Not applicable

2. Contingencies

(1) Important contingencies existing on the balance sheet date

Applicable Not applicable

Important contingencies existing on the balance sheet date

1. Guarantee for subsidiary

Guaranteed party	Amount guaranteed (RMB)	Start date of guarantee	Maturity date of guarantee	Whether the guarantee is mature
Subsidiaries:				
Chongqing SERES Automobile Sales Service Co., Ltd.	5,587,202.91	2022-10-24	2023-04-24	No
SERES Automobile Co., Ltd.	100,000.00	2022-06-24	2023-06-21	No
SERES Automobile Co., Ltd.	100,000.00	2022-06-24	2023-12-21	No
SERES Automobile Co., Ltd.	100,000.00	2022-06-24	2024-06-21	No
SERES Automobile Co., Ltd.	100,000.00	2022-06-24	2024-12-21	No
SERES Automobile Co., Ltd.	49,500,000.00	2022-06-24	2025-06-21	No
SERES Automobile Co., Ltd.	50,000,000.00	2022-06-24	2025-06-23	No
SERES Automobile Co., Ltd.	50,000,000.00	2022-11-30	2023-06-21	No
SERES Automobile Co., Ltd.	100,000.00	2022-11-30	2023-09-21	No
SERES Automobile Co., Ltd.	49,900,000.00	2022-11-30	2023-12-29	No
SERES Automobile Co., Ltd.	100,000,000.00	2022-11-24	2023-11-24	No
SERES Automobile Co., Ltd.	20,000,000.00	2022-04-27	2023-04-27	No

SERES Automobile Co., Ltd.	280,000,000.00	2022-04-27	2024-04-26	No
SERES Automobile Co., Ltd.	100,000,000.00	2022-11-29	2023-05-29	No
SERES Automobile Co., Ltd.	40,000,000.00	2022-11-16	2023-11-15	No
SERES Automobile Co., Ltd.	7,000,000.00	2022-12-27	2023-06-27	No
Shanghai SERES Automobile Sales Service Co., Ltd.	34,966,648.78	2022-10-27	2023-04-27	No
Chongqing Ruichi Automobile Industry Co., Ltd.	130,000,000.00	2022-11-30	2023-11-30	No
Chongqing Ruichi Automobile Industry Co., Ltd.	200,000,000.00	2022-05-30	2023-05-29	No
Chongqing Ruichi Automobile Industry Co., Ltd.	50,000,000.00	2022-11-28	2023-05-28	No
Chongqing Ruichi Automobile Industry Co., Ltd.	14,800,000.00	2020-09-23	2023-03-22	No
Chongqing Ruichi Automobile Industry Co., Ltd.	15,000,000.00	2020-09-23	2023-09-22	No
Chongqing Sokon Powertrain Co., Ltd.	59,896,504.14	2022-07-28	2023-01-26	No
Chongqing Sokon Powertrain Co., Ltd.	35,600,000.00	2020-09-27	2023-03-26	No
Chongqing Sokon Powertrain Co., Ltd.	34,000,000.00	2020-09-27	2023-09-26	No
Chongqing Sokon Powertrain Co., Ltd.	1,000,000.00	2022-12-29	2023-06-25	No
Chongqing Sokon Powertrain Co., Ltd.	1,000,000.00	2022-12-29	2023-12-25	No
Chongqing Sokon Powertrain Co., Ltd.	50,000,000.00	2022-12-29	2024-06-25	No
Chongqing Sokon Powertrain Co., Ltd.	48,000,000.00	2022-12-29	2024-12-27	No
Chongqing Sokon Import and Export Co., Ltd.	180,000,000.00	2022-08-09	2023-08-03	No
Chongqing Sokon Import and Export Co., Ltd.	20,000,000.00	2022-03-09	2023-03-03	No
Chongqing Sokon Automobile Parts Co., Ltd.	20,000,000.00	2022-11-29	2023-05-28	No
Chongqing Yu'an Huaihai Powertrain Co., Ltd.	39,972,404.00	2022-11-29	2023-05-28	No
Dongfeng Sokon Automobile Co., Ltd.	99,435,000.00	2022-07-28	2023-01-28	No
Dongfeng Sokon Automobile Co., Ltd.	160,421,461.89	2022-08-29	2023-03-01	No
Dongfeng Sokon Automobile Co., Ltd.	138,878,741.67	2022-11-24	2023-05-24	No
Dongfeng Sokon Automobile Co., Ltd.	300,000,000.00	2022-07-28	2023-07-27	No
Dongfeng Sokon Automobile Co., Ltd.	233,911,106.00	2022-11-24	2023-05-24	No
Dongfeng Sokon Automobile Co., Ltd.	165,432,579.47	2022-11-28	2023-05-28	No
Dongfeng Sokon Automobile Co., Ltd.	300,000,000.00	2022-05-19	2023-05-18	No
Dongfeng Sokon Automobile Co., Ltd.	70,000,000.00	2022-07-27	2023-07-26	No
Dongfeng Sokon Automobile Co., Ltd.	100,000,000.00	2022-07-26	2023-07-25	No
Dongfeng Sokon Automobile Co., Ltd.	62,610,498.29	2022-08-26	2023-02-26	No
Dongfeng Sokon Automobile Co., Ltd.	73,019,047.83	2022-11-24	2023-05-24	No
Dongfeng Sokon Automobile Co., Ltd.	127,402,499.97	2022-07-27	2023-01-27	No
Dongfeng Sokon Automobile Co., Ltd.	96,324,240.37	2022-08-26	2023-02-26	No

2. Estimated liabilities refer to the provision of fee of three guarantees for automobile sales. Refer to "Note 50 Estimated liabilities" to "VII. Item Notes for Consolidated Financial Statement" for details.

(2) The Company shall also give the indication for no important contingencies to be disclosed:

Applicable Not applicable

3. Others

Applicable Not applicable

XV. Events after the Balance Sheet Date

1. Important non-adjusting events

Applicable Not applicable

2. Profit distribution

Applicable Not applicable

3. Sales return

Applicable Not applicable

4. Description of other events after the balance sheet date

Applicable Not applicable

XVI. Other Important Matters**1. Correction of accounting error in the early stage****(1) Retrospective restatement method**

Applicable Not applicable

(2) Prospective application method

Applicable Not applicable

2. Debt restructuring

Applicable Not applicable

3. Asset replacement**(1) Exchange of non-monetary assets**

Applicable Not applicable

(2) Replacement of other assets

Applicable Not applicable

4. Annuity plan

Applicable Not applicable

5. Discontinuing operation

Applicable Not applicable

6. Segment information**(1) Determination basis and accounting policies of report segment**

Applicable Not applicable

(2) Financial information of report segment

Applicable Not applicable

(3) Explaining why the Company does not set report segment or cannot report or disclose total assets and indebtedness of report segment

Applicable Not applicable

(4) Other descriptions

Applicable Not applicable

7. Other important transactions and matters affecting the investors' decision-making

Applicable Not applicable

8. Others

Applicable Not applicable

XVII. Main Item Notes to the Parent Company's Financial Statement**1. Accounts receivable****(1) Disclosed by aging**

Applicable Not applicable

Account age	Ending book balance
Within 1 year	
Including: Sub-item within 1 year	
Within 1 year	2,623,552.30
Subtotal within 1 year	2,623,552.30

Unit: CNY Currency: RMB

1-2 years	
2-3 years	
More than 3 years	
3-4 years	
4-5 years	
More than 5 years	
Total	2,623,552.30

(2) Classified disclosure by the bad debt provision method
 Applicable Not applicable

Unit: CNY Currency: RMB

Type	Ending balance					Beginning balance						
	Book balance		Bad-debt reserves			Book value	Book balance		Bad-debt reserves			Book value
	Amount	Op	Pr	A	Ca		Amount	Op	Pr	A	Ca	
Withdrawal of bad-debt reserves by single item:	2,623,552.30	100				2,623,552.30	787,513.64	100				787,513.64
Including:												
Withdrawal of bad-debt reserves in portfolios												
Including:												
Total	2,623,552.30	/		/		2,623,552.30	787,513.64	/		/		787,513.64

Withdrawal of bad-debt reserves by single item:

 Applicable Not applicable

Withdrawal of bad-debt reserves in portfolios:

 Applicable Not applicable

If the bad-debt reserve is made according to the general model of expected credit losses, refer to the disclosure of other receivables:

 Applicable Not applicable
(3) Bad-debt reserves
 Applicable Not applicable

Thereinto, important amounts of bad-debt reserves recovered or reversed in the current period:

 Applicable Not applicable
(4) Actual write-off accounts receivable in the current period
 Applicable Not applicable

Thereinto, write-off of important accounts receivable

 Applicable Not applicable

- (5) Accounts receivable with the ending balance ranked among the first five as collected by the borrower
 Applicable Not applicable

Unit: CNY Currency: RMB

Unit name	Ending balance	Proportion in the ending balance of accounts receivable (%)	Ending balance of bad-debt reserves
Unit I	787,513.64	30.02	
Unit II	577,366.63	22.01	
Unit III	408,886.50	15.59	
Unit IV	351,668.17	13.40	
Unit V	182,622.66	6.96	
Total	2,308,057.60	87.97	

Other descriptions
 None

- (6) Accounts receivable derecognized due to transfer of financial assets
 Applicable Not applicable

- (7) Amount of assets and liabilities formed by transferring accounts receivable and continuing to be involved
 Applicable Not applicable

Other descriptions:
 Applicable Not applicable

2. Other receivables
 Item presentation
 Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Interests receivable		
Dividends receivable		
Other receivables	13,105,425,040.15	10,069,886,389.65
Total	13,105,425,040.15	10,069,886,389.65

Other descriptions:
 Applicable Not applicable

- Interests receivable**
 (1) Classification of interest receivable
 Applicable Not applicable

- (2) Important overdue interest
 Applicable Not applicable

- (3) Bad-debt reserves
 Applicable Not applicable

Other descriptions:
 Applicable Not applicable

Dividends receivable**(4) Dividends receivable**√ Applicable Not applicable

Unit: CNY Currency: RMB

Item (or investee)	Ending balance	Beginning balance
New Energy Automobile Industry Development (Chongqing) Co., Ltd.	1,000,000.00	1,000,000.00
Minus: Bad-debt reserves	1,000,000.00	1,000,000.00
Total	0	0

(5) Important dividends receivable with an aging of over 1 year Applicable √ Not applicable**(6) Withdrawal of bad-debt reserves** Applicable √ Not applicable

Unit: CNY Currency: RMB

Bad-debt reserves	Stage I	Stage II	Stage III	Total
	Expected credit loss in the next 12 months	Expected credit loss throughout the entire duration (credit impairment that has not occurred)	Expected credit loss throughout the entire duration (credit impairment that has occurred)	
Balance as of January 1, 2022	1,000,000.00			1,000,000.00
Balance as of January 1, 2022 in the current	1,000,000.00			1,000,000.00
- Transfer to Stage II				
- Transfer to Stage III				
- Transfer back to Stage II				
- Transfer back to Stage I				
Calculation and withdrawal in the current period				
Reverse in the current period				
Write-off in the current period				
Charge-off in the current period				
Other changes				
Balance as of December 31, 2022	1,000,000.00			1,000,000.00

Description of the significant changes in the book balance of dividends receivable in which changes in loss reserves occurred in the current period:

 Applicable √ Not applicable

Other descriptions:

 Applicable √ Not applicable**Other receivables****(1) Disclosure by aging**

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Account age	Ending book balance
Within 1 year	
Including: Sub-item within 1 year	
Within 1 year	11,627,884,699.28
Subtotal within 1 year	11,627,884,699.28
1-2 years	1,477,127,921.67
2-3 years	470,000.00
More than 3 years	
3-4 years	
4-5 years	
More than 5 years	500,000.00
Total	13,105,982,620.95

(2) Classification by nature of payment

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Nature of payment	Ending book balance	Beginning book balance
Performance compensation	222,460,413.36	1,220,416,536.79
Intercourse funds	12,882,214,316.54	8,849,402,032.75
Reserves and security deposits	1,307,891.05	571,897.17
Total	13,105,982,620.95	10,070,390,466.71

(3) Withdrawal of bad-debt reserves

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Bad-debt reserves	Stage I	Stage II	Stage III	Total
	Expected credit loss in the next 12 months	Expected credit loss throughout the entire duration (credit impairment that has not occurred)	Expected credit loss throughout the entire duration (credit impairment that has occurred)	
Balance as of January 1, 2022	504,077.06			504,077.06
Balance as of January 1, 2022 in the current	504,077.06			504,077.06
- Transfer to Stage II				
- Transfer to Stage III				
- Transfer back to Stage II				
- Transfer back to Stage I				
Calculation and withdrawal in the current period	53,503.74			53,503.74
Reverse in the current period				
Write-off in the current period				
Charge-off in the current period				
Other changes				
Balance as of December	557,580.80			557,580.80

31, 2022				

Description of the significant changes in the book balance of other receivables in which changes in loss reserves occurred in the current period:

Applicable Not applicable

The basis for adopting whether the amount of the bad-debt reserves in the current period and the credit risk of financial instruments has increased significantly:

Applicable Not applicable

(4) Bad-debt reserves

Applicable Not applicable

Unit: CNY Currency: RMB

Type	Beginning balance	Changed amount in the current period				Ending balance
		Calculation and withdrawal	Recover or reverse	Write-off or charge-off	Other changes	
Withdrawal of bad-debt reserves in portfolios	504,077.06	53,503.74				557,580.80
Total	504,077.06	53,503.74				557,580.80

Thereinto, important amounts of bad-debt reserves reversed or recovered in the current period:

Applicable Not applicable

(5) Other actual write-off receivables in the current period

Applicable Not applicable

(6) Other receivables with the ending balance ranked among the first five as collected by the borrower

Applicable Not applicable

Unit: CNY Currency: RMB

Unit name	Nature of payment	Ending balance	Account age	Proportion in the ending balance of other receivables (%)	Ending balance of bad-debt reserves
Unit I	Intercourse funds	9,771,942,258.29	Within 1 year/1-2 years	74.56	
Unit II	Intercourse funds	1,644,795,126.98	Within 1 year/1-2 years	12.55	
Unit III	Intercourse funds	1,065,534,259.50	Within 1 year	8.13	
Unit IV	Performance compensation	222,460,413.36	Within 1 year	1.70	
Unit V	Intercourse funds	128,654,222.22	Within 1 year	0.98	
Total	/	12,833,386,280.35	/	97.92	

(7) Receivables involving government subsidies

Applicable Not applicable

(8) Other receivables derecognized due to transfer of financial assets

Applicable Not applicable

(9) Amount of assets and liabilities formed by transferring other receivables and continuing to be involved

Applicable Not applicable

Other descriptions:

 Applicable Not applicable

3. Long-term equity investment

 Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment reserves	Book value	Book balance	Impairment reserves	Book value
Investment in subsidiaries	8,786,479,767.28	5,000,000.00	8,781,479,767.28	9,577,056,851.93	5,000,000.00	9,572,056,851.93
Investment in associated enterprises and joint ventures	37,314,710.30		37,314,710.30	36,802,292.38		36,802,292.38
Total	8,823,794,477.58	5,000,000.00	8,818,794,477.58	9,613,859,144.31	5,000,000.00	9,608,859,144.31

(1) Investment in subsidiaries Applicable Not applicable

Unit: CNY Currency: RMB

Investee	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Accruing impairment reserves in the current period	Ending balance of impairment reserves
Chongqing Sokon Import and Export Co., Ltd.	10,505,622.57	290,000,000.00	300,505,622.57			
Chongqing Yu'an Huaihai Powertrain Co., Ltd.	8,689,085.97	797,210.39		9,486,296.36		
Chongqing Ruichi Automobile Industry Co., Ltd.	8,640,778.69	174,000,000.00	182,640,778.69			
Chongqing Sokon Automobile Sales Service Co., Ltd.	49,921.02	40,421.65		90,342.67		5,000,000.00
Dongfeng Sokon Automobile Co., Ltd.	4,282,709,840.76	5,581,568.14		4,288,291,408.90		
Chongqing Sokon Powertrain Co., Ltd.	350,711,459.63	1,501,848.73		352,213,308.36		
Chongqing Sokon Engine R&D Co., Ltd.	5,019,495.78	7,654.35		5,027,150.13		
Sokon Group (Hong Kong) Limited	63,636,176.48		13,689.88	63,622,486.60		
PUJIR Financial Leasing Co., Ltd.	800,000,000.00		800,000,000.00			
SINKON INTERNATIONAL(SINGAPORE)PTE.LTD.	3,029,196.72			3,029,196.72		
SERES Automobile Co., Ltd.	3,983,650,975.80	20,654,303.23		4,004,305,279.03		
Chongqing Sinkon International Holdings Limited	55,414,298.51			55,414,298.51		
Total	9,572,056,851.93	492,583,006.49	1,283,160,091.14	8,781,479,767.28		5,000,000.00

(2) Investment in associated enterprises and joint ventures Applicable Not applicable

Unit: CNY Currency: RMB

Investor	Beginning balance	Increase/decrease changes in the current period							Ending balance	Ending balance of impairment reserves
		Additional	Negative	Investment profit and loss recognized by the equity method	Adjustments of other comprehensive incomes	Other equity changes	Cash dividends or profits to be issued as announced	Provision for impairment reserves		
I. Joint venture										
Subtotal										
II. Associated enterprise										
New Energy Automobile Industry Development (Chongqing) Co., Ltd.	36,802,292.38			512,417.92						37,314,710.30
Subtotal	36,802,292.38			512,417.92						37,314,710.30
Total	36,802,292.38			512,417.92						37,314,710.30

Other descriptions:
None

4. Operating income and operating cost

(1) Operating income and operating cost

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period		Accrual in the previous period	
	Revenue	Cost	Revenue	Cost
Main business				
Other businesses	44,823,443.01	17,260,274.70	39,630,496.09	10,705,373.23
Total	44,823,443.01	17,260,274.70	39,630,496.09	10,705,373.23

(2) Income generated by the contract

Applicable Not applicable

(3) Description of performance obligations

Applicable Not applicable

(4) Description of allocation to remaining performance obligations

Applicable Not applicable

Other descriptions:
None

5. Return on investment

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Incomes from long-term equity investments calculated under the cost method	464,000,000.00	43,000,000.00

Incomes from long-term equity investments calculated under the equity method	512,417.92	567,171.01
Return on investment from disposal of long-term equity investment	52,766,000.00	
Return on investment from trading financial assets during the holding period	10,696,225.00	8,766,780.00
Dividend income from other equity instruments during the holding period		
Interest income from creditor's right investment during the holding period		
Interest income from other creditor's right investments during the holding period		
Return on investment for disposal of trading financial assets		
Return on investment from disposal of other equity instrument investments		
Return on investment from disposal of creditor's right investment		
Return on investment from disposal of other creditor's right investments		
Incomes from debt restructuring		
Others	12,638,750.01	
Total	540,613,392.93	52,333,951.01

Other descriptions:
None

6. Others

Applicable Not applicable

XVIII. Supplementary Information

1. Current non-recurring profits and losses

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Amount	Description
Losses from the disposal of non-current assets	242,364,412.05	
Tax returns, reduction or exemption for ultra vires approval or without formal approval documents		
Government subsidies recognized in current profit and loss (with the exception of the government subsidies closely related to the business of the enterprise and enjoyed in accordance with the national uniform standard in fixed or quantitative amount)	523,474,437.19	
Expense to non-financial enterprises for capital utilization charged to current profit and loss		
The cost of investments in subsidiaries, associated enterprises and joint ventures acquired by an enterprise is less than the revenues from the fair value of the identifiable net assets of the investee at the time the investment is acquired		
Gains and losses from non-monetary asset exchange		
Profits and losses on entrusting others to invest or manage assets		
Provision for impairment of various assets due to force majeure factors, such as natural disasters, etc.		
Gains and losses from debt restructuring		
Enterprise restructuring costs, such as expenditures for relocating employees, integration costs, etc.		
Profit and loss in excess of fair value arising from transactions where the transaction price is not clearly fair		
Net profits and losses of the subsidiaries under the same control and arising from the business combination since the beginning of the period to		

the combination date		
Profits and losses arising from contingencies not related to the Company's normal operating business		
In addition to effective hedging operations related to the Company's normal business operations, profits and losses from changes in fair value of trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liabilities, and return on investment from the disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other creditor's right investments	-146,277,128.75	Mainly profit and loss from changes in fair value of trading financial assets
Reversion of provision for impairment for receivables and contract assets that are individually conducted with impairment test		
Profits and losses on external entrusted loans		
Profits and losses arising from changes in fair value of investment property subsequently measured using the fair value model		
Effect of one-time adjustments to current profit and loss in accordance with tax, accounting and other laws and regulations on current profit and loss		
Custodian expense incomes earned from entrusted operations		
Non-operating income and expenditure other than those mentioned above	8,841,594.30	
Other items of profits and losses that meet the definition of non-recurring profits and losses		
Minus: Influenced amount of income tax	170,223,267.13	
Influenced amount of minority shareholders' equities	-5,860,683.46	
Total	464,040,731.12	

For the non-recurring profits and losses that the company defines in accordance with the *Explanatory Announcement No. 1 on the Information Disclosure of Companies with Public Offerings - Non-recurring Profits and Losses*, and defining the items of non-recurring profits and losses listed in the *Explanatory Announcement No. 1 on the Information Disclosure of Companies with Public Offerings - Non-recurring Profits and Losses* as items of recurring profits and losses, the reasons should be explained.

Applicable Not applicable

2. Return on net assets and earnings per share

Applicable Not applicable

Profit during the reporting period	Return on weighted average net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to common shareholders of the Company	-39.80	-2.68	-2.68
Net profit attributable to common shareholders of the Company after deducting non-recurring gains and losses	-44.62	-3.01	-3.01

3. Accounting data difference under domestic and foreign accounting standards

Applicable Not applicable

4. Others

Applicable Not applicable

Chairman: Zhengping ZHANG

Approval and submission date of the Board of Directors: April 29, 2023

Revision Information

Applicable Not applicable

2023 Annual Report

Section X Financial Statements**I. Audit Report**

√ Applicable □ Not applicable

Audit Report

DXS ZI [2024] No. 2-00385

To all shareholders of SERES Group Co., Ltd.:

I. Audit Opinions

We have audited the financial statements of SERES Group Co., Ltd. (hereinafter referred to as "your Company"), including the consolidated and parent company balance sheet as of December 31, 2023, consolidated and parent company profit statement, consolidated and parent company cash flow statement, consolidated and parent company statement of changes in shareholders' equities, and Notes to Financial Statements in 2023.

In our opinion, the attached financial statements are prepared in accordance with the provisions of Accounting Standards for Business Enterprises in all material respects and fairly present your Company's consolidated and the parent company's financial position as of December 31, 2023 and the consolidated and parent company's operating results and cash flows in 2023.

II. Basis for Audit Opinions

We have conducted our audit in accordance with the Auditing Standards of Chinese Certified Public Accountants. Our responsibilities thereunder are further described in the section of "CPA's Responsibilities for the Audit of the Financial Statements" of the Audit Report. As specified in the Codes of Professional Ethics for Chinese Certified Public Accountants, we are independent of your Company and have fulfilled other responsibilities in terms of professional ethics.

We believe that the audit evidences we have obtained are sufficient and appropriate, and provide a basis for our audit opinions.

III. Key Audit Matters

Key audit matters refer to the matters that we consider as most important for auditing the financial statements in accordance with our professional judgments. The response to these matters is based on the audit of the financial statements as a whole and the formation of audit opinions. We do not express opinions on these matters separately.

(I) Revenue recognition**1. Matter description**

Refer to Note III (26) for the accounting policies for revenue recognition, and Note V (46) for the amount of revenue incurred. Your Company mainly engages in the manufacturing and sales of vehicles, powertrain systems, and automobile parts. In 2023, your Company's revenue of main businesses was RMB 34.645 billion, while the revenue of other businesses was RMB 1.197 billion. Given that operating income is one of the key performance indicators of your Company, there is an inherent risk that management may adjust the timing of revenue recognition to achieve specific goals or expectations. Therefore, we have identified revenue recognition as a key audit matter.

2. Audit response

The audit procedures we implement for revenue recognition mainly include:

- (1) Understand the key internal controls related to revenue recognition, evaluate the design of these controls, determine whether they are implemented, and test the operational effectiveness of relevant internal controls;
- (2) Perform analysis procedures on revenue and cost, including: analysis of monthly revenue, cost, and gross profit fluctuations for the current period, and comparative analysis of current revenue, cost, and gross margin of main products with the previous period;
- (3) Check the supporting vouchers related to revenue recognition through sampling, including sales contracts, bills of lading, bank slip, and other original documents, to verify the authenticity of the revenue;
- (4) Perform a cut-off test on operating income to determine whether revenue recognition is recorded in the correct accounting period;
- (5) Check the accuracy of the recognized revenue amount by combining accounts receivable and main business revenue verification procedures.
- (6) Check whether information related to operating incomes has been properly presented in the financial statements.

(II) Development expenditure and book value of intangible assets**1. Matter description**

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As stated in Note V (17) and (18) to the Financial Statement, the book value of intangible assets - non-patented technology was RMB 8,182,913,700, and that of development expenditure was RMB 1,000,984,100, which had a significant influence on the total assets. The main increase in the current period was the investment in NEV research and development. The management's judgment on the timing of converting development expenditure into intangible assets and the amortization period of intangible assets will have an impact on the book value of intangible assets and development expenditure. With the adjustment of the product structure, your Company conducts impairment tests on intangible assets - non-patented technology and development expenditure, and estimates the recoverable amount of the asset group based on the higher of the net amount after deducting disposal expenses from fair value and the present value of expected future cash flows. The estimate of the recoverable amount involves the management's judgment and estimate, so we consider the book value of intangible assets and development expenditure as a key audit matter.

2. Audit response

Our audit procedures for the book value of intangible assets and development expenditure mainly include:

- (1) Understand the internal control related to intangible assets and development expenditure, evaluate their design and implementation effectiveness, test the operational effectiveness of relevant internal control, and review whether relevant accounting policies are correct and consistently applied;
- (2) Select samples of intangible assets and development expenditure that have increased in the current period, and check supporting documents such as contracts, invoices, acceptance, and payments, etc.;
- (3) On the basis of sampling, pay attention to the date on the acceptance report and determine the accuracy of the timing when development expenditure is transferred to intangible assets;
- (4) Evaluate the competence, independence, objectivity, experience, and qualifications of third-party evaluation experts hired by management;
- (5) Review the evaluation report of third-party evaluation experts hired by the management, evaluate the rationality of the key assumptions, methods, and key parameters used in the evaluation report;
- (6) Check whether the information related to intangible assets and development expenditure has been appropriately presented and disclosed in the financial statements.

IV. Other Information

Your Company's management (hereinafter referred to as "the management") is responsible for other information. Other information includes the information contained in the annual report 2023 of your Company, but excludes financial statements and our audit report.

Our audit opinion about the financial statement does not cover other information, and we also don't publish any form of authentication conclusion on other information.

In combination with our audit of the financial statements, our responsibility is to read other information, and we shall, during this process, consider whether other information is materially inconsistent with the financial statements or the information we learned during the audit, or there are material misstatements.

Based on the work we have performed, we shall report if we recognize that other information is materially misstated. In this regard, we have nothing to be reported.

V. Responsibilities of Management and Governance for Financial Statements

The management is responsible for preparing financial statements in accordance with provisions of Accounting Standards for Business Enterprises to realize a fair presentation of financial conditions, designing, implementing as well as maintaining necessary internal control to avoid the material misstatements in the financial statements due to frauds or errors.

When preparing financial statements, the management is responsible for assessing going-concern ability of Your Company, disclosing matters related to continuous operation (if applicable) and applying the going-concern assumption, unless the management is planning to liquidate your Company and terminate operation, or has no other realistic choice.

The governance is responsible for supervising your Company's financial reporting process.

VI. CPA's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement due to frauds or errors, and to issue an audit report containing our audit opinions. Reasonable assurance is a high level of assurance, but there is no guarantee that the audit carried out in accordance with auditing standards will always find material misstatements. Misstatement may be caused by frauds or errors. If it is reasonably expected that the misstatement, individually or collectively, may affect the economic decisions made by users of financial statements based on the financial statements, it is generally considered that the misstatement is material.

During the audit conducted in line with auditing standards, we shall adopt professional judgment and keep professional skepticism all the time. Meanwhile, we shall also execute the following tasks:

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(I) Identify and assess material misstatement risks caused by fraud or error of the financial statement, design and execute audit procedures to handle with these risks, and obtain adequate, proper audit evidence as the basis for stating audit opinions. The risk of not detecting a material misstatement resulting from frauds is higher than that resulting from errors, as frauds may involve collusion, forgery, omissions, misrepresentations, or the override of internal control.

(II) Learn about the audit-related internal control in order to design the appropriate audit procedures.

(III) Evaluate the appropriateness of the accounting policies adopted by the management and the reasonableness of accounting estimate and related disclosure.

(IV) Draw a conclusion on the appropriateness of the management's use of going-concern assumption. Meanwhile, based on the available audit evidence, a conclusion was drawn on whether there is any material uncertainty in matters or circumstances that may cause major doubts about your Company's ability to continue as a going concern. If we come to the conclusion of the existence of material uncertainty, the auditing standards require us to remind the users of the statements to pay attention to related disclosure in the financial statements in the audit report; in the event that the disclosures are not sufficient, we shall publish a non-unqualified opinion. Our conclusions are based on the information available as of the date of the audit report. Notwithstanding the above, future events or circumstances may cause your company to cease to continue as a going concern.

(V) Evaluate the overall presentation, structure and content of financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(VI) Obtain sufficient and appropriate audit evidence for the financial information in the entity or business activities of your Company to make an audit opinion on the consolidated financial statements. We are responsible for guiding, supervising and implementing the Group audit, and fully liable for audit opinions.

We have communicated with the governance about the planned audit scope, schedule, material audit findings, etc., including the noteworthy internal control deficiency identified during auditing.

We also provided statements to those in charge of the governance about applying professional ethics requirements in terms of independence, and made communication with the governance on all relationships and other matters that may reasonably be considered to affect our independence, and responsive precautionary measures (if applicable).

From the matters that we communicate with the governance, we determine which matters are most important for the audit of the current financial statements, and therefore constitute the key audit matters. We describe these matters in the audit report unless public disclosure of these matters is prohibited by laws and regulations or, in rare cases, we determine that these matters should not be communicated in the audit report if the negative consequences of communicating certain matters in audit report would reasonably be expected to surpass the benefit in the public interest.

Daxin Certified Public Accountants (Special General
Partnership)

Beijing • China

Chinese Certified Public Accountant: Hu Tao

(Project Partner)

Chinese Certified Public Accountant: Wang Ping

April 28, 2024

2023 Annual Report

II. Financial Statements

Consolidated Balance Sheet

December 31, 2023

Prepared by: SERES Group Co., Ltd.

Unit: CNY Currency: RMB

Item	Notes	December 31, 2023	December 31, 2022
Current assets:			
Monetary capital		13,161,127,239.99	16,364,802,780.43
Settlement reserves			
Lending funds			
Trading financial assets		1,133,644,316.74	1,751,529,308.50
Derivative financial assets			
Notes receivable			
Accounts receivable		2,445,936,145.68	1,780,806,784.01
Receivables financing		201,316,987.13	242,278,901.77
Advance payment		1,868,278,607.77	442,024,964.07
Premium receivable			
Reinsurance accounts receivable			
Reserves for reinsurance contract receivable			
Other receivables		2,237,250,989.26	1,002,129,626.08
Including: Interests receivable			
Dividends receivable			
Redemptory monetary capital for sale			
Inventory		3,529,171,744.73	3,992,865,090.61
Contract assets		320,380,080.23	938,248,097.44
Held-for-sale assets			
Non-current assets due within one year		9,379,034.97	8,461,717.67
Other current assets		1,210,586,689.40	452,825,509.09
Total current assets		26,117,071,835.90	26,975,972,779.67
Non-current assets:			
Loan granted and advances			
Creditor's right investment			
Other creditor's right investments			
Long-term receivables		47,833,053.33	71,344,449.54
Long-term equity investment		2,042,405,195.17	41,346,493.87
Other equity instrument investments		99,546,259.79	100,203,246.25
Other non-current financial assets			
Investment property			
Fixed assets		8,747,627,841.00	9,140,463,562.33
Construction in progress		195,038,729.29	345,661,017.62
Productive biological assets			
Oil-gas assets			
Right-of-use assets		1,981,989,974.84	479,710,469.50
Intangible assets		9,544,499,376.50	6,910,291,648.67
Development expenditure		1,000,984,097.76	1,352,355,992.12
Goodwill		46,915,238.97	65,011,991.71
Long-term unamortized expenses		152,925,090.19	162,093,267.95
Deferred income tax assets		479,671,660.66	127,549,844.22
Other non-current assets		788,162,757.18	1,275,584,410.41
Total non-current assets		25,127,599,274.68	20,071,616,394.19
Total assets		51,244,671,110.58	47,047,589,173.86
Current liabilities:			

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Short-term borrowings		786,157,611.11	2,078,656,419.46
Borrowings from the central bank			
Borrowing funds			
Trading financial liabilities			
Derivative financial liabilities			
Notes payable		10,184,007,867.48	16,111,654,518.09
Accounts payable		19,966,128,597.60	9,558,566,230.48
Advance receipt		22,963,612.85	1,323,318.82
Contract liabilities		3,270,306,749.58	962,942,319.15
Financial assets sold for repurchase			
Deposits from customers and interbank			
Acting trading securities			
Acting underwriting securities			
Payroll payable		710,862,386.27	661,601,896.68
Taxes payable		469,833,325.29	532,226,770.06
Other payables		638,397,547.80	1,285,573,477.90
Including: Interests payable			
Dividends payable			
Fees and commissions payable			
Reinsurance accounts payable			
Held-for-sale liabilities			
Non-current liabilities due within one year		1,144,819,636.51	1,032,060,455.00
Other current liabilities		382,702,434.39	106,878,665.89
Total current liabilities		37,576,179,768.88	32,331,484,071.53
Non-current liabilities:			
Reserves for insurance contract			
Long-term borrowings		1,374,850,000.00	1,191,814,354.86
Bonds payable			147,295,747.61
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		1,706,680,782.75	424,899,883.88
Long-term payables		1,224,421,917.78	1,158,421,917.81
Long-term payroll payable			
Estimated liabilities		52,598,035.95	51,414,168.87
Deferred incomes		1,738,954,042.20	1,889,274,456.12
Deferred income tax liabilities		371,040,236.13	50,509,282.58
Other non-current liabilities			
Total non-current liabilities		6,468,545,014.81	4,913,629,811.73
Total liabilities		44,044,724,783.69	37,245,113,883.26
Owners' equities (or shareholders' equities):			
Paid-in capital (or share capital)		1,509,782,193.00	1,497,279,083.00
Other equity instruments			56,817,665.06
Including: Preferred shares			
Perpetual bonds			
Capital reserves		17,873,614,537.69	15,294,922,009.97
Minus: Treasury shares		205,236,386.70	99,991,090.70
Other comprehensive incomes		-77,937,229.55	-80,938,770.04
Special reserves			
Surplus reserves		373,977,373.17	357,853,946.41
General risk reserves			
Undistributed profits		-8,068,374,327.37	-5,606,271,604.18
Total owner's equities (or shareholders' equities) that are attributable to the parent company		11,405,826,160.24	11,419,671,239.52

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Minority equity		-4,205,879,833.35	-1,617,195,948.92
Total owners' equities (or shareholders' equities)		7,199,946,326.89	9,802,475,290.60
Total liabilities and owners' equities (or shareholders' equities)		51,244,671,110.58	47,047,589,173.86

Person in charge of the Company: Zhang Zhengping Person in charge of accounting work: Liu Lian Person in charge of accounting organization: Liu Delin

Balance Sheet of Parent Company

December 31, 2023

Prepared by: SERES Group Co., Ltd.

Unit: CNY Currency: RMB

Item	Notes	December 31, 2023	December 31, 2022
Current assets:			
Monetary capital		861,211,287.32	735,339,793.64
Trading financial assets		1,133,480,580.64	1,751,295,242.80
Derivative financial assets			
Notes receivable			
Accounts receivable			
Receivables financing			
Advance payment		331,391.61	13,756,868.16
Other receivables		13,282,435,542.11	13,105,425,040.15
Including: Interests receivable			
Dividends receivable			
Inventory			
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets		600,388,185.45	10,925.17
Total current assets		15,877,846,987.13	15,605,827,869.92
Non-current assets:			
Creditor's right investment			
Other creditor's right investments			
Long-term receivables		81,855,022.03	91,425,692.98
Long-term equity investment		8,798,080,536.31	8,818,794,477.58
Other equity instrument investments		83,343,013.54	84,000,000.00
Other non-current financial assets			
Investment property			
Fixed assets		252,245,119.34	261,169,983.55
Construction in progress			
Productive biological assets			
Oil-gas assets			
Right-of-use assets		76,550,586.21	110,476,460.87
Intangible assets		50,964,054.68	55,767,301.09
Development expenditure			
Goodwill			
Long-term unamortized expenses			
Deferred income tax assets		23,480,273.46	1,915,676.16
Other non-current assets		430,749,102.92	1,014,477,654.55
Total non-current assets		9,797,267,708.49	10,438,027,246.78
Total assets		25,675,114,695.62	26,043,855,116.70
Current liabilities:			

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Short-term borrowings			360,342,833.33
Trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable		1,079,828.23	6,595,588.18
Advance receipt			
Contract liabilities			
Payroll payable		34,520,589.98	26,630,634.78
Taxes payable		8,195,154.98	40,357,149.33
Other payables		2,235,731,329.13	3,568,530,532.53
Including: Interests payable			
Dividends payable			
Held-for-sale liabilities			
Non-current liabilities due within one year		424,687,018.73	545,289,908.26
Other current liabilities			
Total current liabilities		2,704,213,921.05	4,547,746,646.41
Non-current liabilities:			
Long-term borrowings		403,000,000.00	468,568,000.00
Bonds payable			147,295,747.61
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		125,989,677.39	164,925,260.55
Long-term payables			
Long-term payroll payable			
Estimated liabilities			
Deferred incomes		1,032,029.37	1,669,144.29
Deferred income tax liabilities		19,137,646.55	
Other non-current liabilities			
Total non-current liabilities		549,159,353.31	782,458,152.45
Total liabilities		3,253,373,274.36	5,330,204,798.86
Owners' equities (or shareholders' equities):			
Paid-in capital (or share capital)		1,509,782,193.00	1,497,279,083.00
Other equity instruments			56,817,665.06
Including: Preferred shares			
Perpetual bonds			
Capital reserves		18,580,119,876.52	16,883,703,189.61
Minus: Treasury shares		205,236,386.70	99,991,090.70
Other comprehensive incomes			
Special reserves			
Surplus reserves		374,806,111.05	358,682,684.29
Undistributed profits		2,162,269,627.39	2,017,158,786.58
Total owners' equities (or shareholders' equities)		22,421,741,421.26	20,713,650,317.84
Total liabilities and owners' equities (or shareholders' equities)		25,675,114,695.62	26,043,855,116.70

Person in charge of the Company: Zhang Zhengping Person in charge of accounting work: Liu Lian Person in charge of accounting organization: Liu Delin

Consolidated Profit Statement

January - December 2023

Unit: CNY Currency: RMB

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Item	Notes	2023	2022
I. Total operating incomes		35,841,957,866.81	34,104,996,188.52
Including: Operating income		35,841,957,866.81	34,104,996,188.52
Interest income			
Earned premium			
Incomes from fees and commissions			
II. Total operating costs		41,822,143,925.07	39,250,391,209.52
Including: Operating cost		32,119,287,172.82	30,243,611,627.56
Interest expenditure			
Fee and commission expenses			
Surrender value			
Net amount of compensation payout			
Withdrawal of net amount of reserve fund for insurance liabilities			
Bond insurance expenses			
Reinsurance expenses			
Taxes and surcharges		903,747,603.51	926,003,488.28
Sales expenses		5,465,112,817.58	4,819,624,056.74
Management expenses		1,653,330,818.57	1,775,340,393.67
R&D expenses		1,696,475,826.71	1,313,661,262.38
Financial expenses		-15,810,314.12	172,150,380.89
Including: Interest expenses		308,745,722.34	330,170,794.19
Interest income		294,607,274.01	189,493,487.11
Plus: Other incomes		548,497,241.46	521,772,405.98
Return on investment (the loss is expressed with "-")		1,789,117,933.18	-37,390,482.84
Including: Return on investment in associated enterprises and joint ventures		1,058,701.30	1,362,033.94
Income from derecognition of financial assets measured at the amortized cost			
Exchange gain (the loss is expressed with "-")			
Income from net exposure hedging (the loss is expressed with "-")			

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Income from changes in fair value (the loss is expressed with "-")		22,293,471.81	-169,612,103.76
Credit impairment loss (the loss is expressed with "-")		-82,646,010.01	-71,553,699.93
Asset impairment loss (the loss is expressed with "-")		-423,613,470.36	-305,725,891.93
Income from asset disposal (the loss is expressed with "-")		133,006,644.87	280,977,863.58
III. Operating profit (the loss is expressed with "-")		-3,993,530,247.31	-4,926,926,929.90
Plus: Non-operating income		48,363,601.45	32,688,074.83
Minus: Non-operating expenditure		135,692,784.94	36,171,154.04
IV. Total profits (the total losses are expressed with "-")		-4,080,859,430.80	-4,930,410,009.11
Minus: Income tax expenses		75,857,026.16	290,147,272.04
V. Net profit (the net loss is expressed with "-")		-4,156,716,456.96	-5,220,557,281.15
(I) Classification by business continuity			
1. Net profit from continuing operation (the net loss is expressed in with "-")		-4,156,716,456.96	-5,220,557,281.15
2. Net profit from discontinuing operation (the net loss is expressed in with "-")			
(II) Classification by the attribution of the ownership			
1. Net profit attributable to the shareholders of parent company (the net loss is expressed with "-")		-2,449,687,107.34	-3,831,866,371.22
2. Minority shareholders' profit and loss (the net loss is expressed with "-")		-1,707,029,349.62	-1,388,690,909.93
VI. After-tax net amount of other comprehensive incomes		8,022,846.49	48,917,617.34
(I) After-tax net amount of other comprehensive incomes attributable to the owners of the parent company		6,751,540.49	47,204,708.46
1. Other comprehensive incomes that cannot be reclassified into profits and losses		3,750,000.00	
(1) Re-measurement of the changed amount of the defined benefit plan			
(2) Other comprehensive incomes that cannot be transferred into the profits and losses under the equity method			
(3) Changes in fair value of other equity			

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instrument investments			
(4) Changes in fair value of enterprise's own credit risks			
2. Other comprehensive incomes that will be reclassified into profits and losses		3,001,540.49	47,204,708.46
(1) Other comprehensive incomes that can be transferred into the profits and losses under the equity method			
(2) Changes in fair value of other creditor's right investments			
(3) Amounts of financial assets reclassified into other comprehensive incomes			
(4) Credit impairment reserves of other creditor's right investments			
(5) Cash flow hedging reserves			
(6) Translation difference in foreign currency financial statements		3,001,540.49	47,204,708.46
(7) Others			
(II) After-tax net amount of other comprehensive incomes attributable to the minority shareholders		1,271,306.00	1,712,908.88
VII. Total comprehensive incomes		-4,148,693,610.47	-5,171,639,663.81
(I) Total comprehensive incomes attributable to the owners of the parent company		-2,442,935,566.85	-3,784,661,662.76
(II) Total comprehensive incomes attributable to minority shareholders		-1,705,758,043.62	-1,386,978,001.05
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		-1.63	-2.68
(II) Diluted earnings per share (RMB/share)		-1.63	-2.68

As for the business combination under the same control in the current period, the net profit achieved by the combined party before the combination is: RMB 0, net profit realized by the combined party in the previous period is: RMB 0.

Person in charge of the Company: Zhang Zhengping Person in charge of accounting work: Liu Lian Person in charge of accounting organization: Liu Delin

Profit Statement of the Parent Company

January - December 2023

Unit: CNY Currency: RMB

Item	Notes	2023	2022
I. Operating income		39,375,792.38	44,823,443.01
Minus: Operating cost		13,711,103.31	17,260,274.70

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Taxes and surcharges		10,701,470.89	10,322,198.60
Sales expenses			
Management expenses		237,761,583.38	188,679,908.63
R&D expenses			
Financial expenses		-345,701,260.68	-208,050,422.74
Including: Interest expenses		117,159,017.85	158,571,302.78
Interest income		463,400,860.55	374,167,898.80
Plus: Other incomes		3,106,575.60	6,747,117.94
Return on investment (the loss is expressed with "-")		60,700,916.26	540,613,392.93
Including: Return on investment in associated enterprises and joint ventures		577,723.84	512,417.92
Income from derecognition of financial assets measured at the amortized cost			
Income from net exposure hedging (the loss is expressed with "-")			
Income from changes in fair value (the loss is expressed with "-")		22,363,801.41	-731,257.20
Credit impairment loss (the loss is expressed with "-")		-293,077.82	-53,503.74
Asset impairment loss (the loss is expressed with "-")			
Income from asset disposal (the loss is expressed with "-")		2,121,545.75	97,122,290.80
II. Operating profit (the loss is expressed with "-")		210,902,656.68	680,309,524.55
Plus: Non-operating income		247,545.08	296,283.42
Minus: Non-operating expenditure		2,526,495.78	15,331,184.88
III. Total profits (the total losses are expressed with "-")		208,623,705.98	665,274,623.09
Minus: Income tax expenses		51,091,411.19	51,650,912.16
IV. Net profit (the net loss is expressed with "-")		157,532,294.79	613,623,710.93
(I) Net profit from continuing operation (the net loss is expressed in with "-")		157,532,294.79	613,623,710.93
(II) Net profit from discontinuing operation (the net loss is expressed in with "-")			

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V. After-tax net amount of other comprehensive incomes		3,750,000.00	
(I) Other comprehensive incomes that cannot be reclassified into profits and losses		3,750,000.00	
1. Re-measurement of the changed amount of the defined benefit plan			
2. Other comprehensive incomes that cannot be transferred into the profits and losses under the equity method			
3. Changes in fair value of other equity instrument investments			
4. Changes in fair value of enterprise's own credit risks			
(II) Other comprehensive incomes that will be reclassified into profits and losses			
1. Other comprehensive incomes that can be transferred into the profits and losses under the equity method			
2. Changes in fair value of other creditor's right investments			
3. Amounts of financial assets reclassified into other comprehensive incomes			
4. Credit impairment reserves of other creditor's right investments			
5. Cash flow hedging reserves			
6. Translation difference in foreign currency financial statements			
7. Others			
VI. Total comprehensive incomes		161,282,294.79	613,623,710.93
VII. Earnings per share:			
(I) Basic earnings per share (RMB/share)			
(II) Diluted earnings per share (RMB/share)			

Person in charge of the Company: Zhang Zhengping Person in charge of accounting work: Liu Lian Person in charge of accounting organization: Liu Delin

Consolidated Cash Flow Statement

January - December 2023

Unit: CNY

Currency: RMB

Item	Notes	2023	2022
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I. Cash flow generated from operating activities:			
Cash received from sales of goods and provisions of labor services		41,355,780,675.38	36,722,981,394.71
Net increase of deposits from customers and other banks			
Net increase in borrowings from the central bank			
Net increase in borrowing funds from other financial institutions			
Cash received from the original insurance contract premium			
Net cash received from reinsurance premiums			
Net increase in policy holder deposits and investment funds			
Cash received from interests, fees and commissions			
Net increase in borrowing funds			
Net capital increase of repurchase business			
Net cash received from vicariously traded securities			
Refund of taxes and fees received		914,486,851.87	1,603,463,660.78
Other cash received related to operating activities		7,037,577,145.34	2,105,872,582.06
Subtotal of cash inflow from operating activities		49,307,844,672.59	40,432,317,637.55
Cash paid for purchasing goods and receiving labor services		31,589,697,109.77	22,698,685,721.64
Net increase in customer loans and advances			
Net increase of deposits in central bank and other banks			
Cash paid for indemnity of original insurance contract			
Net increase in lending funds			
Cash paid for interests, fees and commissions			
Cash paid for policy dividends			
Cash paid to and for employees		2,496,246,768.23	2,268,890,503.83
Various taxes and dues paid		1,864,151,038.71	1,655,375,083.92
Other cash paid related to operating activities		6,960,138,135.18	14,977,908,318.74
Subtotal of cash outflow from operating activities		42,910,233,051.89	41,600,859,628.13
Net cash flow generated from operating activities		6,397,611,620.70	-1,168,541,990.58

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II. Cash flow generated from investing activities:			
Cash received from withdrawing investment		6,246,896,986.46	
Cash received from obtaining return on investment		80,086,042.30	10,696,225.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		322,188,892.40	749,759,577.29
Net cash received from disposal of subsidiaries and other business units		350,000,000.00	229,115,849.68
Other cash received related to investing activities		222,460,992.10	1,361,093,416.28
Subtotal of cash inflow from investing activities		7,221,632,913.26	2,350,665,068.25
Net cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		3,464,751,019.27	3,367,026,732.80
Cash paid for investment		5,638,629,282.88	2,605,990,000.00
Net increase in pledged loans			
Net cash paid for obtaining of subsidiaries and other business units			
Other cash paid related to investing activities		1,091,061,069.65	531,652,091.29
Subtotal of cash outflow from investing activities		10,194,441,371.80	6,504,668,824.09
Net cash flow generated from investing activities		-2,972,808,458.54	-4,154,003,755.84
III. Cash flow generated from financing activities:			
Cash received from attracting investment		159,239,664.78	7,069,356,876.86
Including: Cash received by subsidiaries from absorbing investments from minority shareholders			35,081.80
Cash received from borrowings		3,701,000,000.00	4,283,500,000.00
Other cash received related to financing activities		326,230,038.62	1,662,399,303.19
Subtotal of cash inflow from financing activities		4,186,469,703.40	13,015,256,180.05
Cash paid for repaying debts		4,881,890,000.00	4,586,119,873.69
Cash paid for the distribution of dividends, profits or repayment of interests		243,536,159.17	274,172,431.78
Including: Dividends and profits paid to minority shareholders by subsidiaries			
Other cash paid related to financing activities		330,066,314.85	1,829,679,533.25
Subtotal of cash outflow from financing activities		5,455,492,474.02	6,689,971,838.72
Net cash flow generated from financing activities		-1,269,022,770.62	6,325,284,341.33
IV. Effect of exchange rate fluctuation on cash and cash equivalents		-3,455,196.11	5,694,119.18

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V. Net increase in cash and cash equivalents		2,152,325,195.43	1,008,432,714.09
Plus: Balance of cash and cash equivalents at the beginning of the period		2,327,393,653.03	1,318,960,938.94
VI. Balance of cash and cash equivalents at the end of the period		4,479,718,848.46	2,327,393,653.03

Person in charge of the Company: Zhang Zhengping Person in charge of accounting work: Liu Lian Person in charge of accounting organization: Liu Delin

Cash Flow Statement of Parent Company

January - December 2023

Unit: CNY Currency: RMB

Item	Notes	2023	2022
I. Cash flow generated from operating activities:			
Cash received from sales of goods and provisions of labor services		5,854,475.29	2,428,640.00
Refund of taxes and fees received			
Other cash received related to operating activities		84,472,444.09	76,225,789.59
Subtotal of cash inflow from operating activities		90,326,919.38	78,654,429.59
Cash paid for purchasing goods and receiving labor services			
Cash paid to and for employees		109,774,038.75	104,447,322.42
Various taxes and dues paid		123,137,562.90	40,680,055.20
Other cash paid related to operating activities		72,339,743.86	4,590,071,396.05
Subtotal of cash outflow from operating activities		305,251,345.51	4,735,198,773.67
Net cash flow generated from operating activities		-214,924,426.13	-4,656,544,344.08
II. Cash flow generated from investing activities:			
Cash received from withdrawing investment		6,246,896,986.46	
Cash received from obtaining return on investment		80,086,042.30	474,696,225.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		442,614.08	119,095.03
Net cash received from disposal of subsidiaries and other business units			734,366,000.00
Other cash received related to investing activities		222,460,992.10	1,220,416,536.79
Subtotal of cash inflow from investing activities		6,549,886,634.94	2,429,597,856.82
Net cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		4,675,418.39	5,471,586.23

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Cash paid for investment		5,638,629,282.88	3,069,990,000.00
Net cash paid for obtaining of subsidiaries and other business units			
Other cash paid related to investing activities			
Subtotal of cash outflow from investing activities		5,643,304,701.27	3,075,461,586.23
Net cash flow generated from investing activities		906,581,933.67	-645,863,729.41
III. Cash flow generated from financing activities:			
Cash received from attracting investment		159,239,664.78	7,069,321,795.06
Cash received from borrowings		405,000,000.00	1,146,000,000.00
Other cash received related to financing activities		26,180,004.02	512,320,000.28
Subtotal of cash inflow from financing activities		590,419,668.80	8,727,641,795.34
Cash paid for repaying debts		958,379,733.54	1,375,866,420.00
Cash paid for the distribution of dividends, profits or repayment of interests		45,818,395.75	143,061,167.42
Other cash paid related to financing activities		173,006,978.67	1,686,958,892.88
Subtotal of cash outflow from financing activities		1,177,205,107.96	3,205,886,480.30
Net cash flow generated from financing activities		-586,785,439.16	5,521,755,315.04
IV. Effect of exchange rate fluctuation on cash and cash equivalents		4.04	-96,460.18
V. Net increase in cash and cash equivalents		104,872,072.42	219,250,781.37
Plus: Balance of cash and cash equivalents at the beginning of the period		699,339,214.90	480,088,433.53
VI. Balance of cash and cash equivalents at the end of the period		804,211,287.32	699,339,214.90

Person in charge of the Company: Zhang Zhengping Person in charge of accounting work: Liu Lian Person in charge of accounting organization: Liu Delin

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Consolidated Statement of Changes in Owners' Equities

January - December 2023

Unit: CNY Currency: RMB

	Item 2023											
	Owners' equities attributable to the parent company											
	Paid-in capital (or share capital)	Other equity instruments		Capital reserves	Minus: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Undistributed profits	Subtotal	Minority equity
Preferred shares		Perpetual shares	Others									
I. Balance at the end of last year	1,497,279.00	56,817,665.06	15,294,922.06	99,991,090.70	-80,938,770.04	357,853,946.41	-5,606,271.60	11,419,671.23	-1,617,195.94	9,802,475.23	39.52	9,802,475.23
Plus: Changes in accounting policies												
Early error correction												
Others												
II. Balance at the beginning of the year	1,497,279.00	56,817,665.06	15,294,922.06	99,991,090.70	-80,938,770.04	357,849,143.69	-5,606,308.99	11,419,629.01	-1,617,195.94	9,802,433.10	50.43	9,802,433.10
III. Increase/decrease amount of the current period (the decrease is expressed with "-")	12,503,110.00	-56,817,665.06	2,578,692.52	105,245,296.00	3,001,540.49	16,128,229.48	-2,462,065.33	-13,802.01	-2,588,683.88	2,602,486.74	0.19	2,602,486.74
(I) Total comprehensive incomes												
(II) Owner's capital input and reduction	12,503,110.00	-56,817,665.06	1,695,766.68	105,245,296.00	6.00			-2,449,687.10	-1,705,758.04	4,148,693.61	6.85	4,148,693.61
1. Common shares contributed by owners			353,058,575.44					7.34	3.62	1,546,206.83	5.85	1,546,206.83
2. Capital	10,091,484.00	-56,817,665.06								353,058,575.44		353,058,575.44
										46,726,181.00		46,726,181.00

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III. Company Profile**1. Company profile** Applicable Not applicable**(I) Registered address and headquarters address**

SERES Group Co., Ltd. (hereinafter referred to as "the Company") was established on May 11, 2007, with the Business License of Enterprise Legal Person issued by Shapingba District Administration for Market Regulation of Chongqing (unified social credit code: 915001066608898456), registration place at No. 7, Wuyunhu Road, Shapingba District, Chongqing, legal representative of Zhang Zhengping, and registered capital of RMB 1,509,782,193.00.

(II) Main operating activities actually engaged by the Company

The Company is a manufacturing enterprise. Focusing on new energy vehicles as its core business, it involves the R&D, manufacturing, sales, and services of NEVs and core three-electric (battery, electric drive, electronic control) products, conventional vehicles, and core component assemblies. In terms of vehicles, the Company's main products cover NEVs and conventional vehicles, with representative models including AITO series high-end intelligent NEVs, FENGON SUVs and MPVs, etc.

(III) Organization and date of approval of financial report

The financial statement has been approved and submitted by the Board of Directors of the Company on April 28, 2024.

IV. Preparation Basis of the Financial Statements**1. Preparation basis**

The financial statements of the Company are prepared on a going-concern basis.

2. Going-concern Applicable Not applicable

The Company has the going-concern ability for at least 12 months from the end of the reporting period and has no significant events affecting its going-concern ability.

V. Significant Accounting Policies and Accounting Estimates

Specific accounting policy and accounting estimate prompt:

 Applicable Not applicable**1. Declaration of complying with the Accounting Standards for Business Enterprises**

The Company's financial statements are compiled conforming with Accounting Standards for Business Enterprises, and presents the relevant information such as Company's financial status, operating results, the change of shareholders' equities and cash flow truly and completely.

2. Accounting period

The accounting year of the Company is from January 1 to December 31 of the Gregorian calendar.

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3. Operating cycle

√ Applicable □ Not applicable

The Company takes 12 months of a year as the normal operating cycle, which is taken as the liquidity classification standard of assets and liabilities.

4. Recording currency

The Company takes RMB as the recording currency.

5. Method for determining importance criteria and selection criteria

√ Applicable □ Not applicable

Item	Importance criteria
Financial statement items	Based on the principle of whether it affects the economic decision-making of financial statement users, consider both the nature and amount. The importance of the amount of financial statement items is based on the proportion of relevant items to total assets, total liabilities, total owner's equities, operating income, and net profit; the importance of the nature of financial statement items is based on factors that have a significant impact on financial condition and operating results, such as whether they belong to daily operating activities, whether they cause changes in profit and loss, and whether they affect regulatory indicators.
Notes to financial statement items	Based on the importance of financial statement items, determine the proportion of specific items to the item or combine the amount, while considering the nature of the specific items. Some items may not be significant to the financial statements, but may still be significant to the notes and need to be disclosed separately in the notes.

Importance criteria related to notes to financial statement items are as follows:

Item	Importance criteria
Important accounts receivable with single provision for bad-debt reserves	Accounting for more than 10% of the corresponding accounts receivable, or exceeding RMB 5 million, or the provision for bad-debt reserves in the current period affecting changes in profit and loss
Important accounts receivable write-off	Accounting for more than 10% of the corresponding accounts receivable, or exceeding RMB 5 million
Significant capitalized R&D projects	The R&D project budget amount is relatively large, and the capitalization amount at the end of the period accounts for more than 10%
Important accounts payable and other payables with an aging of over 1 year	Accounting for more than 5% of the balance of accounts payable or other payables, or exceeding RMB 30 million
Significant contractual liabilities with an aging of over 1 year	Accounting for more than 10% of the balance of contract liabilities, or exceeding RMB 50 million
Significant subsidiaries held by minority shareholders	Minority shareholders hold more than 5% equity, and their total assets, net assets, operating income, and net profit account for more than 10% of the corresponding items in the consolidated financial statements

6. Accounting treatment methods for business combination under the same control and not under the same control

√ Applicable □ Not applicable

1. Business combination under the same control

For the long-term equity investment resulted from business combination under the same control, if the combining party realizes the combined consideration by paying cash, transferring non-cash assets or assuming the debts, the share of the book value of the owner's equity of the combined party in the consolidated financial statements of the ultimate controlling party on the combination date is regarded as the initial cost of a long-term equity investment. Where the combining party realizes the combination consideration by issuing equity instruments, it should be taken as the share capital as per the total par value of share issued. The capital reserves should be adjusted through the difference between the initial investment cost of long-term equity investment and

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the book value of the combination consideration (or total issued share value); if the capital reserves are insufficient to make offset, the retained earnings shall be adjusted.

2. Business combination not under the same control

For the business combination not under the same control, the combination costs refer to the sum of the fair value of assets, liabilities incurred or undertaken and issued equity securities paid by the acquiree for the control right over the acquirer on the acquisition date. The identifiable assets, liabilities and contingent liabilities in line with the recognition criteria of the acquiree and obtained in the business combination not under the same control shall be measured by the fair value on the acquisition date. If the combination costs are larger than the balance of fair value share of the acquiree's identifiable net assets during combination, it should be recognized as goodwill by acquirer. If the combination costs are smaller than the difference of the fair value share of the identifiable net assets of the acquiree during the combination and after re-check, and the combination cost is still smaller than the above-mentioned difference, which will be included into the current non-operating income by the acquirer.

7. Judgment criteria for control and preparation methods for consolidated financial statements

Applicable Not applicable

1. Judgment criteria for control

The consolidation scope of the consolidated financial statements will be determined on the basis of control. An investee that possesses the following three elements is deemed to have control over it: control means that an investor holds the rights to an investee; and the investor may participate in relevant activities of the investee to enjoy variable rewards and is also able to use the rights to the investee to influence its amount of returns.

2. Methods for preparing consolidated financial statements

(1) Unified accounting policies, balance sheet date and accounting period of the parent company and subsidiaries

If the subsidiaries and the Company adopt inconsistent accounting policies or the accounting periods, when consolidated financial statements are prepared, the necessary adjustment will be made to the subsidiary's financial statements according to the Company's accounting policy or accounting period.

(2) Offset matters of consolidated financial statements

The internal transactions between the Company and its subsidiaries and between subsidiaries have been offset in the consolidated financial statements based on the financial statements of the Company and its subsidiaries. The shares in the owner's equity of the subsidiaries that does not belong to the Company should be regarded as the minority equity, and should be listed as "minority equity" under the item of shareholders' equities in the consolidated balance sheet. The long-term equity investment of the Company held by the subsidiary is regarded as the treasury shares of the Company, which is as the subtract item of the shareholders' equities and listed as "minus: treasury shares" under the item of shareholders' equities in the consolidated balance sheets.

(3) Accounting treatment for combined subsidiaries

For subsidiaries acquired due to the business combination under the same control, it shall be deemed that the business combination has occurred at the beginning of the period of the control by ultimate controlling party, and their assets, liabilities, operating results and cash flow shall be incorporated into the consolidated financial statements at the beginning of the combination period; for subsidiaries acquired due to the business combination not under the same control, when preparing the consolidated financial statements, individual financial statements should be adjusted based on the fair value of net identifiable assets on the acquisition date.

(4) Accounting treatment for disposal of subsidiaries

If the Company disposes a part of the long-term equity investment of subsidiaries without losing the control right, in the consolidated financial statements, the difference between the disposal price and the share of net assets continuously calculated by subsidiaries from the acquisition date or the combination date corresponding to the disposal of the long-term equity investment should be disposed, and the capital reserves should be adjusted, and if the capital reserves are insufficient to be offset, the retained earnings should be adjusted. When losing the control right to the investee due to disposal of a part of equity investments or other reasons, the Company should conduct calculation and measurement again as per fair value on the date of losing control right for the rest equity when compiling the consolidated financial statements. The balance of sum of the consideration from equity disposal and fair value of residual equity, deducting the shares of net asset continuously calculated from the acquisition date or consolidation date of original subsidiaries as per the original shareholding ratio, is included into the current return on investment of losing the control right and write down the goodwill at the same time. Other comprehensive incomes associated with the equity investment of the original subsidiaries shall be converted into current return on investment when losing the control right.

8. Classification of joint-operation arrangement and accounting treatment method of joint management

Applicable Not applicable

1. Classification of joint-operation arrangement

The joint-operation arrangement is divided into the joint management and joint venture. The joint-operation arrangement not

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concluded by the independent entity shall be classified as a joint management. The independent entity refers to an entity with separate and identifiable financial regime, including independent legal entity and entity without the qualification of legal entity but recognized legally. In general, the joint-operation arrangement concluded by independent entity shall be divided into the joint ventures. Where changes occur to the rights and obligations of the parties involved in the joint-operation arrangement due to change of the relevant facts and situations, the joint venture party should re-assess the classification of the joint-operation arrangement.

2. Accounting treatment for joint management

When the Company is a party involved in the joint management, the following items related to the shares in the joint management should be recognized, and the accounting treatment should be made in accordance with the regulations of the related Accounting Standards for Business Enterprises: recognize the assets or liabilities held by separately, and the assets or liabilities held jointly as per the shares; recognize the revenue from selling the output shares involved in the joint management; recognize the revenue of the joint management due to sales, according to the share; recognize the expenses incurred independently and the expenses incurred from joint management by its shares.

For the participant of joint management regardless of the same control, in case the Company enjoys and assumes the relevant assets and liabilities of joint management, the accounting treatment should be made with reference to the provisions of the participant of the joint management; otherwise, the accounting treatment shall be made in accordance with the related Accounting Standards for Business Enterprises.

3. Accounting treatment for joint venture

When the Company is the joint venturer of joint venture, the accounting treatment should be made on the joint ventures' investment according to *Accounting Standards for Business Enterprises No. 2 - Long-term Equity Investment*; when the Company is a non-joint venturer, the accounting treatment should be made based on the degree of influence on the joint venture.

9. Determination standard of cash and cash equivalents

Cash equivalents refer to investments that are of short-term (usually its expiration date is within 3 months from the acquisition date), with highly liquid, readily convertible to known amounts of cash, and with little risk of changes in value hold by enterprises.

10. Translation of foreign currency transaction and foreign currency financial statements

Applicable Not applicable

1. Foreign currency business translation

The foreign currency transaction of the Company is translated into standard money by using the spot rate on the transaction date and included into the accounts. Foreign currency monetary items on balance sheet date are converted based on sight rate on balance sheet date. The exchange balance between the sight rate on that day and initial sight rate or sight rate on former balance sheet date is included into the current profits and losses besides the exchange balance of foreign currency borrowings meeting capitalization conditions is included into the capital cost upon capitalization during the capitalization period. Foreign currency non-monetary items measured at historical cost are still converted at the spot exchange rate on the date of transaction, and the amount in recording currency does not change. For foreign currency non-monetary items measured at fair value, spot exchange rate on the fair value determination day will be used for conversion. The difference between the converted recording currency amount and the original recording currency amount shall be taken as the fair value fluctuation (including exchange rate fluctuation) and included into the current profits and losses or other comprehensive incomes.

2. Translation of foreign currency financial statements

If the Company's holding subsidiaries, associated enterprises, joint ventures, etc. adopt different recording currency from the Company, they shall firstly conduct the translation of the foreign currency financial statements, and then conduct business accounting and prepare the consolidated financial statements. The asset and liability items in the balance sheet shall be converted in accordance with the spot exchange rate on the balance sheet date. Among the item of owner's equity, except for the items as "undistributed profits" item, other items will be translated adopting the spot exchange rate on the transaction date. For the incomes and expenses in the profit statement, the translation shall adopt the spot exchange rate on the date of transaction. The translation difference of foreign currency financial statement should be presented under other comprehensive incomes of the item of owners' equities in the balance sheet. The foreign currency cash flow should be translated using the spot exchange rate on the cash flow occurrence date. The amount that is affected by the change in exchange rate for the cash will be separately listed in the cash flow statement. During disposal of overseas business, translation difference in the foreign currency statements related to the overseas business shall be transferred into the current profits and losses in full or disposal proportion of overseas business.

11. Financial instruments

Applicable Not applicable

1. Classification, recognition and measurement of financial instruments

(1) Financial assets

In accordance with the business model of financial asset management and contractual cash flow characteristics of financial assets,

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the Company divides financial assets into the following three categories:

- ① Financial assets measured at amortized cost. The business model to manage the financial assets targets at collecting the contractual cash flow. What's more, the contractual cash flow characteristics of the financial assets are consistent with the basic lending arrangement, that is, the cash flow generated in the specific date is the payment of the interest based on the principal and the outstanding principal amount. This type of financial asset is subsequently recognized as interest income using the effective interest method.
- ② Financial assets measured at the fair value with the changes included into other comprehensive incomes. Business model to manage the financial assets targets at collecting contractual cash flow and selling the financial assets, and contractual cash flow characteristics of such financial assets are consistent with the basic lending arrangement. These financial assets are subsequently measured at the fair value and their changes are included into other comprehensive incomes, but interest income, impairment losses or gains, and exchange gains and losses calculated using the effective interest method are recognized in the current profits and losses.
- ③ Financial assets measured at the fair value with the changes included into the current profits and losses. Financial assets held that are not classified as measured at the amortized cost or fair value with the changes included into other comprehensive incomes are measured at fair value, and any gains or losses (including interest and dividend income) are included into the current profits and losses. Upon initial recognition, in order to eliminate or reduce accounting mismatch, the Company may irrevocably designate the financial assets measured at the fair value with its changes included into the current profits and losses. The designation, once made, cannot be revoked.

For non-trading equity instrument investment, the Company may, at initial recognition, irrevocably designate it as the financial assets measured at the fair value with its changes included into other comprehensive incomes. The designation is based on independent investment and related investment conforms to the definition of equity instrument from the issuer's point of view. This type of financial assets is subsequently measured at the fair value, and except for dividends received (excluding those that are part of the investment cost recovery), all other related gains and losses are included into other comprehensive incomes and are not subsequently transferred to the current profits and losses.

(2) Financial liabilities

At initial recognition, the financial liabilities are classified as:

- ① Financial liabilities measured at the fair value with the changes included into the current profits and losses. This type of financial liabilities is subsequently measured at the fair value, and the resulting gains or losses are included into the current profits and losses.
- ② The transfer of financial assets does not meet the conditions of derecognition or continues to involve in the financial liabilities formed by the transferred financial assets.
- ③ Financial liabilities measured at amortized cost. This type of financial liabilities is measured at the amortized cost using the effective interest method.

2. Recognition method of the fair value of the financial instruments

For example, the fair value of the financial instruments that exist in the active market should be determined by the quoted price in the active market; the fair value without active market shall be determined through valuation techniques. If the information for determining the fair value is insufficient or the distribution range of the possible estimated amount of the fair value is extensive in a finite number of cases and the cost represents the fair value within such range is the best estimate, such cost can represent the appropriate estimate regarding the fair value within such distribution range.

The Company utilizes all information available after the initial recognition date regarding the performance and operations of the investee to determine whether costs can represent fair value.

3. Derecognition of financial instruments

In case the financial assets meet one of the following conditions, the derecognition shall be conducted: (1) The contractual rights which will charge the financial assets' cash flow will be terminated; (2) The financial assets have been transferred and meet the conditions for derecognition.

If the current obligations of financial liabilities are fully or partially relieved, the portion that has been relieved shall be derecognized. If the existing liability is replaced by another financial liability with substantially different terms by the same creditor, or if the terms of the existing liability are substantially modified, the existing financial liability is derecognized and the new financial liability is recognized simultaneously. If the financial assets are traded by normal modes, it shall recognize and derecognize by the accountant on trading day.

4. Test method and accounting treatment method of financial asset impairment

1) Scope of expected credit losses

Based on expected credit losses, the Company conducts impairment accounting and recognizes bad-debt reserves for financial

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assets measured at the amortized cost (including receivables, including notes receivable and accounts receivable), receivables financing, lease receivables, and other receivables.

2) Determination method of expected credit losses

The general method for the expected credit losses means that Company should assess whether the credit risk of relevant financial instruments has increased significantly since initial recognition on each balance sheet date. The process of credit impairment of financial instruments can be divided into three stages, and the Company should adopt different accounting methods for the impairment of financial instruments in different stages: (1) In the first stage, if the credit risks of the financial instrument fail to increase significantly after the initial recognition, the Company should measure the loss reserves as per the expected credit losses of the financial instruments in the next 12 months, and calculate the interest income as per its book balances (namely: no deduction of the impairment reserves) and the actual interest rate; (2) In the second stage, if the credit risks of the financial instrument increase significantly without credit impairment after the initial recognition, the Company should measure the loss reserves as per the expected credit losses of the financial instruments of the whole duration, and calculate the interest income as per its book balances and the actual interest rate; (3) In the third stage, if the credit impairment occurs after the initial recognition, the Company should measure the loss reserves as per the expected credit losses of the financial instruments of the whole duration, and calculate the interest income as per its amortized costs (book balance minus the calculated and withdrawn impairment reserves) and the actual interest rate.

The simplified method for expected credit losses is to always measure the loss reserves at an amount equivalent to the expected credit losses for the entire duration.

3) Accounting treatment method of expected credit losses

To present the changes in credit risk of financial instruments since initial recognition, the Company re-measures expected credit losses on each balance sheet date. The increase or reversal of loss reserves resulting from this should be recognized as impairment losses or gains in the current profits and losses, and offset the book value of the financial assets listed on the balance sheet or recognized as expected liabilities (loan commitments or financial guarantee contracts) based on the type of financial instruments.

4) Method of measuring bad-debt reserves of accounts receivable and lease receivables

(1) Accounts receivable excluding significant financing components. For the accounts receivable excluding significant financing components resulting from transactions governed by *Accounting Standards for Business Enterprises No. 14 - Revenue*, the Company shall adopt simplified method, namely, the Company will always measure the loss reserves as per the expected credit loss of the whole duration.

① Classification and determination basis of bad-debt reserve portfolios based on credit risk characteristics

The Company divides accounts receivable into several portfolios based on credit risk characteristics, excluding individually recognized accounts receivable, and calculates expected credit losses on the basis of the combination. The basis for determining the combination is as follows:

Accounts receivable are combined according to credit risk characteristics:

Portfolio category	Determination basis
Accounts receivable portfolio I	Payments receivable from dealers and customers
Accounts receivable portfolio II	Receivable subsidies for NEVs

For the receivables divided into portfolios, by referring to the historical credit loss experience and combining with the current conditions and the forecast to the future economic status, the company prepares the comparison table of the aging of accounts receivable and the expected credit loss rate in the entire duration, and calculates the expected credit loss.

② Judgment criteria for provision of bad-debt reserves by single item:

The Company recognizes and sets aside bad-debt reserves for individual accounts receivable, and fully sets aside bad-debt reserves for accounts receivable that have gone bankrupt, restructured, or experienced significant financial difficulties.

(2) Accounts receivable and lease receivables including significant financing components.

For accounts receivable and lease receivables including significant financing components, the loss reserves are measured using the general method of the "three-stage" model. The combination of credit risk characteristics, the aging calculation method for credit risk characteristic combinations based on aging recognition, and the judgment criteria for individual provision are consistent with the recognition criteria for non financing components.

5) Method of measuring loss reserves of other financial assets

As for the financial assets other than those above, for instance: creditor's right investment, other creditor's right investments, other receivables and long-term receivables other than lease receivables, the Company should adopt a general method, namely "three-stage" model, to measure the loss reserves.

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12. Notes receivable Applicable Not applicable**13. Accounts receivable** Applicable Not applicable**Determination method and accounting treatment method of expected credit losses of accounts receivable** Applicable Not applicable

Refer to (4) "Test Method and Accounting Treatment Method of Financial Asset Impairment" of 11. Financial Instruments of V Significant Accounting Policies and Accounting Estimates.

Classification and determination basis of bad-debt reserve portfolios based on credit risk characteristics Applicable Not applicable

Refer to (4) "Test Method and Accounting Treatment Method of Financial Asset Impairment" of 11. Financial Instruments of V Significant Accounting Policies and Accounting Estimates.

Aging calculation method of credit risk characteristic combination based on aging Applicable Not applicable

Refer to (4) "Test Method and Accounting Treatment Method of Financial Asset Impairment" of 11. Financial Instruments of V Significant Accounting Policies and Accounting Estimates.

Recognition and judgment criteria for provision of bad-debt reserves by single item Applicable Not applicable

Refer to (4) "Test Method and Accounting Treatment Method of Financial Asset Impairment" of 11. Financial Instruments of V Significant Accounting Policies and Accounting Estimates.

14. Receivables financing Applicable Not applicable**Determination method and accounting treatment method of expected credit losses of receivables financing** Applicable Not applicable

Refer to (4) "Test Method and Accounting Treatment Method of Financial Asset Impairment" of 11. Financial Instruments of V Significant Accounting Policies and Accounting Estimates. Classification and determination basis of bad-debt reserve portfolios based on credit risk characteristics

 Applicable Not applicable

Refer to (4) "Test Method and Accounting Treatment Method of Financial Asset Impairment" of 11. Financial Instruments of V Significant Accounting Policies and Accounting Estimates.

Aging calculation method of credit risk characteristic combination based on aging Applicable Not applicable

Refer to (4) "Test Method and Accounting Treatment Method of Financial Asset Impairment" of 11. Financial Instruments of V Significant Accounting Policies and Accounting Estimates.

Judgment criteria for provision of bad-debt reserves by single item Applicable Not applicable

Refer to (4) "Test Method and Accounting Treatment Method of Financial Asset Impairment" of 11. Financial Instruments of V Significant Accounting Policies and Accounting Estimates.

15. Other receivables Applicable Not applicable**Determination method and accounting treatment method of expected credit losses of other receivables** Applicable Not applicable

Refer to (4) "Test Method and Accounting Treatment Method of Financial Asset Impairment" of 11. Financial Instruments of V Significant Accounting Policies and Accounting Estimates.

Classification and determination basis of bad-debt reserve portfolios based on credit risk characteristics Applicable Not applicable

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Refer to (4) "Test Method and Accounting Treatment Method of Financial Asset Impairment" of 11. Financial Instruments of V Significant Accounting Policies and Accounting Estimates.

Aging calculation method of credit risk characteristic combination based on aging

Applicable Not applicable

Refer to (4) "Test Method and Accounting Treatment Method of Financial Asset Impairment" of 11. Financial Instruments of V Significant Accounting Policies and Accounting Estimates.

Judgment criteria for provision of bad-debt reserves by single item

Applicable Not applicable

Refer to (4) "Test Method and Accounting Treatment Method of Financial Asset Impairment" of 11. Financial Instruments of V Significant Accounting Policies and Accounting Estimates.

16. Inventory

Applicable Not applicable

Inventory category, valuation method for inventory delivered, inventory system, amortization method for low-value consumables and packaging materials

Applicable Not applicable

1. Inventory classification

Inventories refer to finished goods or commodities, products in process in production process, materials and supplies consumed in production process or labor provisions process held by the company in daily activities for sale, including raw materials, low-value consumables, products in progress, inventory goods and goods shipped in transit.

2. Valuation method for inventory in transit

The weighted average method is used to determine the actual cost of the inventory in transit.

3. Inventory system

The inventory system is a perpetual inventory system.

4. Amortization method of low-value consumables and packaging materials

The low-value consumables and packaging materials are amortized by one-off write-off method.

Recognition criteria and calculation and withdrawal method for the inventory falling price reserves.

Applicable Not applicable

On the balance sheet date, inventory is measured at the lower of cost and net realizable value. When the net realizable value of the current period is lower than cost, inventory falling price reserves are made, and inventory falling price reserves are made for each individual inventory item. However, for inventory with a large quantity and low unit price, inventory falling price reserves are made according to the category of inventory. If the factors that previously affected the write-down of inventory value have disappeared, the inventory falling price reserves are reversed within the amount originally provisioned.

When determining net realizable value of inventories, it shall take the obtained conclusive evidence as the basis and consider the purposes of holding inventories and influence of events after the balance sheet date.

Classification and determination basis for inventory falling price reserves based on portfolios, and determination basis for net realizable value of inventory of different categories

Applicable Not applicable

Calculation method and determination basis for the net realizable value of each inventory age combination based on inventory age recognition

Applicable Not applicable

17. Contract assets

Applicable Not applicable

Recognition method and standard of contract assets

Applicable Not applicable

The right of collecting the consideration because the Company has transferred the goods or supplying the service to the customer (and such right depends on other factors except for time lapsing) should be listed as contract assets.

Determination method and accounting treatment method of expected credit loss of contract assets

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Applicable Not applicable

Refer to (4) "Test Method and Accounting Treatment Method of Financial Asset Impairment" of 11. Financial Instruments of V Significant Accounting Policies and Accounting Estimates.

Classification and determination basis of bad-debt reserve portfolios based on credit risk characteristics

Applicable Not applicable

Contract assets are provisioned for impairment based on the method of determining expected credit impairment losses. Contract assets are divided into the following portfolios based on credit risk characteristics:

Portfolio category	Determination basis
Portfolio 1: Receivable subsidies for NEVs	Receivable subsidies for NEVs (not announced)

Aging calculation method of credit risk characteristic combination based on aging

Applicable Not applicable

Refer to (4) "Test Method and Accounting Treatment Method of Financial Asset Impairment" of 11. Financial Instruments of V Significant Accounting Policies and Accounting Estimates.

Recognition and judgment criteria for provision of bad-debt reserves by single item

Applicable Not applicable

Refer to (4) "Test Method and Accounting Treatment Method of Financial Asset Impairment" of 11. Financial Instruments of V Significant Accounting Policies and Accounting Estimates.

18. Held-for-sale non-current assets and disposal groups

Applicable Not applicable

Recognition criteria and accounting treatment methods of held-for-sale non-current assets or disposal groups

Applicable Not applicable

Recognition criteria and reporting methods of discontinuing operation

Applicable Not applicable

19. Long-term equity investment

Applicable Not applicable

1. Judgment criteria for joint control and significant influence

Joint control refers to that the activity having a significant effect on the return of one arrangement should not be determined without the consensus of all participants sharing the control rights, including sales and purchase of goods or labor, management of financial assets, purchase and disposition of assets, R&D activities and financing activities. Significant influence refers to having a significant influence when holding more than 20% to 50% of the voting capital of the investee, or having a significant influence even if it is less than 20% but meets one of the following conditions: there are representatives in the board of directors or other power authorities of the investee; it participates in the policy-making process of the investee; it dispatches the management personnel to the investee; the investee depends on the technology or technical data of the investment company; it conducts important deals with the investee.

2. Determination of initial investment cost

For the long-term equity investment obtained in a business combination, if it is a business combination under the same control, the share of the book value of the owner's equity of the combined party in the ultimate controlling party's consolidated financial statements should be used as the initial investment cost of the long-term equity investment on the combination date; for business combination not under the same control, the Company regards the combination costs determinate on the acquisition date as the initial investment cost of the long-term equity investment; for the long-term equity investment obtained through paying cash, the actual purchase price paid should be the initial investment cost; for long-term equity investment obtained through issuing equity securities, the initial investment cost is the fair value of issuing equity securities; the initial investment cost of long-term equity investments obtained through debt restructuring shall be determined in accordance with relevant provisions of the debt restructuring standards; the initial investment cost of long-term equity investments obtained through non monetary asset exchange shall be determined in accordance with the relevant provisions of the non monetary asset exchange standards.

3. Recognition method of subsequent measurement and profits and losses

The Company adopts the cost method to account the long-term equity investment controlled by the investee and equity method to account the long-term equity investment of associated enterprises and joint ventures. For the equity investments in associated enterprises, if a part of them are held indirectly through venture capital institutions, mutual funds, trust companies, or similar

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entities including investment-linked insurance funds, regardless of whether the above entities have a significant influence on this part of the investments, the Company shall handle them in accordance with the relevant provisions of the *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments*, and account the rest with the equity method.

20. Investment property

N/A

21. Fixed assets**(1) Recognition conditions**√ Applicable Not applicable

The fixed assets refer to tangible assets held for goods production, provision of labor service, renting or operational management, having a service life of more than one accounting year. It can be recognized when they meet the following conditions: the economic benefits related to the fixed assets are likely to flow into the enterprise; the cost of the fixed assets can be reliably measured.

(2) Depreciation method√ Applicable Not applicable

Type	Depreciation method	Depreciation life (year)	Residual rate	Annual depreciation rate
Houses and buildings	Straight-line method	10-35	3.00%	2.77-9.70%
Machinery equipment	Straight-line method	5-10	3.00%	9.70-19.40%
Transport equipment	Straight-line method	3-8	3.00%	12.13-32.33%
Other equipment	Straight-line method	3-5	3.00%	19.40-32.33%

Fixed assets of the Company are mainly classified into: houses and buildings, machinery equipment, transport equipment and other equipment; the depreciation method is the straight-line method. The Company should determine the service life and predicted net residual value of the fixed assets according to their nature and use condition. At the end of the year, the service life, anticipated net residual value and depreciation method of the fixed assets were re-checked. In case of difference from the original estimate, corresponding adjustment would be made. In addition to the fixed assets which have been depreciated and continued to use and the land priced and booked independently, the Company may withdraw depreciation of all fixed assets.

22. Construction in progress√ Applicable Not applicable

The Company's construction in progress is mainly self operated and outsourced. The standard and timing for the transfer of construction in progress to fixed assets are based on the fact that the construction in progress has reached its expected serviceable condition. The criteria of expected serviceable condition should meet one of the following circumstances: the entity building work of fixed assets (including installation) has been finished wholly or has been finished substantially; the assets have been in pilot production or operation, and the results show that the assets may normally operate or stably produce qualified products, or the operation and business is normal; there is little or even no amount for fixed assets of the construction; the purchased or constructed fixed assets have already reached or basically agrees with the requirements of design or contract.

23. Borrowing expenses√ Applicable Not applicable

1. Recognition principle of capitalization of borrowing expenses

Where the borrowing expenses incurred to the Company can be directly attributable to the acquisition and construction or production of assets eligible for capitalization, they shall be capitalized and included into the costs of relevant assets; other borrowing expenses shall be recognized as costs based on the accrual during the occurrence, and included into the current profits and losses. Assets eligible for capitalization refer to fixed assets, investment properties, inventories, and other assets that require a considerable amount of time for acquisition or construction, or production to reach the intended use condition or marketable condition.

2. Calculation method of capitalization amount

The capitalization period refers to the period from the commencement to the cessation of capitalization of the borrowing costs, excluding the period of suspension of capitalization of the borrowing costs. In the process of acquisition, construction or production is interrupted abnormally, and the interruption lasts for more than 3 months, the capitalization of borrowing expenses

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should be suspended.

For special borrowings, subtract the interest income obtained from depositing the borrowings which have not been used into the bank or return on investment from the temporary investment from the actual interest expenses of special borrowings in the current period; for ordinary borrowings, multiply assets expenditure weighted average of assets expense exceeding the special borrowing by the capitalization rate of ordinary borrowing, with the capitalization rate of weighted average rate of ordinary borrowings; where there is any discount or premium, the amount of discounts or premiums which shall be amortized during each accounting period shall be determined by the effective interest method, and the adjustment shall be made to the amount of interests in each period.

The effective interest method is to calculate its amortizing discount or premium or interest cost according to the actual interest rate of the borrowing. Wherein, the effective interest rate is the rate used by converting the future cash flow of the borrowing during the expected duration into the present book value of the borrowing.

24. Biological assets

Applicable Not applicable

25. Oil-gas assets

Applicable Not applicable

26. Intangible assets**(1) Useful life and its determination basis, estimated situation, amortization method or review procedure**

Applicable Not applicable

1. Valuation method of intangible assets

The intangible assets of the Company shall be initially measured at cost. The actual cost of bought-in intangible assets shall be recognized as the amount actually paid and other relevant expenses. The actual costs of intangible assets invested by investors will be determined by the value agreed in investment contracts or agreements. In case that the agreed value in such contract or agreement is not fair, the fair value will be used to determine the actual cost. The actual cost of self-developed intangible assets are total expenses incurred prior to achieving its expected use.

2. Useful life and its determination basis, estimated situation, amortization method or review procedure

The intangible assets with the limited useful life shall be amortized with the method in the table below within useful life. It is necessary to review the useful life and amortization method of intangible assets at the end of the year. If there is different from the original estimate, the adjustments shall be conducted. Intangible assets with uncertain useful life shall not conduct the amortization, but the useful life shall be re-checked at the end of the year. When there is unambiguous evidence proving that the useful life is limited, the useful life shall be estimated.

The Company is unable to predicate the assets' economic benefit period or the recognition period when the intangible assets which have the uncertain useful life are recognized to be uncertain. The judgment basis for uncertain service life is as follows: it comes from the contractual rights or other legal rights, but there is no clear useful life in the contract or laws; based on the situation in the same industry or the arguments of relevant experts, it is still impossible to determine the period within which intangible assets will bring economic benefits to the Company.

The Company should recheck the service life of the intangible assets which have the uncertain service life from bottom to top, and then the using departments of intangible assets should make the basic recheck and evaluate whether the judgment basis of uncertain service life has been changed.

(2) Scope of R&D expenditure collection and related accounting treatment methods

Applicable Not applicable

The scope of the Company's R&D expenses is mainly based on the Company's R&D projects, including: R&D personnel salaries, direct investment expenses, depreciation expenses and long-term unamortized expenses, design expenses, trial production expenses, testing expenses, process procedure expenses, intangible asset amortization expenses, commissioned external R&D expenses, other expenses, etc.

Expenditures at the research stage of the internal R&D project should be included into the current profits and losses when occurred; expenditures at the development stage that meet the following conditions are recognized as intangible assets: (1) It is technically feasible to complete the intangible assets in order for use or sale; (2) It has the intention to finish, use or sell the intangible assets; (3) The ways in which intangible assets generate economic benefits include the ability to prove the existence of a market for the products produced using the intangible asset or the existence of a market for the intangible asset itself, and the usefulness of the intangible asset for internal use; (4) There are sufficient supports of technology, financial resources and other resource, to complete the development of the intangible assets, and the ability to use or sell the intangible assets; (5) The expenditures attributable to the development stage of the intangible assets can be reliably measured.

Specific standards for dividing research stage and development stage of internal R&D project: the planned investigation stage for

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obtaining new skills and knowledge shall be identified as research stage, and such stage is planned and exploratory; before commercial production or use, the stage of applying research results or other knowledge to a plan or design in order to produce new materials, devices, products, etc. with substantive improvement shall be identified as the development stage, and such stage is targeted and more likely to produce results, etc.

27. Impairment of long-term assets

Applicable Not applicable

The impairment test will be conducted if the long-term assets such as long-term equity investment, investment property measured with the cost model, fixed assets, construction in progress, right-of-use assets, productive biological assets measured with the cost model, oil-gas assets, intangible assets, and goodwill have signs of impairment on the balance sheet date. If the impairment test result shows that the recoverable amount of assets is lower than the book value thereof, the impairment reserves shall be withdrawn in accordance with its difference and included in the impairment losses.

The recoverable amount is determined by the net amount of the fair value of the asset minus the disposal expenses and the present value of the expected future cash flow thereof, whichever is higher. The asset impairment reserves shall be calculated and recognized on the basis of a single asset. If it is hard to estimate the recoverable amount of a single asset, the recoverable amount of the asset group shall be determined in accordance with the asset group of the assets. The asset group refers to the minimum asset portfolio that is capable of independently generating cash inflow.

As for the goodwill separately listed in the financial statement, no matter whether the sign of impairment arises or not, the impairment test should be done at least every year. During the impairment test, the book value of goodwill should be apportioned to the asset group or portfolio of asset group expected to benefit from the synergistic effect of business combination. If the test results show that the recoverable amount of the asset group or asset group portfolio containing the apportioned goodwill is lower than its book value, the corresponding impairment loss should be recognized. The amount of the impairment loss shall first deducted and apportioned the book value of the mentioned asset group or asset group portfolio goodwill, then charge it against the book value of other assets in proportion to the weight of other assets in the asset group or asset group portfolio with the goodwill excluded, minus the book value of other assets in proportion.

Once the above-mentioned asset impairment losses are determined, the part whose value can be recovered should not be reserved in subsequent periods.

28. Long-term unamortized expenses

Applicable Not applicable

Long-term unamortized expenses of the Company refer to expenses which have been paid, but the benefit period is more than one year (exclusive). Long-term unamortized expenses should be amortized evenly by stages within the benefit period of expense items. If the item for long-term unamortized expenses cannot bring profits for the following accounting period, amortized value of such item that has not been amortized will be transferred into current profits and losses fully.

29. Contract liabilities

Applicable Not applicable

The obligation of the Company to transfer goods or provide services to customers for consideration received or receivable from customers is listed as a contract liability, while contract assets and contract liabilities under the same contract are listed at a net amount.

30. Employee remuneration**(1) Accounting treatment method of short-term remuneration**

Applicable Not applicable

The Company will recognize the actual short-term remuneration as the liabilities during the accounting period when the employees deliver service, which should be included into the current profits and losses, except for the remuneration required or admitted to be included into the asset cost by the Accounting Standards for Business Enterprises. The employee services and benefit of the Company should be included into the current profits and losses or relevant asset loss according to actual amount when it actually occurs. Non-monetary employee services and benefits should be measured in accordance with fair value. During the accounting period when employees deliver service, for social insurance premiums such as medical insurance premiums, work-related injury insurance premiums, birth insurance premiums and housing provident funds as well as labor union expenditure and employee education expenses paid for employees by the Company should be calculated according to specified accrual foundation and ratio to determine corresponding employee remuneration and recognize corresponding liabilities, which are included into the current profits and losses or relevant asset costs.

(2) Accounting treatment method of post-employment benefits

Applicable Not applicable

In the accounting period when the employee serves the Company, the deposited amount calculated based on defined contribution plan will be recognized as liabilities and included into the current profits and losses or the relevant asset costs. The Company

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attributes the benefits arising out of the defined benefit plan in accordance with the expected cumulative benefit unit method to the service periods of the employees, which are included into the current profits and losses or relevant asset cost.

(3) Accounting treatment method of dismissal benefits

Applicable Not applicable

If the Company provides dismissal benefits to employees, the employee remuneration liabilities arising from the dismissal benefits are recognized on an earlier day of the following, and included into the current profits and losses: when the Company cannot unilaterally withdraw the dismissal benefits provided by the termination of the labor relations plan or the reduction proposal; when the Company recognizes the costs or expenses associated with the restructuring involving the payment of the dismissal benefits.

(4) Accountant treatment method of other long-term employee benefits

Applicable Not applicable

If other long-term employee benefits provided by the Company meet the conditions in the defined contribution plan, it should be treated based on the provisions of defined contribution plan; besides, the net liability or net asset of other long-term employee benefits is recognized and measured according to relevant provisions on the defined benefit plan.

31. Estimated liabilities

Applicable Not applicable

When obligation related to the contingencies is the current obligation of the Company, the performance of such obligation may cause the damage to economic benefits, and if its amount can be reliably measured, the obligation should be recognized as estimated liabilities. The initial measurement should be performed by the Company according to the best estimate of required expenditure for performing the relevant current obligation. In addition, if the required expenditure has a continuous range, and the possibility of various results within such range is same, the best estimate should be determined according to the middle value within such range; in case of involving multiple items, the best estimate should be calculated and determined according to various possible results and relevant probability.

The book value of estimated liabilities should be rechecked on the balance sheet date. If there are unambiguous evidences proving the book value cannot actually present the best estimate, the book value should be adjusted according to the best estimate.

32. Share-based payment

Applicable Not applicable

The share-based payments of the Company include of equity-settled share-based payments and cash-settled share-based payments. The equity-settled share-based payment in return for employee services shall be measured at the fair value of the equity instruments granted to the employees. The Company uses the quotation at the active market if the market exists; if the active market does not exist, the Company uses the valuation technology to determine, mainly include the prices adopted by the parties, who are familiar with the condition, in the latest market transaction upon their own free will, the current fair value obtained by referring to other financial instruments of the same essential nature, discounted cash flow method and the option pricing model, etc.

On each balance sheet date, based on the latest changes in the number of exercisable options, completion of performance indicators, and other subsequent information, the estimated number of exercisable stock options is revised, and the expenses to be apportioned for each period are recognized based on this.

The options tariff that step over multiple accounting periods is generally apportioned according to the proportion of the stay period of the options at an accounting period in the whole stay period.

33. Preferred shares, perpetual bonds, and other financial instruments

Applicable Not applicable

34. Revenue**(1) Disclosure of the accounting policies adopted for revenue recognition and measurement by business type**

Applicable Not applicable

The Company has fulfilled the performance obligations in the contract, that is, the revenue is recognized at the transaction price allocated to the performance obligation when the customer obtains control right of the relevant goods or services. Gaining the control right of relevant goods means being able to dominate the use of the goods and derive almost total economic benefit from them. The performance obligation refers to the commitment of the Company to transfer clearly distinguishable goods to the customer in the contract. Transaction price refers to the amount of consideration that the company expects to be entitled to receive due to the transfer of goods or services to customers, but does not include payments received on behalf of third parties and the amount that the Company expects to return to customers.

Whether the performance obligation is fulfilled within a certain period or at a certain time point depends on the contract terms and

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relevant legal provisions. If the performance obligation is fulfilled within a certain period, the Company recognizes the revenue based on the performance progress. Otherwise, the Company recognizes the revenue at a certain time point when the customer gains the control right of the relevant assets. When judging whether the customer has obtained the control right of the goods, the Company can consider the following signs:

- (1) The Company has the current collection right of the goods, namely the customer is responsible for current payment obligation of the goods;
- (2) The Company has transferred legal ownership of the goods to the customer, i.e., the customer has obtained legal ownership of the goods;
- (3) The Company has transferred the physical goods to the customer, i.e., the customer has taken physical possession of the goods;
- (4) The Company has transferred main risks and rewards concerning the ownership of the goods to the customer, namely the customer has obtained them;
- (5) Other signs indicating that the customer has obtained the control right of the goods.

The specific principles and measurement methods of revenue recognition determined by the business type of the Company:

1. Goods sales contract

Goods sales contract between the Company and its customers normally only include performance obligations to transfer the goods. The Company's performance obligations for transferring goods do not meet the three conditions for performance within a certain period. Therefore, based on comprehensive consideration of the following factors, the Company usually recognizes revenue when the product is delivered to the customer according to the contract agreement and the customer has accepted the transfer of control right of the goods: acquisition of the current collection rights of the goods, the transfer of the main risks and rewards of the ownership of the goods, the transfer of the legal ownership of the goods, the transfer of the physical assets of the goods, and the customer's acceptance of the goods.

2. Service provision contract

The service provision contract between the Company and its customers usually includes the contract performance obligations such as maintenance guarantee services, operation and maintenance services and engineering services, and since the customer can obtain and consume the economic benefits brought by the contract performance of the Group when the Company performs the contract, the Company shall take it as the contract performance obligation performed within a certain period, and the revenue shall be recognized according to the contract performance progress. For service contracts with clear output indicators, such as maintenance guarantee services, operation and maintenance services, etc., the Company will determine the performance progress of the services provided by the output method; for the contract with a few output indicators that cannot be clearly measured, the input method shall be used to determine the performance progress of the service.

3. Transfer of asset use rights

The transfer of asset use rights is recognized as operating lease income, and operating income is recognized on a regular basis according to the lease agreement. That is, the revenue from the charge for use obtained from the transfer of asset use rights is recognized when the economic benefits related to the transaction are likely to flow into the enterprise and the amount of revenue can be reliably measured.

Variable consideration

Some of the Company's contracts with customers have cash discounts and price guarantees, etc., resulting in variable consideration. The Company determines the best estimate of the variable consideration according to the expected value or the most likely amount, but the transaction price including the variable consideration does not exceed the revenue that is likely not to be significantly reversed when the relevant uncertainty is eliminated.

Terms of sales return

For sales with terms of sales return, the Company will recognize revenues based on the amount of consideration that it is entitled to obtain due to the transfer of the goods to the customer, and recognize the expected return due to the sales return as estimated liabilities when the customer obtains control right of the relevant goods; the balance after deducting the estimated cost of recovering the goods (including the value impairment of the returned goods) is recognized as an asset according to the expected book value of the returned goods at the time of transfer, that is, the receivable return cost-the amount after deducting the net carry-over cost of the aforementioned asset cost with book value at the time of goods transfer. The Company will reevaluate the future sales returns and re-measure the aforementioned assets and liabilities on each balance sheet date.

Quality assurance obligations

The Company provides quality assurance for the goods sold and the assets constructed in accordance with contractual agreements, legal provisions, etc. For warranty-type quality assurance for the purpose of guaranteeing to customers that the goods sold meet established standards, the accounting treatment should be performed by the Company in accordance with Note III (24). For the service quality assurance that provides a separate service in order to assure customers that the goods sold meet the established standards, the Company regards it as a single performance obligation, and part of the transaction price is allocated to service

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quality assurance according to the relative proportion of the stand-alone selling price for the provision of quality assurance goods and services, and revenue is recognized when the customer obtains control right of the service. When assessing whether the quality assurance provides a separate service in addition to assuring customers that the sales of goods meet the established standards, the Company considers whether the quality assurance is a legal requirement, the quality assurance period, and the nature of the Company's commitment to perform the tasks.

(2) Situation where similar businesses adopt different business models and involve different revenue recognition methods and measurement methods

Applicable Not applicable

35. Contract cost

Applicable Not applicable

Contract cost includes incremental cost for being awarded the contract and performance cost of the contract. Incremental costs incurred from acquisition of the contract ("contract acquisition costs") refer to the costs that would not be incurred without acquisition of the contract. If the cost is expected to be recovered, the Company should take it as the contract acquisition cost and recognize it as an asset.

For the cost incurred for the performance of the contract that is not within the scope of other accounting standards for business enterprises such as inventory but meets the following conditions simultaneously, the contract performance costs should be recognized as an asset: the cost is directly related to a current or anticipated contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), costs clearly borne by the customer and other costs incurred solely due to the contract; the cost includes the resources used by the Company for the future performance obligations; the cost is expected to be recovered.

The Company should recognize it as the contract performance cost of assets, and if the amortization period does not exceed one year or a normal operating cycle at the time of initial recognition, it should be included as the "inventory" in the balance sheet; in the event that the amortization period exceeds one year or a normal operating cycle upon the initial recognition, it should be included as "other non-current assets" in the balance sheet.

The Company should recognize it as the contract acquisition cost of assets, and if the amortization period does not exceed one year or a normal operating cycle at the time of initial recognition, it should be included as "other current assets" in the balance sheet; in the event that the amortization period exceeds one year or a normal operating cycle upon the initial recognition, it should be included as "other non-current assets" in the balance sheet.

The Company's assets related to the contract acquisition cost and contract performance cost are amortized on the same basis as the revenue recognition of goods or services related to the assets, and included into the current profits and losses. If the amortization period of the assets formed by the incremental cost of acquisition of contracts does not exceed one year, it should be included in the current profits and losses when it occurs.

If the book value of assets related to contract costs is higher than the difference between the following two items, the Company should withdraw the impairment reserves of the excess part and recognize it as the asset impairment loss; residual consideration expected to be obtained arising from the transfer of goods related to the assets; cost estimated to be occurred arising from the transfer of the relevant goods.

If the aforesaid difference is higher than the book value of the asset because the impairment factors in the previous period change later, the Company should reverse the impairment reserves already accrued and include it in the current profits and losses, but the book value of the asset after reversal should not exceed the book value of the asset on the reversal date assuming no impairment reserves are made.

36. Government subsidies

Applicable Not applicable

1. Type of government subsidies and accounting treatment

Government subsidies refer to the monetary or non-monetary assets obtained free of charge by the company from the government, (excluding the capital invested by the government as the owner of the Company). Monetary government subsidies shall be measured at the amount received or receivable. Non-monetary government subsidies shall be measured by the fair value; when the fair value cannot be reliably acquired, it shall be measured in accordance with nominal amount.

Government subsidies related to the daily activities should be counted into other incomes based on nature of business transactions. Government subsidies unrelated to daily activities shall be included into the non-operating incomes.

The government document explicitly stipulates that government subsidies used to purchase and construction or form long-term assets in other ways are classified as government subsidies related to assets. If the government does not stipulate the subsidy object explicitly, the government subsidies that can form long-term assets and correspond to the asset value should be taken as the asset-related government subsidies, and the rest parts should be taken as the income-related government subsidies. For the government subsidies that are difficult to be differentiated, the overall government subsidies should be taken as the income-related government subsidies. The government subsidies related to assets should be recognized as deferred revenue; If it is recognized as

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deferred revenue, it should be accounted into current profits and losses in installments according to a reasonable and systematic method during the service life of the relevant assets.

The government subsidies other than those related to assets should be recognized as income-related government subsidies. The income-related government subsidies should be recognized as the deferred income if it is used to compensate the relevant expenses or losses in the later period of the enterprise and included into the current profits and losses in the period of recognizing the related expenses; those used for compensating the related expenses or losses in the Company should be included into the current profits and losses directly.

If the Company obtains the policy-type concessional loan with discounted interest and finance department appropriating funds with interest subsidy to the loan bank which provides the Company with the loan based on the policy-type preferential interest rate, the Company should take the borrowing amount actually received as the entry value of the loan and calculates related borrowing expenses in accordance with borrowing principal and the policy-type preferential interest rate; if the Ministry of Finance allocates the interest subsidy capital to the Company, it should write down related borrowing expenses with corresponding interest subsidy.

2. Recognition date of government subsidies

The government subsidies should be recognized when the conditions are met, and the subsidies could be received. The government subsidies calculated in accordance with the amount receivable shall be recognized if there is concrete evidence that it can meet the related conditions specified in the financial support policies at the end of the period and is expected to be able to receive financial support. Other government subsidies except for the government subsidies measured based on amount receivable should be recognized when such subsidies are received.

37. Deferred income tax assets/deferred income tax liabilities

Applicable Not applicable

1. Recognition of deferred income taxes

According to the difference between book value of assets or liabilities and tax base (those items which are not recognized as assets or liabilities, but of which tax base can be determined according to the regulations of tax law, the tax base can be determined as the difference), the Company shall calculate and recognize deferred income tax assets and deferred income tax liabilities according to the applicable tax rate during the period of debt.

2. Measurement of deferred income taxes

Deferred income tax assets shall be recognized to the limit of acquiring any amount of taxable income tax that may be used for offsetting the deductible temporary difference. On the balance sheet date, if there is convincing evidence that sufficient taxable income will be available in future periods to deduct deductible temporary differences, deferred income tax assets that were not recognized in prior accounting periods are recognized. If it may not obtain sufficient taxable income for deducting the deferred income tax assets, the book value of the deferred income tax assets should be written down.

The deductible/taxable temporary difference related to the investment of subsidiaries and associated enterprises shall be recognized as deferred income tax liabilities, unless the Company may control the transferring time of temporary differences and the temporary differences may not be transferred back in the foreseeable future. For deductible temporary differences related to subsidiaries and associated enterprises, only when it's possible that the temporary difference should be returned in the predictable future and obtain the taxable revenue for deducting the deductible temporary difference in the future, the differences can be recognized as the deferred income tax assets.

3. Basis for offsetting net deferred income taxes

When the following conditions are met simultaneously, the will present the deferred income tax assets and the deferred income tax liabilities with the net amount after offsetting: the Company has the legal rights to settle the current tax assets and current income tax liabilities based on the net amount; the deferred income tax assets and liabilities are related to the income tax collected by the same taxpaying body or the different taxpaying bodies by the same department of tax collection and management. When the deferred income tax assets and liabilities will be turned back in the future, the involved taxpaying body intends to settle current income tax assets and liabilities or acquire assets and pay off liabilities simultaneously by net amount.

38. Lease

Applicable Not applicable

Judgment basis and accounting treatment method for simplifying short-term leases and low-value asset leases as the lessee

Applicable Not applicable

Short-term lease refers to a lease that has a lease term of no more than 12 months and does not include a purchase option on the lease commencement date. Low-value asset lease refers to a lease with a lower value when a single lease asset is a brand new asset. The Company elects not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, and elects to recognize the related lease payments in the current profits and losses or the cost of the related assets on a straight-line basis over the respective periods of the lease term.

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Classification criteria and accounting treatment methods for leasing as a lessor

√ Applicable □ Not applicable

On the lease commencement date, the Company recognizes leases that have substantially transferred almost all risks and rewards related to the ownership of leased assets as financing leases, except for leases that are operating leases.

(1) Accounting treatment for operating lease

The rent of the operating lease is recognized in accordance with the straight-line method during the lease term. The initial direct expenses are capitalized and recognized in current income in installments on the same recognition basis as rents during the lease term. Variable rent that is not included in rents is recognized in rents when it is actually incurred.

(2) Accounting treatment for financing lease

The Company shall recognize the difference between the sum of the unguaranteed residual value of receivable financing lease outlay and its present value as unrealized financing income on the lease commencement date, recognize it as rents within each period of receiving rent in the future, and derecognize the financing lease assets. The initial direct expenses are included in the initial book value of the receivable financing lease payments.

39. Other significant accounting policies and accounting estimates

□ Applicable √ Not applicable

40. Changes in significant accounting policies and accounting estimates**(1) Changes in significant accounting policies**

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Contents and reasons for changes in accounting policies	Name of items affected in the statements	Affected amount
In 2022, the Ministry of Finance issued a <i>Notice on the Issuance of Interpretation of Accounting Standards for Business Enterprises No. 16</i> , which stipulates that for single transactions that are not business combinations, do not affect accounting profits or taxable income (or deductible losses) at the occurrence time of transaction, and result in equal taxable temporary differences and deductible temporary differences due to initially recognized assets and liabilities (including lease transactions in which the lessee initially recognizes lease liabilities and includes them in the right-of-use assets on the commencement date of lease term, and transactions in which the lessee recognizes expected liabilities and includes them in the cost of related assets due to abandonment obligations of fixed assets and other assets), the provisions on the initial recognition of deferred income tax liabilities and deferred income tax assets are not applicable. Corresponding deferred income tax liabilities and deferred income tax assets should be recognized separately at the occurrence time of transaction.	The Company implemented the provisions from January 1, 2023, and retroactively adjusted the comparative statements and cumulative impact of taxable temporary differences and deductible temporary differences arising from lease liabilities and right-of-use assets on the first execution date.	112,540,224.51

Items of Consolidated Balance Sheet	Balance as of December 31, 2022 before change	Balance as of January 1, 2023 after change	Influence number
Assets:			
Deferred income tax assets	127,549,844.22	240,090,068.73	112,540,224.51
Liabilities			
Deferred income tax liabilities	50,509,282.58	163,091,696.18	112,582,413.6
Shareholders' equities:			
Surplus reserves	357,853,946.41	357,849,143.69	4,802.72
Undistributed profits	-5,606,271,604.18	-5,606,308,990.55	-37,386.37
Items of Balance Sheet of Parent Company	Balance as of December 31, 2022 before change	Balance as of January 1, 2023 after change	Influence number

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Assets:			
Deferred income tax assets	1,915,676.16	29,486,764.16	27,571,088.00
Liabilities:			
Deferred income tax liabilities		27,619,115.22	27,619,115.22
Shareholders' equities:			
Surplus reserves	358,682,684.29	358,677,881.57	-4,802.72
Undistributed profits	2,017,158,786.58	2,017,115,562.08	-43,224.50

Other descriptions

None

(2) Changes in significant accounting estimates

Applicable Not applicable

(3) Adjustment of the financial statements at the beginning of the year after the first implementation of new accounting standards or standard interpretations in 2023

Applicable Not applicable

Explanations on the reasons for adjusting the financial statements at the beginning of the year

According to the *Notice on the Issuance of Interpretation of Accounting Standards for Business Enterprises No. 16*, retrospective adjustments will be made to the comparative statements and cumulative influence numbers.

Consolidated Balance Sheet

Unit: CNY

Currency: RMB

Item	December 31, 2022	January 1, 2023	Adjusted
Current assets:			
Monetary capital	16,364,802,780.43	16,364,802,780.43	
Settlement reserves			
Lending funds			
Trading financial assets	1,751,529,308.50	1,751,529,308.50	
Derivative financial assets			
Notes receivable			
Accounts receivable	1,780,806,784.01	1,780,806,784.01	
Receivables financing	242,278,901.77	242,278,901.77	
Advance payment	442,024,964.07	442,024,964.07	
Premium receivable			
Reinsurance accounts receivable			
Reserves for reinsurance contract receivable			
Other receivables	1,002,129,626.08	1,002,129,626.08	
Including: Interests receivable			
Dividends receivable			

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Redemptory monetary capital for sale			
Inventory	3,992,865,090.61	3,992,865,090.61	
Contract assets	938,248,097.44	938,248,097.44	
Held-for-sale assets			
Non-current assets due within one year	8,461,717.67	8,461,717.67	
Other current assets	452,825,509.09	452,825,509.09	
Total current assets	26,975,972,779.67	26,975,972,779.67	
Non-current assets:			
Loan granted and advances			
Creditor's right investment			
Other creditor's right investments			
Long-term receivables	71,344,449.54	71,344,449.54	
Long-term equity investment	41,346,493.87	41,346,493.87	
Other equity instrument investments	100,203,246.25	100,203,246.25	
Other non-current financial assets			
Investment property			
Fixed assets	9,140,463,562.33	9,140,463,562.33	
Construction in progress	345,661,017.62	345,661,017.62	
Productive biological assets			
Oil-gas assets			
Right-of-use assets	479,710,469.50	479,710,469.50	
Intangible assets	6,910,291,648.67	6,910,291,648.67	
Development expenditure	1,352,355,992.12	1,352,355,992.12	
Goodwill	65,011,991.71	65,011,991.71	
Long-term unamortized expenses	162,093,267.95	162,093,267.95	
Deferred income tax assets	127,549,844.22	240,090,068.73	112,540,224.51
Other non-current assets	1,275,584,410.41	1,275,584,410.41	
Total non-current assets	20,071,616,394.19	20,184,156,618.70	112,540,224.51
Total assets	47,047,589,173.86	47,160,129,398.37	112,540,224.51
Current liabilities:			
Short-term borrowings	2,078,656,419.46	2,078,656,419.46	

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Borrowings from the central bank			
Borrowing funds			
Trading financial liabilities			
Derivative financial liabilities			
Notes payable	16,111,654,518.09	16,111,654,518.09	
Accounts payable	9,558,566,230.48	9,558,566,230.48	
Advance receipt	1,323,318.82	1,323,318.82	
Contract liabilities	962,942,319.15	962,942,319.15	
Financial assets sold for repurchase			
Deposits from customers and interbank			
Acting trading securities			
Acting underwriting securities			
Payroll payable	661,601,896.68	661,601,896.68	
Taxes payable	532,226,770.06	532,226,770.06	
Other payables	1,285,573,477.90	1,285,573,477.90	
Including: Interests payable			
Dividends payable			
Fees and commissions payable			
Reinsurance accounts payable			
Held-for-sale liabilities			
Non-current liabilities due within one year	1,032,060,455.00	1,032,060,455.00	
Other current liabilities	106,878,665.89	106,878,665.89	
Total current liabilities	32,331,484,071.53	32,331,484,071.53	
Non-current liabilities:			
Reserves for insurance contract			
Long-term borrowings	1,191,814,354.86	1,191,814,354.86	
Bonds payable	147,295,747.61	147,295,747.61	
Including: Preferred shares			
Perpetual bonds			
Lease liabilities	424,899,883.88	424,899,883.88	
Long-term payables	1,158,421,917.81	1,158,421,917.81	

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Long-term payroll payable			
Estimated liabilities	51,414,168.87	51,414,168.87	
Deferred incomes	1,889,274,456.12	1,889,274,456.12	
Deferred income tax liabilities	50,509,282.58	163,091,696.18	112,582,413.60
Other non-current liabilities			
Total non-current liabilities	4,913,629,811.73	5,026,212,225.33	112,582,413.60
Total liabilities	37,245,113,883.26	37,357,696,296.86	112,582,413.60
Owners' equities (or shareholders' equities):			
Paid-in capital (or share capital)	1,497,279,083.00	1,497,279,083.00	
Other equity instruments	56,817,665.06	56,817,665.06	
Including: Preferred shares			
Perpetual bonds			
Capital reserves	15,294,922,009.97	15,294,922,009.97	
Minus: Treasury shares	99,991,090.70	99,991,090.70	
Other comprehensive incomes	-80,938,770.04	-80,938,770.04	
Special reserves			
Surplus reserves	357,853,946.41	357,849,143.69	-4,802.72
General risk reserves			
Undistributed profits	-5,606,271,604.18	-5,606,308,990.55	-37,386.37
Total owner's equities (or shareholders' equities) that are attributable to the parent company	11,419,671,239.52	11,419,629,050.43	-42,189.09
Minority equity	-1,617,195,948.92	-1,617,195,948.92	
Total owners' equities (or shareholders' equities)	9,802,475,290.60	9,802,433,101.51	-42,189.09
Total liabilities and owners' equities (or shareholders' equities)	47,047,589,173.86	47,160,129,398.37	112,540,224.51

Balance Sheet of Parent Company

Unit: CNY

Currency: RMB

Item	December 31, 2022	January 1, 2023	Adjusted
Current assets:			
Monetary capital	735,339,793.64	735,339,793.64	
Trading financial assets	1,751,295,242.80	1,751,295,242.80	

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Derivative financial assets			
Notes receivable			
Accounts receivable			
Receivables financing			
Advance payment	13,756,868.16	13,756,868.16	
Other receivables	13,105,425,040.15	13,105,425,040.15	
Including: Interests receivable			
Dividends receivable			
Inventory			
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets	10,925.17	10,925.17	
Total current assets	15,605,827,869.92	15,605,827,869.92	
Non-current assets:			
Creditor's right investment			
Other creditor's right investments			
Long-term receivables	91,425,692.98	91,425,692.98	
Long-term equity investment	8,818,794,477.58	8,818,794,477.58	
Other equity instrument investments	84,000,000.00	84,000,000.00	
Other non-current financial assets			
Investment property			
Fixed assets	261,169,983.55	261,169,983.55	
Construction in progress			
Productive biological assets			
Oil-gas assets			
Right-of-use assets	110,476,460.87	110,476,460.87	
Intangible assets	55,767,301.09	55,767,301.09	
Development expenditure			
Goodwill			
Long-term unamortized expenses			

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Deferred income tax assets	1,915,676.16	29,486,764.16	27,571,088.00
Other non-current assets	1,014,477,654.55	1,014,477,654.55	
Total non-current assets	10,438,027,246.78	10,465,598,334.78	27,571,088.00
Total assets	26,043,855,116.70	26,071,426,204.70	27,571,088.00
Current liabilities:			
Short-term borrowings	360,342,833.33	360,342,833.33	
Trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable	6,595,588.18	6,595,588.18	
Advance receipt			
Contract liabilities			
Payroll payable	26,630,634.78	26,630,634.78	
Taxes payable	40,357,149.33	40,357,149.33	
Other payables	3,568,530,532.53	3,568,530,532.53	
Including: Interests payable			
Dividends payable			
Held-for-sale liabilities			
Non-current liabilities due within one year	545,289,908.26	545,289,908.26	
Other current liabilities			
Total current liabilities	4,547,746,646.41	4,547,746,646.41	
Non-current liabilities:			
Long-term borrowings	468,568,000.00	468,568,000.00	
Bonds payable	147,295,747.61	147,295,747.61	
Including: Preferred shares			
Perpetual bonds			
Lease liabilities	164,925,260.55	164,925,260.55	
Long-term payables			
Long-term payroll payable			
Estimated liabilities			
Deferred incomes	1,669,144.29	1,669,144.29	

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Deferred income tax liabilities		27,619,115.22	27,619,115.22
Other non-current liabilities			
Total non-current liabilities	782,458,152.45	810,077,267.67	27,619,115.22
Total liabilities	5,330,204,798.86	5,357,823,914.08	27,619,115.22
Owners' equities (or shareholders' equities):			
Paid-in capital (or share capital)	1,497,279,083.00	1,497,279,083.00	
Other equity instruments	56,817,665.06	56,817,665.06	
Including: Preferred shares			
Perpetual bonds			
Capital reserves	16,883,703,189.61	16,883,703,189.61	
Minus: Treasury shares	99,991,090.70	99,991,090.70	
Other comprehensive incomes			
Special reserves			
Surplus reserves	358,682,684.29	358,677,881.57	-4,802.72
Undistributed profits	2,017,158,786.58	2,017,115,562.08	-43,224.50
Total owners' equities (or shareholders' equities)	20,713,650,317.84	20,713,602,290.62	-48,027.22
Total liabilities and owners' equities (or shareholders' equities)	26,043,855,116.70	26,071,426,204.70	27,571,088.00

41. Others

Applicable Not applicable

VI. Taxes**1. Main tax category and tax rate**

Main tax category and tax rate

Applicable Not applicable

Tax category	Taxation basis	Tax rate
VAT	Taxable income	3%, 5%, 6%, 9%, 13%
Consumption taxes	Taxable income	1%, 3%, 5%
Business taxes		
Urban maintenance and construction taxes	Turnover tax amount payable	5%, 7%
Corporate income tax	Taxable income	15%, 20%, 25%

Note: For passenger vehicles produced by the Company with a displacement of less than 1.0 L (including 1.0 L), more than 1.0-1.5 L (including 1.5 L), and more than 1.5-2.0 L (including 2.0 L), a consumption tax of 1%, 3% and 5% shall be levied respectively; the medium and light commercial buses produced by the Company (≤23 seats including the driver's seat) are subject

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to a consumption tax of 5%; the tax rebate rate for export vehicles with a displacement of less than 1.0 L (including 1.0 L), above 1.0-1.5 L (including 1.5 L), and above 1.5-2.0 L (including 2.0 L) by the Company's foreign trade enterprises is 1%, 3% and 5% respectively.

The Company implements the "exemption and refund" tax management method for the consumption tax on exported goods, and fully refunds the tax based on the original production process tax amount.

The situation should be disclosed if there are different corporate income tax rates in taxpaying bodies.

√ Applicable Not applicable

Names of taxpaying bodies	Income tax rate (%)
SERES Group Co., Ltd.	25
SERES Automobile Co., Ltd.	15
Chongqing SERES Automobile Sales Service Co., Ltd.	25
Chongqing SERES New Electric Vehicle Sales Co., Ltd.	25
Chongqing SERES New Energy Automobile Design Institute Co., Ltd.	25
Chongqing Saiwei Automobile Sales Service Co., Ltd.	20
Chongqing Siwei Automobile Sales Service Co., Ltd.	20
Chengdu SERES Technology Co., Ltd.	25
Beijing SERES Zhixing Technology Co., Ltd.	20
SERES Automobile Sales Service (Beijing) Co., Ltd.	20
SERES Automobile Sales Service (Guangzhou) Co., Ltd.	20
SERES Automobile Sales Service (Jinan) Co., Ltd.	25
SERES Automobile Sales Service (Shenzhen) Co., Ltd.	25
SERES Automobile Sales Service (Suzhou) Co., Ltd.	20
SERES Automobile Sales Service (Xuzhou) Co., Ltd.	20
SERES Automobile Sales Co., Ltd.	25
Shanghai SERES Automobile Sales Service Co., Ltd.	25
Shanghai SERES New energy Vehicle Sales Co., Ltd.	20
Tianjin Jinkang SERES Automobile Sales Service Co., Ltd.	20
SFMotors,Inc	29.84
Chongqing SERES Technology Co., Ltd.	25
Chongqing SERES Electric Vehicle Co., Ltd.	25
Chongqing Jinkang Powertrain New Energy Co., Ltd.	15
Chongqing Sokon Engine R&D Co., Ltd.	20
Chongqing Sokon Automobile Parts Co., Ltd.	15

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Hunan Rongda Intelligent Transmission Co., Ltd.	15
Chongqing Yu'an Huaihai Powertrain Co., Ltd.	15
SERES Automobile (Hubei) Co., Ltd.	15
Chongqing Dongfeng FENGON Automobile Sales Co., Ltd.	15
Chongqing Dongfeng Sokon Automobile Sales Co., Ltd.	15
Chongqing Dongkang Automobile Manufacturing Co., Ltd.	15
Shiyan Dongfeng FENGON Automobile Sales Co., Ltd.	25
Chongqing Jiangkang Automobile Technology Co., Ltd.	25
Chongqing SERES New Energy Automobile Manufacturing Co., Ltd.	20
Chongqing SERES Landian Automobile Co., Ltd.	25
Chongqing Sokon Import and Export Co., Ltd.	15
SOKONMOTORS DOBRASIL INDUSTRIA E COMERCIO DE VEICULOS LTDA	15
PT.SOKONINDO AUTOMOBILE	22
PT. Yuan Powertrain Indonesia	22
Luzhou Rongda Intelligent Transmission Limited Company	15
Chongqing Yu'an Shock Absorber Co., Ltd.	15
SERES (Chongqing) Automobile Parts Co., Ltd.	20
Shiyan Xinkang Automobile Parts Co., Ltd.	25
Chongqing Sokon Automobile Transmission Co., Ltd.	25
Sokon Group (Hong Kong) Limited	16.5
Chongqing Sinkon Motor International Trade Co., Ltd.	15
SINKON INTERNATIONAL(SINGAPORE)PTE.LTD	17
Chongqing FENGON New Energy Vehicle Sales Co., Ltd.	20
Chongqing Jingkangbao Technology Co., Ltd.	20
Chongqing Sokon Powertrain Co., Ltd.	15
Chongqing Sokon Machinery Parts Co., Ltd.	15
Chongqing Sokon Automobile Sales Service Co., Ltd.	25
SERES EUROPE B.V	25
Chongqing Sinkon International Holdings Limited	25
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SERES Automobile (Hubei) Co., Ltd. Chongqing Shapingba Branch	15
SERES Automobile (Hubei) Co., Ltd. Chongqing Branch	15
Dongfeng Sokon Automobile Co., Ltd. Chongqing Liangjiang New Area Branch	15
Luzhou Rongda Intelligent Transmission Limited Company Changshou Branch	15
SERES Automobile (Hubei) Co., Ltd. Shiyan Branch	25
Chongqing Sokon Automobile Sales Service Co., Ltd. Beibei Branch	25
SERES Automobile Co., Ltd. Chongqing Liangjiang Branch	15
SERES Automobile Co., Ltd. Chongqing Shapingba Branch	15

2. Tax preference

√ Applicable □ Not applicable

1. SERES Automobile Co., Ltd. was recognized as a high-tech enterprise by Chongqing Bureau of Science and Technology, Chongqing Department of Finance, and Chongqing Taxation Bureau of the State Administration of Taxation in 2022 (certificate No.: GR202251101435). From 2022 to 2024, corporate income tax shall be calculated and paid at a rate of 15%.

2. SERES Automobile (Hubei) Co., Ltd. was recognized as a high-tech enterprise by Hubei Provincial Department of Science and Technology, Hubei Provincial Department of Finance, and Hubei Provincial Taxation Bureau of the State Administration of Taxation in 2021 (certificate No.: GR202142002328). From 2021 to 2023, corporate income tax shall be calculated and paid at a rate of 15%.

3. Chongqing Jinkang Powertrain New Energy Co., Ltd. was recognized as a high-tech enterprise by Chongqing Bureau of Science and Technology, Chongqing Department of Finance, and Chongqing Taxation Bureau of the State Administration of Taxation in 2023 (certificate No.: GR202351100103). From 2023 to 2025, corporate income tax shall be calculated and paid at a rate of 15%.

4. Hunan Rongda Intelligent Transmission Co., Ltd. was recognized as a high-tech enterprise by Hunan Provincial Department of Science and Technology, Hunan Provincial Department of Finance, and Hunan Provincial Taxation Bureau of the State Administration of Taxation in 2021 (certificate No.: GR202143004631). From 2021 to 2023, corporate income tax shall be calculated and paid at a rate of 15%.

5. Luzhou Rongda Intelligent Transmission Limited Company was recognized as a high-tech enterprise by Sichuan Provincial Department of Science and Technology, Sichuan Provincial Department of Finance, and Sichuan Provincial Taxation Bureau of the State Administration of Taxation in 2023 (certificate No.: GR202351002775). From 2023 to 2025, corporate income tax shall be calculated and paid at a rate of 15%.

6. According to the *Announcement of the Ministry of Finance, the State Administration of Taxation, and the National Development and Reform Commission on Continuing the Corporate Income Tax Policy for the Western Development* (Ministry of Finance Announcement No. 23 of 2020), from January 1, 2021 to December 31, 2030, the corporate income tax will be levied at a reduced rate of 15% on encouraged industrial enterprises located in the western region. With the permission of the competent tax authority:

Chongqing Sokon Powertrain Co., Ltd., Chongqing Yu'an Huaihai Powertrain Co., Ltd., Chongqing Sokon Automobile Parts Co., Ltd., Chongqing Sokon Machinery Parts Co., Ltd., Chongqing Yu'an Shock Absorber Co., Ltd., Chongqing Sokon Import and Export Co., Ltd., Chongqing Xinkang International Automobile Trade Co., Ltd., Chongqing Dongfeng Sokon Automobile Sales Co., Ltd., Chongqing Dongfeng FENGON Automobile Sales Co., Ltd., and Chongqing Dongkang Automobile Manufacturing Co., Ltd. can calculate and pay corporate income tax at a tax rate of 15%.

7. According to the *Announcement of the Ministry of Finance and the State Administration of Taxation on the Preferential Policies for Income Tax of Small and Micro Enterprises and Individual Businesses* (Announcement No. 6 of 2023), the portion of the annual taxable income of small and micro profit enterprises that does not exceed RMB 1 million shall be reduced by 25% and included in the taxable income, and corporate income tax shall be paid at a tax rate of 20%. According to the *Announcement of the Ministry of Finance and the State Administration of Taxation on Tax Policies related to Further Supporting the Development of Small and Micro Enterprises and Individual Businesses* (Announcement No. 12 of 2023), small low-profit enterprises shall calculate their taxable income at a reduced rate of 25% and pay corporate income tax at a tax rate of 20%, which shall continue to be implemented until December 31, 2027.

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Chongqing Sokon Engine R&D Co., Ltd., Chongqing SERES New Energy Automobile Manufacturing Co., Ltd., Beijing SERES Zhixing Technology Co., Ltd., SERES (Chongqing) Automobile Parts Co., Ltd., SERES Automobile Sales Service (Beijing) Co., Ltd., SERES Automobile Sales Service (Guangzhou) Co., Ltd., SERES Automobile Sales Service (Suzhou) Co., Ltd., SERES Automobile Sales Service (Xuzhou) Co., Ltd., Shanghai SERES New energy Vehicle Sales Co., Ltd., Tianjin Jinkang SERES Automobile Sales Service Co., Ltd., Chongqing FENGON New Energy Vehicle Sales Co., Ltd., Chongqing Jingkangbao Technology Co., Ltd., Chongqing Saiwei Automobile Sales Service Co., Ltd., and Chongqing Siwei Automobile Sales Service Co., Ltd. shall calculate and pay corporate income tax at a tax rate of 20%.

3. Others

Applicable Not applicable

VII. Notes to Consolidated Financial Statement Items**1. Monetary capital**

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Cash on hand	88,045.13	228,249.62
Bank deposit	4,487,810,114.89	2,332,663,846.63
Other monetary capitals	8,673,217,899.55	14,031,845,885.19
Deposits in financial company	11,180.42	64,798.99
Total	13,161,127,239.99	16,364,802,780.43
Including: Total amount of payments deposited overseas	247,698,376.88	352,166,429.37

Other descriptions

RMB 8,190,491.98 in bank deposits has been frozen, while other monetary funds include bank acceptance bill deposits, and loan deposits.

2. Trading financial assets

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance	Special reasons and basis
Financial assets measured at the fair value with the changes included into the current profits and losses	1,133,644,316.74	1,751,529,308.50	/
Including:			
Equity instrument investments	161,282,936.10	139,633,765.70	/
Structured deposits	972,361,380.64	1,611,895,542.80	/
Financial assets measured at the fair value with the changes included into the current profits and losses			
Including:			
Total	1,133,644,316.74	1,751,529,308.50	/

Other descriptions:

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Applicable Not applicable

Equity instrument investment includes 39,490,000 A-shares of Chongqing Rural Commercial Bank and 54,945-shares of Zotye Automobile Co., Ltd.

3. Derivative financial assets

Applicable Not applicable

4. Notes receivable**(1) Presentation of notes receivables in classification**

Applicable Not applicable

(2) Pledged notes receivable of the Company at the end of the period

Applicable Not applicable

(3) Notes receivable that have been endowed or discounted and not due on balance sheet date of the company at the end of the period

Applicable Not applicable

(4) Classification and disclosure by bad-debt reserve method

Applicable Not applicable

Withdrawal of bad-debt reserves by single item:

Applicable Not applicable

Withdrawal of bad-debt reserves in portfolios:

Applicable Not applicable

Bad-debt reserves based on the general model of expected credit losses

Applicable Not applicable

Classification basis and bad debt provision ratio for each stage

None

Description on the significant changes in the book balance of notes receivable in which changes in loss reserves occurred in the current period:

Applicable Not applicable

(3) Bad-debt reserves

Applicable Not applicable

Thereinto, important amounts of bad-debt reserves recovered or reversed in the current period:

Applicable Not applicable

Other descriptions:

None

(6) Actual write-off notes receivable in the current period

Applicable Not applicable

Thereinto, conditions for write-off of important notes receivable:

Applicable Not applicable

Description on write-off of notes receivable:

Applicable Not applicable

Other descriptions

Applicable Not applicable

5. Accounts receivable**(1) Disclosure by aging**

Applicable Not applicable

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Unit: CNY Currency: RMB

Account age	Ending book balance	Beginning book balance
Within 1 year		
Including: Sub-item within 1 year		
Within 1 year	2,398,169,363.01	1,572,639,797.54
Subtotal within 1 year	2,398,169,363.01	1,572,639,797.54
1-2 years	58,240,243.53	26,596,568.38
2-3 years	9,944,756.56	30,111,197.96
Over 3 years		
3-4 years	30,071,449.97	37,245,899.25
4-5 years	20,746,504.85	169,712,000.00
Over 5 years	176,454.10	76,454.10
Total	2,517,348,772.02	1,836,381,917.23

(2) Classification and disclosure by bad-debt reserve method

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Type	Ending balance				Beginning balance				
	Book balance		Bad-debt reserves		Book balance		Bad-debt reserves		Book value
	Amount	Proportion (%)	Amount	Calculation and withdrawing proportion (%)	Amount	Proportion (%)	Amount	Calculation and withdrawing proportion (%)	
Withdrawal of bad-debt reserves by single item	10,508,871.85	0.42	10,508,871.85	100.00	10,508,871.85	0.57	10,508,871.85	100.00	
Including:									
Withdrawal of	2,506,839,900.17	99.58	60,903,754.49	2.43	2,445,936,145.68	99.43	1,825,873,045.38	2.47	1,780,806,784.01

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bad-debt reserves in portfolios											
Including:											
Withdrawal of bad-debt reserves as per credit risk characteristic portfolio	2,506,839,900.17	99.58	60,903,754.49	2.43	2,445,936,145.68	1,825,873,045.38	99.43	45,066,261.37	2.47	1,780,806,784.01	
Total	2,517,348,772.02	1	71,412,626.34	1	2,445,936,145.68	1,836,381,917.23	1	55,575,133.22	1	1,780,806,784.01	

Withdrawal of bad-debt reserves by single item:

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Name	Ending balance			
	Book balance	Bad-debt reserves	Calculation and withdrawing proportion (%)	Reasons for calculation and withdrawal
Hunan Jiangnan Automobile Manufacturing Co., Ltd. Hubei Branch	9,224,403.70	9,224,403.70	100.00	Bankruptcy reorganization
Chongqing Meiwan New Energy Automobile Technology Co., Ltd.	1,149,400.00	1,149,400.00	100.00	Debtor's suspension of production and business
Changsha Junma Automobile Sales Co., Ltd. Hubei Branch	135,068.15	135,068.15	100.00	Debtor's suspension of production and business
Total	10,508,871.85	10,508,871.85	100.00	/

Description on withdrawal of bad-debt reserves by single item:

□ Applicable √ Not applicable

Withdrawal of bad-debt reserves in portfolios:

√ Applicable □ Not applicable

Portfolio withdrawal items: Withdrawal of bad-debt reserves as per credit risk characteristic portfolio

Unit: CNY Currency: RMB

Name	Ending balance		
	Accounts receivable	Bad-debt reserves	Calculation and withdrawing proportion

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			(%)
Payments receivable from dealers and customers	2,405,774,686.57	60,903,754.49	2.53
Receivable subsidies for NEVs	101,065,213.60		
Total	2,506,839,900.17	60,903,754.49	2.43

Description on withdrawal of bad-debt reserves in portfolios:

Applicable Not applicable

Bad-debt reserves based on the general model of expected credit losses

Applicable Not applicable

Unit: CNY

Currency: RMB

Bad-debt reserves	Stage I	Stage II	Stage III	Total
	Expected credit loss in the future 12 months	Expected credit loss throughout the entire duration (credit impairment that has not occurred)	Expected credit loss throughout the entire duration (credit impairment that has occurred)	
Balance as of January 1, 2023	45,066,261.37			45,066,261.37
Balance as of January 1, 2023 in the current period	45,066,261.37			45,066,261.37
- Transfer to Stage II				
- Transfer to Stage III				
- Transfer back to Stage II				
- Transfer back to Stage I				
Calculation and withdrawal in the current period	15,837,571.98			15,837,571.98
Reverse in the current period				
Write-off in the current period				
Charge-off in the current period				
Other changes	-78.86			-78.86
Balance as of December 31, 2023	60,903,754.49			60,903,754.49

Note: Other changes are due to changes in the consolidation scope.

Classification basis and bad debt provision ratio for each stage

None

Description on the significant changes in the book balance of accounts receivable in which changes in loss reserves occurred in the current period:

Applicable Not applicable

(3) Bad-debt reserves

Applicable Not applicable

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Unit: CNY

Currency: RMB

Type	Beginning balance	Changed amount in the current period				Ending balance
		Calculation and withdrawal	Recover or reverse	Write-off or charge-off	Other changes	
Individual evaluation withdrawal	10,508,871.85					10,508,871.85
Portfolio withdrawal	45,066,261.37	15,837,571.98			-78.86	60,903,754.49
Total	55,575,133.22	15,837,571.98			-78.86	71,412,626.34

Note: Other changes are due to changes in the consolidation scope.

Thereinto, important amounts of bad-debt reserves recovered or reversed in the current period:

Applicable Not applicable

Other descriptions:

None

(4) Actual write-off accounts receivable in the current period

Applicable Not applicable

Thereinto, conditions for write-off of important accounts receivable

Applicable Not applicable

Description on write-off of accounts receivable:

Applicable Not applicable

(5) Accounts receivable and contract assets of the top five ending balances collected by the debtor

Applicable Not applicable

Unit: CNY

Currency: RMB

Unit name	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Proportion to the total ending balance of accounts receivable and contract assets (%)	Ending balance of bad-debt reserves
Unit I	101,065,213.60	334,117,397.20	435,182,610.80	15.26	13,737,316.97
Unit II	245,608,558.57		245,608,558.57	8.61	3,635,006.67
Unit III	242,993,271.60		242,993,271.60	8.52	3,596,300.42
Unit IV	169,037,630.53		169,037,630.53	5.93	2,501,756.93
Unit V	128,798,808.43		128,798,808.43	4.52	
Total	887,503,482.73	334,117,397.20	1,221,620,879.93	42.84	23,470,380.99

Other descriptions

None

Other descriptions:

Applicable Not applicable

6. Contract assets

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(1) Contract assets

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Bad-debt reserves	Book value	Book balance	Bad-debt reserves	Book value
New energy subsidy	334,117,397.20	13,737,316.97	320,380,080.23	948,823,892.35	10,575,794.91	938,248,097.44
Total	334,117,397.20	13,737,316.97	320,380,080.23	948,823,892.35	10,575,794.91	938,248,097.44

(2) Amount with major changes in its book value during the reporting period and its reasons

□ Applicable √ Not applicable

(3) Classification and disclosure by bad-debt reserve method

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Type	Ending balance					Beginning balance				
	Book balance		Bad-debt reserves		Book value	Book balance		Bad-debt reserves		Book value
	Amount	Proportion (%)	Amount	Calculation and withdrawing proportion (%)		Amount	Proportion (%)	Amount	Calculation and withdrawing proportion (%)	
Withdrawal of bad-debt reserves by single item										
Including:										
Withdrawal of bad-debt reserves in portfolios										
Including:										
New energy subsidy	334,117,397.20	100	13,737,316.97	4.11	320,380,080.23	948,823,892.35	100	10,575,794.91	1.11	938,248,097.44
Total	334,117,397.20	1	13,737,316.97		320,380,080.23	948,823,892.35		10,575,794.91		938,248,097.44

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Withdrawal of bad-debt reserves by single item:

 Applicable Not applicable

Description on withdrawal of bad-debt reserves by single item:

 Applicable Not applicable

Withdrawal of bad-debt reserves in portfolios:

 Applicable Not applicable

Portfolio withdrawal items: New energy subsidy

Unit: CNY Currency: RMB

Name	Ending balance		
	Contract assets	Bad-debt reserves	Calculation and withdrawing proportion (%)
New energy subsidy	334,117,397.20	13,737,316.97	4.11
Total	334,117,397.20	13,737,316.97	4.11

Description on withdrawal of bad-debt reserves in portfolios:

 Applicable Not applicable

Bad-debt reserves based on the general model of expected credit losses

 Applicable Not applicable

Classification basis and bad debt provision ratio for each stage None

Description on the significant changes in the book balance of contract assets in which changes in loss reserves occurred in the current period:

 Applicable Not applicable**(4) Bad-debt reserves for contract assets in the current period** Applicable Not applicable

Unit: CNY Currency: RMB

Item	Calculation and withdrawal in the current period	Recovery or reverse for the current period	Write-off/charge-off in the current period	Others	Reasons
New energy subsidy	26,138,644.00		4,350,144.80	-18,626,977.14	
Total	26,138,644.00		4,350,144.80	-18,626,977.14	/

Note: Other decrease amounts are due to the changes in the consolidation scope.

Thereinto, important amounts of bad-debt reserves recovered or reversed in the current period:

 Applicable Not applicable

Other descriptions:

None

(5) Actual write-off contract assets in the current period Applicable Not applicable

Unit: CNY Currency: RMB

Item	Written-off amount
Actual write-off contract assets	4,350,144.80

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Thereinto, conditions for write-off of important contract assets:

Applicable Not applicable

Explanation on contract asset write-off:

Applicable Not applicable

Other descriptions:

Applicable Not applicable

7. Receivables financing

(1) Presentation of receivables financing in classification

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Notes receivable	201,316,987.13	242,278,901.77
Total	201,316,987.13	242,278,901.77

(2) Receivables financing that has been pledged by the Company at the end of the period:

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Pledged amount at the end of the period
Notes receivable	39,049,700.00
Total	39,049,700.00

(3) Receivables financing that have been endowed or discounted and not due on balance sheet date of the company at the end of the period

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Derecognized amount at the end of the period	Recognized amount at the end of the period
Notes receivable	13,485,837,722.13	
Total	13,485,837,722.13	

(4) Classification and disclosure by bad-debt reserve method

Applicable Not applicable

Withdrawal of bad-debt reserves by single item:

Applicable Not applicable

Description on withdrawal of bad-debt reserves by single item:

Applicable Not applicable

Withdrawal of bad-debt reserves in portfolios:

Applicable Not applicable

Bad-debt reserves based on the general model of expected credit losses

Applicable Not applicable

Classification basis and bad debt provision ratio for each stage

None

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Description on the significant changes in the book balance of receivables financing in which changes in loss reserves occurred in the current period:

Applicable Not applicable

(5) Bad-debt reserves

Applicable Not applicable

Thereinto, important amounts of bad-debt reserves recovered or reversed in the current period:

Applicable Not applicable

Other descriptions:

None

(6) Actual write-off receivables financing in the current period

Applicable Not applicable

Thereinto, conditions for write-off of important receivables financing:

Applicable Not applicable

Description on write-off:

Applicable Not applicable

(7) Changes in receivables financing during the current period and changes in fair value:

Applicable Not applicable

(3) Other descriptions:

Applicable Not applicable

8. Advance payment**(1) Presentation of advance payment by age**

Applicable Not applicable

Unit: CNY Currency: RMB

Account age	Ending balance		Beginning balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	1,833,562,934.16	98.14	367,002,703.88	83.03
1-2 years	15,312,596.43	0.82	42,966,181.89	9.72
2-3 years	16,868,875.52	0.90	2,966,318.87	0.67
Over 3 years	2,534,201.66	0.14	29,089,759.43	6.58
Total	1,868,278,607.77	100.00	442,024,964.07	100.00

Description on reasons for failure in timely settlement of advance payment with over 1 year of account age and important amounts:

None

(2) Advance payment of the top five among ending balances collected by advance payment object

Applicable Not applicable

Unit: CNY Currency: RMB

Unit name	Ending balance	Proportion in the ending balance of advance payment (%)
Unit I	1,282,218,851.16	68.63

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Unit II	120,449,896.29	6.45
Unit III	109,244,392.29	5.85
Unit IV	60,138,791.85	3.22
Unit V	37,942,828.69	2.03
Total	1,609,994,760.28	86.18

Other descriptions

None

Other descriptions

Applicable Not applicable

9. Other receivables

Item presentation

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Interests receivable		
Dividends receivable		
Other receivables	2,237,250,989.26	1,002,129,626.08
Total	2,237,250,989.26	1,002,129,626.08

Other descriptions:

Applicable Not applicable

Interests receivable

(1) Classification of interests receivable

Applicable Not applicable

(2) Important overdue interest

Applicable Not applicable

(3) Classification and disclosure by bad-debt reserve method

Applicable Not applicable

Withdrawal of bad-debt reserves by single item:

Applicable Not applicable

Description on withdrawal of bad-debt reserves by single item:

Applicable Not applicable

Withdrawal of bad-debt reserves in portfolios:

Applicable Not applicable

(4) Bad-debt reserves based on the general model of expected credit losses

Applicable Not applicable

Classification basis and bad debt provision ratio for each stage None

Description on the significant changes in the book balance of interests receivable in which changes in loss reserves occurred in the current period:

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Applicable Not applicable

(5) Bad-debt reserves

Applicable Not applicable

Thereinto, important amounts of bad-debt reserves recovered or reversed in the current period:

Applicable Not applicable

Other descriptions:

None

(6) Actual write-off interests receivable in the current period

Applicable Not applicable

Thereinto, conditions for write-off of important interests receivable

Applicable Not applicable

Description on write-off:

Applicable Not applicable

Other descriptions:

Applicable Not applicable

Dividends receivable**(1) Dividends receivable**

Applicable Not applicable

Unit: CNY Currency: RMB

Item (or investee)	Ending balance	Beginning balance
New Energy Automobile Industry Development (Chongqing) Co., Ltd.	1,000,000.00	1,000,000.00
Chongqing New Energy Automobile Finance Leasing Co., Ltd.		11,727,677.71
Minus: Bad-debt reserves	1,000,000.00	12,727,677.71
Total	0	0

(2) Important dividends receivable with aging exceeds 1 year

Applicable Not applicable

(3) Classification and disclosure by bad-debt reserve method

Applicable Not applicable

Unit: CNY Currency: RMB

Type	Book balance		Ending balance			Book balance		Beginning balance		
	Amount	Proportion (%)	Amount	Calculation and withdrawing proportion (%)	Book value	Amount	Proportion (%)	Amount	Calculation and withdrawing proportion (%)	Book value
Withdrawal of bad-debt reserves by single item	1,000,000.00	100	1,000,000.00	100		12,727,677.71	100	12,727,677.71	100	
Including:										
New Energy	1,000,000.00	100	1,000,000.00	100		1,000,000.00	7.86	1,000,000.00	100	

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Automobile Industry Development (Chongqing) Co., Ltd.										
Chongqing New Energy Automobile Finance Leasing Co., Ltd.						11,727,677.71	92.14	11,727,677.71		100
Withdrawal of bad-debt reserves in portfolios										
Including:										
Total	1,000,000.00		/1,000,000.00		/	12,727,677.71		12,727,677.71		/

Withdrawal of bad-debt reserves by single item:

 Applicable Not applicable

Unit: CNY Currency: RMB

Name	Ending balance			
	Book balance	Bad-debt reserves	Calculation and withdrawing proportion (%)	Reasons for calculation and withdrawal
New Energy Automobile Industry Development (Chongqing) Co., Ltd.	1,000,000.00	1,000,000.00	100	
Total	1,000,000.00	1,000,000.00	100	/

Description on withdrawal of bad-debt reserves by single item:

 Applicable Not applicable

Withdrawal of bad-debt reserves in portfolios:

 Applicable Not applicable**(4) Bad-debt reserves based on the general model of expected credit losses** Applicable Not applicable

Classification basis and bad debt provision ratio for each stage

None

Description on the significant changes in the book balance of dividends receivable in which changes in loss reserves occurred in the current period:

 Applicable Not applicable**(5) Bad-debt reserves** Applicable Not applicable

Unit: CNY Currency: RMB

Type	Beginning balance	Changed amount in the current period	Ending balance
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		Calculation and withdrawal	Recover or reverse	Write-off or charge-off	Other changes	
New Energy Automobile Industry Development (Chongqing) Co., Ltd.	1,000,000.00					1,000,000.00
Chongqing New Energy Automobile Finance Leasing Co., Ltd.	11,727,677.71				11,727,677.71	0
Total	12,727,677.71				11,727,677.71	1,000,000.00

Note: Other changes are due to changes in the consolidation scope.

Thereinto, important amounts of bad-debt reserves recovered or reversed in the current period:

Applicable Not applicable

Other descriptions:

None

(6) Actual write-off dividends receivable in the current period

Applicable Not applicable

Thereinto, conditions for write-off of important dividends receivable

Applicable Not applicable

Description on write-off:

Applicable Not applicable

Other descriptions:

Applicable Not applicable

Other receivables

(1) Disclosed by aging

Applicable Not applicable

Unit: CNY Currency: RMB

Account age	Ending book balance	Beginning book balance
Within 1 year		
Including: Sub-item within 1 year		
Within 1 year	1,719,088,594.61	834,603,408.02
Subtotal within 1 year	1,719,088,594.61	834,603,408.02
1-2 years	561,410,408.98	214,705,915.51
2-3 years	80,650,046.53	2,936,491.63
Over 3 years		
3-4 years	877,618.37	34,217,416.57
4-5 years	4,031,159.61	41,287,084.22
Over 5 years	660,168.94	593,000.00

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Total	2,366,717,997.04	1,128,343,315.95
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(2) Classification by nature of payment

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Nature of payment	Ending book balance	Beginning book balance
Performance compensation	1,374,169,340.39	222,460,413.36
Reserves, margins and security deposits	803,649,220.23	724,076,872.87
Stock rights transfer fund	45,000,000.00	
Other intercourse funds	143,899,436.42	181,806,029.72
Total	2,366,717,997.04	1,128,343,315.95

(3) Withdrawal of bad-debt reserves

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Bad-debt reserves	Stage I	Stage II	Stage III	Total
	Expected credit loss in the future 12 months	Expected credit loss throughout the entire duration (credit impairment that has not occurred)	Expected credit loss throughout the entire duration (credit impairment that has occurred)	
Balance as of January 1, 2023	56,567,689.87		69,646,000.00	126,213,689.87
Balance as of January 1, 2023 in the current period	56,567,689.87		69,646,000.00	126,213,689.87
- Transfer to Stage II				
- Transfer to Stage III				
- Transfer back to Stage II				
- Transfer back to Stage I				
Calculation and withdrawal in the current period	43,941,636.23		29,011,801.80	72,953,438.03
Reverse in the current period				
Write-off in the current period				
Charge-off in the current period	278.97		70,821,000.00	70,821,278.97
Other changes	-53,841.15		1,175,000.00	1,121,158.85
Balance as of December 31, 2023	100,455,205.98		29,011,801.80	129,467,007.78

Note: Other changes are due to changes in the exchange rate and consolidation scope for the full provision of bad-debt reserves for USD 10 million accounts receivable of TIVENIMERGECO, INC.

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Classification basis and bad debt provision ratio for each stage

None

Description on the significant changes in the book balance of other receivables in which changes in loss reserves occurred in the current period:

 Applicable Not applicable

Basis for adopting whether the amount of the bad-debt reserves in the current period and the credit risk of financial instruments has increased significantly:

 Applicable Not applicable**(4) Bad-debt reserves** Applicable Not applicable

Unit: CNY Currency: RMB

Type	Beginning balance	Changed amount in the current period				Ending balance
		Calculation and withdrawal	Recover or reverse	Write-off or charge-off	Other changes	
Bad-debt reserves	126,213,689.87	72,953,438.03		70,821,278.97	1,121,158.85	129,467,007.78
Total	126,213,689.87	72,953,438.03		70,821,278.97	1,121,158.85	129,467,007.78

Thereinto, important amounts of bad-debt reserves reversed or recovered in the current period:

 Applicable Not applicable

Other descriptions

None

(5) Other receivables actually written off in current period Applicable Not applicable

Unit: CNY Currency: RMB

Item	Written-off amount
Other actual write-off receivables	70,821,278.97

Thereinto, conditions for write-off of important other receivables:

 Applicable Not applicable

Unit: CNY Currency: RMB

Unit name	Nature of other receivables	Written-off amount	Reasons for write-off	Write-off procedures performed	Whether the fund generates from related-party transaction
TIVENIMERGECO,INC	Other intercourse funds	70,821,000.00	The company has been cancelled	Business department applies, and the Company approves write off	No
Total	/	70,821,000.00	/	/	/

Write-off descriptions of other receivables:

 Applicable Not applicable**(6) Other receivables of the top five among ending balance collected by the debtor** Applicable Not applicable

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Unit: CNY Currency: RMB

Unit name	Ending balance	Proportion in the ending balance of other receivables (%)	Nature of payment	Account age	Ending balance of bad-debt reserves
Unit I	1,374,169,340.39	58.06	Performance compensation	Within 1 year	
Unit II	662,000,000.00	27.97	Deposits	Within 1 year, 1-2 years, 2-3 years	73,100,000.00
Unit III	96,419,809.00	4.07	Intercourse funds	1-2 years	9,641,980.90
Unit IV	45,000,000.00	1.90	Stock rights transfer fund	Within 1 year	2,250,000.00
Unit V	33,335,000.00	1.41	Deposits	Within 1 year	1,666,750.00
Total	2,210,924,149.39	93.41	/	/	86,658,730.90

(7) Reported as other receivables due to centralized fund management

□ Applicable √ Not applicable

Other descriptions:

□ Applicable √ Not applicable

10. Inventory**(1) Inventory classification**

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Inventory falling price reserves/impairment reserves for contract performance cost	Book value	Book balance	Inventory falling price reserves/impairment reserves for contract performance cost	Book value
Raw materials	2,033,628,388.16	91,274,069.43	1,942,354,318.73	2,658,433,450.90	84,555,711.38	2,573,877,739.52
Low-value consumables	11,481,834.00	409,593.30	11,072,240.70	12,542,102.08	700,199.96	11,841,902.12
Products in progress	127,558,336.31	2,678,416.51	124,879,919.80	151,935,093.39	4,178,172.25	147,756,921.14
Inventory goods	1,189,382,594.242	55,441,903.14	1,133,940,691.10	1,116,054,654.13	78,141,125.34	1,037,913,528.79
Goods shipped in transit	313,667,124.83	3,686,676.56	309,980,448.27	222,916,781.03	1,441,781.99	221,474,999.04
Revolving materials						

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Consumptive biological assets						
Contract performance costs	6,944,126.13		6,944,126.13			
Total	3,682,662,403.67	153,490,658.94	3,529,171,744.73	4,161,882,081.53	169,016,990.92	3,992,865,090.61

(2) Inventory falling price reserves and impairment reserves for contract performance cost

√ Applicable □ Not applicable

Unit: CNY

Currency: RMB

Item	Beginning balance	Amount increased in the current period		Amount decreased in the current period		Ending balance
		Calculation and withdrawal	Others	Reverse or write-off	Others	
Raw materials	84,555,711.38	105,274,876.16		98,556,518.11		91,274,069.43
Low-value consumables	700,199.96	138,209.08		428,815.74		409,593.30
Products in progress	4,178,172.25	656,528.90		2,156,284.64		2,678,416.51
Inventory goods	78,141,125.34	190,851,885.27		213,551,107.47		55,441,903.14
Goods shipped in transit	1,441,781.99	4,771,191.67		2,526,297.10		3,686,676.56
Revolving materials						
Consumptive biological assets						
Contract performance costs						
Total	169,016,990.92	301,692,691.08		317,219,023.06		153,490,658.94

Reasons for restitution or write-off of provision for inventory falling price reserves of the current period

√ Applicable □ Not applicable

The estimated net realizable value of some inventory at the end of this year is higher than the year-end inventory cost, and the corresponding inventory falling price reserves from the previous year are reversed; this year, the inventory for which the previous year's inventory falling price reserves has been made has been sold or used, and the inventory falling price reserves have been written off.

Provision for inventory falling price reserves in portfolios

□ Applicable √ Not applicable

Provision standards for inventory falling price reserves in portfolios

□ Applicable √ Not applicable

(3) Capitalization amount of borrowing costs contained in the ending balance of inventory and its calculation standards and basis

□ Applicable √ Not applicable

(4) Description of current amortization amount of the contract performance cost

□ Applicable √ Not applicable

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Other descriptions

 Applicable Not applicable**11. Held-for-sale assets** Applicable Not applicable**12. Non-current assets due within one year** Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Creditor's right investment due within one year		
Other creditor's right investment due within one year		
Long-term receivables due within one year	9,379,034.97	8,461,717.67
Total	9,379,034.97	8,461,717.67

Creditor's right investment due within one year Applicable Not applicable**Other creditor's right investment due within one year** Applicable Not applicable

Other descriptions on non-current assets due within one year

None

13. Other current assets Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Contract acquisition costs		
Return cost receivable		
VAT to be credited or certified	581,648,637.17	429,335,247.08
Pre-paid taxes and others	28,560,791.95	23,490,262.01
Large amount deposit certificate	600,377,260.28	
Total	1,210,586,689.40	452,825,509.09

Other descriptions

None

14. Creditor's right investment**(1) Creditor's right investment** Applicable Not applicable

Changes in impairment reserves of creditor's right investments in the current period

 Applicable Not applicable**(2) Other important creditor's right investments at the end of the period** Applicable Not applicable

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(3) Withdrawal of impairment reserves Applicable Not applicable

Classification basis and impairment provision ratio for each stage:

None

Description on the significant changes in the book balance of creditor's right investment in which changes in loss reserves occurred in the current period:

 Applicable Not applicable

Basis for adopting whether the amount of the impairment reserves in the current period and the credit risk of financial instruments has increased significantly

 Applicable Not applicable**(4) Actual write-off creditor's right investment in the current period** Applicable Not applicable

Thereinto, conditions for write-off of important creditor's right investment

 Applicable Not applicable

Write-off description of creditor's right investment:

 Applicable Not applicable

Other descriptions

 Applicable Not applicable**15. Other creditor's right investments****(1) Other creditor's right investment** Applicable Not applicable

Changes in impairment reserves of other creditor's right investments in the current period

 Applicable Not applicable**(2) Important creditor's right investments at the end of the period** Applicable Not applicable**(3) Withdrawal of impairment reserves** Applicable Not applicable

Classification basis and impairment provision ratio for each stage:

None

Description on the significant changes in the book balance of other creditor's right investments in which changes in loss reserves occurred in the current period:

 Applicable Not applicable

Basis for adopting whether the amount of the impairment reserves in the current period and the credit risk of financial instruments has increased significantly

 Applicable Not applicable**(4) Actual write-off other creditor's right investments in the current period** Applicable Not applicable

Thereinto, conditions for write-off of other important creditor's right investment

 Applicable Not applicable

Write-off descriptions of other creditor's right investments:

 Applicable Not applicable

Other descriptions:

 Applicable Not applicable**16. Long-term receivables**

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(1) Long-term receivables

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Ending balance			Beginning balance			Range of discount rate
	Book balance	Bad-debt reserves	Book value	Book balance	Bad-debt reserves	Book value	
Financing lease payment	57,212,088.30		57,212,088.30	63,193,598.41		63,193,598.41	
Including: Unrealized financing income	7,114,809.00		7,114,809.00	9,654,045.90		9,654,045.90	
Sales of goods by installment payment				23,932,568.80	7,320,000.00	16,612,568.80	
Provision of labor services by installment payment							
Minus: Long-term receivables due within one year	9,379,034.97		9,379,034.97	8,461,717.67		8,461,717.67	
Total	47,833,053.33		47,833,053.33	78,664,449.54	7,320,000.00	71,344,449.54	/

(2) Classification and disclosure by bad-debt reserve method

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Type	Ending balance					Beginning balance				
	Book balance		Bad-debt reserves		Book value	Book balance		Bad-debt reserves		Book value
	Amount	Proportion (%)	Amount	Calculation and withdrawing proportion (%)		Amount	Proportion (%)	Amount	Calculation and withdrawing proportion (%)	
Withdrawal of bad-debt reserves by single item										
Including:										
Withdrawal of bad-debt reserves in portfolios										
Including:										
Financing lease payment	47,833,053.33	100			47,833,053.33	54,731,880.74	69.58			54,731,880.74
Sales of						23,932,568.80	30.42	7,320,000.00	30.59	16,612,568.80

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goods by installmen t payment						0		0		0
Total	47,833,053.3 3	1			47,833,053.3 3	78,664,449.5 4	1	7,320,000.0 0	1	71,344,449.5 4

Withdrawal of bad-debt reserves by single item:

Applicable Not applicable

Description on withdrawal of bad-debt reserves by single item:

Applicable Not applicable

Withdrawal of bad-debt reserves in portfolios:

Applicable Not applicable

(3) Bad-debt reserves based on the general model of expected credit losses

Applicable Not applicable

Unit: CNY

Currency: RMB

Bad-debt reserves	Stage I	Stage II	Stage III	Total
	Expected credit loss in the future 12 months	Expected credit loss throughout the entire duration (credit impairment that has not occurred)	Expected credit loss throughout the entire duration (credit impairment that has occurred)	
Balance as of January 1, 2023	7,320,000.00			7,320,000.00
Balance as of January 1, 2023 in the current period	7,320,000.00			7,320,000.00
- Transfer to Stage II				
- Transfer to Stage III				
- Transfer back to Stage II				
- Transfer back to Stage I				
Calculation and withdrawal in the current period				
Reverse in the current period	7,320,000.00			7,320,000.00
Write-off in the current period				
Charge-off in the current period				
Other changes				
Balance as of December 31, 2023	0			0

Classification basis and bad debt provision ratio for each stage

None

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Description on the significant changes in the book balance of long-term receivables in which changes in loss reserves occurred in the current period:

Applicable Not applicable

Basis for adopting whether the amount of the bad-debt reserves in the current period and the credit risk of financial instruments has increased significantly

Applicable Not applicable

(4) Bad-debt reserves

Applicable Not applicable

Unit: CNY Currency: RMB

Type	Beginning balance	Changed amount in the current period				Ending balance
		Calculation and withdrawal	Recover or reverse	Write-off or charge-off	Other changes	
Bad-debt reserves	7,320,000.00		7,320,000.00			0
Total	7,320,000.00		7,320,000.00			0

Thereinto, important amounts of bad-debt reserves recovered or reversed in the current period:

Applicable Not applicable

Other descriptions:

None

(5) Long-term receivables actually written off in current period

Applicable Not applicable

Thereinto, conditions for write-off of important long-term receivables

Applicable Not applicable

Write-off descriptions of long-term receivables:

Applicable Not applicable

Other descriptions

Applicable Not applicable

17. Long-term equity investment

(1) Long-term equity investment

Applicable Not applicable

Unit: CNY Currency: RMB

Investee	Beginning balance	Increase/decrease amount of the current period								Ending balance	Ending balance of impairment reserves
		Additional investments	Negative investments	Investment profit and loss recognized by the equity method	Adjustments of other comprehensive incomes	Other equity changes	Cash dividends or profits to be issued as announced	Provision for impairment reserves	Others		
I. Joint venture											

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Chongqing Yunwan Technology Co., Ltd.	4,031,783.57			480,977.46						4,512,761.03	
Subtotal	4,031,783.57			480,977.46						4,512,761.03	
II. Associated enterprise											
New Energy Automobile Industry Development (Chongqing) Co., Ltd.	37,314,710.30			577,723.84						37,892,434.14	
Chongqing Ruichi Automobile Industry Co., Ltd.		2,000,000,000.00								2,000,000,000.00	
Subtotal	37,314,710.30	2,000,000,000.00		577,723.84						2,037,892,434.14	
Total	41,346,493.87	2,000,000,000.00		1,058,701.30						2,042,405,195.17	

Notes: Chongqing Ruichi Automobile Industry Co., Ltd., a wholly-owned subsidiary, introduced external investors through capital increase in 2023. After the external investors invested, the Company's shareholding ratio in Ruichi Automobile decreased from 100% to 49.88%, which changed from being able to control to having a significant influence. It was reported as an associated enterprise.

(2) Impairment test of long-term equity investments

Applicable Not applicable

Other descriptions

None

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18. Other equity instrument investments

(1) Other equity instrument investments

√ Applicable □ Not applicable

Item	Beginning balance	Increase/decrease amount of the current period					Ending balance	Dividend income recognized in the current period	Accumulated gains recognized in other comprehensive incomes	Accumulated losses recognized in other comprehensive incomes	Reasons for being measured at the fair value with its changes included into other comprehensive incomes
		Additional investments	Negative investments	Accumulated gains recognized in other comprehensive incomes in the current period	Loss recognized in other comprehensive incomes in the current period	Others					
Chongqing Liangjiang New Area Strategic Emerging Industry Equity Investment Fund Management Co., Ltd.	3,000,000.00					3,000,000.00					
SeyondHoldingsLtd	10,100,250.00					10,100,250.00					
Guangdong Rongchuang Lingyue Intelligent Manufacturing and Information Technology Industry Equity Investment Fund Partnership Enterprise (Limited Partnership)	75,000,000.00	37,500,000.00	42,156,986.46			70,343,013.54					
Terawatt	6,102,996.25					6,102,996.25					
Chongqing Yuxinchuang Private Equity Investment Fund Partnership (Limited Partnership)	6,000,000.00	4,000,000.00				10,000,000.00					

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Total	100,203,246.25	41,500,000.00	42,156,986.46			99,546,259.79			/
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(2) Derecognition in the current period
 Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accumulated gains transferred to retained earnings due to derecognition	Accumulated losses transferred to retained earnings due to derecognition	Reason for derecognition
Guangdong Rongchuang Lingsyue Intelligent Manufacturing and Information Technology Industry Equity Investment Fund Partnership Enterprise (Limited Partnership)	3,750,000.00		Transfer of investment shares to external parties
Total	3,750,000.00		/

Other descriptions:

 Applicable Not applicable

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19. Other non-current financial assets Applicable Not applicable

Other descriptions:

 Applicable Not applicable**20. Investment property**

The measurement model for investment property is not applicable

(1) Impairment test of investment properties using cost measurement model Applicable Not applicable**21. Presentation of fixed assets** Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Fixed assets	8,747,627,841.00	9,140,463,562.33
Liquidation of fixed assets		
Total	8,747,627,841.00	9,140,463,562.33

Other descriptions:

 Applicable Not applicable**Fixed assets****(1) Fixed assets** Applicable Not applicable

Unit: CNY Currency: RMB

Item	Houses and buildings	Machinery equipment	Means of transport	Other equipment	Total
I. Original book value:					
1. Beginning balance	3,839,729,115.76	9,903,864,165.01	187,092,403.84	471,094,379.96	14,401,780,064.57
2. Amount increased in the current period	154,495,282.01	1,126,631,068.60	66,023,792.44	80,799,360.09	1,427,949,503.14
(1) Acquisition	31,848,306.44	321,011,982.13	65,904,947.74	64,920,199.12	483,685,435.43
(2) Transferred into construction in progress	119,140,884.65	791,036,259.63		15,614,861.50	925,792,005.78
(3) Increase due to business combination					
(4) Translation difference in foreign currency financial statements	3,506,090.92	14,582,826.84	118,844.70	264,299.47	18,472,061.93
3. Amount decreased in the current period	374,223,031.10	424,167,564.31	99,324,839.56	11,858,580.53	909,574,015.50
(1) Disposal or scrapping	374,223,031.10	424,167,564.31	99,324,839.56	11,858,580.53	909,574,015.50

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4. Ending balance	3,620,001,366.67	10,606,327,669.30	153,791,356.72	540,035,159.52	14,920,155,552.21
II. Accumulated depreciation					
1. Beginning balance	661,380,775.09	4,259,170,807.48	50,916,836.52	266,505,360.75	5,237,973,779.84
2. Amount increased in the current period	132,294,684.99	1,055,920,450.02	21,828,301.45	90,941,908.66	1,300,985,345.12
(1) Calculation and withdrawal	131,558,501.51	1,047,097,702.27	21,677,893.48	90,723,415.65	1,291,057,512.91
(2) Translation difference in foreign currency financial statements	736,183.48	8,822,747.75	150,407.97	218,493.01	9,927,832.21
3. Amount decreased in the current period	97,130,951.54	251,418,278.48	25,925,592.25	9,762,606.34	384,237,428.61
(1) Disposal or scrapping	97,130,951.54	251,418,278.48	25,925,592.25	9,762,606.34	384,237,428.61
4. Ending balance	696,544,508.54	5,063,672,979.02	46,819,545.72	347,684,663.07	6,154,721,696.35
III. Impairment reserves					
1. Beginning balance		23,342,722.40			23,342,722.40
2. Amount increased in the current period		1,482,395.75			1,482,395.75
(1) Calculation and withdrawal		1,482,395.75			1,482,395.75
3. Amount decreased in the current period		7,019,103.29			7,019,103.29
(1) Disposal or scrapping		7,019,103.29			7,019,103.29
4. Ending balance		17,806,014.86			17,806,014.86
IV. Book value					
1. Ending book value	2,923,456,858.13	5,524,848,675.42	106,971,811.00	192,350,496.45	8,747,627,841.00
2. Beginning book value	3,178,348,340.67	5,621,350,635.13	136,175,567.32	204,589,019.21	9,140,463,562.33

(2) Temporary idle fixed assets

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Original book value	Accumulated depreciation	Impairment reserves	Book value	Remarks
Machinery equipment	100,568,886.63	80,058,174.76	16,093,257.20	4,417,454.67	

(3) Fixed assets rented in through operating lease

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

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Item	Ending book value
Houses and buildings	180,830,975.46
Machinery equipment	6,394,499.63
Means of transport	64,523.62

(4) Fixed assets without property right certificate

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Book value	Reason for not obtaining the property right certificate
Logistics Center	55,197,249.42	In process
Pack Workshop	41,874,252.97	In process
Sewage treatment station	24,426,911.11	In process
B plot supporting workshop	19,071,587.67	In process
Power station	12,339,579.01	In process

(5) Impairment test of fixed assets

Applicable Not applicable

The recoverable amount is determined based on the net amount after deducting disposal expenses from fair value

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Book value	Recoverable amount	Impairment amount	Determination of fair value and disposal costs	Key parameters	Basis for determining key parameters
Molds, fixture	1,558,807.91	76,412.16	1,482,395.75	Refer to market prices for similar product disposal	Market price	Determine the recoverable amount based on the market price of similar product disposal
Total	1,558,807.91	76,412.16	1,482,395.75	/	/	/

The recoverable amount is determined based on the present value of expected future cash flows

Applicable Not applicable

Reasons for significant discrepancies between the aforementioned information and the information or external information used in previous years' impairment test

Applicable Not applicable

Reasons for significant discrepancies between the information used in the Company's previous annual impairment tests and the actual situation of the current year

Applicable Not applicable

Other descriptions:

Applicable Not applicable

Liquidation of fixed assets

Applicable Not applicable

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22. Presentation of construction in progress Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Construction in progress	195,038,729.29	345,661,017.62
Engineering materials		
Total	195,038,729.29	345,661,017.62

Other descriptions:

 Applicable Not applicable**Construction in progress****(1) Construction in progress** Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment reserves	Book value	Book balance	Impairment reserves	Book value
Shuangfu Production Base	12,755,878.57		12,755,878.57	32,087,189.15		32,087,189.15
Changshou Production Base	36,398,388.17		36,398,388.17	88,674,187.51		88,674,187.51
Shiyan Production Base	2,004,300.90		2,004,300.90	49,395,129.16		49,395,129.16
Liangjiang New Area Production Base	47,807,361.26		47,807,361.26	83,252,919.05		83,252,919.05
Production Base in Indonesia	2,567,346.30		2,567,346.30	3,366,530.52		3,366,530.52
University Town Production Base	91,674,285.57		91,674,285.57	88,534,264.01		88,534,264.01
Others	1,831,168.52		1,831,168.52	350,798.22		350,798.22
Total	195,038,729.29		195,038,729.29	345,661,017.62		345,661,017.62

(2) Changes in significant construction in progress projects in the current period Applicable Not applicable

Unit: RMB Currency: RMB

Item name	Budget	Beginning balance	Amount increased in the current period	Transfer-in amount of fixed assets in the current	Other decreased amounts in the current	Ending balance	Proportion of accumulative engineering	Project progress	Accumulated amount of interest capitalization	Including: Interest capitalization amount of the	Interest capitalization rate of the current period	Sources of funds
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				period	period		investme nt in budget (%)		ion	current period	(%)	
Shuangf u Producti on Base		32,087,189. 15	42,009,742. 80	61,341,053. 38		12,755,878. 57						
Changshou Producti on Base		88,674,187. 51	46,908,149. 79	90,850,320. 80	8,333,628. .33	36,398,388. 17						
Shiyan Producti on Base		49,395,129. 16	75,054,056. 44	122,444,88 4.70		2,004,300.9 0						
Liangjiang New Area Producti on Base		83,252,919. 05	405,803,45 5.26	441,249,01 3.05		47,807,361. 26						
University Town Producti on Base		88,534,264. 01	211,807,36 0.46	208,667,33 8.90		91,674,285. 57						
Total		341,943,68 8.88	781,582,76 4.75	924,552,61 0.83	8,333,628 .33	190,640,21 4.47	/	/			/	/

Note: Other decreased amounts in the current period are due to the disposal of construction in progress to external parties.

(3) Withdrawal of construction in progress impairment reserves in the current period

Applicable Not applicable

(4) Impairment test of construction in progress

Applicable Not applicable

Other descriptions

Applicable Not applicable

Engineering materials**(1) Engineering materials**

Applicable Not applicable

23. Productive biological assets**(1) Productive biological assets measured at the cost**

Applicable Not applicable

(2) Impairment test of productive biological assets using cost measurement model

Applicable Not applicable

(3) Productive biological assets measured at the fair value

Applicable Not applicable

Other descriptions

Applicable Not applicable

24. Oil-gas assets

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(1) Oil-gas asset

□ Applicable √ Not applicable

(2) Impairment test of oil-gas assets

□ Applicable √ Not applicable

Other descriptions:

None

25. Right-of-use assets**(1) Right-of-use assets**

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Houses and buildings	Machinery equipment	Total
I. Original book value			
1. Beginning balance	652,428,157.65	12,248,673.28	664,676,830.93
2. Amount increased in the current period	1,298,830,229.60	509,679,910.89	1,808,510,140.49
(1) New lease	1,296,086,243.83	509,679,910.89	1,805,766,154.72
(2) Translation difference in foreign currency financial statements	2,743,985.77		2,743,985.77
3. Amount decreased in the current period	164,795,384.26	4,243,285.06	169,038,669.32
(1) Disposal	164,795,384.26	4,243,285.06	169,038,669.32
4. Ending balance	1,786,463,002.99	517,685,299.11	2,304,148,302.10
II. Accumulated depreciation			
1. Beginning balance	176,923,833.62	8,042,527.81	184,966,361.43
2. Amount increased in the current period	176,102,688.79	20,414,407.94	196,517,096.73
(1) Calculation and withdrawal	174,348,825.58	20,414,407.94	194,763,233.52
(2) Translation difference in foreign currency financial statements	1,753,863.21		1,753,863.21
3. Amount decreased in the current period	55,209,911.45	4,115,219.45	59,325,130.90
(1) Disposal	55,209,911.45	4,115,219.45	59,325,130.90
4. Ending balance	297,816,610.96	24,341,716.30	322,158,327.26
III. Impairment reserves			
1. Beginning balance			

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2. Amount increased in the current period			
(1) Calculation and withdrawal			
3. Amount decreased in the current period			
(1) Disposal			
4. Ending balance			
IV. Book value			
1. Ending book value	1,488,646,392.03	493,343,582.81	1,981,989,974.84
2. Beginning book value	475,504,324.03	4,206,145.47	479,710,469.50

(2) Impairment test of right-of-use assets

□ Applicable √ Not applicable

Other descriptions:

None

26. Intangible assets**(1) Intangible assets**

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Land use right	Chartered right	Patent right	Non-patented technology	Software and others	Total
I. Original book value						
1. Beginning balance	1,402,685,466.02	272,471,209.90		7,542,475,456.39	431,986,005.14	9,649,618,137.45
2. Amount increased in the current period	5,574,679.50			4,167,416,340.06	102,821,620.16	4,275,812,639.72
(1) Acquisition	5,574,679.50			44,669.81	102,821,620.16	108,440,969.47
(2) Internal research and development				4,167,371,670.25		4,167,371,670.25
(3) Increase due to business combination						
3. Amount decreased in the current period	196,693,371.33			317,217,978.52	2,742,711.69	516,654,061.54
(1) Disposal	196,693,371.33			317,217,978.52	2,742,711.69	516,654,061.54
4. Ending balance	1,211,566,774.19	272,471,209.90		11,392,673,817.93	532,064,913.61	13,408,776,715.63
II. Accumulated amortization						

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1. Beginning balance	174,410,505.97	272,471,209.90		2,080,420,118.42	174,681,596.80	2,701,983,431.09
2. Amount increased in the current period	28,010,856.37			1,129,447,734.78	56,065,989.93	1,213,524,581.08
(1) Calculation and withdrawal	28,010,856.37			1,129,447,734.78	56,065,989.93	1,213,524,581.08
3. Amount decreased in the current period	49,523,426.24			113,653,771.49	1,599,519.79	164,776,717.52
(1) Disposal	49,523,426.24			113,653,771.49	1,599,519.79	164,776,717.52
4. Ending balance	152,897,936.10	272,471,209.90		3,096,214,081.71	229,148,066.94	3,750,731,294.65
III. Impairment reserves						
1. Beginning balance				37,343,057.69		37,343,057.69
2. Amount increased in the current period				76,202,986.79		76,202,986.79
(1) Calculation and withdrawal				76,202,986.79		76,202,986.79
3. Amount decreased in the current period						
(1) Disposal						
4. Ending balance				113,546,044.48		113,546,044.48
IV. Book value						
1. Ending book value	1,058,668,838.09			8,182,913,691.74	302,916,846.67	9,544,499,376.50
2. Beginning book value	1,228,274,960.05			5,424,712,280.28	257,304,408.34	6,910,291,648.67

At the end of the current period, intangible assets formed through internal research and development accounted for 43.66% of the intangible asset balance.

(2) Land use right without property right certificate

Applicable Not applicable

(3) Impairment test of intangible assets

Applicable Not applicable

The recoverable amount is determined based on the net amount after deducting disposal expenses from fair value

Applicable Not applicable

The recoverable amount is determined based on the present value of expected future cash flows

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Book value	Recoverable amount	Impairment amount	Number of years in the forecast period	Key parameters for the forecast period	Key parameters during the stable period	Basis for determining key parameters during the stable period

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Technology research and development of vehicles and engines	1,447,402,986.79	1,371,200,000.00	76,202,986.79	Based on the specific situation of the evaluated object and combined with the economic life of the product it relies on, a comprehensive analysis of 5-10 years is conducted	Revenue and commission rate	Revenue and commission rate	Expected revenue that can be achieved based on the industry development status and enterprise development plan; Determine commission rate based on contribution to revenue
Total	1,447,402,986.79	1,371,200,000.00	76,202,986.79	/	/	/	/

The above book value represents the amount corresponding to the provision for impairment of intangible assets.

Reasons for significant discrepancies between the aforementioned information and the information or external information used in previous years' impairment test

Applicable Not applicable

Reasons for significant discrepancies between the information used in the Company's previous annual impairment tests and the actual situation of the current year

Applicable Not applicable

Other descriptions:

Applicable Not applicable

27. Goodwill

(1) Original book value of goodwill

Applicable Not applicable

Unit: CNY Currency: RMB

Name of the investee and matters generating goodwill	Beginning balance	Amount increased in the current period		Amount decreased in the current period		Ending balance
		Resulted from business combination		Disposal		
Luzhou Rongda Intelligent Transmission Limited Company	156,052,314.11					156,052,314.11
Total	156,052,314.11					156,052,314.11

(2) Goodwill impairment reserve

Applicable Not applicable

Unit: CNY Currency: RMB

Name of the investee and matters generating goodwill	Beginning balance	Amount increased in the current period		Amount decreased in the current period		Ending balance
		Calculation and withdrawal		Disposal		
Luzhou Rongda Intelligent Transmission Limited Company	91,040,322.40	18,096,752.74				109,137,075.14
Total	91,040,322.40	18,096,752.74				109,137,075.14

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(3) Related information about the asset group or asset group portfolio in which the goodwill is located

√ Applicable □ Not applicable

Name	Composition and basis of the asset group or portfolio to which it belongs	Operating segments and basis	Whether it is consistent with previous years
Luzhou Rongda Intelligent Transmission Limited Company	Long-term assets such as fixed assets and intangible assets, etc.; It is based on whether the main cash inflow generated by the asset group is independent of the cash inflow of other assets or asset group.	Automobile parts	Yes

Changes in asset group or asset group portfolio

□ Applicable √ Not applicable

Other descriptions

□ Applicable √ Not applicable

(4) Specific method for determining the recoverable amount

The recoverable amount is determined based on the net amount after deducting disposal expenses from fair value

□ Applicable √ Not applicable

The recoverable amount is determined based on the present value of expected future cash flows

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Book value	Recoverable amount	Impairment amount	Number of years in the forecast period	Key parameters for the forecast period (growth rate, profit margin, etc.)	Basis for determining parameters during the forecast period	Key parameters during the stable period (growth rate, profit margin, discount rate, etc.)	Basis for determining key parameters during the stable period
Luzhou Rongda Intelligent Transmission Limited Company	319,257,490.88	298,304,900.00	18,096,752.74	January 1, 2024 to December 31, 2028	Growth rate and profit margin of operating income	Search for market information, understand product sales, price trends, market share, information on other companies in the same industry, average revenue levels, and refer to historical data for comparison	Growth rate and profit margin of operating income	Search for market information, understand product sales, price trends, market share, information on other companies in the same industry, average revenue levels, and refer to historical data for comparison
Total	319,257,490.88	298,304,900.00	18,096,752.74	/	/	/	/	/

Reasons for significant discrepancies between the aforementioned information and the information or external information used in previous years' impairment test

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Applicable Not applicable

Reasons for significant discrepancies between the information used in the Company's previous annual impairment tests and the actual situation of the current year

Applicable Not applicable

(3) Performance commitments and corresponding impairment of goodwill

When goodwill is formed, there is a performance commitment and the reporting period or the previous period in the reporting period is within the performance commitment period

Applicable Not applicable

Other descriptions

Applicable Not applicable

28. Long-term unamortized expenses

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Beginning balance	Amount increased in the current period	Amount amortized in the current period	Other decreased amounts	Ending balance
House renovation fees	146,459,299.86	64,191,644.00	67,840,145.20	1,154,973.23	141,655,825.43
Rent and others	11,377,968.05	8,228,089.08	6,541,532.69	3,923,259.71	9,141,264.73
IGBT capacity payment	4,256,000.04		2,128,000.01		2,128,000.03
Total	162,093,267.95	72,419,733.08	76,509,677.90	5,078,232.94	152,925,090.19

Other descriptions:

Other decreased amounts are due to the changes in the consolidation scope.

29. Deferred income tax assets/deferred income tax liabilities

(1) Deferred income tax assets without offset

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance		Beginning balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Asset impairment reserves	230,392,847.56	37,892,202.30	169,834,178.76	25,845,203.50
Deferred incomes	347,969,948.52	52,195,492.28	344,252,122.13	51,637,818.32
Amortization of long-term assets	87,343,824.75	13,101,573.72	74,488,493.32	11,175,542.09
Accrued expenses	34,305,861.57	6,865,943.86	53,399,166.05	8,654,176.29
Unrealized profits of internal transaction	43,960,007.30	6,608,361.62	19,961,883.16	1,195,840.48
Deductible losses	172,769,480.60	27,204,421.20	149,572,105.20	27,508,846.90
Lease liabilities	1,996,413,854.90	335,803,665.68	484,237,291.27	114,072,641.15
Total	2,913,155,825.20	479,671,660.66	1,295,745,239.89	240,090,068.73

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(2) Deferred income tax liabilities without offset√ Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance		Beginning balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Value increase in asset evaluation of business combination not under the same control	242,601,876.00	36,390,281.40	183,666,918.15	44,912,387.70
Changes in fair value of other creditor's right investments				
Changes in fair value of other equity instrument investments				
One-off deduction of fixed assets	19,113,149.83	2,866,972.47	22,387,579.52	5,596,894.88
Right-of-use assets	1,980,218,010.80	331,782,982.26	478,082,086.19	112,582,413.60
Total	2,241,933,036.63	371,040,236.13	684,136,583.86	163,091,696.18

(3) Deferred income tax assets or liabilities presented in the net amount after offsetting Applicable √ Not applicable**(4) Details of unrecognized deferred income tax assets**√ Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Deductible temporary differences	811,009,322.91	893,896,038.69
Deductible losses	18,702,155,462.17	11,131,052,861.64
Total	19,513,164,785.08	12,024,948,900.33

(5) Deductible losses of unrecognized deferred income tax assets will expire in the following year√ Applicable Not applicable

Unit: CNY Currency: RMB

Year	Ending amount	Beginning amount	Remarks
2023		284,972,039.36	
2024	569,412,044.70	591,648,833.19	
2025	1,675,049,268.81	1,696,514,263.72	

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2026	3,049,770,928.30	3,073,033,478.41	
2027	6,280,905,270.47	5,484,884,246.96	
2028	7,127,017,949.89		
Total	18,702,155,462.17	11,131,052,861.64	/

Other descriptions:

 Applicable Not applicable**30. Other non-current assets** Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment reserves	Book value	Book balance	Impairment reserves	Book value
Contract acquisition costs						
Contract performance costs						
Return cost receivable						
Contract assets						
Advance payment for acquisition of long-term assets	359,546,370.88		359,546,370.88	262,945,660.40		262,945,660.40
Large amount deposit certificate	426,129,282.88		426,129,282.88	1,000,000,000.00		1,000,000,000.00
Accrued interest	2,487,103.42		2,487,103.42	12,638,750.01		12,638,750.01
Total	788,162,757.18		788,162,757.18	1,275,584,410.41		1,275,584,410.41

Other descriptions:

None

31. Assets with restricted ownership or usage rights Applicable Not applicable

Unit: CNY Currency: RMB

Item	End of the period				Beginning of the period			
	Book balance	Book value	Restricted type	Restricted situation	Book balance	Book value	Restricted type	Restricted situation
Monetary capital	8,681,408,391.53	8,681,408,391.53	Pledge	Freeze, bill margin, loan deposit,	14,037,409,127.40	14,037,409,127.40	Pledge	Freeze, bill margin, loan deposit,

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				etc.				etc.
Notes receivable	39,049,700.00	39,049,700.00	Pledge	Pledge of notes	141,870,648.60	141,870,648.60	Pledge	Pledge of notes
Inventory								
Fixed assets	1,859,518,391.85	1,352,182,242.84	Mortgage	Provide mortgage guarantee for borrowing	1,748,100,096.96	1,382,505,179.26	Mortgage	Provide mortgage guarantee for borrowing
Intangible assets	230,204,063.70	178,971,356.48	Mortgage	Provide mortgage guarantee for borrowing	207,483,284.27	167,748,254.00	Mortgage	Provide mortgage guarantee for borrowing
Total	10,810,180,547.08	10,251,611,690.85	/	/	16,134,863,157.23	15,729,533,209.26	1	1

Other descriptions:

None

32. Short-term borrowings

(1) Classification of short-term borrowings

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Pledge borrowings		
Mortgage borrowings		
Guaranteed borrowings	780,000,000.00	1,710,000,000.00
Credit borrowings		360,000,000.00
Accrued interest	6,157,611.11	8,656,419.46
Total	786,157,611.11	2,078,656,419.46

Description for classification of short-term borrowings:

The guaranteed borrowing at the end of the period is the borrowing of RMB 700,000,000 obtained by the subsidiary with the Company as the guarantor; the Company and its subsidiary Chongqing Sokon Import and Export Co., Ltd. serve as guarantors, and the subsidiary has obtained a borrowing of RMB 50 million; the Company and its subsidiary Chongqing Sokon Automobile Parts Co., Ltd. serve as guarantors, and the subsidiary has obtained a borrowing of RMB 30 million.

(2) Overdue and outstanding short-term borrowings

Applicable Not applicable

Wherein, the important overdue and outstanding short-term borrowings are as follows:

Applicable Not applicable

Other descriptions

Applicable Not applicable

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33. Trading financial liabilities Applicable Not applicable

Other descriptions:

 Applicable Not applicable**34. Derivative financial liabilities** Applicable Not applicable**35. Notes payable**

(1) Presentation of notes payable

 Applicable Not applicable

Unit: CNY Currency: RMB

Category	Ending balance	Beginning balance
Commercial acceptance bills		
Bank acceptance bills	10,184,007,867.48	16,111,654,518.09
Total	10,184,007,867.48	16,111,654,518.09

Total amount of due unpaid notes payable at the end of the current period is RMB 0. Reasons for overdue payment: none

36. Accounts payable

(1) Presentation of accounts payable

 Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Within 1 year (inclusive)	19,838,814,335.00	9,184,119,876.67
Over 1 year	127,314,262.60	374,446,353.81
Total	19,966,128,597.60	9,558,566,230.48

(2) Important accounts payable with aging more than 1 year or overdue important accounts payable

 Applicable Not applicable

Other descriptions

 Applicable Not applicable**37. Advance receipt**

(1) Presentation of advance receipt

 Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Within 1 year (inclusive)	22,963,612.85	1,323,318.82
Total	22,963,612.85	1,323,318.82

(2) Important advance receipts with aging more than 1 year

 Applicable Not applicable

(3) Amount with major changes in its book value during the reporting period and its reasons

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 Applicable Not applicable

Other descriptions

 Applicable Not applicable**38. Contract liabilities****(1) Contract liabilities** Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Advances on sales	3,270,306,749.58	962,942,319.15
Total	3,270,306,749.58	962,942,319.15

(2) Important contract liabilities with aging more than 1 year Applicable Not applicable**(3) Amount with major changes in its book value during the reporting period and its reasons** Applicable Not applicable Other descriptions: Applicable Not applicable**39. Payroll payable****(1) Presentation of payroll payable** Applicable Not applicable

Unit: CNY Currency: RMB

Item	Beginning balance	Amount increased in the current period	Amount decreased in the current period	Ending balance
I. Short-term remuneration	653,591,278.37	3,070,712,661.36	3,014,037,807.57	710,266,132.16
II. Post-employment benefits - defined contribution plan	8,010,618.31	141,280,996.29	148,695,360.49	596,254.11
III. Dismissal benefits		280,000.00	280,000.00	
IV. Other benefits due within one year				
Total	661,601,896.68	3,212,273,657.65	3,163,013,168.06	710,862,386.27

(2) Presentation of short-term remunerationApplicable Not applicable

Unit: CNY Currency: RMB

Item	Beginning balance	Amount increased in the current period	Amount decreased in the current period	Ending balance
I. Salary, bonus, allowance and subsidy	647,270,209.16	2,708,002,463.08	2,648,395,808.96	706,876,863.28
II. Employee services and benefits		143,151,345.42	143,151,345.42	
III. Social insurance premium	2,968,121.86	95,784,819.23	98,564,384.88	188,556.21
Including: Medical insurance premium	472,161.20	87,084,559.95	87,370,251.90	186,469.25

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Work-related injury insurance premium	2,495,960.66	7,477,543.40	9,971,417.10	2,086.96
Birth insurance premium		1,222,715.88	1,222,715.88	
IV. Housing provident funds	134,785.00	118,817,130.92	118,861,237.92	90,678.00
V. Labor union expenditure and employees education fund	3,218,162.35	4,956,902.71	5,065,030.39	3,110,034.67
VI. Short-term compensated absences				
VII. Short-term profit sharing plan				
Total	653,591,278.37	3,070,712,661.36	3,014,037,807.57	710,266,132.16

(3) Presentation of defined contribution plan

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Beginning balance	Amount increased in the current period	Amount decreased in the current period	Ending balance
1. Basic endowment insurance	6,641,056.03	136,802,347.80	142,865,604.89	577,798.94
2. Unemployment insurance premium	1,369,562.28	4,478,648.49	5,829,755.60	18,455.17
3. Enterprise annuity payment				
Total	8,010,618.31	141,280,996.29	148,695,360.49	596,254.11

Other descriptions:

□ Applicable √ Not applicable

40. Taxes payable

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
VAT	177,916,918.09	303,761,463.89
Consumption taxes	190,710,851.96	34,918,077.45
Business taxes		
Corporate income tax	20,888,053.45	84,807,801.58
Property tax	1,571,629.64	1,580,613.97
Land use tax	589,695.01	589,695.04
Land value-added taxes		48,613,044.81
Individual income tax	14,606,726.69	13,813,143.36
Urban maintenance and construction taxes	23,769,489.62	15,891,310.44
Education surcharges	10,186,704.32	6,810,561.61

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Other taxes	29,593,256.51	21,441,057.91
Total	469,833,325.29	532,226,770.06

Other descriptions:

None

41. Other payables**(1) Item presentation**√ Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Interests payable		
Dividends payable		
Other payables	638,397,547.80	1,285,573,477.90
Total	638,397,547.80	1,285,573,477.90

Other descriptions:

 Applicable √ Not applicable**(2) Interest payable**

Presentation by categories

 Applicable √ Not applicable

Significant overdue interest payable:

 Applicable √ Not applicable

Other descriptions:

 Applicable √ Not applicable**(3) Dividends payable**

Presentation by categories

 Applicable √ Not applicable**(4) Other payables**

Presentation of other payables by nature of the payment

√ Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Temporary withholding of the social security and housing provident fund	7,685,455.80	10,788,415.03
Quality guarantee deposits and intercourse funds	630,712,092.00	1,274,785,062.87
Total	638,397,547.80	1,285,573,477.90

Important other payables with aging of more than 1 year or overdue

 Applicable √ Not applicable

Other descriptions:

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 Applicable Not applicable**42. Held-for-sale liabilities** Applicable Not applicable**43. Non-current liabilities due within 1 year** Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Long-term borrowings due within one year	817,962,043.06	891,984,161.94
Bonds payable due within one year		
Long-term payables due within one year		3,007,251.24
Lease liabilities due within one year	326,857,593.45	137,069,041.82
Total	1,144,819,636.51	1,032,060,455.00

Other descriptions: None

44. Other current liabilities

Other current liabilities

 Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Short-term bonds payable		
Refund payable		
Output tax to be written-off	382,702,434.39	106,878,665.89
Total	382,702,434.39	106,878,665.89

Increase or decrease of short-term bonds payable:

 Applicable Not applicable

Other descriptions:

 Applicable Not applicable**45. Long-term borrowings****(1) Classification of long-term borrowings** Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Pledge borrowings		
Mortgage borrowings	869,320,000.00	957,260,000.00

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Guaranteed borrowings	1,207,350,000.00	1,004,300,000.00
Credit borrowings	114,000,000.00	120,000,000.00
Accrued interest	2,142,043.06	2,238,516.80
Minus: Long-term borrowings due within one year	817,962,043.06	891,984,161.94
Total	1,374,850,000.00	1,191,814,354.86

Description for classification of long-term borrowings:

Note 1: The mortgage borrowing at the end of the period is the borrowing of RMB 460,000,000 obtained by the Company through the use of land use rights of its subsidiary; the Company obtained a borrowing of RMB 205,000,000 through property and fixed deposit certificates; the borrowing of RMB 204,320,000 obtained by the subsidiary through its own property rights and equipment rights.

Note 2: The guaranteed borrowing at the end of the period is the borrowing of RMB 1,167,350,000 obtained by the subsidiary with the Company as the guarantor. The borrowing of RMB 40,000,000 obtained by the subsidiary with the Company, its subsidiary Chongqing Sokon Automobile Parts Co., Ltd., and its actual controllers, Zhang Xinghai, Zhang Xingli, and Zhang Xingming, as the guarantor.

Other descriptions:

Applicable Not applicable

46. Bonds payable

(1) Bonds payables

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Sokon convertible bond		146,588,900.21
Accrued interest		706,847.40
Total		147,295,747.61

(2) Specific situation of payable bonds: (Excluding preferred shares, perpetual bonds and other financial instruments divided into the financial liabilities)

Applicable Not applicable

Unit: CNY Currency: RMB

Name of bonds	Face value	Coupon rate (%)	Issued date	Maturity of bonds	Amount issued	Beginning balance	Issue in the current period	Provision of interests based on face value	Amortization of premium and discount	Repayment in the current period	Ending balance	Default or not
Sokon convertible bond	100	2	2017/11/6	6 years	1,058,266,718.61	146,588,900.21			56,986,099.79	203,575,000.00		No
Total	/	/	/	/	1,058,266,718.61	146,588,900.21			56,986,099.79	203,575,000.00		/

Note: As of December 31, 2023, Sokon convertible bonds worth RMB 203,575,000 have been converted into corporate stocks in the current period, with 10,091,484 shares converted.

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(3) Description of convertible bonds√ Applicable Not applicable

Item	Conditions of the share transfer	Share transfer time
Sokon convertible bond	On July 20, 2022, the Company adjusted its share transfer price for non-public issuance of shares, and the share transfer price of convertible bonds issued by the Company was adjusted from RMB 16.96/share to RMB 20.17/share	January 1, 2023 to June 30, 2023

Accounting treatment and judgment basis for equity conversion

 Applicable Not applicable**(4) Description of other financial instruments classified as financial liabilities**

Basic information of outstanding preferred shares, perpetual bonds, and other financial instruments at the end of the period

 Applicable Not applicable

Changes of outstanding preferred shares, perpetual bonds, and other financial instruments at the end of the period

 Applicable Not applicable

Description of the basis of dividing other financial instruments as financial liabilities:

 Applicable Not applicable

Other descriptions:

 Applicable Not applicable**47. Lease liabilities**√ Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Lease payments	2,601,055,503.44	632,828,214.67
Minus: Unrecognized financing expenses	567,517,127.24	70,859,288.97
Minus: Lease liabilities due within one year	326,857,593.45	137,069,041.82
Total	1,706,680,782.75	424,899,883.88

Other descriptions:

None

48. Long-term payables**Item presentation**√ Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Long-term payables	1,224,421,917.78	1,158,421,917.81
Special payables		
Total	1,224,421,917.78	1,158,421,917.81

Other descriptions:

 Applicable Not applicable

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Long-term payables**(1) Long-term payables by the nature of the funds**

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Government platform financing	1,224,421,917.78	1,158,421,917.81
Financing lease payment		3,007,251.24
Minus: Long-term payables due within one year		3,007,251.24

Other descriptions:

None

Special payables**(1) Special payables by the nature of the funds**

□ Applicable √ Not applicable

49. Long-term payroll payable

□ Applicable √ Not applicable

50. Estimated liabilities

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Beginning balance	Ending balance	Cause of formation
Providing external guarantee			
Pending action			
Product quality assurance	48,859,267.51	50,043,134.59	Provision for three guarantees for the sale of automobiles
Restructuring obligation			
Loss contract to be executed			
Refund payable			
Others	2,554,901.36	2,554,901.36	Deductible amount for fire losses incurred by subsidiary SERES Automobile (Hubei) Co., Ltd.
Total	51,414,168.87	52,598,035.95	/

Other descriptions, including description of important assumptions and estimates of important estimated liabilities:

None

51. Deferred incomes**Deferred incomes**

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Beginning balance	Amount increased in the current period	Amount decreased in the current period	Ending balance	Cause of formation
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Government subsidies	1,889,274,456.12	22,087,800.00	172,408,213.92	1,738,954,042.20	
Total	1,889,274,456.12	22,087,800.00	172,408,213.92	1,738,954,042.20	/

Other descriptions:

Applicable Not applicable

The main reason for the increase in the current period is that the subsidiary Chongqing Jinkang Powertrain New Energy Co., Ltd. received a special fund of RMB 22,050,000.00 from the Economic and Information Commission of Shapingba District, Chongqing for the development of advanced manufacturing and modern service industries; other changes in the current period are mainly due to changes in the consolidation scope.

52. Other non-current liabilities

Applicable Not applicable

53. Share capital

Applicable Not applicable

Unit: CNY Currency: RMB

	Beginning balance	Increase and decrease of this change (+, -)					Ending balance
		Issuance of new shares	Share donation	Provident fund converted into share capital	Others	Subtotal	
Total number of shares	1,497,279,083.00				12,503,110.00	12,503,110.00	1,509,782,193.00

Other descriptions:

Others refer to the conversion of convertible bonds into 10,091,484 shares of corporate stocks by Sokon in the current period and 2,411,626 shares of equity incentive exercise.

54. Other equity instruments

(1) Basic information of outstanding preferred shares, perpetual bonds, and other financial instruments at the end of the period

Applicable Not applicable

(2) Changes of outstanding financial instruments such as, preferred shares, perpetual bonds, etc., at the end of the period

Applicable Not applicable

Unit: CNY Currency: RMB

Outstanding financial instruments	Beginning of the period		Amount increased in the current period		Amount decreased in the current period		End of the period	
	Quantity	Book value	Quantity	Book value	Quantity	Book value	Quantity	Book value
Convertible bonds		56,817,665.06				56,817,665.06		
Total		56,817,665.06				56,817,665.06		

Increase and decrease changes in other equity instruments, explanations on the reasons for changes, and basis of accounting treatment:

Applicable Not applicable

The decrease in the current period is due to the conversion of Sokon convertible bonds into corporate stocks, and other equity instruments are adjusted based on the proportion of the conversion amount in each period.

Other descriptions:

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 Applicable Not applicable**55. Capital reserves** Applicable Not applicable

Unit: CNY Currency: RMB

Item	Beginning balance	Amount increased in the current period	Amount decreased in the current period	Ending balance
Capital premium (share capital premium)	12,906,634,358.43	374,198,192.39		13,280,832,550.82
Other capital reserves	2,388,287,651.54	2,257,095,181.20	52,600,845.87	4,592,781,986.87
Total	15,294,922,009.97	2,631,293,373.59	52,600,845.87	17,873,614,537.69

Other descriptions, including increase and decrease changes, and explanations on the reasons for changes:

Note 1: The increase in capital premium in the current period is due to the conversion of Sokon convertible bonds into corporate stocks, which increased the capital premium by RMB 196,242,139.40, and the exercise of equity incentives increased the capital premium by RMB 177,956,052.99.

Note 2: The increase in other capital reserves is due to the performance compensation of RMB 1,374,169,340.39 from Chongqing Sokon Holdings Co., Ltd., and the change in the owner's equity share of the subsidiary increases other capital reserves by RMB 882,925,840.81; the decrease in other capital reserves is mainly due to the failure of stock options to meet the exercise conditions, offsetting other capital reserves by RMB 30,811,228.92 and equity incentive exercise by RMB 21,139,616.95.

56. Treasury shares Applicable Not applicable

Unit: CNY Currency: RMB

Item	Beginning balance	Amount increased in the current period	Amount decreased in the current period	Ending balance
Share incentive repurchase	99,991,090.70	105,245,296.00		205,236,386.70
Total	99,991,090.70	105,245,296.00		205,236,386.70

Other descriptions, including increase and decrease changes, and explanations on the reasons for changes:

None

57. Other comprehensive incomes Applicable Not applicable

Unit: CNY Currency: RMB

Item	Beginning balance	Accrual in the current period						Ending balance
		Amount incurred before income tax in the current period	Minus: Included into other comprehensive incomes at the earliest stage and transferred into the profits and losses in the current	Minus: Included into other comprehensive incomes at the earliest stage and transferred into the retained earnings in the current	Minus: Income tax expenses	Attributable to parent company after tax	Attributable to minority shareholders after tax	

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			period	period				
I. Other comprehensive incomes that cannot be reclassified into profits and losses		3,750,000.00		3,750,000.00				
Including: Re-measurement of the changed amount of the defined benefit plan								
Other comprehensive incomes that cannot be transferred into the profits and losses under the equity method								
Changes in fair value of other equity instrument investments		3,750,000.00		3,750,000.00				
Changes in fair value of enterprise's own credit risks								
II. Other comprehensive incomes that will be reclassified into profits and losses	-80,938,770.04	4,272,846.49			3,001,540.49	1,271,306.00	-77,937,229.55	
Including: Other comprehensive incomes that can be transferred into the profits and losses under the equity method								
Changes in fair value of other creditor's right investments								
Amounts of financial assets reclassified into other comprehensive incomes								
Credit impairment reserves of other creditor's right investments								
Cash flow hedging reserves								
Translation balance of foreign currency financial statements	-80,938,770.04	4,272,846.49			3,001,540.49	1,271,306.00	-77,937,229.55	
Total other comprehensive incomes	-80,938,770.04	8,022,846.49		3,750,000.00	3,001,540.49	1,271,306.00	-77,937,229.55	

Other descriptions, including transferring the effective part of cash flow hedge profit and loss to initial recognition amount

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adjustment of hedged items:

None

58. Special reserves Applicable Not applicable**59. Surplus reserves** Applicable Not applicable

Unit: CNY Currency: RMB

Item	Beginning balance	Amount increased in the current period	Amount decreased in the current period	Ending balance
Statutory surplus reserves	357,849,143.69	16,128,229.48		373,977,373.17
Discretionary surplus reserves				
Reserve funds				
Enterprise development funds				
Others				
Total	357,849,143.69	16,128,229.48		373,977,373.17

Descriptions of surplus reserves, including increase and decrease changes, and explanations on the reasons for changes:

The increase in the current period is due to a 10% provision of surplus reserves of RMB 15,753,229.48, and an increase of RMB 375,000.00 in surplus reserves due to the transfer of other comprehensive incomes to retained earnings.

60. Undistributed profits Applicable Not applicable

Unit: CNY Currency: RMB

Item	Current period	Previous period
Undistributed profit at the end of the previous period before adjustment	-5,606,271,604.18	-1,713,042,861.87
Adjustment of the total undistributed profits at the beginning of the period (increased+, increased-)	-37,386.37	
Undistributed profit at the beginning of the period after adjustment	-5,606,308,990.55	-1,713,042,861.87
Plus: Net profit attributable to the owners of the parent company in the current period	-2,449,687,107.34	-3,831,866,371.22
Minus: Withdrawal of statutory surplus reserves	15,753,229.48	61,362,371.09
Withdrawal of discretionary surplus reserves		
Withdrawal of general risk reserves		
Common share dividends payable		
Common stock dividends converted to share capital		
Carry-over of retained earnings by other comprehensive incomes	3,375,000.00	

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Undistributed profits at the end of the period	-8,068,374,327.37	-5,606,271,604.18
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Details of undistributed profit at the beginning of the period during adjustment period:

1. Due to retroactive adjustment for the *Accounting Standards for Business Enterprises* and its related new regulations, the affected undistributed profit at the beginning of the period is RMB 0.
2. The affected undistributed profit at the beginning of the period is RMB -37,386.37 due to the changes in accounting policies.
3. The affected undistributed profit at the beginning of the period is RMB 0 due to corrections of significant accounting errors.
4. The affected undistributed profit at the beginning of the period is RMB 0 due to the changes of consolidation scope under the same control.
5. The affected undistributed profit at the end of the period is RMB 0 due to other adjustments.

61. Operating income and operating cost**(1) Operating income and operating cost**

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period		Accrual in the previous period	
	Revenue	Cost	Revenue	Cost
Main business	34,644,781,470.46	31,349,284,574.75	32,967,305,927.52	29,388,653,738.00
Other businesses	1,197,176,396.35	770,002,598.07	1,137,690,261.00	854,957,889.56
Total	35,841,957,866.81	32,119,287,172.82	34,104,996,188.52	30,243,611,627.56

(2) Operating income deduction

Unit: CNY Currency: RMB

Item	Current year	Specific deduction	Previous year	Specific deduction
Amount of operating income	35,841,957,866.81		34,104,996,188.52	
Total amount of deducted items from operating income	262,453,969.16	Renting property, selling materials, etc.	436,717,072.38	Renting property, selling materials, etc.
Proportion of total deducted items from operating income to operating income (%)	0.73	/	1.28	/

I. Operating income unrelated to main businesses

1. Other operating incomes beyond normal operations. Income from rental of fixed assets, intangible assets, packing materials, selling materials, exchanging non monetary assets with materials, operating entrusted management businesses, and other activities, as well as income that is not included in the normal operation of a listed company, although included in the main business income.	262,453,969.16	Renting property, selling materials, etc.	436,717,072.38	Renting property, selling materials, etc.
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2. Unqualified financial business income, such as interest income from lending funds; The income generated from new financial businesses in this fiscal year and the previous fiscal year, such as guarantee, commercial factoring, petty loan, financing lease, pawnshops, etc., is excluded from the financing lease business carried out for the sales of main products.				
3. Income from new trade transactions in the current and previous fiscal years.				
4. Income from related party transactions unrelated to the existing normal business operations of the listed company.				
5. Income of subsidiaries under the same control from the beginning of the period to the date of business combination.				
6. Income from businesses that have not formed or are difficult to form a stable business model.				
Subtotal of business income unrelated to main business	262,453,969.16	Renting property, selling materials, etc.	436,717,072.38	Renting property, selling materials, etc.
II. Income without commercial substance				
1. Income from transactions or events that do not significantly alter the risk, time distribution, or amount of future cash flows of the enterprise.				
2. Income from transactions without real business. Including the false income realized by self trading, and the false income generated by using Internet technology or other methods to construct transactions.				
3. Income from transactions with significantly unfair transaction prices.				
4. Income from the combination of subsidiaries or businesses obtained through unfair consideration or non transaction methods in the current fiscal year.				
5. Income related to non-standard audit opinions in audit opinions.				
6. Income from other transactions or events that are not commercially reasonable.				
Subtotal of income without commercial substance				
III. Other incomes unrelated to the main business or without commercial substance				

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Amount after deducting operating income	35,579,503,897.65		33,668,279,116.14	
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(3) Breakdown information of operating income and operating cost

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Contract classification	Vehicle and parts - segment		Total	
	Operating income	Operating cost	Operating income	Operating cost
Goods type				
Complete automobile	33,556,492,517.40	30,367,810,204.15	33,556,492,517.40	30,367,810,204.15
Automotive spare parts and others	2,285,465,349.41	1,751,476,968.67	2,285,465,349.41	1,751,476,968.67
Classification by operating area				
Market or customer type				
Contract type				
Classified by time of goods transfer				
Classified by contract term				
Classified by sales channel				

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Total	35,841,957,866.81	32,119,287,172.82	35,841,957,866.81	32,119,287,172.82
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Other descriptions

 Applicable Not applicable**(4) Description of performance obligations** Applicable Not applicable**(5) Description of allocation to remaining performance obligations** Applicable Not applicable**(6) Significant contract changes or significant transaction price adjustments** Applicable Not applicable

Other descriptions:

None

62. Taxes and surcharges Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Consumption taxes	636,199,229.77	666730,336.08
Business taxes		
Urban maintenance and construction taxes	81,746,730.76	78,795,737.85
Education surcharges	58,390,445.45	56,282,669.76
Resources tax		
Property tax	43,712,576.07	44,191,261.86
Land use tax	29,497,981.53	31,713,586.97
Vehicle and vessel tax	102,969.26	61,434.15
Stamp tax	53,727,308.44	47,721,432.42
Others	370,362.23	507,029.19
Total	903,747,603.51	926,003,488.28

Other descriptions:

None

63. Sales expenses Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Employee remuneration	360,188,002.89	340,560,589.73
Transportation and storage charges	47,012,629.56	29,120,102.38
Advertising and promotion expenses, image	4,544,963,595.01	4,036,183,258.15

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shop construction costs, and service fees		
Fee of three guarantees	213,148,709.08	182,485,278.29
Travel expenses	62,597,041.24	48,838,789.90
Commodity inspection and certification charges	21,286,892.42	7,549,954.19
Office and hospitality expenses	84,572,154.56	73,797,826.72
Depreciation, amortization and repair charges	100,720,710.16	77,655,572.64
Others	30,623,082.66	23,432,684.74
Total	5,465,112,817.58	4,819,624,056.74

Other descriptions:

None

64. Management expenses

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Employee remuneration	947,900,119.75	900,149,116.33
Repair costs, depreciation and amortization expenses, and low-value consumables	217,345,038.94	229,135,105.85
Trademark and patent fees	16,337,222.51	17,579,003.98
Operating expenses such as office expenses and travel expenses	379,252,520.50	505,066,382.61
Transportation, vehicle and fuel costs	11,394,946.11	18,126,312.28
Consulting service expenses	74,199,951.73	39,357,870.79
Share-based payment	-30,811,228.92	31,661,202.71
Others	37,712,247.95	34,265,399.12
Total	1,653,330,818.57	1,775,340,393.67

Other descriptions: None

65. R&D expenses

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Employee remuneration	257,268,791.38	168,940,955.65
Repair costs, depreciation and amortization expenses, and low-value consumables	1,209,453,932.42	963,771,233.27
Outsourced R&D and design fees	82,481,615.32	66,862,969.48

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Trial production fees, testing fees, and process procedure fees	53,241,831.80	44,360,540.75
Purchase expenses of prototype samples, etc.	9,927,871.15	15,647,134.91
Others	84,101,784.64	54,078,428.32
Total	1,696,475,826.71	1,313,661,262.38

Other descriptions: None

66. Financial expenses

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Interest expenses	308,745,722.34	330,170,794.19
Minus: Interest income	294,607,274.01	189,493,487.11
Exchange losses	-50,103,607.00	9,948,936.91
Service fee expense and others	20,154,844.55	21,524,136.90
Total	-15,810,314.12	172,150,380.89

Other descriptions: None

67. Other incomes

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

By the nature	Accrual in the current period	Accrual in the previous period
Subsidy for job stabilization	11,850,923.66	9,379,625.35
Patent R&D project subsidies	16,529,500.00	26,826,200.00
Procurement and sales logistics subsidies		7,636,741.26
Return handling charges of individual income tax	2,431,587.31	1,776,861.39
Tax reduction and refund	13,971,054.71	1,087,601.35
Financing guarantee subsidy		3,958,500.00
Environment-protecting subsidy		239,000.00
Government financing	355,614,500.61	349,057,282.94
Amortization of deferred income	148,099,675.17	121,810,593.69
Total	548,497,241.46	521,772,405.98

Other descriptions: None

68. Return on investment

√ Applicable □ Not applicable

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Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Return on long-term equity investment accounted by the equity method	1,058,701.30	1,362,033.94
Return on investment from disposal of long-term equity investment	1,756,999,763.33	-24,586,746.81
Return on investment from trading financial assets during the holding period	37,635,417.56	10,696,225.00
Dividend income from other equity instruments during the holding period		
Interest income from creditor's right investment during the holding period		
Interest income from other creditor's right investments during the holding period		
Return on investment for disposal of trading financial assets		
Return on investment from disposal of other equity instrument investments		
Return on investment from disposal of creditor's right investment		
Return on investment from disposal of other creditor's right investments		
Incomes from debt restructuring		
Bill discount interest	-29,063,723.87	-37,500,744.98
Others	22,487,774.86	12,638,750.01
Total	1,789,117,933.18	-37,390,482.84

Other descriptions:

The return on investment generated from the disposal of long-term equity investments is due to the loss of control right of the subsidiary Ruichi Automobile's capital increase and share expansion, as well as the external disposal of the subsidiary Jiangshuang's equity.

69. Income from net exposure hedging
 Applicable Not applicable
70. Income from changes in fair value
 Applicable Not applicable

Unit: CNY Currency: RMB

Source of income from changes in fair value	Accrual in the current period	Accrual in the previous period
Trading financial assets	22,293,471.81	-169,612,103.76
Including: Income from changes in fair value generated by derivative financial instruments		
Trading financial liabilities		

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Investment property measured at the fair value		
Total	22,293,471.81	-169,612,103.76

Other descriptions: None

71. Credit impairment losses

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Bad-debt losses of notes receivable		
Bad-debt losses of accounts receivable	-15,837,571.98	-25,434,298.38
Bad-debt losses of other receivables	-74,128,438.03	-44,915,499.38
Impairment loss of creditor's right investment		
Impairment loss of other creditor's right investments		
Bad-debt losses of long-term receivables	7,320,000.00	-1,203,902.17
Impairment losses related to financial guarantees		
Impairment losses of contract assets		
Total	-82,646,010.01	-71,553,699.93

Other descriptions: None

72. Asset impairment losses

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
I. Impairment losses of contract assets	-26,138,644.00	-5,332,864.81
II. Loss on inventory falling price and impairment loss of contract performance cost	-301,692,691.08	-280,451,894.45
III. Impairment loss of long-term equity investment		
IV. Impairment loss of investment property		
V. Impairment loss of fixed assets	-1,482,395.75	-9,248,213.52
VI. Impairment loss of engineering materials		
VII. Impairment loss of construction in progress		
VIII. Impairment loss of productive biological assets		
IX. Impairment loss of oil-gas assets		
X. Impairment loss of intangible assets	-76,202,986.79	

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XI. Impairment loss of goodwill	-18,096,752.74	-10,692,919.15
XII. Others		
Total	-423,613,470.36	-305,725,891.93

Other descriptions: None

73. Income from asset disposal

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Income from disposal of long-term assets	133,006,644.87	280,977,863.58
Total	133,006,644.87	280,977,863.58

Other descriptions: None

74. Non-operating income

Non-operating income

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period	Amount included into the current non-recurring profits and losses
Total non-current assets disposal gains	3,967,389.56	130,516.19	3,967,389.56
Including: Gains from disposal of fixed assets	3,967,389.56	130,516.19	3,967,389.56
Gains from disposal of intangible assets			
Gains from non-monetary asset exchange			
Accepting donations			
Government subsidies	968,309.73	1702,031.21	968,309.73
Income from fines	2,246,555.30	1,931,854.58	2,246,555.30
Income from wastes	1,563,414.06	13,232,143.04	1,563,414.06
Overdue deposit income	27,840,000.00		27,840,000.00
Others	11,777,932.80	15,691,529.81	11,777,932.8
Total	48,363,601.45	32,688,074.83	48,363,601.45

Other descriptions:

□ Applicable √ Not applicable

75. Non-operating expenditure

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous	Amount included into the current non-recurring profits
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		period	and losses
Total non-current assets disposal losses	94,958,778.50	14,157,220.91	94,958,778.50
Including: Losses on disposal of fixed assets	14,238,464.21	14,157,220.91	14,238,464.21
Losses on disposal of intangible assets	80,720,314.29		80,720,314.29
Losses on non-monetary asset exchange			
Outward donation	2,693,189.28	15,432,178.23	2,693,189.28
Liquidated damages	29,095,023.99		29,095,023.99
Others	8,945,793.17	6,581,754.90	8,945,793.17
Total	135,692,784.94	36,171,154.04	135,692,784.94

Other descriptions:

None

76. Income tax expenses

(1) Income tax expenses

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Current income tax expenses	116,622,095.02	272,629,902.94
Deferred income tax expenses	-40,765,068.86	17,517,369.10
Total	75,857,026.16	290,147,272.04

(2) Accounting profit and income tax expense adjustment process

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period
Total profits	4,080,859,430.80
Income tax expenses at statutory/applicable tax rate	-1,020,214,857.70
Influence of different tax rates on subsidiaries	-135,337,812.39
Influence of income tax before the adjustment	-12,768,766.70
Influence of non-taxable incomes	
Influence of non-deductible costs, expenses and losses	14,109,952.29
Influence of deductible loss of deferred income tax assets not recognized in the early stage of use	-64,720,146.35
Influence of deductible temporary differences or deductible	1,301,529,126.33

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losses in unrecognized deferred income tax assets in the current period	
Influence of additional deduction items	-6,740,469.32
Income tax expenses	75,857,026.16

Other descriptions:

Applicable Not applicable

77. Other comprehensive incomes

Applicable Not applicable

Refer to Note 57 of VII. Consolidated Financial Statement Items for details.

78. Items of cash flow statement

(1) Cash related to operating activities

Other cash received related to operating activities

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Interest income	294,607,274.01	189,493,487.11
Relocation subsidies received		187,364,189.95
Overdue deposit	27,840,000.00	
Government subsidies received	410,329,134.69	445,029,174.21
Other monetary funds, bill margin	5,856,511,953.31	
Temporary payment for received quality assurance deposit, security deposit, etc.	448,288,783.33	1,283,985,730.79
Total	7,037,577,145.34	2,105,872,582.06

Description on other cash received related to operating activities:

None

Other cash paid related to operating activities

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Other monetary funds, bill margin		9,003,353,371.20
Freezing of bank deposits	2,627,249.77	5,563,242.21
Period expenses paid	5,586,565,056.82	5,298,609,638.27
Temporary payment for paid quality assurance deposit, security deposit, etc.	1,370,945,828.59	670,382,067.06
Total	6,960,138,135.18	14,977,908,318.74

Description of other cash paid related to operating activities:

None

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(2) Cash related to investing activities

Important cash received related to investing activities

√ Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Recover cash management products	6,200,990,000.00	
Recover investment funds from Guangdong Lingyue and others	45,906,986.46	
Total	6,246,896,986.46	

Description on important cash received related to investing activities

None

Important cash paid related to investing activities

√ Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Invest in cash management products	5,597,129,282.88	2,599,990,000.00
Pay investment funds from Guangdong Lingyue and others	41,500,000.00	6,000,000.00
Total	5,638,629,282.88	2,605,990,000.00

Description on important cash received related to investing activities

None

Other cash received related to investing activities

√ Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Performance compensation	222,460,992.10	1,361,093,416.28
Total	222,460,992.10	1,361,093,416.28

Description of other cash received related to investing activities:

None

Other cash paid related to investing activities

√ Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Other monetary funds, bill margin	773,924,006.29	531,652,091.29
Loss of control right over subsidiaries	317,137,063.36	
Total	1,091,061,069.65	531,652,091.29

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Description on other cash paid related to investing activities:

None

(3) Cash related to financing activities

Other cash received related to financing activities

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Loan deposits	297,040,038.62	9,258,503.19
Receipt of financial aid from controlling shareholder		500,000,000.00
Collection of after-sales and leaseback payments	29,190,000.00	53,140,800.00
Government platform financing		1,100,000,000.00
Total	326,230,038.62	1,662,399,303.19

Description of other cash received related to financing activities:

None

Other cash paid related to financing activities

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Collection of after-sales and leaseback payments	45,320,043.76	36,734,351.44
Stock repurchase	105,256,978.67	100,107,339.26
Return of financial aid to controlling shareholder		1,560,000,000.00
Payment fees for issuing stocks		4,851,553.62
L/G deposit	21,000,000.00	
Lease liabilities	158,489,292.42	127,986,288.93
Total	330,066,314.85	1,829,679,533.25

Description of other cash paid related to financing activities:

None

Changes in liabilities arising from financing activities

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Beginning balance	Amount increased in the current period		Amount decreased in the current period		Ending balance
		Cash changes	Non cash changes	Cash changes	Non cash changes	
Short-term borrowings	2,078,656,419.46		75,652,530.70	1,368,151,339.05		786,157,611.11

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Long-term payables	1,158,421,917.81		65,999,999.97			1,224,421,917.78
Bonds payable	147,295,747.61	136,433,303.91	61,794,218.01	139,243,574.16	206,279,695.37	
Lease liabilities (including portion matured within one year)	561,968,925.70		1,630,058,742.92	158,489,292.42		2,033,538,376.20
Long-term loans (including portion due within one year)	2,083,798,516.80	2,702,663.65	106,310,862.61			2,192,812,043.06
Total	6,030,141,527.38	139,135,967.56	1,939,816,354.21	1,665,884,205.63	206,279,695.37	6,236,929,948.15

(4) Description of presenting cash flows on a net basis

Applicable Not applicable

(5) Significant activities and financial impacts that do not involve current cash inflows and outflows but affect the financial conditions of the Company or may affect the cash flow of the Company in the future

Applicable Not applicable

79. Supplementary information of cash flow statement**(1) Supplementary information of cash flow statement**

Applicable Not applicable

Unit: CNY Currency: RMB

Supplementary information	Amount of the current period	Amount of the previous period
1. Adjustment of the net profit into the cash flow of operating activities:		
Net profit	-4,156,716,456.96	-5,220,557,281.15
Plus: Asset impairment reserves	423,613,470.36	305,725,891.93
Credit impairment losses	82,646,010.01	71,553,699.93
Depreciation of fixed assets, waste of oil-gas assets and depreciation of productive biological assets	1,291,057,512.91	1,230,372,930.29
Amortization of right-of-use assets	194,763,233.52	102,543,714.74
Amortization of intangible assets	1,213,524,581.08	933,331,454.92
Amortization of long-term unamortized expenses	76,509,677.90	44,870,988.54
Losses on disposal of fixed assets, intangible assets and other long-term assets (the income is expressed with "-")	-133,006,644.87	-280,977,863.58
Losses from abandonment of fixed assets (the income is expressed with "-")	90,991,388.94	14,026,704.72
Loss on changes in fair value (the income is expressed with "-")	-22,293,471.81	169,612,103.76
Financial expenses (the income is expressed with "-")	312,200,918.45	335,864,913.37
Investment loss (the income is expressed with "-")	-1,818,181,657.05	110,262.14
Decrease in deferred income tax assets (the increase is expressed with "-")	-248,713,608.81	23,990,220.39

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Increase in deferred income tax liabilities (the decrease is expressed with "-")	207,948,539.95	-5,971,763.84
Decrease in inventories (the increase is expressed with "-")	463,693,345.88	-1,239,239,597.41
Decrease in operational receivables (the increase is expressed with "-")	-629,333,623.51	471,860,863.13
Increase in operational payables (the decrease is expressed with "-")	9,048,908,404.71	1,874,340,767.54
Others		
Net cash flow generated from operating activities	6,397,611,620.70	-1,168,541,990.58
2. Important investing and financing activities unrelated to cash receipts and payments:		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Fixed assets under financing lease		
3. Net change of cash and cash equivalents:		
Ending balance of cash	4,479,718,848.46	2,327,393,653.03
Minus: Beginning balance of cash	2,327,393,653.03	1,318,960,938.94
Plus: Ending balance of cash equivalents		
Minus: Beginning balance of cash equivalents		
Net increase in cash and cash equivalents	2,152,325,195.43	1,008,432,714.09

(2) Net cash paid for acquisition of the subsidiary in the current period

Applicable Not applicable

(3) Net cash paid received for disposal of the subsidiary in the current period

Applicable Not applicable

Unit: CNY Currency: RMB

	Amount
Cash or cash equivalents received from disposal of subsidiary in the current period	350,000,000
Chongqing Jiangshuang Automobile Parts Co., Ltd.	350,000,000
Minus: Cash and cash equivalents held by the subsidiary on the date of loss of control right	
Plus: Cash or cash equivalents received from disposal of subsidiary in the previous period	

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Net cash received from disposal of subsidiary	350,000,000
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Other descriptions: None

(4) Constitution of cash and cash equivalents√ Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
I. Cash	4,479,718,848.46	2,327,393,653.03
Including: Cash on hand	88,045.13	228,249.62
Bank deposit available for payment at any time	4,479,630,803.33	2,327,165,403.41
Other monetary capitals available for payment at any time		
Deposit in the central bank available for payment at any time		
Deposit in other banks		
Loans from other banks		
II. Cash equivalents		
Including: Bond investment due within three months		
III. Balance of cash and cash equivalents at the end of the period	4,479,718,848.46	2,327,393,653.03
Including: Cash and cash equivalents with restricted use by the parent company or subsidiary within the Group		

(5) Situations where the scope of use is limited but still listed as cash and cash equivalents Applicable √ Not applicable**(6) Monetary capitals that do not belong to cash and cash equivalents**√ Applicable Not applicable

Unit: CNY Currency: RMB

Item	Amount of the current period	Amount of the previous period	Reasons
Restricted monetary capital	8,681,408,391.53	14,037,409,127.40	Freeze, bill margin, loan deposit, etc.
Total	8,681,408,391.53	14,037,409,127.40	/

Other descriptions:

 Applicable √ Not applicable**80. Item notes to statement of changes in owner's equity**

Describe the item names of the "others" and the adjustment amount for adjusting the balance at the end of previous year:

 Applicable √ Not applicable**81. Foreign currency monetary items**

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(1) Foreign currency monetary items

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Balance of foreign currency at the end of the period	Conversion exchange rate	RMB balance converted at the end of the period
Monetary capital	-	-	300,618,904.38
Including: USD	40,650,076.26	7.0827	287,912,295.13
EUR	108,274.75	7.8592	850,952.92
HKD	234.98	0.9062	212.94
IDR	25,150,704,917.00	0.000461	11,594,474.97
SGD	48,532.40	5.3772	260,968.42
Accounts receivable	-	-	2,168,726,999.72
Including: USD	302,047,910.65	7.0827	2,139,314,736.76
EUR	2,638,900.00	7.8592	20,739,642.88
IDR	18,812,624,894.00	0.000461	8,672,620.08
Other receivables	-	-	117,592,802.02
Including: USD	10,383,608.88	7.0827	73,543,986.61
EUR	5,485,804.43	7.8592	43,114,034.18
IDR	2,027,725,000.00	0.000461	934,781.23
Contract liabilities	-	-	44,151,687.23
Including: USD	4,522,626.85	7.0827	32,032,409.19
EUR	1,018,393.82	7.8592	8,003,760.71
IDR	8,927,369,468.55	0.000461	4,115,517.33
Other payables	-	-	2,282,773,106.34
Including: USD	316,609,125.52	7.0827	2,242,447,453.32
EUR	4,896,194.33	7.8592	38,480,170.48
IDR	4,003,215,913.00	0.000461	1,845,482.54
Advance payment	-	-	12,333,362.04
Including: EUR	1,460,195.00	7.8592	11,475,964.54
IDR	1,859,864,424.00	0.000461	857,397.50
Accounts payable	-	-	723,363,689.62
Including: USD	102,099,510.60	7.0827	723,140,203.73

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IDR	484,785,011.00	0.000461	223,485.89
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Other descriptions:

None

(2) Descriptions of overseas operational entity, including the overseas business location, recording currency and basis of selection. In case of changes in recording currency, the reasons should also be disclosed

√ Applicable Not applicable

Important overseas business entities	Main place of business abroad	Accounting standard currency	Selection basis
PT.SOKONINDOAUTOMOBILE	Jakarta, Indonesia	IDR	Currency of the main economic environment within the operating area
SFMotors,Inc	Silicon Valley, California	USD	Currency of the main economic environment within the operating area
SERESEUROPEB.V	Netherlands	EUR	Currency of the main economic environment within the operating area

82. Lease**(1) As a lessee**√ Applicable Not applicable

Variable lease payments not included in the measurement of lease liabilities

 Applicable √ Not applicable

Simplified handling of short-term leasing or leasing costs for low value assets

√ Applicable Not applicable

Short-term leases or low-value asset leases are as follows:

Item	Lease expenses (RMB)	Remarks
Low-value asset lease	1,384,826.40	The monthly rent is lower
Short-term lease	9,039,560.39	The lease term is less than 12 months
Total	10,424,386.79	/

Sale and leaseback transactions and judgment basis

√ Applicable Not applicable

According to the contract agreement and the nature of the business, if the Company leases back the vehicle after transferring it but fails to realize sales, it belongs to after-sales leaseback.

The total cash outflow related to leasing is RMB 214,541,579.55

(2) As a leaser

Operating lease as lessor

√ Applicable Not applicable

Unit: CNY Currency: RMB

Item	Lease incomes	Wherein: Income related to variable lease payments not included in lease receipts
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Houses and buildings	53,072,877.62	
Total	53,072,877.62	

Financing lease as lessor

Applicable Not applicable

Adjustment for undiscounted lease receipts and net lease investments

Applicable Not applicable

Undiscounted lease receipts for the next five years

Applicable Not applicable

(3) Recognition of the profit and loss of financing lease sales as a manufacturer or distributor

Applicable Not applicable

Other descriptions None

83. Others

Applicable Not applicable

VIII. R&D Expenditure

(1) Presentation by nature of expenses

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Automobile development	4,309,385,381.14	2,965,531,952.18
Engine development	111,022,954.82	109,749,469.48
Transmission development	17,832,407.13	30,582,574.87
Total	4,438,240,743.09	3,105,863,996.53
Including: Expensed R&D expenditure	620,645,827.39	497,078,473.08
Capitalized R&D expenditure	3,817,594,915.70	2,608,785,523.45

Other descriptions: None

(2) R&D project development expenses that meet capitalization criteria

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Beginning balance	Amount increased in the current period		Amount decreased in the current period			Ending balance
		Internal development expenditure	Others	Recognized as intangible assets	Transferred into current profits and losses	Others	
Automobile development	1,319,950,054.41	4,309,385,381.14		4,119,847,896.81	579,025,884.82	1,595,139.81	928,866,514.11
Engine development	32,405,937.71	111,022,954.82		47,523,773.44	23,787,535.44		72,117,583.65
Transmission		17,832,407.13			17,832,407.13		

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development							
Total	1,352,355,992.12	4,438,240,743.09		4,167,371,670.25	620,645,827.39	1,595,139.81	1,000,984,097.76

Note: Others are due to changes in the consolidation scope.

Significant capitalized R&D projects

Applicable Not applicable

Impairment reserves of development expenditure

Applicable Not applicable

Other descriptions None

(3) Important outsourcing projects under research

Applicable Not applicable

IX. Changes in Consolidation Scope

1. Business combination not under the same control

Applicable Not applicable

2. Business combination under the same control

Applicable Not applicable

3. Counter purchase

Applicable Not applicable

4. Disposal of subsidiaries

Are there any transactions or events that result in the loss of control right over a subsidiary in the current period

Applicable Not applicable

Unit: CNY

Currency: RMB

Subsidiary name	Time point of loss of control right	Disposal price at the point of loss of control right	Disposal ratio at the point of loss of control right (%)	Disposal mode at the point of loss of control right	Determination basis of the time point of loss of control right	Consolidated financial statements corresponding to disposal of price and investment enjoy the balance of the share of net assets of subsidiaries	Proportion of remaining equity on the day of loss of control right (%)	Book value of the remaining equity at the consolidated financial statement level on the date of loss of control right	Fair value of the remaining equity at the consolidated financial statement level on the date of loss of control right	Gains or losses generated by re-measurement of the residual equity based on the fair value	Determination method and main assumptions for fair value of remaining equity at the consolidated financial statement level on the date of loss of control right	Amount of investment profit and loss or retained earnings transferred from other comprehensive incomes related to the equity investment of original subsidiary
Chongqing Ruichi Automobile Industry Co., Ltd.	December 30, 2023	2,010,000,000.00	50.12	External capital increase equity dilution	Complete the equity transfer procedures	762,482,278.36	49.88	1,241,311,165.81	2,000,000,000.00	758,688,834.19		

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				on								
Chongqing Jiangshuang Automobile Parts Co., Ltd.	May 31, 2023	395,000,000.00	100.00	Transfer	Complete the equity transfer procedures	235,178,650.78						

Other descriptions:

 Applicable Not applicable

Whether there is a case that a subsidiary investment disposed step-by-step through repeated transactions and losing the control right in the current period.

 Applicable Not applicable

Other descriptions:

 Applicable Not applicable**5. Changes in consolidation scope due to other reasons**

Describe the changes of the consolidation scope (e.g. new subsidiaries, liquidation subsidiaries) caused by other reasons and the relevant information:

 Applicable Not applicable

1. Subsidiaries acquired through the method of establishment in the current period

Name	Equity acquisition method	Equity acquisition time point	Shareholding ratio (%)
Chongqing SERES Landian Automobile Co., Ltd.	Establishment	March 20, 2023	100.00
SERES EUROPE B.V	Establishment	March 22, 2023	100.00

2. Cancellation of subsidiaries in the current period

Unit: RMB

Name	Cancellation time	Net assets at the date of disposal	Net profit from the beginning of the period to the disposal date
Chongqing Sokon Automobile Co., Ltd.	April 2023	121,821,692.87	1,037,309.62
Guangzhou Jiayuanyi New Energy Vehicle Sales Service Co., Ltd.	May 2023	989,353.09	-23,431.75
Chongqing Dongkang New Energy Vehicle Design Institute Co., Ltd.	February 2023		202,274.38

6. Others Applicable Not applicable**X. Equity in Other Entities****1. Equity in subsidiaries****(1) Constitution of enterprise group** Applicable Not applicable

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Unit: CNY Currency: RMB

Subsidiary name	Main place of business	Registered capital	Registered address	Business nature	Shareholding ratio (%)		Acquisition mode
					Direct	Indirect	
SERES Automobile (Hubei) Co., Ltd.	Shiyan City	80,000	Shiyan City, Hubei Province	Industrial manufacturing	100.00		Establishment
Chongqing Dongfeng FENGON Automobile Sales Co., Ltd.	Chongqing	3,000	Shapingba District, Chongqing	Commerce and trade		100.00	Establishment
Chongqing Dongfeng Sokon Automobile Sales Co., Ltd.	Chongqing	5,000	Jiangbei District, Chongqing	Commerce and trade		100.00	Establishment
Shiyan Dongfeng FENGON Automobile Sales Co., Ltd.	Shiyan City	500	Shiyan City, Hubei Province	Commerce and trade		100.00	Establishment
Chongqing Dongkang Automobile Manufacturing Co., Ltd.	Chongqing	2,000	Jiangjin District, Chongqing	Industrial manufacturing		100.00	Establishment
Chongqing Jiangkang Automobile Technology Co., Ltd.	Chongqing	7,500	Jiangjin District, Chongqing	Technology research and development		81.82	Establishment
Chongqing SERES New Energy Automobile Manufacturing Co., Ltd.	Chongqing	10,000	Liangjiang New Area, Chongqing	Industrial manufacturing		100.00	Establishment
Chongqing SERES Lodian Automobile Co., Ltd.	Chongqing	3,000	Jiangjin District, Chongqing	Retail		100.00	Establishment
Chongqing Sokon Automobile Parts Co., Ltd.	Chongqing	5,000	Jiangjin District, Chongqing	Industrial manufacturing		100.00	Establishment
Chongqing Yu'an Shock Absorber Co., Ltd.	Chongqing	1,000	Shapingba District, Chongqing	Industrial manufacturing		100.00	Business combination under the same control
Chongqing Sokon Machinery Parts Co., Ltd.	Chongqing	500	Shapingba District, Chongqing	Industrial manufacturing		100.00	Business combination under the same control
Chongqing Jingkangbao Technology Co., Ltd.	Chongqing	1,000	Jiangjin District, Chongqing	Commerce and trade		100.00	Establishment
SERES (Chongqing) Automobile Parts Co., Ltd.	Chongqing	500	Shapingba District, Chongqing	Commerce and trade		100.00	Establishment

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Shiyan Xinkang Automobile Parts Co., Ltd.	Shiyan City	200	Shiyan City, Hubei Province	Industrial manufacturing		100.00	Establishment
Chongqing Sokon Import and Export Co., Ltd.	Chongqing	30,000	Shapingba District, Chongqing	Import and export		100.00	Business combination under the same control
Chongqing Sinkon Motor International Trade Co., Ltd.	Chongqing	800	Shapingba District, Chongqing	Commerce and trade		100.00	Establishment
Chongqing Sokon Powertrain Co., Ltd.	Chongqing	35,000	Changshou District, Chongqing	Industrial manufacturing	100.00		Establishment
Chongqing Sokon Automobile Transmission Co., Ltd.	Chongqing	5,000	Changshou District, Chongqing	Industrial manufacturing		100.00	Business combination not under the same control
Luzhou Rongda Intelligent Transmission Limited Company	Luzhou City	54,748.5	Luzhou High-tech Zone	Industrial manufacturing		86.37	Business combination not under the same control
Hunan Rongda Intelligent Transmission Co., Ltd.	Changsha City	16,800	Yuelu District, Changsha City	Industrial manufacturing		84.82	Business combination not under the same control
Chongqing Sokon Automobile Sales Service Co., Ltd.	Chongqing	500	Shapingba District, Chongqing	Commerce and trade	100.00		Business combination under the same control
Chongqing Sinkon International Holdings Limited	Chongqing	10,000	Yubei District, Chongqing	Investment	100.00		Establishment
Chongqing International Automobile Experience Center Co., Ltd.	Chongqing	3,000	Yubei District, Chongqing	Commerce and trade		100.00	Establishment
SERES Automobile Co., Ltd.	Chongqing	496,000	Jiangbei District, Chongqing	R&D, production and sales	80.65		Establishment
SFMotors, Inc	The United States	USD 200 million	The United States	Manufacture		80.64	Establishment
Chongqing SERES New Electric Vehicle Sales Co., Ltd.	Chongqing	10,000	Jiangbei District, Chongqing	Commerce and trade		80.65	Establishment
Chongqing FENGON New Energy Vehicle Sales Co., Ltd.	Chongqing	1,000	Jiangbei District, Chongqing	Commerce and trade		80.65	Establishment
Chongqing Jinkang Powertrain New Energy Co., Ltd.	Chongqing	103,000	Chongqing High-tech Zone	R&D technology,		41.50	Establishment

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				industrial manufactu ring, commerce and trade			
SERES Automobile Sales Co., Ltd.	Chongqing	5,000	Shapingba District, Chongqing	Commer e and trade		41.50	Establishmen t
SERES Automobile Sales Service (Guangzhou) Co., Ltd.	Guangzhou City	100	Huadu District, Guangzhou City	Commer e and trade		41.50	Establishmen t
Tianjin Jinkang SERES Automobile Sales Service Co., Ltd.	Tianjin	100	Heping District, Tianjin	Commer e and trade		41.50	Establishmen t
Shanghai SERES Automobile Sales Service Co., Ltd.	Shanghai	4,000	Songjiang District, Shanghai	Commer e and trade		41.50	Establishmen t
Chongqing Saiwei Automobile Sales Service Co., Ltd.	Chongqing	500	Liangjiang New Area, Chongqing	Commer e and trade		41.50	Establishmen t
SERES Automobile Sales Service (Jinan) Co., Ltd.	Jinan City	300	Lixia District, Jinan City	Commer e and trade		41.50	Establishmen t
Chongqing SERES Automobile Sales Service Co., Ltd.	Chongqing	200	Liangjiang New Area, Chongqing	Commer e and trade		41.50	Establishmen t
SERES Automobile Sales Service (Suzhou) Co., Ltd.	Suzhou City	300	Suzhou City, Jiangsu Province	Commer e and trade		41.50	Establishmen t
SERES Automobile Sales Service (Xuzhou) Co., Ltd.	Xuzhou City	200	Xuzhou Economic and Technological Development Zone	Commer e and trade		41.50	Establishmen t
Beijing SERES Zhixing Technology Co., Ltd.	Beijing	500	Chaoyang District, Beijing	Commer e and trade		41.50	Establishmen t
Shanghai SERES New energy Vehicle Sales Co., Ltd.	Shanghai	200	Jiading District, Shanghai	Commer e and trade		41.50	Establishmen t
SERES Automobile Sales Service (Beijing) Co., Ltd.	Beijing	500	Beijing	Commer e and trade		41.50	Establishmen t
Chongqing Siwei Automobile Sales Service Co., Ltd.	Chongqing	500	Nan'an District, Chongqing	Commer e and trade		41.50	Establishmen t
Chongqing SERES Technology Co., Ltd.	Chongqing	10,000	Shapingba District, Chongqing	Technolog y research and developm ent		41.50	Establishmen t

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Chongqing SERES New Energy Automobile Design Institute Co., Ltd.	Chongqing	5,000	Yubei District, Chongqing	Design		41.50	Establishment
Chongqing SERES Electric Vehicle Co., Ltd.	Chongqing	200,000	Shapingba District, Chongqing	Manufacture		80.65	Establishment
Chengdu SERES Technology Co., Ltd.	Chengdu City	500	Chengdu Hi-Tech Industrial Development Zone	Commerce and trade		80.65	Establishment
SERES Automobile Sales Service (Shenzhen) Co., Ltd.	Shenzhen	200	Longgang District, Shenzhen	Commerce and trade		80.65	Establishment
Sokon Group (Hong Kong) Limited	Hong Kong	USD 10 million	Hong Kong	Investment	100.00		Establishment
PT.SOKONINDOAUTOMOBILE	North Jakarta	49,930.92	North Jakarta, Indonesia	Industrial manufacturing		99.00	Capital increase and holding
SOKONMOTORS DOBRASIL INDUSTRIA E COMERCIO DE VEICULOS LTDA	Brazil	BRL 9 million	Brazil	Commerce and trade		100.00	Establishment
SERESEUROPEB.V	Netherlands	EUR 100,000	Netherlands	Commerce and trade		100.00	Establishment
PT.YxianPowertrainIndonesia	Serang, Banten	800	Serang, Banten, Indonesia	Industrial manufacturing		100.00	Establishment
Chongqing Yu'an Huaihai Powertrain Co., Ltd.	Chongqing	800	Shapingba District, Chongqing	Industrial manufacturing	100.00		Business combination under the same control
Chongqing Sokon Engine R&D Co., Ltd.	Chongqing	500	Jiangbei District, Chongqing	Technology research and development	100.00		Business combination under the same control
SINKONINTERNATIONAL(SINGAPORE)PTE.LTD	Singapore	USD 500,000	Singapore	Commerce and trade	100.00		Establishment

Description that the shareholding ratio in the subsidiary is different from the voting right proportion:

None

Basis for holding half or less of the voting rights but still controlling the investee, and for holding more than half of the voting rights but not controlling the investee:

None

For important structured entities that are included into the consolidation scope, the basis for control is:

None

Basis for determining whether the Company is an agent or a principal:

None

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Other descriptions:

None

(2) Important non-wholly owned subsidiary√ Applicable Not applicable

Unit: CNY Currency: RMB

Subsidiary name	Shareholding ratio of minority shareholders	Profits and losses belonging to minority shareholders in the current period	Dividends announced and distributed to minority shareholders in current period	Closing balance of minority equity
SERES Automobile Co., Ltd.	19.35%	-864,592,631.07		-1,547,960,070.56

Description that the shareholding ratio in the subsidiary's minority shareholders is different from the voting right proportion:

 Applicable Not applicable

Other descriptions:

 Applicable Not applicable**(3) Main financial information of important non-wholly owned subsidiaries**√ Applicable Not applicable

Unit: CNY Currency: RMB

Subsidiary name	Ending balance						Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
SERES Automobile Co., Ltd.	1,415,021.80	1,699,661.45	3,114,683.25	3,787,558.64	400,078.77	4,187,637.41	1,568,150.81	1,267,715.09	2,835,865.90	3,143,558.24	233,465.13	3,377,023.37

Subsidiary name	Accrual in the current period				Accrual in the previous period			
	Operating income	Net profit	Total comprehensive incomes	Cash flow generated from operating activities	Operating income	Net profit	Total comprehensive incomes	Cash flow generated from operating activities
SERES Automobile Co., Ltd.	2,655,769.21	-530,777.68	-530,074.95	419,408.00	2,312,411.04	-473,050.97	-472,194.81	264,833.10

Other descriptions: None

(4) Limitations in using enterprise group assets and liquidating enterprise group liabilities Applicable Not applicable**(5) Financial support or other supports provided to structure entities incorporated into the scope of consolidated financial statements** Applicable Not applicable

Other descriptions:

 Applicable Not applicable**2. Transactions in which the owner's equity share of a subsidiary changes while still controlling the subsidiary**√ Applicable Not applicable**(1) Description of changes in owners' equities shares in subsidiaries** Applicable Not applicable**(2) Impact of the transaction on minority shareholders' equities and owners' equities attributable to the parent company**

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√ Applicable □ Not applicable

Unit: CNY Currency: RMB

	Chongqing SERES New Energy Automobile Design Institute Co., Ltd.
Purchase cost/disposal consideration	21,279,267.12
- Cash	21,279,267.12
- Fair value of non-cash assets	
Total purchase cost/disposal consideration	21,279,267.12
Minus: Share of net assets of subsidiaries calculated in accordance with the proportion of acquired/disposed equity	-861,646,573.69
	882,925,840.81
Including: Adjusted capital reserves	882,925,840.81
Adjusted surplus reserves	
Adjusted undistributed profits	

Note: Adjustment of capital reserves for changes in owner's equities of non wholly-owned subsidiaries.

Other descriptions

□ Applicable √ Not applicable

3. Equity in joint venture or associated enterprise

√ Applicable □ Not applicable

(1) Important joint venture or associated enterprise

√ Applicable □ Not applicable

Name of joint venture or associated enterprise	Main place of business	Registered address	Business nature	Shareholding ratio (%)		Accounting treatment method of the investment to joint venture or associated enterprise
				Direct	Indirect	
New Energy Automobile Industry Development (Chongqing) Co., Ltd.	Chongqing	No. 19, Yinglong Avenue, Longxing Town, Yubei District, Chongqing	Industrial investment	33.00		Equity method
Chongqing Yunwan Technology Co., Ltd.	Chongqing	1/F, Building 12, No. 22, Jinyu Avenue, New North Zone, Chongqing	Technical service		40.32	Equity method
Chongqing Ruichi Automobile Industry Co., Ltd.	Chongqing	No. 111, Shengtai Road, Fusheng Town, Jiangbei District, Chongqing	Industrial manufacturing		49.88	Equity method

Description of shareholding ratio in joint ventures or associated enterprises different from voting right proportion:

None

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Basis of having significance with 20% below voting rights, or having no significance with 20% or above voting rights:

None

(2) Main financial information of important joint venture

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

	Ending balance/accrual in the current period	Beginning balance/accrual in the previous period
	Chongqing Yunwan Technology Co., Ltd.	Chongqing Yunwan Technology Co., Ltd.
Current assets	3,024,221.50	3,930,900.72
Including: Cash and cash equivalents	645,467.00	1,293,277.59
Non-current assets:	8,499,913.14	10,009,461.28
Total assets	11,524,134.64	13,940,362.00
Current liabilities	2,147,378.72	2,151,366.78
Non-current liabilities	5,130,810.56	8,480,810.56
Total liabilities	7,278,189.28	10,632,177.34
Minority equity		
Owners' equities attributable to the parent company	4,245,945.36	3,308,184.66
Net asset share calculated in shareholding ratio	2,122,972.68	1,654,092.33
Adjustment item		
- Goodwill		
- Unrealized profits of internal transaction		
- Others		
Book value of equity investment in joint ventures	4,512,761.03	4,031,783.57
Fair value of the equity investment in the joint venture with public offerings		
Operating income	20,046,083.58	13,993,583.48
Financial expenses	1,769.24	9,045.44
Income tax expenses		

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Net profit	937,760.70	1,656,494.48
Net profit from discontinuing operation		
Other comprehensive incomes		
Total comprehensive incomes	937,760.70	1,656,494.48
Dividends received from joint ventures in the current year		

Other descriptions None

(3) Main financial information of important associated enterprise

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

	Ending balance/accrual in the current period	Beginning balance/accrual in the previous period
	New Energy Automobile Industry Development (Chongqing) Co., Ltd.	New Energy Automobile Industry Development (Chongqing) Co., Ltd.
Current assets	118,619,607.09	117,344,014.29
Non-current assets:	5,686.49	8,962.18
Total assets	118,625,293.58	117,352,976.47
Current liabilities	3,799,735.58	4,278,096.77
Non-current liabilities		
Total liabilities	3,799,735.58	4,278,096.77
Minority equity		
Owners' equities attributable to the parent company	114,825,558.00	113,074,879.70
Net asset share calculated in shareholding ratio	37,892,434.14	37,314,710.30
Adjustment item		
- Goodwill		
- Unrealized profits of internal transaction		
- Others		
Book value of equity investment in associated enterprises	37,892,434.14	37,314,710.30

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Fair value of the equity investment in the associated enterprise with public offerings		
Operating income	3,223,351.69	3,281,131.99
Net profit	1,750,678.30	1,552,781.57
Net profit from discontinuing operation		
Other comprehensive incomes		
Total comprehensive incomes	1,750,678.30	1,552,781.57
Dividends received from associated enterprises in the current year		

Other descriptions None

(4) Financial information summary of unimportant joint ventures and associated enterprises Applicable Not applicable**(5) Descriptions for limitations in the ability of joint venture or associated enterprise transferring funds to the Company** Applicable Not applicable**(6) Excess loss in joint venture or associated enterprise** Applicable Not applicable**(7) Unrecognized commitment related to the investment of joint venture** Applicable Not applicable**(8) Contingent liabilities related to joint venture or associated enterprise investment** Applicable Not applicable**4. Important joint management** Applicable Not applicable**5. Equity in the structured entities that are not incorporated in the consolidated financial statements**

Relevant description of structured entities not included into the consolidated financial statements:

 Applicable Not applicable**6. Others** Applicable Not applicable**XI. Government Subsidies****1. Government subsidies recognized as per receivable at the end of reporting period** Applicable Not applicable

Reasons for not receiving the expected amount of government subsidies at the expected time point

 Applicable Not applicable**2. Liabilities involving government subsidies** Applicable Not applicable

Unit: CNY

Currency: RMB

Financial statement	Beginning balance	Newly increased subsidy	Amount included in non-operatin	Transferred to other incomes in the current	Other changes in the current	Ending balance	Asset-related/income-related
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items		amount in the current period	g income in the current period	period	period		
Subsidy for technological transformation	21,085,178.25			4,781,053.22	-91,666.31	16,212,458.72	Asset-related
Urban construction supporting subsidies	89,624,632.48	37,800.00		7,019,610.30	-2,000,000.00	80,642,822.18	Asset-related
Liangjiang new Chinese medicine investment subsidies	65,210,144.34			3,646,908.17		61,563,236.17	Asset-related
New project industry development funds	1,164,138.35			194,809.77		969,328.58	Asset-related
Equipment and R&D subsidies	102,648,087.82	22,050,000.00		12,439,838.58	-22,216,872.44	90,041,376.8	Asset-related
Subsidy for the expansion of continuously variable transmissions	10,866,131.07			1,136,964.40		9,729,166.67	Asset-related
Power engineering project	4,726,225.20			1,415,542.76		3,310,682.44	Asset-related
Jingkou Base Relocation Project	754,640,564.67			49,512,410.59		705,128,154.08	Asset-related
Subsidy for Shiyuan Relocation Project	839,309,353.94			67,952,537.38		771,356,816.56	Asset-related
Total	1,889,274,456.12	22,087,800.00		148,099,675.17	-24,308,538.75	1,738,954,042.20	/

Note: The main reason for the increase in the current period is that the subsidiary Chongqing Jinkang Powertrain New Energy Co., Ltd. received a special fund of RMB 22,050,000.00 from the Economic and Information Commission of Shapingba District, Chongqing for the development of advanced manufacturing and modern service industries; other changes in the current period are mainly due to changes in the consolidation scope.

3. Government subsidies included into the current profits and losses

Applicable Not applicable

Unit: CNY Currency: RMB

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Type	Accrual in the current period	Accrual in the previous period
Income-related	548,497,241.46	521,772,405.98
Income-related	968,309.73	1,702,031.21
Total	549,465,551.19	523,474,437.19

Other descriptions:

The government subsidies included into the current profits and losses include other incomes and non operating income - government subsidies.

XII. Risks Related to Financial Instruments

1. Risks of financial instruments

Applicable Not applicable

2. Hedging

(1) The Company conducts hedging business for risk management

Applicable Not applicable

Other descriptions

Applicable Not applicable

(2) The Company conducts eligible hedging business and applies hedging accounting

Applicable Not applicable

Other descriptions

Applicable Not applicable

(3) The Company conducts hedging business for risk management and expects to achieve risk management goals, but has not applied hedging accounting

Applicable Not applicable

Other descriptions

Applicable Not applicable

3. Transfer of financial assets

(1) Classification of transfer methods

Applicable Not applicable

(2) Financial assets derecognized due to transfer

Applicable Not applicable

(3) Continued involvement in asset transfer of financial assets

Applicable Not applicable

Other descriptions

Applicable Not applicable

XIII. Disclosure of Fair Value

1. Period-end fair value of assets and liabilities measured at the fair value

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Fair value at the end of the period			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total

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I. Continuous fair value measurement				
(I) Trading financial assets	161,282,936.10		972,361,380.64	1,133,644,316.74
1. Financial assets measured at the fair value with the changes included into the current profits and losses	161,282,936.10		972,361,380.64	1,133,644,316.74
(1) Debt instrument investment				
(2) Equity instrument investment	161,282,936.10			161,282,936.10
(3) Derivative financial assets				
(4) Structured deposits			972,361,380.64	972,361,380.64
2. Financial assets designated to be measured at fair value with changes included into the current profits and losses				
(1) Debt instrument investment				
(2) Equity instrument investment				
(II) Other creditor's right investments				
(III) Other equity instrument investments				
(IV) Investment property				
1. Land use rights for lease				
2. Buildings for lease				
3. Land use right held and to be transferred after appreciation				
(V) Biological assets				
1. Consumptive biological assets				
2. Productive biological assets				
(VI) Receivables financing			201,316,987.13	201,316,987.13
(VII) Other equity instrument investments			99,546,259.79	99,546,259.79
Total assets continuously measured at the fair value	161,282,936.10		1,273,224,627.56	1,434,507,563.66
(VI) Trading financial liabilities				
1. Financial liabilities measured at the fair value with the changes included into the current profits				

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and losses				
Including: Trading bonds issued				
Derivative financial liabilities				
Others				
2. Financial liabilities designated to be measured at fair value with changes included into the current profits and losses				
Total liabilities continuously measured at the fair value				
II. Continuous fair value measurement				
(I) Held-for-sale assets				
Total assets not continuously measured at the fair value				
Total liabilities not continuously measured at the fair value				

2. Basis of determining the market price of continuous and non-continuous level 1 fair value measurement items

Applicable Not applicable

Trading financial assets that are continuously measured at level 1 fair value are equity investments held by the Company in listed companies. The fair value of equity investments in listed companies is determined by the closing price of the Company's stock on the balance sheet date.

3. For continuous and non-continuous level 2 fair value measurement item, valuation technique adopted and quantitative and qualitative information of important parameters

Applicable Not applicable

4. For continuous and non-continuous level 3 fair value measurement item, valuation technique adopted and quantitative and qualitative information of important parameters

Applicable Not applicable

The items that are continuously measured at level 3 fair value include structured deposits recognized as trading financial assets, receivables financing (notes receivable), and other equity instrument investments. The fair value of structured deposits is determined by the net value on the balance sheet date, while the fair value of receivables financing (notes receivable) and other equity instrument investments is determined by the book value.

5. For continuous level 3 fair value measurement item, adjustment of the book value between the beginning and the end of the paper and the sensitivity analysis of unobservable parameters

Applicable Not applicable

6. For continuous fair value measurement items, in case of transfer between different levels in the current period, the

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reasons for the transformation and the policy to determine the transition point Applicable Not applicable**7. Changes in valuation technique in the current period and the reasons** Applicable Not applicable**8. Fair value of the financial assets and liabilities not measured at fair value** Applicable Not applicable**9. Others** Applicable Not applicable**XIV. Related Parties and Related-party Transactions****1. Parent company of the Company** Applicable Not applicable

Unit: CNY Currency: RMB

Parent company name	Registered address	Business nature	Registered capital	Shareholding ratio of parent company to the Company (%)	Voting right proportion of parent company to the Company (%)
Chongqing Sokon Holdings Co., Ltd.	No. 5-13, Wuyunhu Road, Shapingba District, Chongqing	Investment	20,000	26.53	26.53

Description on the parent company of the Company

None

The ultimate controlling party of the Company is Mr. Zhang Xinghai, a natural person

Other descriptions:

None

2. Subsidiary of the Company

Refer to Notes for the subsidiaries of the Company

 Applicable Not applicable

Refer to X. Equity in Other Entities for details

3. Joint ventures and associated enterprises of the Company

Refer to the Notes for the Company's important joint ventures or associated enterprises

 Applicable Not applicable

Refer to X. Equity in Other Entities for details

Conditions of other joint ventures or associated enterprises that has formed balance in the transaction of related party with the company in current period, or the transaction of related party with the company in previous period are as follows

 Applicable Not applicable

Other descriptions

 Applicable Not applicable**4. Other related parties** Applicable Not applicable

Names of other related parties	Relationship of other related parties with the Company
Chongqing Yuantu Locomotive Industry Co., Ltd.	Controlled by the same party
Chongqing Chuanghui Zhilian Technology Co., Ltd.	Controlled by the same party
Chongqing Tengfang Ecological Agriculture Development Co., Ltd.	Controlled by the same party
Chongqing Chirui Property Management Co., Ltd.	Controlled by the same party
PUJIR Financial Leasing Co., Ltd.	Controlled by the same party

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Chongqing XGJAO Motorcycle Sales Co., Ltd.	Controlled by the same party
Chongqing XGJAO Motorcycle Co., Ltd.	Controlled by the same party
Chongqing Sinkon Xingrui Real Estate Co., Ltd.	Controlled by the same party
Chongqing Yu'an Innovation Technology Co., Ltd.	Controlled by the same party
Chongqing Yu'an Machinery Manufacturing Co., Ltd.	Controlled by the same party
Chongqing Yu'an Intelligent Suspension Co., Ltd.	Controlled by the same party
SokonInvestment(USA).INC	Controlled by the same party
Chongqing Sokon Hotel Co., Ltd.	Controlled by the same party
Chongqing Ruichi Automobile Industry Co., Ltd.	Controlled by the same party
Chongqing Ruichi New Energy Vehicle Sales Service Co., Ltd.	Controlled by the same party
Dongfeng Motor Group Co. Ltd.	Parent company of Dongfeng Motor Group Co., Ltd.
Dongfeng Motor Group Co., Ltd. VOYAH Automobile Technology Branch	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongcheng Huizhong Asset Management Co., Ltd. Railway Logistics Branch	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Motor City Logistics Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Liuzhou Automobile Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng VENUCIA Automobile Sales Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Motor Finance Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Automobile Wheel (Suizhou) Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Communication Technology Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Shenzhen Lan-You Technology Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Shenzhen Lan-You Technology Co., Ltd. Guangzhou Branch	Subsidiary of Dongfeng Motor Group Co. Ltd.
Wuhan DaAn Technology Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Wuhan Dongfeng Motor Imp. & Exp. Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Xiangyang DaAn Automobile Test Center Corporation Limited	Subsidiary of Dongfeng Motor Group Co. Ltd.
Zhengzhou Nissan Automobile Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
China Dongfeng Motor Industry Imp. & Exp. Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Shanghai Dongfeng Motor Imp. & Exp. Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Motor Finance Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
DONGFENGMOTORRUSCO.,LTD.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Logistics (Wuhan) Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Guangzhou Feisuo Cloud Supply Chain Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
VOYAH Automobile Technology Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
VOYAH Automobile Sales Service Co., Ltd. and its branches	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Die & Stamping Technology Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Yuexiang Technology Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Motor Co. Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Passenger vehicle company of Dongfeng Motor Group Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
Dongfeng Automobile Power Parts Co., Ltd.	Subsidiary of Dongfeng Motor Group Co. Ltd.
China Automotive Engineering Research Institute Co., Ltd.	Companies where affiliated natural persons have served as directors and executives in the past twelve months

Other descriptions None

5. Related-party transaction**(1) Related-party transaction about the purchase and sale of goods and the supply and acceptance of the labor services**

Goods procurement/labor service acceptance

√ Applicable □ Not applicable

Unit: CNY

Currency: RMB

Related party	Content of related-party transaction	Accrual in the current period	Approved transaction limit (if applicable)	Exceed transaction limit or not (if applicable)	Accrual in the previous period

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DONGFENGMOTORRUSCO.,LTD.	Fee of three guarantees	151,522.82			29,484.59
Dongcheng Huizhong Asset Management Co., Ltd. Railway Logistics Branch	Transportation and storage charges	71,269.74			75,283.15
Dongfeng Motor City Logistics Co., Ltd.	Transportation and storage charges	2,010,281.17			12,093,328.28
Dongfeng Die & Stamping Technology Co., Ltd.	Body parts				32,881,041.81
Dongfeng VENUCIA Automobile Sales Co., Ltd.	Accessories	257,455.65			295,008.84
Dongfeng Automobile Wheel (Suizhou) Co., Ltd.	Outsourcing of semi-finished products	9,508,858.02			10,463,734.93
Dongfeng Communication Technology Co., Ltd.	Network infrastructure service	58,407.08			71,845.00
Guangzhou Feisuo Cloud Supply Chain Co., Ltd.	Three-guarantee shipping fee	917,245.12			833,293.24
Shenzhen Lan-You Technology Co., Ltd.	Technical service fee and development fee	613,207.54			113,207.54
Shenzhen Lan-You Technology Co., Ltd.	Outsourcing of semi-finished products	2,414,820.00			
Shenzhen Lan-You Technology Co., Ltd. Guangzhou Branch	Outsourcing of semi-finished products	1,698,113.21			9,099,175.00
Wuhan Dongfeng Motor Imp. & Exp. Co., Ltd.	Accessories	1,180,970.00			235,498,043.47
Xiangyang DaAn Automobile Test Center Corporation Limited	Testing fees, road test fees, training fees	26,292,402.16			38,256,760.84
Chongqing Sokon Hotel Co., Ltd.	Promotion expenses				27,316.98
Chongqing Sokon Hotel Co., Ltd.	Catering and accommodation				3,099,977.44
Chongqing Sokon Holdings Co., Ltd.	Promotion expenses	7,169.81			26,981.14
Chongqing Sokon Holdings Co., Ltd.	Interest expenses				2,052,840.67
Chongqing XGJAO Motorcycle Sales Co., Ltd.	Promotion expenses	29,952.84			33,396.24
Chongqing XGJAO Motorcycle Co., Ltd.	Fee of three guarantees and promotion expenses	109,929.37			132,503.28
Chongqing Yu'an Machinery Manufacturing Co., Ltd.	Materials	2,938,904.13			5,593,824.58
Chongqing Yunwan Technology Co., Ltd.	Materials, molds, samples	16,705,824.37			10,536,464.95

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Chongqing Yunwan Technology Co., Ltd.	Production fee, trial production fee, development fee, promotion fee	1,522,709.89			1,975,179.75
Dongfeng Motor Finance Co., Ltd.	Commission and discount fee	625,000.00			970,564.68
Dongfeng Logistics (Wuhan) Co., Ltd.	Logistics service	88,767,440.20			21,323,278.14
VOYAH Automobile Technology Co., Ltd.	Fee of three guarantees	1,811,457.73			1,466,030.62
VOYAH Automobile Sales Service Co., Ltd.	Vehicle				24,424.78
VOYAH Automobile Sales Service Co., Ltd. Chongqing Branch	Vehicle				281,946.90
Wuhan DaAn Technology Co., Ltd.	Testing fees	70,358.49			50,715.09
Chongqing Yu'an Innovation Technology Co., Ltd.	Promotion expenses and low-value consumables	103,018.87			142,830.19
Zhengzhou Nissan Automobile Co., Ltd.	Vehicle	105,448,451.35			
China Automotive Engineering Research Institute Co., Ltd.	Testing and testing fees, design fees, and development fees	23,167,369.05			
Chongqing Chuanghui Zhilian Technology Co., Ltd.	Service fees	93,564.39			
Chongqing Tengkang Ecological Agriculture Development Co., Ltd.	Agricultural products	133,120.00			

Sales of goods/provision of labor services

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Related party	Content of related-party transaction	Accrual in the current period	Accrual in the previous period
DONGFENG MOTOR RUS CO., LTD.	Vehicles and accessories		25,335,000.00
Dongfeng Motor Finance Co., Ltd.	Financial services	23,194,637.58	1,173,136.25
Dongfeng Liuzhou Automobile Co., Ltd.	Transmission assembly, three-electric products, development costs	2,085,426.68	225,000.00
Dongfeng Motor Finance Co., Ltd.	Service fees	858,060.68	992,806.58
Dongfeng Motor Finance Co., Ltd.	Interest income	1,879,490.63	2,038,340.40
Dongfeng Automobile Wheel (Suizhou) Co., Ltd.	Fee of three guarantees, maintenance cost, testing fees	419.67	54,823.32

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Dongfeng Motor Co. Ltd.	Service fees and technical service fees		39,283.02
Dongfeng Motor Group Co., Ltd. VOYAH Automobile Technology Branch	Electric drive system, battery pack, engine, materials		-1,325,041.80
China Dongfeng Motor Industry Imp. & Exp. Co., Ltd.	Vehicles and accessories	48,162,893.81	163,681,812.58
Chongqing Sokon Holdings Co., Ltd.	Income from maintenance and service fees	16,098.60	
Chongqing XGJAO Motorcycle Co., Ltd.	Income from testing fees, service fees, maintenance costs, and other service fees	220,762.73	80,114.02
Chongqing XGJAO Motorcycle Co., Ltd.	Vehicles, engines, accessories	14,842,132.27	8,092,107.70
Chongqing Sinkon Xingrui Real Estate Co., Ltd.	Maintenance cost	3,152.21	3,043.36
Chongqing Yu'an Innovation Technology Co., Ltd.	Income from testing fees, maintenance costs and service fees	198,905.56	3,887.61
Chongqing Yu'an Innovation Technology Co., Ltd.	Vehicles and parts	45,840.71	1,089,059.84
Chongqing Yu'an Machinery Manufacturing Co., Ltd.	Income from testing fees and maintenance costs	94,263.11	205,577.66
Chongqing Yu'an Machinery Manufacturing Co., Ltd.	Parts, three guarantees	490.57	987.33
Dongfeng Logistics (Wuhan) Co., Ltd.	Fees of three guarantees	177,418.97	2,192,450.74
VOYAH Automobile Technology Co., Ltd.	Electric drive system, battery pack, engine, materials, testing fees	128,209,401.68	1,151,061,466.66
VOYAH Automobile Sales Service Co., Ltd.	Engine components and three-electric products	3,378,994.68	395,112.06
VOYAH Automobile Sales Service Co., Ltd.	Maintenance cost		11,127.30
VOYAH Automobile Sales Service Co., Ltd. Anhui Hefei Branch	Maintenance cost	23,588.96	
VOYAH Automobile Sales Service Co., Ltd. Chengdu Branch	Maintenance cost	49,894.30	11,196.34
VOYAH Automobile Sales Service Co., Ltd. Guangzhou Branch	Maintenance cost	188,436.80	43,065.15
VOYAH Automobile Sales Service Co., Ltd. Dongguan Branch	Maintenance cost	57,484.15	22,832.96
VOYAH Automobile Sales Service Co., Ltd. Foshan Branch	Maintenance cost	103,620.79	50,418.81

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VOYAH Automobile Sales Service Co., Ltd. Hangzhou Branch	Maintenance cost	53,551.43	17,366.61
VOYAH Automobile Sales Service Co., Ltd. Jinan Branch	Maintenance cost		42,697.37
VOYAH Automobile Sales Service Co., Ltd. Tianjin Branch	Maintenance cost	21,663.67	11,112.90
VOYAH Automobile Sales Service Co., Ltd. Wenzhou Branch	Maintenance cost	164,676.65	114,412.08
VOYAH Automobile Sales Service Co., Ltd. Zhengzhou Branch	Maintenance cost	49,923.29	40,922.53
VOYAH Automobile Sales Service Co., Ltd. Nanjing Branch	Maintenance cost	21,223.67	
VOYAH Automobile Sales Service Co., Ltd. Ningbo Branch	Maintenance cost	79,373.38	
VOYAH Automobile Sales Service Co., Ltd. Chongqing Branch	Maintenance cost	60,426.69	
VOYAH Automobile Sales Service Co., Ltd. Shanghai Branch	Maintenance cost	69,957.52	
VOYAH Automobile Sales Service Co., Ltd. Shenzhen Branch	Maintenance cost	116,910.38	
VOYAH Automobile Sales Service Co., Ltd. Shijiazhuang Branch	Maintenance cost	66,515.83	
VOYAH Automobile Sales Service Co., Ltd. Suzhou Branch	Maintenance cost	56,630.88	
VOYAH Automobile Sales Service Co., Ltd. Wuxi Branch	Maintenance cost	9,274.00	
VOYAH Automobile Sales Service Co., Ltd. Wuhan Branch	Maintenance cost	96,481.86	
VOYAH Automobile Sales Service Co., Ltd. Xi'an Branch	Maintenance cost	26,971.74	
VOYAH Automobile Sales Service Co., Ltd. Changsha Branch	Maintenance cost	86,404.26	
VOYAH Automobile Sales Service Co., Ltd. Chongqing Branch	Maintenance cost	122,303.22	
VOYAH Automobile Sales Service Co., Ltd. Beijing Branch	Maintenance cost	60,980.36	
PUJIR Financial Leasing Co., Ltd.	Income from maintenance and service fees	21,904.12	8,062.83
Wuhan Dongfeng Motor Imp. & Exp. Co., Ltd.	Accessories	334,266.42	1,707,079.65
Chongqing Yu'an Intelligent Suspension Co., Ltd.	Vehicles and parts	2,722,560.44	7,306,584.12

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Chongqing Yu'an Intelligent Suspension Co., Ltd.	Income from testing fees, maintenance costs and service fees	865,152.54	421,939.20
Chongqing Yuantu Locomotive Industry Co., Ltd.	Cleaning and other service fees	4,716.99	
Shanghai Dongfeng Motor Imp. & Exp. Co., Ltd.	Accessories	48,930.01	
Shenzhen Lan-You Technology Co., Ltd.	Fees of three guarantees and maintenance cost	209.09	
China Automotive Engineering Research Institute Co., Ltd.	Vehicle	285,663.72	
Chongqing Chirui Property Management Co., Ltd.	Maintenance cost	1,983.19	

Related-party transaction of purchasing and selling goods, providing and accepting labor services

Applicable Not applicable

(2) Affiliated trusteeship/contracting and entrusted management/outsourcing conditions

Commissioned management/contracting of the Company:

Applicable Not applicable

Description of related-party trusteeship/contracting

Applicable Not applicable

Consignment management/outsourcing of the Company

Applicable Not applicable

Description of related-party management/outsourcing

Applicable Not applicable

(3) Related-party lease

The Company acts as the lessor:

Applicable Not applicable

Unit: CNY Currency: RMB

Name of the leasee	Types of lease assets	Lease income recognized in the current period	Lease income recognized in the previous period
Chongqing Yu'an Machinery Manufacturing Co., Ltd.	Houses and buildings		457,761.50
Chongqing Sinkon Xingrui Real Estate Co., Ltd.	Houses and buildings	10,640.54	10,318.35
Chongqing Sokon Holdings Co., Ltd.	Houses and buildings	330,290.08	170,167.23
Chongqing Yu'an Intelligent Suspension Co., Ltd.	Houses and buildings	3,714,262.68	3,676,258.56
Chongqing XGJAO Motorcycle Co., Ltd.	Houses and buildings	3,464,228.52	3,389,142.80
Chongqing Yu'an Intelligent Suspension Co., Ltd.	Houses and buildings	4,751,274.72	4,751,274.72
Chongqing Yuantu Locomotive Industry	Houses and buildings	102,857.15	

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Co., Ltd.			
Chongqing Chirui Property Management Co., Ltd.	Houses and buildings	5,750.84	
Dongfeng Logistics (Wuhan) Co., Ltd.	Houses and buildings	6,943,332.12	

The Company acts as the lessee:

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Name of the lessor	Types of lease assets	Simplified rent for short-term leases and low-value asset leases (if applicable)		Variable lease payments not included into the measurement of lease liabilities (if applicable)		Rent paid		Interest expenditure of lease liabilities undertaken		Right-of-use assets added	
		Accrual in the current period	Accrual in the previous period	Accrual in the current period	Accrual in the previous period	Accrual in the current period	Accrual in the previous period	Accrual in the current period	Accrual in the previous period	Accrual in the current period	Accrual in the previous period
SOKONINVESTMENT(USA).INC	House leasing					195,031.05	24,425,291.17		5,237,469.45		
Xiangyang DaAn Automobile Test Center Corporation Limited	Venue leasing	226,800.00	226,800.00			226,800.00	226,800.00				

Description of related-party lease

□ Applicable √ Not applicable

(4) Related-party guarantee

The Company acts as the guarantor

□ Applicable √ Not applicable

The Company acts as the guaranteed party

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Guarantor	Amount guaranteed	Start date of guarantee	Maturity date of guarantee	Whether the guarantee is mature
Zhang Xinghai, Zhang Xingming, Zhang Xingli	4,000.00	2021-2-24	2024-02-24	No

Description of related-party guarantee

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Applicable Not applicable

(5) Fund inter-bank lending of related party

Applicable Not applicable

(6) Asset transfer and debt restructuring of related parties

Applicable Not applicable

Unit: CNY Currency: RMB

Related party	Content of related-party transaction	Accrual in the current period	Accrual in the previous period
Chongqing Yu'an Innovation Technology Co., Ltd.	Stock rights transfer fund		234,366,000.00
Chongqing Yu'an Machinery Manufacturing Co., Ltd.	Computer host		104.33
Chongqing XGJAO Motorcycle Co., Ltd.	Disposal of computer and air conditioning	359.03	

(7) Remuneration of key management personnel

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Remuneration of key management personnel	2,955.47	2,935.71

(8) Other related-party transactions

Applicable Not applicable

① In May 2020, Dongfeng Motor Group Co. Ltd. signed a *Dongfeng Trademark License Contract* with SERES Automobile (Hubei) Co., Ltd., licensing SERES (Hubei) to use the Dongfeng trademark in its legitimate operating activities during the validity period of the contract, specifically for SERES (Hubei)'s vehicle products, product descriptions, promotion materials for product sales, and other matters approved by the licensor. The contract period is five years, and the trademark licensing fee is charged at a fixed rate of RMB 1 million per year.

② On January 1, 2023, Dongfeng Motor Group Co. Ltd. signed a *Registered Trademark License Contract* with SERES Automobile (Hubei) Co., Ltd. and Sokon Motor Co., Ltd. (Indonesia). According to the contract terms, Dongfeng Group hereby grants SERES (Hubei) a non exclusive and non transferable right to use the registered trademark for KD parts of licensed products manufactured domestically and exported to Sokon Indonesia (to the authorized area) during the term of the contract, with a validity period of one year. The trademark licensing fee is RMB 200,000.

③ Shiyuan Dongfeng FENGON Automobile Sales Co., Ltd. has applied to Dongfeng Motor Finance Co., Ltd. for a total credit limit of RMB 600 million, which includes a 20% margin. The actual exposure is RMB 480 million. As of December 31, 2023, the exposure of RMB 360 million has been used, with a deposit of RMB 90 million and an acceptance bill of RMB 450 million processed. SERES Automobile (Hubei) Co., Ltd. has applied to Dongfeng Motor Finance Co., Ltd. for a total credit limit of RMB 200 million, which includes a 20% margin. The actual exposure is RMB 160 million. As of December 31, 2023, the amount of exposure used is RMB 0.

6. Unsettled items such as accounts receivable and payable from and to related parties**(1) Receivables**

Applicable Not applicable

Unit: CNY Currency: RMB

Item name	Related party	Ending balance		Beginning balance	
		Book balance	Bad-debt reserves	Book balance	Bad-debt reserves

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Advance payment	Dongfeng VENUCIA Automobile Sales Co., Ltd.	40,879.17		31,804.01	
Advance payment	Dongfeng Logistics (Wuhan) Co., Ltd.			392,525.19	
Advance payment	Chongqing Ruichi Automobile Industry Co., Ltd.	15,520.95			
Accounts receivable	Dongfeng Liuzhou Automobile Co., Ltd.	1,367,782.15	31,553.25	14,250.00	218.03
Accounts receivable	Dongfeng Motor Finance Co., Ltd.			212,290.00	10,614.50
Accounts receivable	Dongfeng Motor Group Co., Ltd. VOYAH Automobile Technology Branch	16,098.76	4,829.63	16,098.76	1,609.88
Accounts receivable	VOYAH Automobile Technology Co., Ltd.	2,306,788.48	104,470.09	178,869,786.57	7,930,186.84
Accounts receivable	VOYAH Automobile Sales Service Co., Ltd.	2,092,323.95	88,978.78	47,701.82	729.84
Accounts receivable	VOYAH Automobile Sales Service Co., Ltd. Dongguan Branch			12,806.56	640.33
Accounts receivable	VOYAH Automobile Sales Service Co., Ltd. Foshan Branch	14,403.69	720.18	33,819.04	1,690.95
Accounts receivable	VOYAH Automobile Sales Service Co., Ltd. Hangzhou Branch			19,624.27	981.21
Accounts receivable	VOYAH Automobile Sales Service Co., Ltd. Jinan Branch			36,204.61	1,810.23
Accounts receivable	VOYAH Automobile Sales Service Co., Ltd. Tianjin Branch			12,557.58	627.88
Accounts receivable	VOYAH Automobile Sales Service Co., Ltd. Wenzhou Branch	28,762.91	1,438.15	34,771.27	1,738.56
Accounts receivable	VOYAH Automobile Sales Service Co., Ltd. Guangzhou Branch	10,667.20	533.36		
Accounts receivable	VOYAH Automobile Sales Service Co., Ltd. Ningbo Branch	15,331.67	766.58		
Accounts receivable	VOYAH Automobile Sales Service Co., Ltd. Xiamen Branch	14,403.69	720.18		

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Accounts receivable	VOYAH Automobile Sales Service Co., Ltd. Shanghai Branch	10,712.40	535.62		
Accounts receivable	VOYAH Automobile Sales Service Co., Ltd. Shenzhen Branch	8,407.74	420.39		
Accounts receivable	VOYAH Automobile Sales Service Co., Ltd. Shijiazhuang Branch	16,008.50	800.43		
Accounts receivable	VOYAH Automobile Sales Service Co., Ltd. Wuhan Branch	51,325.04	2,566.25		
Accounts receivable	VOYAH Automobile Sales Service Co., Ltd. Changsha Branch	23,901.65	1,195.08		
Accounts receivable	VOYAH Automobile Sales Service Co., Ltd. Chongqing Branch	14,403.69	720.18		
Accounts receivable	Chongqing Ruichi Automobile Industry Co., Ltd.	128,798,808.43			
Accounts receivable	Chongqing Ruichi New Energy Vehicle Sales Service Co., Ltd.	659,285.75			
Accounts receivable	China Dongfeng Motor Industry Imp. & Exp. Co., Ltd.			17,851,127.06	273,122.24
Accounts receivable	Dongfeng Motor Finance Co., Ltd.	2,334,451.90	116,722.60	1,243,524.42	62,176.22
Other receivables	VOYAH Automobile Sales Service Co., Ltd.				
Other receivables	Chongqing Sokon Holdings Co., Ltd.	1,374,169,340.39		222,460,413.36	
Other receivables	Chongqing Ruichi Automobile Industry Co., Ltd.	2,546.44			
Long-term receivables	Chongqing Sinkon Xingrui Real Estate Co., Ltd.			62,691.90	
Long-term receivables	Chongqing Chirui Property Management Co., Ltd.	55,530.50			
Long-term receivables	Chongqing Sokon Holdings Co., Ltd.	1,071,116.13		1,274,764.83	
Long-term receivables	Chongqing Ruichi Automobile Industry Co., Ltd.	1,785,599.20			

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(2) Payables

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item name	Related party	Ending book balance	Beginning book balance
Accounts payable	Dongcheng Huizhong Asset Management Co., Ltd. Railway Logistics Branch	2,487.42	36,751.70
Accounts payable	Dongfeng Motor City Logistics Co., Ltd.		901,278.52
Accounts payable	Dongfeng Automobile Wheel (Suizhou) Co., Ltd.	3,836,636.62	1,969,650.59
Accounts payable	Dongfeng Automobile Power Parts Co., Ltd.		8,728.72
Accounts payable	Shenzhen Lan-You Technology Co., Ltd.	788,289.80	
Accounts payable	Chongqing Ruichi Automobile Industry Co., Ltd.	14,206,467.83	
Accounts payable	Chongqing Ruichi New Energy Vehicle Sales Service Co., Ltd.	170,322.15	
Accounts payable	Xiangyang DaAn Automobile Test Center Corporation Limited		1,938,028.83
Accounts payable	Dongfeng Logistics (Wuhan) Co., Ltd.		59,865.92
Other payables	Dongfeng Motor City Logistics Co., Ltd.		1,810,000.00
Other payables	Dongfeng Automobile Wheel (Suizhou) Co., Ltd.	350,000.00	350,000.00
Other payables	Dongfeng Logistics (Wuhan) Co., Ltd.	5,700,000.00	5,700,000.00

(3) Other items

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item name	Related party	Ending book balance	Beginning book balance
Contract liabilities	DONGFENGMOTORRUSCO.LTD.	697.87	686.64
Contract liabilities	Wuhan Dongfeng Motor Imp. & Exp. Co., Ltd.	1,982,333.91	149,446.09
Contract liabilities	Passenger vehicle company of Dongfeng Motor Group Co., Ltd.		26,515.81
Contract liabilities	Dongfeng Yuexiang Technology Co., Ltd.	276,900.00	
Contract liabilities	Shanghai Dongfeng Motor Imp. & Exp. Co., Ltd.	12,242.26	
Contract liabilities	China Dongfeng Motor Industry Imp. & Exp. Co., Ltd.	12,015,461.75	

7. Commitment of related parties

□ Applicable √ Not applicable

8. Others

□ Applicable √ Not applicable

XV. Share-based Payment**1. Various equity instruments**

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√ Applicable □ Not applicable

Unit of quantity: Amount/share

Unit: CNY Currency: RMB

Granted object category	Granted in the current period	Vested in the current period				Unlocked in the current period	Invalid in the current period		
		Quantity	Amount	Quantity	Amount		Quantity	Amount	
Production personnel				198,023	13,075,458.69			1,294,848	85,498,813.44
Sales personnel				170,193	11,237,843.79			1,953,035	128,958,901.05
Technicians				1,289,254	85,129,441.62			5,295,486	349,660,940.58
Administrative personnel				401,616	26,518,704.48			4,236,270	279,720,908.10
Other personnel				352,540	23,278,216.20			1,335,653	88,193,167.59
Total				2,411,626	159,239,664.78			14,115,292	932,032,730.76

Stock options or other equity instruments issued to the public at the end of the period

□ Applicable √ Not applicable

2. Share-based payment settled by equity

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Determination method of fair value of equity instruments on grant date	Black-Scholes
Important parameter of fair value of equity instruments on grant date	
Determination basis of the quantity of vesting equity instruments	
Reasons for the significant difference between the estimate in the current period and the estimate in the previous period	
Cumulative amount of share-based payment in equity included in capital reserves	21,287,838.82

Other descriptions None

3. Share-based payment settled in cash

□ Applicable √ Not applicable

4. Current share-based payment expenses

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Granted object category	Expenses of equity-settled share-based payment	Expenses of cash-settled share-based payment
Production personnel	-2,819,098.21	
Sales personnel	-4,313,877.98	

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Technicians	-10,188,917.15	
Administrative personnel	-10,348,367.15	
Other personnel	-3,140,968.43	
Total	-30,811,228.92	

Other descriptions

None

5. Modification and termination of share-based payment

Applicable Not applicable

6. Others

Applicable Not applicable

XVI. Commitments and Contingencies

1. Important commitments

Applicable Not applicable

2. Contingencies

(1) Important contingencies existing on the balance sheet date

Applicable Not applicable

1. Guarantee for subsidiary

Guaranteed party	Amount guaranteed (RMB)	Start date of guarantee	Maturity date of guarantee	Whether the guarantee is mature
Subsidiaries:				
SERES Automobile Co., Ltd.	5,000,000.00	2023-1-16	2024-1-13	No
SERES Automobile Co., Ltd.	45,000,000.00	2023-1-16	2025-1-13	No
SERES Automobile Co., Ltd.	5,000,000.00	2023-3-23	2024-3-20	No
SERES Automobile Co., Ltd.	45,000,000.00	2023-3-23	2025-3-20	No
SERES Automobile Co., Ltd.	320,000,000.00	2023-9-12	2024-9-10	No
SERES Automobile Co., Ltd.	100,000.00	2022-6-24	2024-6-21	No
SERES Automobile Co., Ltd.	100,000.00	2022-6-24	2024-12-21	No
SERES Automobile Co., Ltd.	49,500,000.00	2022-6-24	2025-6-21	No
SERES Automobile Co., Ltd.	50,000,000.00	2022-6-24	2025-6-23	No
SERES Automobile Co., Ltd.	35,000,000.00	2023-1-13	2024-6-21	No
SERES Automobile Co., Ltd.	120,000,000.00	2023-1-13	2025-1-12	No
SERES Automobile Co., Ltd.	80,000,000.00	2023-3-27	2024-3-27	No
SERES Automobile Co., Ltd.	50,000,000.00	2022-4-27	2024-4-26	No
SERES Automobile Co., Ltd.	100,000.00	2023-1-17	2024-1-10	No
SERES Automobile Co., Ltd.	100,000.00	2023-1-17	2024-7-10	No

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SERES Automobile Co., Ltd.	100,000.00	2023-1-17	2025-1-10	No
SERES Automobile Co., Ltd.	100,000.00	2023-1-17	2025-7-10	No
SERES Automobile Co., Ltd.	379,500,000.00	2023-1-17	2026-1-10	No
Chongqing Sokon Powertrain Co., Ltd.	50,000,000.00	2023-6-19	2024-6-16	No
Chongqing Sokon Powertrain Co., Ltd.	50,000.00	2023-6-29	2024-6-28	No
Chongqing Sokon Powertrain Co., Ltd.	50,000.00	2023-6-29	2024-12-28	No
Chongqing Sokon Powertrain Co., Ltd.	50,000.00	2023-6-29	2025-6-28	No
Chongqing Sokon Powertrain Co., Ltd.	50,000.00	2023-6-29	2025-12-28	No
Chongqing Sokon Powertrain Co., Ltd.	18,750,000.00	2023-6-29	2026-4-28	No
Chongqing Sokon Powertrain Co., Ltd.	17,000,000.00	2023-6-29	2026-6-28	No
Chongqing Sokon Powertrain Co., Ltd.	100,000,000.00	2023-1-20	2024-1-15	No
Chongqing Sokon Powertrain Co., Ltd.	48,000,000.00	2022-12-29	2024-12-27	No
Chongqing Sokon Powertrain Co., Ltd.	50,000,000.00	2022-12-29	2024-6-25	No
Chongqing Sokon Import and Export Co., Ltd.	180,000,000.00	2023-7-28	2024-1-24	No
Chongqing Sokon Import and Export Co., Ltd.	20,000,000.00	2023-9-14	2024-3-12	No
Chongqing Sokon Import and Export Co., Ltd.	30,000,000.00	2023-12-21	2024-6-18	No
Chongqing Sokon Automobile Parts Co., Ltd.	24,638,250.00	2023-7-19	2024-1-19	No
Chongqing Sokon Automobile Parts Co., Ltd.	25,353,300.00	2023-6-30	2024-1-1	No
SERES Automobile (Hubei) Co., Ltd.	60,000,000.00	2023-7-31	2024-7-31	No
SERES Automobile (Hubei) Co., Ltd.	140,000,000.00	2023-9-7	2024-3-7	No
SERES Automobile (Hubei) Co., Ltd.	44,078,222.70	2023-8-28	2024-2-28	No
SERES Automobile (Hubei) Co., Ltd.	95,657,100.00	2023-7-19	2024-1-19	No
SERES Automobile (Hubei) Co., Ltd.	116,900,000.00	2023/09.15	2024-3-15	No
SERES Automobile (Hubei) Co., Ltd.	30,000,000.00	2023-7-28	2024-7-22	No
SERES Automobile (Hubei) Co., Ltd.	270,000,000.00	2023-7-28	2024-7-22	No
SERES Automobile (Hubei) Co., Ltd.	244,800,000.00	2023-7-27	2026-7-27	No
SERES Automobile (Hubei) Co., Ltd.	1,000,000.00	2023-7-27	2024-5-20	No
SERES Automobile (Hubei) Co., Ltd.	1,000,000.00	2023-7-27	2024-11-20	No
SERES Automobile (Hubei) Co., Ltd.	1,000,000.00	2023-7-27	2025-5-20	No
SERES Automobile (Hubei) Co., Ltd.	1,000,000.00	2023-7-27	2025-11-20	No
SERES Automobile (Hubei) Co., Ltd.	196,000,000.00	2023-7-12	2024-1-12	No

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SERES Automobile (Hubei) Co., Ltd.	48,013,000.00	2023-6-30	2024-1-2	No
SERES Automobile (Hubei) Co., Ltd.	69,614,343.71	2023-8-28	2024-2-28	No
SERES Automobile (Hubei) Co., Ltd.	230,311,057.54	2023-7-24	2024-1-24	No
SERES Automobile (Hubei) Co., Ltd.	72,797,401.59	2023-7-31	2024-1-31	No
SERES Automobile (Hubei) Co., Ltd.	96,535,952.61	2023-8-28	2024-2-28	No
SERES Automobile (Hubei) Co., Ltd.	60,000,000.00	2023-2-14	2024-2-14	No

2. Estimated liabilities refer to the provision of fee of three guarantees for automobile sales. Refer to "Note 50 Estimated liabilities" to "VII. Notes to Consolidated Financial Statement Items" for details.

(2) The Company shall also give the indication for no important contingencies to be disclosed:

Applicable Not applicable

3. Others

Applicable Not applicable

XVII. Events after the Balance Sheet Date

1. Important non-adjusting events

Applicable Not applicable

2. Profit distribution

Applicable Not applicable

3. Sales return

Applicable Not applicable

4. Description of other events after the balance sheet date

Applicable Not applicable

XVIII. Other important matters

1. Correction of accounting error in the early stage

(1) Retrospective restatement method

Applicable Not applicable

(2) Prospective application method

Applicable Not applicable

2. Significant debt restructuring

Applicable Not applicable

3. Asset replacement

(1) Exchange of non-monetary assets

Applicable Not applicable

(2) Replacement of other assets

Applicable Not applicable

4. Annuity plan

Applicable Not applicable

5. Discontinuing operation

Applicable Not applicable

6. Segment information

(1) Determination basis and accounting policies of report segment

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Applicable Not applicable

(2) Financial information of report segment

Applicable Not applicable

(3) Describe why the Company does not set report segment or cannot report or disclose total assets and liabilities of report segment

Applicable Not applicable

(4) Other descriptions

Applicable Not applicable

7. Other important transactions and matters affecting the investors' decision-making

Applicable Not applicable

8. Others

Applicable Not applicable

XVI. Notes to Main Items of Financial Statements of Parent Company

1. Accounts receivable

(1) Disclosed by aging

Applicable Not applicable

(2) Classification and disclosure by bad-debt reserve method

Applicable Not applicable

Withdrawal of bad-debt reserves by single item:

Applicable Not applicable

Withdrawal of bad-debt reserves in portfolios:

Applicable Not applicable

Bad-debt reserves based on the general model of expected credit losses

Applicable Not applicable

Classification basis and bad debt provision ratio for each stage

None

Description on the significant changes in the book balance of accounts receivable in which changes in loss reserves occurred in the current period:

Applicable Not applicable

(3) Bad-debt reserves

Applicable Not applicable

Thereinto, important amounts of bad-debt reserves recovered or reversed in the current period:

Applicable Not applicable

Other descriptions None

(4) Actual write-off accounts receivable in the current period

Applicable Not applicable

Thereinto, conditions for write-off of important accounts receivable

Applicable Not applicable

Write-off description of accounts receivable:

Applicable Not applicable

(5) Accounts receivable and contract assets of the top five ending balances collected by the debtor

Applicable Not applicable

Other descriptions:

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 Applicable Not applicable**2. Presentation of other receivables** Applicable Not applicable

Unit: CNY Currency: RMB

Item	Ending balance	Beginning balance
Interests receivable		
Dividends receivable		
Other receivables	13,282,435,542.11	13,105,425,040.15
Total	13,282,435,542.11	13,105,425,040.15

Other descriptions:

 Applicable Not applicable**Interests receivable****(1) Classification of interests receivable** Applicable Not applicable**(2) Important overdue interest** Applicable Not applicable**(3) Classification and disclosure by bad-debt reserve method** Applicable Not applicable

Withdrawal of bad-debt reserves by single item:

 Applicable Not applicable

Description on withdrawal of bad-debt reserves by single item:

 Applicable Not applicable

Withdrawal of bad-debt reserves in portfolios:

 Applicable Not applicable**(4) Bad-debt reserves based on the general model of expected credit losses** Applicable Not applicable

Classification basis and bad debt provision ratio for each stage

None

Description on the significant changes in the book balance of interests receivable in which changes in loss reserves occurred in the current period:

 Applicable Not applicable**(5) Bad-debt reserves** Applicable Not applicable

Thereinto, important amounts of bad-debt reserves recovered or reversed in the current period:

 Applicable Not applicable

Other descriptions:

None

(6) Actual write-off interests receivable in the current period Applicable Not applicable

Thereinto, conditions for write-off of important interests receivable

 Applicable Not applicable

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Description on write-off:

 Applicable Not applicable

Other descriptions:

 Applicable Not applicable

Dividends receivable

(1) Dividends receivable Applicable Not applicable

Unit: CNY Currency: RMB

Item (or investee)	Ending balance	Beginning balance
New Energy Automobile Industry Development (Chongqing) Co., Ltd.	1,000,000.00	1,000,000.00
Minus: Bad-debt reserves	1,000,000.00	1,000,000.00
Total		

(2) Important dividends receivable with aging exceeds 1 year Applicable Not applicable**(3) Classification and disclosure by bad-debt reserve method** Applicable Not applicable

Unit: CNY Currency: RMB

Type	Ending balance					Beginning balance					
	Book balance		Bad-debt reserves			Book value	Book balance		Bad-debt reserves		Book value
	Amount	Proportion (%)	Amount	Calculation and withdrawing proportion (%)	Amount		Proportion (%)	Amount	Calculation and withdrawing proportion (%)		
Withdrawal of bad-debt reserves by single item											
Including:											
New Energy Automobile Industry Development (Chongqing) Co., Ltd.	1,000,000	100	1,000,000	100		1,000,000	100	1,000,000	100		
Withdrawal of bad-debt reserves in portfolios											
Including:											

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Total	1,000,000	/	1,000,000	/		1,000,000	/	1,000,000	/

Withdrawal of bad-debt reserves by single item:

 Applicable Not applicable

Unit: CNY Currency: RMB

Name	Ending balance			
	Book balance	Bad-debt reserves	Calculation and withdrawing proportion (%)	Reasons for calculation and withdrawal
New Energy Automobile Industry Development (Chongqing) Co., Ltd.	1,000,000.00	1,000,000.00	100	
Total	1,000,000.00	1,000,000.00	100	/

Description on withdrawal of bad-debt reserves by single item:

 Applicable Not applicable

Withdrawal of bad-debt reserves in portfolios:

 Applicable Not applicable**(4) Bad-debt reserves based on the general model of expected credit losses** Applicable Not applicable

Classification basis and bad debt provision ratio for each stage

None

Description on the significant changes in the book balance of dividends receivable in which changes in loss reserves occurred in the current period:

 Applicable Not applicable**(5) Bad-debt reserves** Applicable Not applicable

Unit: CNY Currency: RMB

Type	Beginning balance	Changed amount in the current period				Ending balance
		Calculation and withdrawal	Recover or reverse	Write-off or charge-off	Other changes	
New Energy Automobile Industry Development (Chongqing) Co., Ltd.	1,000,000					1,000,000
Total	1,000,000					1,000,000

Thereinto, important amounts of bad-debt reserves recovered or reversed in the current period:

 Applicable Not applicable

Other descriptions:

None

(6) Actual write-off dividends receivable in the current period Applicable Not applicable

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Thereinto, conditions for write-off of important dividends receivable

Applicable Not applicable

Description on write-off:

Applicable Not applicable

Other descriptions:

Applicable Not applicable

Other receivables

(1) Disclosure by aging

Applicable Not applicable

Unit: CNY Currency: RMB

Account age	Ending book balance	Beginning book balance
Within 1 year		
Including: Sub-item within 1 year		
Within 1 year	8,776,004,606.86	11,627,884,699.28
Subtotal within 1 year	8,776,004,606.86	11,627,884,699.28
1-2 years	3,917,064,815.58	1,477,127,921.67
2-3 years	589,246,778.29	470,000.00
Over 3 years		
3-4 years	470,000.00	
4-5 years		
Over 5 years	500,000.00	500,000.00
Total	13,283,286,200.73	13,105,982,620.95

(2) Classification by nature of payment

Applicable Not applicable

Unit: CNY Currency: RMB

Nature of payment	Ending book balance	Beginning book balance
Performance compensation	1,374,169,340.39	222,460,413.36
Intercourse funds	11,905,060,984.89	12,882,214,316.54
Reserves and security deposits	4,055,875.45	1,307,891.05
Total	13,283,286,200.73	13,105,982,620.95

(3) Withdrawal of bad-debt reserves

Applicable Not applicable

Unit: CNY Currency: RMB

Bad-debt reserves	Stage I	Stage II	Stage III	Total

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	Expected credit loss in the future 12 months	Expected credit loss throughout the entire duration (credit impairment that has not occurred)	Expected credit loss throughout the entire duration (credit impairment that has occurred)	
Balance as of January 1, 2023	557,580.80			557,580.80
Balance as of January 1, 2023 in the current period	557,580.80			557,580.80
- Transfer to Stage II				
- Transfer to Stage III				
- Transfer back to Stage II				
- Transfer back to Stage I				
Calculation and withdrawal in the current period	293,077.82			293,077.82
Reverse in the current period				
Write-off in the current period				
Charge-off in the current period				
Other changes				
Balance as of December 31, 2023	850,658.62			850,658.62

Classification basis and bad debt provision ratio for each stage

None

Description on the significant changes in the book balance of other receivables in which changes in loss reserves occurred in the current period:

Applicable Not applicable

Basis for adopting whether the amount of the bad-debt reserves in the current period and the credit risk of financial instruments has increased significantly:

Applicable Not applicable

(4) Bad-debt reserves

Applicable Not applicable

Unit: CNY

Currency: RMB

Type	Beginning balance	Changed amount in the current period				Ending balance
		Calculation and withdrawal	Recover or reverse	Write-off or charge-off	Other changes	
Bad-debt reserves	557,580.80	293,077.82				850,658.62
Total	557,580.80	293,077.82				850,658.62

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Thereinto, important amounts of bad-debt reserves reversed or recovered in the current period:

Applicable Not applicable

Other descriptions None

(5) Other receivables actually written off in current period

Applicable Not applicable

Thereinto, conditions for write-off of important other receivables:

Applicable Not applicable

Write-off descriptions of other receivables:

Applicable Not applicable

(6) Other receivables of the top five among ending balance collected by the debtor

Applicable Not applicable

Unit: CNY

Currency: RMB

Unit name	Ending balance	Proportion in the ending balance of other receivables (%)	Nature of payment	Account age	Ending balance of bad-debt reserves
Unit I	7,806,673,868.43	58.77	Intercourse funds	Within 1 year/1-2 years	
Unit II	2,577,181,315.45	19.40	Intercourse funds	Within 1 year/1-2 years/2-3 years	
Unit III	1,374,169,340.39	10.35	Performance compensation	Within 1 year	
Unit IV	955,562,536.94	7.19	Intercourse funds	Within 1 year	
Unit V	337,273,571.76	2.54	Intercourse funds	Within 1 year	
Total	13,050,860,632.97	98.25	/	/	

(7) Reported as other receivables due to centralized fund management

Applicable Not applicable

Other descriptions:

Applicable Not applicable

3. Long-term equity investment

Applicable Not applicable

Unit: CNY

Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment reserves	Book value	Book balance	Impairment reserves	Book value
Investment in subsidiaries	8,765,188,102.17	5,000,000.00	8,760,188,102.17	8,786,479,767.28	5,000,000.00	8,781,479,767.28
Investment in associated enterprises and	37,892,434.14		37,892,434.14	37,314,710.30		37,314,710.30

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joint ventures						
Total	8,803,080,536.31	5,000,000.00	8,798,080,536.31	8,823,794,477.58	5,000,000.00	8,818,794,477.58

(1) Investment in subsidiaries

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Investee	Beginning balance	Amount increased in the current period	Amount decreased in the current period	Ending balance	Accruing impairment reserves in the current period	Ending balance of impairment reserves
Chongqing Yu'an Huaihai Powertrain Co., Ltd.	9,486,296.36		883,436.76	8,602,859.60		
Chongqing Sokon Automobile Sales Service Co., Ltd.	5,090,342.67		90,342.67	5,000,000.00		5,000,000.00
SERES Automobile (Hubei) Co., Ltd.	4,288,291,408.90		5,223,469.75	4,283,067,939.15		
Chongqing Sokon Powertrain Co., Ltd.	352,213,308.36		1,275,690.22	350,937,618.14		
Chongqing Sokon Engine R&D Co., Ltd.	5,027,150.13		27,150.13	5,000,000.00		
Sokon Group (Hong Kong) Limited	63,622,486.60	3,541,805.56	115,986.60	67,048,305.56		
SINKON INTERNATIONAL(SINGAPORE)PTE.LTD.	3,029,196.72			3,029,196.72		
SERES Automobile Co., Ltd.	4,004,305,279.03		17,217,394.54	3,987,087,884.49		
Chongqing Sinkon International Holdings Limited	55,414,298.51			55,414,298.51		
Total	8,786,479,767.28	3,541,805.56	24,833,470.67	8,765,188,102.17		5,000,000.00

(2) Investment in associated enterprises and joint ventures

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Investor	Beginning balance	Increase/decrease amount of the current period								Ending balance	Ending balance of impairment reserves
		Additional investments	Negative investments	Investment profit and loss recognized by the equity method	Adjustments of other comprehensive incomes	Other equity changes	Cash dividends or profits to be issued as announced	Provision for impairment reserves	Others		

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I. Joint venture											
Subtotal											
II. Associated enterprise											
New Energy Automobile Industry Development (Chongqing) Co., Ltd.	37,314,710.30			577,723.84						37,892,434.14	
Subtotal	37,314,710.30			577,723.84						37,892,434.14	
Total	37,314,710.30			577,723.84						37,892,434.14	

(3) Impairment test of long-term equity investments

Applicable Not applicable

Other descriptions:

None

4. Operating income and operating cost**(1) Operating income and operating cost**

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period		Accrual in the previous period	
	Revenue	Cost	Revenue	Cost
Main business				
Other businesses	39,375,792.38	13,711,103.31	44,823,443.01	17,260,274.70
Total	39,375,792.38	13,711,103.31	44,823,443.01	17,260,274.70

(2) Breakdown information of operating income and operating cost

Applicable Not applicable

Other descriptions

Applicable Not applicable

(3) Description of performance obligations

Applicable Not applicable

(4) Description of allocation to remaining performance obligations

Applicable Not applicable

(5) Significant contract changes or significant transaction price adjustments

Applicable Not applicable

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Other descriptions:

None

5. Return on investment

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Accrual in the current period	Accrual in the previous period
Return on long-term equity investment accounted by the cost method		464,000,000.00
Return on long-term equity investment accounted by the equity method	577,723.84	512,417.92
Return on investment from disposal of long-term equity investment		52,766,000.00
Return on investment from trading financial assets during the holding period	37,635,417.56	10,696,225.00
Dividend income from other equity instruments during the holding period		
Interest income from creditor's right investment during the holding period		
Interest income from other creditor's right investments during the holding period		
Return on investment for disposal of trading financial assets		
Return on investment from disposal of other equity instrument investments		
Return on investment from disposal of creditor's right investment		
Return on investment from disposal of other creditor's right investments		
Incomes from debt restructuring		
Others	22,487,774.86	12,638,750.01
Total	60,700,916.26	540,613,392.93

Other descriptions:

None

6. Others

□ Applicable √ Not applicable

XX. Supplementary Information**1. Current non-recurring profits and losses**

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Item	Amount	Description
------	--------	-------------

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Profit and loss of disposal of non-current assets, including the write-off part with impairment reserves of assets accrued	1,890,006,408.20	
Government subsidies included in current profits and losses except for government subsidies closely related to the normal business operations of Company, in line with national policies and obtained according to established standards and having continuous influence on the profits and losses of the Company	538,341,009.86	
Profit or loss on changes in fair values of held-for-trading financial assets and liabilities by non-financial enterprises and profit or loss obtained from disposal of financial assets and liabilities, except for effective hedging operations associated with the Company's normal operation	82,416,664.23	
Expense to non-financial enterprises for capital utilization charged to current profits and losses		
Profits and losses on entrusting others to invest or manage assets		
Profits and losses on external entrusted loans		
Various asset impairment provisions accrued due to force majeure factors such as natural disasters		
Reversal of provision for impairment of receivables separately tested for impairment		
The cost of investments in subsidiaries, associated enterprises and joint ventures acquired by an enterprise is less than the revenues from the fair value of the identifiable net assets of the investee at the time the investment is acquired		
Net profits and losses of the subsidiaries arising from the business combination under the same control since the beginning of the period to the combination date		
Gains and losses from non-monetary asset exchange		
Gain or loss from debt restructuring		
Nonrecurring expenses incurred to an enterprise due to the non-continuation of related operating activities, e.g., employee placement costs, etc.		
The impact of a one-time adjustment on current profits and losses according to the requirements of tax, accounting etc.		
Share-based expenditures recognized at a time due to cancellation or modification of stock ownership incentive plan		
Gains and losses arising from changes in the fair value of remuneration payable to employees after the vesting date for cash-settled share payment		
Profits and losses arising from changes in fair value of investment property subsequently measured using the fair value model		
Income from transactions with significantly unfair transaction prices.		
Profits and losses arising from contingencies not related to the Company's normal operating business		
Custodian expense incomes earned from entrusted operations		

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Non-operating income and expenditure other than those mentioned above	-88,297,493.22	
Other items of profits and losses that meet the definition of non-recurring profits and losses		
Minus: Affected amount of income tax	17,168,412.09	
Affected amount of minority equity (after-tax)	38,375,904.85	
Total	2,366,922,272.13	

If the Company defines the items of non-recurring profits and losses with significant amount not listed in the *Explanatory Announcement on the Information Disclosure of Companies with Public Offerings No. 1 - Non-recurring Profits and Losses*, and the items of non-recurring profits and losses listed in the *Explanatory Announcement on the Information Disclosure of Companies with Public Offerings No. 1 - Non-recurring Profits and Losses* as items of recurring profits and losses, the reasons should be explained.

Applicable Not applicable

Unit: CNY Currency: RMB

Item	Amount involved	Reasons
VAT plus deduction	11,124,541.33	Subsidiaries SERES (Hubei) Co., Ltd. and Luzhou Rongda Intelligent Transmission Limited Company are eligible for advanced manufacturing enterprises and enjoy the preferential policy of deducting the payable VAT by an additional 5% of the current deductible input tax for advanced manufacturing enterprises

Other descriptions

Applicable Not applicable

2. Return on net assets and earnings per share

Applicable Not applicable

Profit during the reporting period	Weighted average net assets yield rate (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to common shareholders of the Company	-22.39	-1.63	-1.63
Net profit attributable to common shareholders of the Company after deducting non-recurring gains and losses	-44.02	-3.21	-3.21

3. Accounting data difference under domestic and foreign accounting standards

Applicable Not applicable

4. Others

Applicable Not applicable

Chairman: Zhang Zhengping

Approval and submission date of the Board of Directors: April 28, 2024

Revision Information

Applicable Not applicable

For the purpose of this section only, unless the context requires otherwise, references to the “Company” are to Sokon, and references to “we”, “us” and “our” shall be construed accordingly.

The following management discussion and analysis of the results of Sokon is extracted from the annual reports of Sokon for the years ended 31 December 2021, 31 December 2022 and 31 December 2023. It should be read in conjunction with the financial information of Sokon for the years ended 31 December 2021, 31 December 2022 and 31 December 2023 set forth in Appendix II to this circular. The management discussion and analysis of the results of Sokon was issued in Chinese and the English translated version is provided for information purposes only. In case of discrepancies between the two versions, the Chinese version shall prevail.

The Directors wish to emphasise that the extracts reproduced below are not prepared for incorporation into this circular and the Group has not participated in their preparation. As such, the Directors do not express any view as to their truth, accuracy or completeness, and the Shareholders and investors should exercise caution and should not place undue reliance on such information.

Section III Discussion and Analysis of the Management

I. Discussion and Analysis of Operating Conditions

Under the historic opportunity of "China's dual carbon targets", new energy vehicles (NEVs) have become the main direction of global automobile transformation and development. Moreover, electrification and intelligence have also brought new opportunities for China's automobile industry to "overtake", which is also a "new segment market" for industrial structure adjustment, as well as transformation and upgrading.

The Company seizes the opportunities. Adhering to the mission of "promoting automobile energy transformation and creating a smart mobile life", and the vision of "becoming a global intelligent automobile brand enterprise", it practices the core values of "everything for users, striving for success, embracing change, integrity and reliability, and value sharing", upholds innovation driven, longtermism and commercial success, and devotes to promote the transformation and upgrading of traditional automobiles to intelligent vehicles and traditional manufacturing to intelligent manufacturing, and implement the strategy of high-quality products.

During the reporting period, the Company achieved the operating income of RMB 16.72 billion, a year-on-year increase of 16.9%. The sales and revenue scale of NEVs have both increased exponentially: the sales of NEVs increased by 104.4% year-on-year; the revenue increased by 128.8% year-on-year. The sales and revenue of NEVs accounted for 15.5% and 26.9% of the Company's total vehicle sales and main business income, respectively, continuing to maintain a growth trend, doubling compared to the same period of the previous year. The Company is gradually transforming into a technology manufacturing enterprise with NEVs as its core business.

- Adopt innovation driven approach and speed up technological breakthroughs

The Company focuses on independent technology research and development by combining industry trends with consumer demand. In 2021, the Company made breakthrough progress in vehicle platform, new generation extended range power platform, and core technology capability building.

The Company independently develops and has a vehicle technology platform with independent intellectual property rights, which is characterized by high modularity, high intelligence, high scalability, high general utilization rate, high performance, and high quality, covering the development of various levels of sedans, SUVs, and MPVs from compact to full size, supporting the installation of diversified power systems, advanced electronic and electrical architecture, as well as advanced autonomous driving technology, and achieving highly automated production of different vehicle models through standardized design.

SERES pure electric drive extended range platform (DE-i) is a high-performance power solution that can achieve full integration of software and hardware. The pure electric drive extended range technology it carries has the characteristics of "high performance, low energy consumption, quietness, safety, and intelligence". In terms of power, DE-i adopts a world-class electric drive combination with characteristics of high integration, small size, and strong explosive power. In terms of battery PACK, the battery safety performance is improved while ensuring energy density by simplifying the module structure. Compared to the traditional module insulation form of battery pack, each battery cell of DE-i adopts independent fireproof packaging technology, which has better blocking function of fire spreading, solving the battery safety anxiety for users from both structural and material aspects. In terms of intelligent range extension, the integrated intelligent generator set of SERES can achieve 3.2 kWh of electricity per liter of oil, leading the industry. In terms of intelligent control, DE-i pioneered a multi scenario recognition intelligent extended range control system, which can recognize nearly 900 scenarios, creating a beautiful travel world for consumers through technological innovation and iterative upgrades.

The Company's R&D capabilities in SDV technology research, EEA design, domain controller development, software testing, and other areas have been further enhanced.



SERES pure electric drive extended range platform (DE-i)

- Launch and deliver high end products, and accelerate the pace of transformation and upgrading

The Company's SERES SF5 was officially launched on April 19, 2021 at the 19th Shanghai International Automobile

Industry Exhibition. On December 23, 2021, AITO M5, a midsize luxury SUV and high-end smart electric vehicle, made its debut at the press conference and were delivered nationwide from March 5, 2022. Based on innovative sales models, advanced production and intelligent manufacturing capabilities, refined supply chain systems and other professional services, AITO M5 took less than three months from launch to delivery, and achieved the first month delivery of over 3,000, entering the top five high-end new energy SUV sales rankings of over RMB 200,000.



AITO M5

- Build smart factories to ensure high-quality production and delivery of products

The Company has built smart manufacturing factories represented by Liangjiang Smart Factory and Shiyan Konggang Factory. Among them, Liangjiang Smart Factory was awarded the "Lighthouse Factory" in Chongqing in 2021. The "Lighthouse Factory" is a guiding light for global industrial enterprises, a future and direction that leads the development of global industrial enterprises, and a booster for Chongqing to accelerate the construction of a national important advanced manufacturing center and promote high-quality development of the manufacturing industry. Being awarded the "Lighthouse Factory" is one of the phased achievements of the Company's efforts to promote smart factory construction and pursue intelligent manufacturing, which also motivates the Company to continue improving its overall level of intelligent manufacturing.

During the reporting period, the Company continued to promote the construction of the Phoenix Smart Factory, providing capacity guarantee for the Company's subsequent high-end vehicle models. It is expected that the Phoenix Smart Factory will be put into operation in mid-2022.

- Deepen and expand the strategic cooperation

The Company has built a deeper and broader strategic cooperation network to jointly create a path of innovative and collaborative development. Firstly, the Company has obtained strategic investment from the Chongqing government platform company in its NEV business; secondly, the Company has further deepened cross-border cooperation with leading global ICT enterprises; thirdly, the Company has successfully introduced important long-term strategic investors in the industry chain, strengthened strategic cooperation relationships through capital cooperation, and signed long-term capacity guarantee contracts in business, providing strong guarantees for the Company's NEV delivery; fourthly, the Company has established core industry chain partnerships with excellent upstream enterprises both domestically and internationally, and is committed to creating the supply chain with high quality, high standard, and high efficiency based on the "strategy of high-quality products".

- Conduct deep cross-border integration with ICT enterprises, pioneering business model in the industry

The Company has not only pioneered deep cooperation between automobile enterprises and ICT technology enterprises, but also a new retail model of selling NEVs through mobile phones and consumer electronics stores in core business districts nationwide. The Company can reach potential customers easily and accurately through online advertising channels; the Company can display and sell vehicles in offline experience centers that are closer to the target user groups, and establish user centers in major cities that provide one-stop comprehensive services to build a perfect sales service system. At present, the Company has completed the development or settlement of over 400 experience centers and over 100 user centers, providing consumers with a circumferential service network.

- Optimize the product structure for overseas sales and steadily implement an internationalization strategy

In 2021, the product structure for the Company's overseas sales was further optimized, and sales of NEVs and SUVs increased. The Company's overseas vehicle sales increased by 102.9% year-on-year. Among them, the sales of NEVs increased by 475.4% year-on-year; the sales of SUVs increased by 200.3% year-on-year. The Company's NEVs have fully entered the European market and are exported in bulk to multiple countries and regions such as France, Germany, and Italy, etc. The network construction has begun to take shape, and the brand image has gradually improved. In addition, the Company's overseas key projects have made breakthrough progress, and the European Marketing Service Center and African Marketing Service Center have been officially completed and put into operation.

- Complete non-public offering of shares to support the development of the real economy

During the reporting period, the Company successfully completed the non-public offering of A-shares, with a net fundraising amount of RMB 2.57 billion after deducting issuance expenses, mainly used for the development of intelligent electric vehicles. The Company invests the raised funds in the intelligent electric vehicle project to improve the Company's level of intelligence and electrification technology, launch new products that meet consumer needs, and enhance the Company's comprehensive competitiveness.

- Further improve the level of Party building work and promote high-quality development of the Company

According to the overall idea of the Company's Party building work in 2021: it is necessary to enhance political stance, promote the achievement of production and operation goals and tasks in various periods, and serve for high-quality development of the Company. The ideas and goals of the Company's Party building work have become more clear, and a basic pattern of complete organizational system and sound working mechanism has been formed. Moreover, the effectiveness of Party organizations at all levels in prompting and serving production and operation has been further enhanced. The leading role of Party members and cadres, as well as the role of trade unions as a link and platform to enhance the relationship between employees and the enterprise, are increasingly evident.

II. Industrial Information of the Company within the Reporting Period

2021 coincides with the historical intersection of the "two centenary goals". In the first year of the "14th Five-Year Plan" for the second centennial goal, although the automobile industry faced multiple challenges such as the complex and volatile international situation, repeated COVID-19, insufficient supply of chips and batteries, and high prices of raw materials, it achieved a steady increase in production and sales performance throughout the year.

According to data from China Association of Automobile Manufacturers, China's automobile production in 2021 was 26.082 million, with a year-on-year increase of 3.4%; the automobile sales was 26.275 million, with a year-on-year increase of 3.8%. Among them, the production and sales of passenger vehicles were 21.408 million and 21.482 million, with a year-on-year increase of 7.1% and 6.5% respectively, maintaining a scale of over 20 million; the production and sales of commercial vehicles were 4.674 million and 4.793 million respectively, with a year-on-year decrease of 10.7% and 6.6% respectively.

The production and sales of NEVs were 3.545 million and 3.521 million, with a year-on-year increase of 159.7% and 157.5% respectively, and the penetration rate was 13.4%, 8% higher than the previous year, becoming the biggest highlight of the automobile industry. With the penetration rate of NEVs reaching new highs repeatedly, China's NEV industry has entered a new stage of shifting from policy driven to market driven.

The arrival of the turning point for NEVs in China means that the NEV industry has moved from the first half dominated by "electrification" to the "era dominated by intelligence". Major automakers will also create an "intelligent automobile ecosystem" as their future strategic development plan.

Overall, against the backdrop of stable and sustained recovery of China's macro economy, the automobile industry is steadily moving forward. In the future, with the continuous deepening of electrification, networking, and intelligence, the automobile industry will embrace a new round of technological revolution, seek new breakthroughs with the support of technology, promote the successful transformation and upgrading of the global automobile industry, and help the smooth achievement of "China's dual carbon targets"!

III. Business Condition of the Company during the Reporting Period

The Company is a technology-based manufacturing enterprise with NEVs as its core business, with a complete R&D, supply, manufacturing, and sales system.

In terms of vehicles, the Company mainly has SUVs, MPVs, micro commercial vehicles, and other product series, covering NEVs and traditional models. The main representative models include the AITO M5, SERES SF5, FENGON MINIEV, FENGON 580, DFSK K01, and RUICHI EC35II, etc.

In terms of powertrain, the Company has mass-produced 1.5T-2.0T range extenders and engine products. AITO M5 is equipped with 3.0 range extender independently developed by the Company, which can achieve a vehicle mileage of over 1,000 km, and can continue driving even without charging conditions.

IV. Analysis of Core Competitiveness during the Reporting Period

Applicable Not applicable

Under the national strategy of "China's dual carbon targets", NEVs, as a representative industry of renewable and clean energy, are undoubtedly the golden segment market for the transformation and upgrading of global automobile enterprises. Driven by favorable policies and consumption upgrading, the trillion-level market door of the NEV industry has opened. During the reporting period, the Company seized the historic opportunities under "China's dual carbon targets" and the opportunities for cross-border integration, upheld innovation driven, longtermism and commercial success, and

implemented the "strategy of high-quality products" of quality first and talent driven, promoting the Company's sustained high-quality development. Based on the purpose of commercial success, the Company made exploration and innovation, forming core competitiveness in technology, products, business, marketing, manufacturing, and talent.

1. The independently developed vehicle platform has high modularity and strong scalability

The Company has a vehicle platform with independent intellectual property rights, which is characterized by high modularity, high scalability, high general utilization rate, high performance, and high quality, covering the development of various levels of sedans, SUVs, and MPVs from compact to full size, supporting the installation of diversified power systems, advanced electronic and electrical architecture, as well as advanced autonomous driving technology, and achieving highly automated production of different vehicle models through standardized design.

2. Pure electric drive extended range technology combines high performance and long endurance, which is more in line with China's national conditions

The Company has independently developed and manufactured DE-i that combines high performance, low energy consumption, quietness, safety, and intelligence, forming a one-stop solution for comprehensive integration of software and hardware. The world-class electric drive combination has advantages of high integration, small size, and strong explosive power; independent fireproof packaging technology of each battery cell simplifies the structure of battery modules, ensuring energy density while maintaining stability and safety without fire hazards; integrated intelligent generator set, pioneering and leading in the industry, can generate 3.2 kWh of electricity per liter of oil, which is 20% higher than the industry average level; intelligent extended range control system, with a three-dimensional thinking mode, can automatically recognize nearly 900 scenarios, and achieve precise matching through neural network algorithms, providing users with a driving experience of strong power, low energy consumption, and slight noise in all areas, and truly achieving zero range anxiety with endurance over 1000 km provided by WLTC. In addition, the entire platform is upgraded with OTA, constantly iterating and evolving, and achieving intelligent growth.

3. There are adequate product lines to meet diversified market demands

The Company has adequate product lines, including NEVs, fuel vehicles, pure electric vehicles, extended range vehicles, passenger vehicles, commercial vehicles. The comprehensive product matrix can meet the needs of different users. The Company is committed to a comprehensive transformation towards new energy business, promoting the development of new technologies and models, and product iteration to enhance product competitiveness.

The midsize luxury SUV AITO M5, a high-end smart electric vehicle that the Company has mass-produced and launched, is equipped with a 1.5T four-cylinder range extender specially designed for range extension systems. It has a super strong compression ratio of 15:1 and an ultra-high thermal efficiency of 41%. In addition, its maximum power generation efficiency can reach 3.2kW-h/L, achieving the ultimate energy conversion. The WLTC range of the AITO M5 exceeds 1,000 km under full fuel and full charging conditions. In terms of performance, AITO M5 four-wheel drive performance model and the four-wheel drive flagship model are equipped with an AC asynchronous motor on the front axle and a permanent magnet synchronous motor on the rear axle, forming a dual motor four-wheel drive system. The flagship four-wheel drive model has a 0-100 km/h acceleration time of only 4.4 seconds. In terms of vehicle computer, AITO M5 is equipped with the all-new HarmonyOS intelligent cockpit for the first time in the industry, breaking the information gap between different devices. The vehicle computer can be seamlessly connected to mobile phones, smartwatches, smart homes, and other devices, achieving a seamless connection between cars and everything. Furthermore, the intelligence of vehicles have been elevated to new heights by virtue of many cutting-edge technologies such as industry-leading voice interaction, thoughtful voice assistants, excellent navigation experience in car maps, and all-around digital vehicle keys.

4. The Company conducts cross border cooperation to create high-end smart electric vehicles

The Company collaborates with leading global ICT enterprises in the entire chain of R&D, manufacturing, sales, and service, empowering each other. The cooperation between the Company and its partners is based on the profound insights and deep thinking of both parties on the future development of the automobile industry, reaching a high degree of consensus, and integrating the Company's industry-leading pure electric drive extended range technology, vehicle technology, and high-quality intelligent manufacturing capabilities, as well as the cutting-edge technology of the partners in the field of information communication and smart transportation, etc. To meet user needs and improve user experience, the Company is committed to bridging the boundaries of all scenarios and multiple intelligent devices, providing users with the ultimate proactive intelligent services, smooth, efficient, and safe travel experience, and a smart life experience in all scenarios.

5. The Company collaborates with partners to establish a strong marketing system in a new model through online and offline sales channels

The Company has in-depth cooperation with partners in the field of sales. AITO M5 has been sold on the online and offline channels of the Company and its partners, and can directly reach terminal consumers through offline branches throughout the country. Based on the network layout, it provides users with a circumferential service network. Now, the Company is actively promoting channel layout and striving to achieve the goal of building channels in hundreds of cities and opening thousands of stores as soon as possible, ensuring the achievement of annual sales targets.

6. The Company has leading intelligent manufacturing capabilities

The Company has multiple production bases in Liangjiang, Shapingba, Shuangfu and Changshou in Chongqing, and Shiyan in Hubei. The Company's SERES Liangjiang Smart Factory is an industry-leading vehicle manufacturing factory driven by digitalization and intelligence based on the requirements of Industry 4.0, combined with new technologies such as big data and IoT, etc. It was awarded the title of "Lighthouse Factory" in Chongqing in 2021, which includes five major process workshops: stamping, welding, painting, final assembly, and battery PACK, has a platform based, flexible, and transparent production line, and is equipped with more than 1,000 advanced industrial robots in the five process workshops and charging & testing workshops. Key processes are fully automated. Through big data and artificial intelligence, large-scale customized production can be quickly and accurately carried out in a real-time online response manner, improving production efficiency, ensuring product quality, and achieving "flexibility, transparency, automation, interconnection, and intelligence" in vehicle manufacturing.

7. The Company has a super talent capital with high standard, high quality, and high efficiency

The Company has a stable core management team, with a younger and more specialized backbone, and always maintains a positive talent foundation of flexible mechanisms, active teams, and upward organization. The Company actively promotes the implementation of employee equity incentive plans, improves organizational structure, reduces management costs, enhances management efficiency, and strengthens staff cohesion, forming a long-term stable talent capital system that creates value for the Company.

V. Main Operating Conditions during the Reporting Period

In 2021, the Company achieved: operating income of RMB 16.718 billion, with a year-on-year increase of 16.89%; Throughout the year, 266,600 vehicles were sold, with a year-on-year decrease of 2.55%, of which 41,400 NEVs were sold, with a year-on-year increase of 104.39%.

(I) Analysis of main business

1. Profit statement and cash flow statement related item variation analytical statement

Unit: CNY Currency: RMB

Item	Amount of the current period	Amount of the same period of the previous year	Variable proportion (%)
Operating income	16,717,920,929.77	14,302,475,985.44	16.89
Operating cost	16,087,604,150.41	13,649,817,086.14	17.86
Sales expenses	1,279,955,159.89	728,534,353.97	75.69
Management expenses	1,088,753,488.91	892,525,316.63	21.99
Financial expenses	244,449,975.43	272,287,447.11	-10.22
R&D expenses	947,986,961.92	836,979,079.20	13.26
Net cash flow generated from operating activities	-987,448,451.50	1,087,930,057.02	-190.76
Net cash flow generated from investing activities	-1,562,738,623.89	-1,318,539,039.46	N/A
Net cash flow generated from financing activities	2,936,133,458.00	-1,128,650,083.44	N/A

Explanations for the reasons for changes of operating income: mainly due to the increase in sales of NEVs.

Explanations for the reasons for changes of operating cost: mainly due to the increase in sales of NEVs.

Explanations for the reasons for changes of sales expenses: mainly due to the launch of new models of SERES, the construction of marketing channels, and the increase in sales service fees.

Explanations for the reasons for changes of management expenses: mainly due to the increase in business volume, labor costs, and operating expenses in SERES sector.

Explanations for the reasons for changes of financial expenses: mainly due to the decrease in interest expenditure.

Explanations for the reasons for changes of R&D expenses: mainly due to the increase in intangible asset amortization expenses.

Explanations for the reasons for changes of net cash flow generated from operating activities: mainly due to the increase in the payment for raw material procurement in the current period and the increase in the salaries of R&D and production personnel in SERES sector.

Explanations for the reasons for changes of net cash flow generated from investing activities: mainly due to the increase of investment in fixed assets in the current period.

Explanations for the reasons for changes of net cash flow generated from financing activities: mainly due to the receipt of funds raised through non-public offering of shares, equity investment funds, and financial aid from controlling shareholders in the current period.

Description on the major changes in business type, profit composition or profit source of the Company in the current period

Applicable Not applicable

2. Revenue and cost analysis

Applicable Not applicable

Refer to the following analysis for details

(1) Main business condition in terms of industry, product, region and sales model

Unit: CNY Currency: RMB

Main business condition in terms of industry						
Industry	Operating income	Operating cost	Gross margin (%)	Increase/d ecrease of the operating income compared to the previous year (%)	Increase/d ecrease of the operating cost compared to the previous year (%)	Increase/decrease of the gross margin compared to the previous year (%)
Automobile industry	15,924,309,752.85	15,443,723,941.94	3.02	15.95	16.81	Decrease by 0.71%
Main business condition in terms of product						
Product	Operating income	Operating cost	Gross margin (%)	Increase/d ecrease of the operating income compared to the previous year (%)	Increase/d ecrease of the operating cost compared to the previous year (%)	Increase/decrease of the gross margin compared to the previous year (%)
Automobile	14,419,261,934.22	143110,413,751.23	2.14	18.13	18.19	Decrease by 0.05%
Automobile powertrain	579,924,132.99	517,839,084.28	10.71	-45.97	-46.22	Increase by 0.43%
Automobile parts	906,606,469.86	810,876,604.59	10.56	128.36	168.08	Decrease by 13.25%
Financing lease	18,517,215.77	4,594,501.84	75.19	-67.76	-72.79	Increased by 4.58%
Main business condition in terms of region						

Region	Operating income	Operating cost	Gross margin (%)	Increase/decrease of the operating income compared to the previous year (%)	Increase/decrease of the operating cost compared to the previous year (%)	Increase/decrease of the gross margin compared to the previous year (%)
Domestic	13,277,224,707.45	13,191,915,902.95	0.64	5.78	8.41	Decrease by 2.41%
Overseas	2,647,085,045.40	2,251,808,038.99	14.93	123.90	113.85	Increased by 4.00%
Main business condition in terms of sales model						
Sales model	Operating income	Operating cost	Gross margin (%)	Increase/decrease of the operating income compared to the previous year (%)	Increase/decrease of the operating cost compared to the previous year (%)	Increase/decrease of the gross margin compared to the previous year (%)
Direct sales	1,605,107,112.16	1,645,935,820.01	-2.54	112.59	136.15	Decrease by 10.23%
Distribution	14,319,202,640.69	13,797,788,121.93	3.64	10.33	10.17	Increased by 0.14%

Description on main business condition in terms of industry, product, region and sales model

1. The increase in overseas revenue is mainly due to the increase in overseas sales;
2. The decrease in direct sales gross margin is mainly due to the increase in direct sales amount of SERES automobile sector in 2021. As it is still in the rising stage, the fixed cost allocation is relatively large, and the gross margin is negative.

(2) Analysis of production and sales situation

Applicable Not applicable

Main products	Unit	Production	Sales	Inventory	Increase/decrease of the production compared to the previous year (%)	Increase/decrease of the sales compared to the previous year (%)	Increase/decrease of the inventory compared to the previous year (%)
NEVs	Vehicle	41,701	41,440	2,544	115.43	104.39	-5.57
Other models	Vehicle	235,482	225,174	15,682	-8.91	-11.11	43.48
Total	Vehicle	277,183	266,614	18,226	-0.25	-2.55	33.78
Engine	Unit	353,260	351,677	3,349	-12.94	-14.77	22.85

Description of production and sales situation

The increase in production and sales of NEVs is mainly due to continuous investment in R&D in the early stage, as well as industry trends.

(3) Performance of major purchase contracts and major sales contracts

Applicable Not applicable

(4) Cost analysis

Unit: CNY

Condition in terms of industry							
Industry	Items of cost composition	Amount of the current period	Proportion of the current period in the total cost (%)	Amount of the same period of the previous year	Proportion of the same period of the previous year in the total cost (%)	Variable proportion of the amount of the current period over the same period of the previous year (%)	Presentation of situation
Automobile industry	Direct materials, direct labor, energy and power, manufacturing expenses, etc.	15,443,723,941.94	100	13,221,490,993.60	100	16.80	
Condition in terms of product							
Product	Items of cost composition	Amount of the current period	Proportion of the current period in the total cost (%)	Amount of the same period of the previous year	Proportion of the same period of the previous year in the total cost (%)	Variable proportion of the amount of the current period over the same period of the previous year (%)	Presentation of situation
Automobile	Direct materials, direct labor, energy and power, manufacturing expenses, etc.	14,110,413,751.23	91.37	11,939,232,281.88	90.30	18.19	
Automobile powertrain	Direct materials, direct labor, energy and power, manufacturing expenses, etc.	517,839,084.28	3.35	962,902,589.08	7.28	-46.22	
Automobile parts	Direct materials, direct labor, energy and power, manufacturing expenses, etc.	810,876,604.59	5.25	302,472,559.43	2.29	168.08	
Financing lease	Direct materials, direct labor, energy and power, manufacturing expenses, etc.	4,594,501.84	0.03	16,883,563.21	0.13	-72.79	

Other information of cost analysis

None

(5) Changes in consolidation scope due to changes in equity of major subsidiaries during the reporting period

√ Applicable Not applicable

Refer to "VIII. Changes in Consolidation Scope" in "Section X. Financial Statements" for details.

(6) Relevant conditions of significant change or adjustment about the Company's business, product or service during the reporting period

 Applicable Not applicable

(7) Condition of main trade debtors and main suppliers**A. Condition of main trade debtors of the Company**

The sales amount of the top five customers is RMB 1,450,616,700, accounting for 9.11% of the annual total sales amount; among them, the sales amount of the related party is RMB 331,145,900, accounting for 2.08% of the total annual sales amount.

The proportion of sales to a single customer exceeds 50% of the total during the reporting period, and there are new customers or highly dependent on a few customers among the top five customers

Applicable Not applicable

B. Condition of main suppliers of the Company

The purchase amount of the top five suppliers is RMB 2,120,965,400, accounting for 12.34% of total annual purchase amount; among them, the purchase amount of the related party is RMB 402,998,700, accounting for 2.34% of total annual purchase amount.

The proportion of purchase from a single supplier exceeds 50% of the total during the reporting period, and there are new suppliers or highly dependent on a few suppliers among the top five suppliers

Applicable Not applicable

Other descriptions

None

3. Expenses

Applicable Not applicable

Currency: RMB Unit: CNY

Item	Amount of the current period	Amount of the same period of the previous year	Increase/decrease proportion (%)
Sales expenses	1,279,955,159.89	728,534,353.97	75.69
Management expenses	1,088,753,488.91	892,525,316.63	21.99
R&D expenses	947,986,961.92	836,979,079.20	13.26
Financial expenses	244,449,975.43	272,287,447.11	-10.22

Refer to "Profit statement and cash flow statement related item variation analytical statement" for details.

4. R&D investment**(1) R&D investment information**

Applicable Not applicable

Currency: RMB Unit: CNY

Expensed R&D investment of the current period	492,912,378.68
Capitalized R&D investment of the current period	1,455,663,399.06
Total R&D investment	1,948,575,777.74
Proportion of total R&D investment in the operating income (%)	11.66
Proportion of capitalized R&D investment (%)	74.70

(2) R&D personnel information

Applicable Not applicable

Quantity of the Company's R&D personnel 3,019

Quantity of the Company's R&D personnel	3,019
Proportion of R&D personnel in the total staff of the Company (%)	22.32
Educational background structure of R&D personnel	
Educational background structure category	Educational background structure quantity
Doctoral candidate	33
Master degree candidate	310
Undergraduate	2,140
Junior college	536
Age structure of R&D personnel	
Age structure category	Age structure quantity
Under 30 years old (excluding 30 years old)	882
30-40 years old (including 30 years old and excluding 40 years old)	1,725
40-50 years old (including 40 years old and excluding 50 years old)	381
50-60 years old (including 50 years old and excluding 60 years old)	31

(3) Presentation of situation

Applicable Not applicable

(4) Reasons for major changes in the composition of R&D personnel and their impact on the future development of the Company

Applicable Not applicable

At the end of 2021, the total number of R&D personnel increased by 1,137 compared to the number of the same period of the previous year, with a year-on-year increase of 60.41%.

2021 is a crucial year for the Company's transformation and upgrading. The Company continues to strengthen its independent R&D and innovation capabilities, accelerate the implementation of the "quality led, talent driven" strategy, and provide talent support for its high-quality development. With the implementation of the Company's NEV strategy, the Company quickly and accurately introduces various leading figures and outstanding talents based on the development goal of elites, strengthens the cultivation of R&D capabilities in intelligent networking, autonomous driving, software, etc., and focuses on consolidating soft power in core areas of NEVs such as power electronics, power systems, platform architecture, SOA architecture, intelligent networking, and software development; it also establishes a sound talent incentive mechanism, adheres to people-oriented principles, promotes the healthy growth of talents, stimulates their vitality and creativity, and expands the high-quality talent team. In recent years, the Company has cultivated and attracted a group of senior professional R&D talents through external recruitment and internal training, as well as internal and external combination, leveraging technological innovation to lead the Company's upgrading and transformation.

5. Cash flow

Applicable Not applicable

Currency: RMB Unit: CNY

Item	Amount of the current period	Amount of the same period of the previous year	Variable proportion (%)
Net cash flow generated from operating activities	-987,448,451.50	1,087,930,057.02	-190.76
Net cash flow generated from investing activities	-1,562,738,623.89	-1,318,539,039.46	N/A
Net cash flow generated from financing activities	2,936,133,458.00	-1,128,650,083.44	N/A

1. Main reasons for the decrease in net cash flow generated from operating activities compared to the same period of the previous year: mainly due to the increase in the payment for raw material procurement in the current period and the increase in the salaries of R&D and production personnel in SERES sector.

2. Main reasons for the decrease in net cash flow generated from investing activities compared to the same period of the previous year: mainly due to the increase of investment in fixed assets in the current period.

3. Main reasons for the decrease in net cash flow generated from financing activities compared to the same period of the previous year: mainly due to the receipt of funds raised through non-public offering of shares, equity investment funds, and financial aid from controlling shareholders in the current period.

(II) Description on the major changes in profits due to non main business

□ Applicable √ Not applicable

(III) Analysis of assets and liabilities

√ Applicable □ Not applicable

1. Assets and liabilities

Unit: RMB 0,000

Item name	Closing balance of the current period	Proportion of closing balance of the current period in the total assets (%)	Closing balance of the previous period	Proportion of closing balance of the previous period in the total assets (%)	Proportion of changes in the ending amount of the current period over the closing balance of the previous period (%)	Presentation of situation
Monetary capital	583,224.90	18.21	293,161.23	11.16	98.94	Mainly due to premium on funds raised through non-public offering of shares
Trading financial assets	32,031.64	1.00	17,770.50	0.68	80.25	Mainly due to SFMORTORS receiving 5 million ELM shares as compensation for the disposal of assets
Accounts receivable	99,668.77	3.11	67,174.46	2.56	48.37	Mainly due to the increase in accounts receivable for parts
Receivables financing	37,736.19	1.18	182,438.59	6.95	-79.32	Mainly due to the increase in payment for supplier goods using bank acceptance bills received by the Company
Advance payment	66,033.51	2.06	33,847.76	1.29	95.09	Due to the increase in advance payment for batteries, steel materials and other parts
Other receivables	161,086.95	5.03	4,262.81	0.16	3,678.89	Mainly due to the provision of performance compensation
Inventory	277,288.53	8.66	197,370.76	7.51	40.49	Mainly due to the increase in raw material stocking to ensure the production of NEVs
Non-current assets due within one year	24,698.74	0.77				Mainly due to SFMORTORS receiving installment payments for the disposal of assets
Long-term receivables	30,166.67	0.94	48,560.85	1.85	-37.88	Mainly due to the decrease in financial leasing business
Long-term equity investment	3,998.45	0.12	10,638.35	0.40	-62.41	Mainly due to the transfer of equity in Chongqing New Energy Automobile Finance Leasing Co., Ltd.
Right-of-use assets	30,454.38	0.95				Due to the execution of new lease standards
Deferred income tax assets	15,154.01	0.47	9,425.96	0.36	60.77	Mainly due to the increase in deferred income tax assets recognized from deductible losses

Other non-current assets	28,802.02	0.90	5,855.84	0.22	391.85	Mainly due to the increase in advance payment for equipment
Notes payable	776,756.67	24.25	561,191.57	21.36	38.41	Mainly due to the increase in the use of bank acceptance bills to settle payments for goods
Advance receipt	12,006.66	0.37	35,045.81	1.33	-65.74	Mainly due to the recognition of asset disposal income from asset receipts and deposits
Payroll payable	50,370.84	1.57	32,526.00	1.24	54.86	Mainly due to the increase in the provision of year-end performance
Non-current liabilities due within one year	59,546.41	1.86	93,950.88	3.58	-36.62	Mainly due to the repayment of bank loans
Bonds payable	14,104.07	0.44	53,804.19	2.05	-73.79	Due to the conversion of convertible corporate bonds to shares
Lease liabilities	33,812.69	1.06				Due to the execution of new lease standards
Long-term payables	177,771.06	5.55	97,029.07	3.69	83.21	Mainly due to the receipt of financial aid from controlling shareholders
Other equity instruments	5,697.90	0.18	16,625.84	0.63	-65.73	Due to the conversion of convertible corporate bonds to shares
Capital reserves	808,737.96	25.25	335,790.31	12.78	140.85	Mainly due to the comprehensive impact of non-public offering of shares, conversion of convertible bonds to shares, and provision of performance compensation

Other descriptions

None

2. Condition of overseas assets

Applicable Not applicable

(1) Asset scale

Including: overseas assets of 295,344.86 (unit: RMB 0,000, currency: RMB), accounting for 9.22% of total assets.

(2) Description on high proportion of overseas assets

Applicable Not applicable

3. Major asset constraints as of the end of the reporting period

Applicable Not applicable

Refer to "Note 81 Assets with restricted ownership or usage rights" to "VII. Item Notes for Consolidated Financial Statement" for details.

4. Other descriptions

Applicable Not applicable

(IV) Analysis of operational information in the industry

Applicable Not applicable

Refer to the following content for details

Analysis of operational information in the automobile manufacturing industry

1. Capacity status

Applicable Not applicable

Existing capacity

Applicable Not applicable

Unit: 0,000 vehicles

Name of main factory	Design capacity	Capacity during the reporting period	Capacity utilization rate (%)
SERES Liangjiang Smart Factory	5	3.51	70.18
Vehicle Factory	38	21.89	57.60
Ruichi Automobile Factory	2	2.32	116.15

Capacity calculation standard

Applicable Not applicable

The designed capacity is calculated based on 250 days.

Name of the factory under construction	Planned investment amount	Investment amount during the reporting period	Cumulative investment amount	Expected commission date	Estimated capacity
Phoenix Smart Factory	400,000	134,821	134,821	July 2022	100,000 vehicles

2. Vehicle production and sales

Applicable Not applicable

By model category

Applicable Not applicable

Model category	Sales (vehicle)			Production (vehicle)		
	Accumulated amount of the current year	Accumulated amount of the previous year	Cumulative year-on-year increase or decrease (%)	Accumulated amount of the current year	Accumulated amount of the previous year	Cumulative year-on-year increase or decrease (%)
NEVs	41,440	20,275	104.39	41,701	19,357	115.43
Other models	225,174	253,315	-11.11	235,482	258,511	-8.91

By region

Applicable Not applicable

Model category	Domestic sales (vehicle)			Overseas sales (vehicle)		
	Accumulated amount of the current year	Accumulated amount of the previous year	Cumulative year-on-year increase or decrease (%)	Accumulated amount of the current year	Accumulated amount of the previous year	Cumulative year-on-year increase or decrease (%)
NEVs	38,333	19,735	94.24	3,107	540	475.37
Other models	182,789	231,433	-21.02	42,385	21,882	93.70

3. Production and sales of parts

Applicable Not applicable

4. NEV business

√ Applicable □ Not applicable

NEV capacity

√ Applicable □ Not applicable

Name of main factory	Design capacity (vehicle)	Capacity during the reporting period (vehicle)	Capacity utilization rate (%)
SERES Liangjiang Smart Factory	50,000	35,090	70.18
Ruichi New Energy	20,000	23,230	116.15

Production and sales of NEVs

√ Applicable □ Not applicable

Model category	Sales (vehicle)			Production (vehicle)		
	Accumulated amount of the current year	Accumulated amount of the previous year	Cumulative year-on-year increase or decrease (%)	Accumulated amount of the current year	Accumulated amount of the previous year	Cumulative year-on-year increase or decrease (%)
NEVs	41,440	20,275	104.39	41,701	19,357	115.43

NEV revenue and subsidies

√ Applicable □ Not applicable

Unit: RMB 0,000 Currency: RMB

Model category	Revenue	NEV subsidies	Percentage of subsidies (%)
NEVs	427,869.67	26,406.11	6.17

As of December 31, 2021, the balance of NEV subsidies receivable is as follows:

Unit: RMB 0,000

Item	Balance receivable as of December 31, 2021
NEV subsidies from the central government	92,230.93
NEV subsidies from the local government	3,936.87
Total	96,167.79

5. Auto finance business

√ Applicable □ Not applicable

Auto finance business condition

√ Applicable □ Not applicable

Unit: CNY Currency: RMB

Subsidiary name	PUJIR Financial Leasing Co., Ltd.					
Basic information						
Registered capital	Total assets	Net assets	Operating income	Operating profits	Net profit	
1,000,000,000.00	1,002,401,683.06	859,214,881.48	86,695,832.44	44,586,362.15	41,165,261.98	
Main business indicators						
Loan amount	Number of loans		Loan balance	Amount of credit impairment loss		
N/A	N/A		939,599,169.85	-13,154,193.83		
Key regulatory indicators						
Core tier-one capital adequacy ratio	Tier-one capital adequacy	Capital adequacy ratio	Non-performing loan ratio	Provision coverage ratio (%)	Loan provisioning ratio	Liquidity ratio (%)

(%)	ratio (%)	(%)	(%)		(%)	
N/A	N/A	N/A	0.9	633.33	5.7	284.74

Distribution of loans by five levels of classification√ Applicable Not applicable

Unit: CNY Currency: RMB

Item	Amount	Proportion (%)
Normal	926,848,767.70	98.65
Follow	4,230,561.52	0.45
Subprime	2,162,964.90	0.23
Suspicious	2,012,006.49	0.21
Loss	4,344,869.24	0.46
Total	939,599,169.85	100

6. Other descriptions Applicable √ Not applicable**(V) Investment condition analysis****Overall analysis of foreign equity investment**√ Applicable Not applicable

At the end of the reporting period, the balance of the Company's foreign equity investment was RMB 39,984,500, a decrease of 62.41% compared to the opening balance. Refer to "Note 17 Long-term equity investments" to "VII. Item Notes for Consolidated Financial Statement" of "Section X. Financial Statements" for details.

1. Significant equity investment Applicable √ Not applicable**2. Significant non-equity investment**√ Applicable Not applicable

Unit: RMB 0,000

Name of investment project	Planned investment amount	Investment amount for 2021	Cumulative investment amount	Cumulative investment completion progress
High Performance Automobile Power Battery Project	202,575.00	4,515.18	36,787.98	18.16%
Project of Electric Drive System for High-end Electric Vehicles	106,629.00	11,081.95	31,270.83	29.33%
Shiyan Base Relocation Project	210,807.00	19,006.20	134,390.20	63.75%
Jingkou Production Base Relocation Project	151,321.00	43,109.21	103,543.92	68.43%
New Project for Indonesia Manufacturing Factory	13,072.00	1,261.01	11,433.49	87.47%

3. Financial assets measured at fair value√ Applicable Not applicable

Refer to "XI. Disclosure of Fair Value" for details.

4. Specific progress of major asset restructuring and integration during the reporting period

Applicable Not applicable

(VI) Major asset and equity sale

Applicable Not applicable

1. SFMOTORS sold its EVAP Factory located in North America to ELECTRICLASTMILE, INC (hereinafter referred to as "ELM") with a transaction consideration of USD 145 million. For details, refer to the *Announcement on the Proposed Sale of EVAP Factory and Signing of Agreement* (Announcement No. 2021-031) and *Progress Announcement on the Sale of EVAP Factory* (Announcement No. 2021-077) disclosed by the Company on March 25, 2021 and June 29, 2021 respectively. As of December 31, 2021, SFMOTORSS has received a total progress payment of USD 92.2414 million for the sale of EVAP Factory. In addition, SFMOTORS and its wholly-owned subsidiary Chongqing Sokon Import and Export Co., Ltd. have respectively signed an *Intellectual Property License Agreement*, a *Service Agreement*, and a *Supply Agreement* with ELM. Due to ELM's failure to pay the licensing fee under the *Intellectual Property License Agreement* within the agreed time, SFMOTORS unilaterally issued a notice of termination of the *Intellectual Property License Agreement* in accordance with the Agreement; the Company has received the service fee agreed upon under the *Service Agreement*.

2. Chongqing Jinkang SERES Automobile Sales Co., Ltd. transferred 33% equity of its joint venture company Chongqing New Energy Automobile Finance Leasing Co., Ltd. to Chongqing Sokon Holdings Co., Ltd. at a transfer price of RMB 67,427,900.

(VII) Analysis of main controlling and shareholding companies

Applicable Not applicable

Unit: RMB 0,000

Company name	Main business	Registered capital	Investment proportion	Total assets	Net assets	Operating income	Net profit
Chongqing Jinkang New Energy Automobile Co., Ltd.	R&D, manufacturing, and sales of pure electric vehicles	496,000.00	80.65%	1,325,517.67	282,403.30	247,594.84	-92,463.51
Dongfeng Sokon Automobile Co., Ltd.	Production and sales of automobiles and automobile parts	80,000.00	100.00%	1,324,039.27	132,636.70	1,125,778.38	-90,332.06
Chongqing Jinkang SERES New Energy Automobile Design Institute Co., Ltd.	Technology research and development	5,000.00	80.65%	468,730.10	-79,559.42	2,121.10	-34,913.09
Chongqing Sokon Powertrain Co., Ltd.	Production and sales of automobile engines	35,000.00	100.00%	344,543.49	136,999.59	221,194.59	-9,145.01
Chongqing Jinkang Powertrain New Energy Co., Ltd.	R&D, manufacturing and sales of batteries	103,000.00	41.50%	330,852.49	53,918.63	115,193.19	-39,595.77
Chongqing Sokon Import and Export Co., Ltd.	Sales of automobiles and automobile parts	1,000.00	100.00%	247,887.23	53,423.63	262,035.27	12,586.85
SFMOTORS INC	Technology research and development	131,218.43	80.64%	222,474.45	24,978.53	12,926.12	55,382.97
Chongqing Ruichi Automobile Industry Co., Ltd.	Production and sales of automobiles and automobile parts	2,600.00	100.00%	188,860.73	34,561.81	169,175.32	13,584.90
Chongqing Yu'an Huaihai Powertrain Co., Ltd.	Production and sales of automobile engines	800.00	100.00%	154,472.34	63,540.40	120,119.68	890.45
Chongqing Sokon Automobile Parts Co., Ltd.	Production and sales of automobile parts	5,000.00	100.00%	132,269.75	55,261.55	92,553.01	6,355.37

PUJIR Financial Leasing Co., Ltd.	Financing lease	100,000.00	100.00%	100,240.17	85,921.49	8,669.58	4,116.53
Chongqing Jinkang SERES Automobile Sales Co., Ltd.	Sales of automobiles and automobile parts	3,000.00	41.50%	76,789.10	-88,929.91	169,243.32	-55,230.33
Sokon Automobile Co., Ltd. (Indonesia)	Motor vehicle assembly industry with four or more wheels	49,930.92	99.00%	68,914.82	-9,993.42	28,451.04	-16,310.67
Chongqing Sokon Machinery Parts Co., Ltd.	Production and sales of automobile parts	500.00	100.00%	37,599.95	31,447.15	25,784.05	7,642.64
New Energy Automobile Industry Development (Chongqing) Co., Ltd.	Industrial investment	10,000.00	33.00%	11,581.22	11,152.21	522.22	171.87

Note: the data of Dongfeng Sokon Automobile Co., Ltd. are consolidated data, while others are individual data.

(VIII) Structured entity conditions under the control of the Company

Applicable Not applicable

VI. Discussion and Analysis of the Company's Future Development

(I) Industry pattern and trend

Applicable Not applicable

As an important pillar of the national economy, the automobile industry has the characteristics of long industrial chain, wide coverage, high technical requirements, capital intensity, and strong economic benefits, which plays a crucial role in promoting national economic and social development. In the past few years, with the adjustment, transformation and upgrading of the global automobile industry structure, benefiting from multiple national measures to promote the development of the automobile industry and encourage automobile consumption, China's automobile industry has built the world's largest automobile industry system with complete category, playing a huge role in stabilizing growth, investment, employment, and consumption. In 2021, China's total automobile production and sales continued to rank first in the world.

From the perspective of policies, with the in-depth practice of the *Outline of the 14th Five-Year Plan (2021-2025) for National Economic and Social Development and Vision 2035*, the *Development Plan for the NEV Industry from 2021 to 2035*, and related supporting special plans and specific work plans, Chinese automobile enterprises will resolutely improve their ability to innovate key core technologies, enhance the influence of independent brands at home and abroad, promote the integration of the automobile industry with high-tech such as artificial intelligence and 5G, etc., accelerate the efficient linkage between the upstream, midstream, and downstream of the industrial chain, speed up the process of substitution of domestic products, and help China's automobile industry open up to the outside world at a high level. In the future, with the support and guidance of national policies, Chinese automobile enterprises will continue to explore emerging fields that are more intelligent, safe, comfortable, convenient, and environmentally friendly, welcoming broader development space and huge market opportunities.

From the perspective of industry development trends, with the normalization of COVID-19, the government, enterprises, and the public are responding quickly and accurately; the state actively introduces and implements various policies and measures to stabilize and expand automobile consumption; automobile enterprises produce and operate in an orderly and efficient manner, and the production and sales have gradually increased, which achieved a recovery positive growth in 2021. With the rapid increase in car ownership, although it has become a consensus that automobile sales are growing steadily at a low speed, the Chinese market has begun to show a general trend of automobile product consumption upgrading. After several years of preparation, the education in the NEV market has gradually matured, and the driving force for the increase in sales has gradually shifted from policy subsidies to the release of consumer demand. The NEV market will accelerate its expansion. China Association of Automobile Manufacturers predicts that the total sales of automobiles in China will reach 27.5 million in 2022, with a year-on-year increase of 5.4%. Among them, the sales of the passenger vehicles will be 23 million, with a year-on-year increase of 8%; the sales of commercial vehicles will be 4.5 million, with a year-on-year decrease of 6%; the sales of NEVs will be 5 million, with a year-on-year increase of 47%; the penetration rate is expected to exceed 18%.

From the perspective of industrial transformation, electrification, intelligence, and networking have accelerated the reconstruction of the automobile industry chain and its ecosystem. The establishment of an open and symbiotic automobile industry chain for common development, and the integration of innovation across industries and fields will become a new era characteristic of automobile industry development, and will also promote the formation of a new pattern of cooperative and win-win industrial development.

(II) Company's development strategies

√ Applicable Not applicable

Under the guidance of the Thought on Socialism with Chinese Characteristics for a New Era and the *Basic Law for Development of Moderately Prosperous Society*, adhering to the mission of "promoting the transformation of automobile energy and creating a smart mobile life", the Company will practice the core values of "everything for users, striving for success, embracing change, integrity and reliability, and value sharing", complete the comprehensive transformation and upgrading from traditional vehicles to intelligent vehicles, and from traditional manufacturing to intelligent manufacturing, strive for high-quality development, self-reliance and self-improvement in key technologies and parts, further consolidate high-quality products, pursue excellent technology, and build broad channels, striving to become a global intelligent automobile brand enterprise.

(III) Business plan

√ Applicable Not applicable

- Strengthen corporate governance

Further strengthen Company governance, standardize mechanisms, systems, and processes, prevent risks, and promote system capabilities to a new level. Adhere to strict management, close loopholes, and avoid "system failure, internal control failure, and responsibility failure"; strengthen the supervision of marketing, procurement, publicity, waste materials, logistics support, services, and other key areas, and promote the effective implementation of compliance management; anticipate internal and external risks in advance, strengthen bottom-line thinking, highly coordinate various businesses, and reduce the supply risk of chips, batteries and other core resources; strengthen safety, environmental protection, health, and fire protection work, implement responsibilities, ensure safety, and strictly implement the main responsibility for safety production.

- Implement the "strategy of high-quality products, quality first, talent driven"

Deeply promote and implement the "strategy of high-quality products, quality first, talent driven". Strategically, carry out the large-scale cooperation, and open the boundaries of thinking; tactically, strive for excellence and drive a hard bargain. Deepen and strengthen the five major high-quality platforms of high-quality research and development, high-quality manufacturing, the best quality, high-quality services, and high-quality supply chain, and promote the implementation of strategy of high-quality products. Comprehensively improve the quality of products and operations with precision, actuary, and efficiency. Build a positive values-driven talent team with high standard, high quality and high efficiency, and use super talent capital to support the high-quality development of the Company.

- Seize opportunities to win the battle for the comprehensive transformation of new energy

In terms of SERES business sector, seize the historic opportunity of "China's dual carbon targets", strengthen confidence, maintain strategic focus and impetus, drive efficient collaboration end-to-end through product lines, and promote the R&D, production, sales, delivery, and service of the whole product line with high quality. In terms of traditional business sector, improve business quality, innovate business models, focus on products, precise positioning, and clear goals, accelerate the construction of new energy systems while stabilizing the basic situation, promote the upgrading of modularized supply chain to integrated supply chain, implement product line operation mechanisms, and speed up the pace of comprehensive electrification transformation.

- Constantly deepen the deep cross-border integration with world leading ICT enterprises

Based on the core three-electronic technology (battery, motor and electronic control), leading extended range technology, and mature vehicle R&D, production, sales, delivery, and service capabilities of SERES, cooperate with ICT enterprises to achieve comprehensive empowerment and mutual benefit in channels, consumer demand insights, product definitions, supply chain management, and other aspects, strive to become a global intelligent automobile brand enterprise, promote the achievement of "China's dual carbon targets", and build a sustainable and clean world, as well as a community with a shared future for mankind.

- Maintain the main tone of Party building services for production and operation

Maintain the main tone of Party building services for production and operation, promote the achievement of production and operation goals in various periods, and enhance the political, ideological, organizational, work style, and disciplinary guarantees of Party building work by taking the improvement of company efficiency and competitiveness as the starting point and foothold of Party building work.

(IV) Possible risks

Applicable Not applicable

1. Risk of macroeconomic uncertainty. The automobile industry is greatly influenced by the overall level of domestic economic development, and the demand for automobile consumption is affected by factors such as cyclical fluctuations in the global economy and domestic macroeconomics, industrial restructuring, and international political environment, etc.
2. Risk of industry policies. As the new national strategic plan has put forward higher requirements for R&D capabilities and production technology of NEVs in automobile enterprises, the Company needs to increase investment in R&D and production. In addition, the adjustment of subsidy policies by national and local governments at all levels will also have an impact on the sales of NEVs.
3. Risk of intensified market competition. Affected by the policy of liberalizing the foreign ownership ratio of automobile enterprises, foreign-funded automobile enterprises have accelerated their entry into the Chinese market. As a result, the prices of products from foreign-funded and joint venture automobile enterprises have dropped, and competition in the domestic automobile market has become increasingly fierce.
4. Risk related to raw materials. Affected by various factors, there is a risk of short supply of raw materials such as chips, batteries, steel materials, and non-ferrous metals, etc. If there is a sharp increase of raw material prices or shortage of raw materials in the future, it will lead to an increase in Company's costs or affect production.
5. Risk of continuous technological innovation. With the promotion and application of new materials and technologies, the automobile industry is facing severe challenges of technological innovation, transformation and upgrading.
6. Risk of exchange rate fluctuations. In 2022, there is still uncertainty in the global economic recovery; international trade protectionism is on the rise; trade frictions and barriers are becoming increasingly severe; combined with geopolitical risks, the exchange rate of the RMB against the USD may fluctuate. The fluctuation of the RMB exchange rate may have a certain impact on the Company's operating conditions and profit changes.
7. Risk of public health events. At present, although COVID-19 in China has been effectively controlled, the global epidemic situation is still grim. With the introduction of vaccines, it is expected to be eased, but there is also considerable uncertainty.

In the face of the above risks, the Company will pay attention to national macro policies, economic situation, and market trends, track industry competition, increase R&D of cutting-edge technologies, master core technologies, optimize product structure, develop and launch products that meet market and user needs, stabilize the supply chain, and improve risk resistance to raw material price fluctuations, promoting the high-quality development of the Company.

(V) Others

Applicable Not applicable

VII. Situations and Explanations for the Reasons of the Company Failing to Conduct Disclosure According to the Standard Due to Improper Rules or National Secrets, Business Secrets or Other Special Reasons

Applicable Not applicable

Section III Discussion and Analysis of the Management**I. Discussion and Analysis of Operating Conditions**

The new energy vehicle (NEV) industry is a strategic emerging industry in China, currently in a rapid development stage with a market share of 25.6%, showing an irreversible development trend. In 2022, under multiple challenges such as a shortage of chips and electricity in the industry, high raw material prices, and unprecedentedly intensified industry competition, the Company responded calmly and comprehensively implemented the transformation and upgrading strategy of NEVs, rapidly opening up the high-end new energy product market with "software defined vehicles". During the reporting period, the industry's production and sales of NEVs were 7.058 million and 6.887 million respectively, with a year-on-year increase of 96.9% and 93.4% respectively; during the same period, the Company's cumulative production and sales of NEVs were 139,000 and 135,000, with a year-on-year increase of 233.6% and 225.9% respectively, far exceeding the overall growth rate of the NEV industry. Since the delivery of the Company's high-end smart NEVs in March 2022, the production and sales have grown rapidly, with a cumulative annual production and sales of about 80,000, a year-on-year increase of more than 6 times, successfully ranking among the top NEV manufacturers. In 2022, the Company's operating income was RMB 34,104,996,000, with a year-on-year increase of 104.0%. Among them, the income from NEVs was RMB 24,934,089,000, with a year-on-year increase of 482.8%, accounting for 73.1% of the Company's operating income.

(I) Further promote high-quality research and development, and build a comprehensive core technological strength

Adhering to innovation driven, the Company pays attention to technological innovation, deepens technological reserves, focuses on independent technological research and development, and has made significant progress in platform construction, intelligent driving, and other fields. Moreover, the Company continues to strengthen deep collaboration with partners, lead development through technological innovation, enhance R&D and support capabilities, create intelligent vehicle models and products, and achieve software defined vehicles.

In addition, the Company is in a leading position in three-electronic technology (battery, motor and electronic control), extended range technology, electronic and electrical architecture, and super electric drive intelligent technology platform (DE-i). Its independently developed pure electric and extended range technology has laid a leading technological foundation for the high-end smart NEV business. The Company's super electric drive intelligent technology platform (DE-i) consists of dedicated range extenders, a multi-in-one electric drive system, a large capacity power type battery pack, and a multi scenario recognition intelligent extended range control system. Based on continuous technological innovation, the platform has been continuously upgraded and optimized, and performs excellently in low energy consumption, high efficiency, long endurance, high performance, and zero range anxiety. The multi scenario recognition intelligent extended range control system independently developed by the Company fully considers factors such as road conditions, altitude, temperature, load, and vehicle conditions, etc., which can achieve accurate recognition of over 800 driving scenarios and precise matching of neural algorithms through precise calculation and management. Each module can work independently or together, bringing a comprehensive experience of strong power, low energy consumption, and low noise. In addition, iterative software algorithms can be upgraded through OTA to improve the level of intelligent driving control.

The dynamic adaptive torque system adopts a dual closed-loop control strategy of "VCU macro control + MCU fine control", achieving fast signal interaction between ESC and MCU; through the perception of the dynamic contact between the wheel and the road, strategic calculations are carried out to achieve vehicle control and dynamic adaptive torque adjustment, improving driving comfort and handling.

The Company's newly independently developed VHR platform realizes remote dynamic monitoring of vehicle status, fault alarm, fault diagnosis, and big data analysis, providing users with remote active services and ensuring the safe operation of vehicles.

The intelligent networking technology developed by the Company based on HarmonyOS can achieve easier interaction, more comfortable interaction experience, simpler resource acquisition, smarter functional experience, and more convenient cross device connection and control capabilities, elevating "software defined vehicles" to a new level.

(II) Enrich the matrix of high-quality products rapidly , creating "SERES speed"

The Company adheres to the strategy of high-quality products, practices the purpose of serving users wholeheartedly, and develops more high-quality smart vehicles that meet market demands based on the user needs. The Company insists on providing users with ultimate products and services. Supported by its own expertise, and innovative and efficient cooperation models, it deeply understands, fully analyzes, and firmly grasps the trend of software defined vehicles. In addition, the Company also links the value of the entire industry chain, collaborates and deeply integrates with companies that excel in software and hardware, creating high-quality automobile products that meet user needs and win their love. The Company released and delivered three high-end smart NEVs, AITO M5, M7, and M5 (pure electric model) within one year, covering two major technological routes: extended range and pure electric. The Company's high-end smart NEVs have outstanding competitiveness, with many highlights such as high-performance driving and riding experience, integrated encircled cockpit, HarmonyOS, and advanced intelligent solutions.

After delivery in March 2022, AITO M5 set an industry record for the new brand single model to sell over 10,000 units in 87 days; M5, M7, and M5 (pure electric model) continuously achieve delivery and acceleration from release to delivery.

(III) Lay a solid foundation of high-quality services, and serve users wholeheartedly

During the reporting period, channel construction was promoted in an orderly manner. The Company has established an integrated online and offline sales system, and the AITO series channels have covered over 200 cities nationwide. Especially, the experience center and user center have expanded to core commercial areas in major cities across the country. In terms of user service, the Company adheres to the service concept of "trust, temperature, and intelligence", and gradually constructs a full lifecycle user service experience around the entire process of "viewing, selecting, purchasing, using, and maintaining cars" through the dual path of hardware matching and service system. In addition, the Company also provides one-stop service solutions through its customer service center, and is committed to building and optimizing its sales and service system, which can effectively reach the widest range of user groups. The Company's high-density channel network and high standard service system provide systematic support for the sales of products.

The Company responds to user demands in a timely manner. Adhering to software defined vehicles, it deepens cooperation with partners who engage in software defined cars. In addition, it is committed to creating the highest quality service experience for users - from after-sales maintenance and proactive service in the era of fuel vehicles to serving users with software. Through the software OTA upgrade, the Company ensures to keep the vehicles always convenience to use and new, and creates a full-touch app for users, bringing them a brand new digital service experience, and using digital experience throughout the full lifecycle of vehicles.

(IV) Comprehensively improve the high-quality supply chain construction, providing guarantee for product delivery

The impact of various external factors in 2022 has had a certain impact on the industry's supply chain, and also brought significant challenges to the Company's supply chain management. The Company has transformed external challenges and market demands into major opportunities to improve its supply chain management level internally. The Company develops a high-quality supply chain with a systematic and integrated system layout approach. In addition, the Company focuses on leading resources in the industry, establishes deep cooperative relationships with leading suppliers such as CATL and Bosch, etc., and builds an open, inclusive, interdependent, and co-evolving full industry chain ecosystem. The Company also promotes the layout of local chemical plants for top suppliers, matches product needs, optimizes resource flow efficiency, and develops towards a quality oriented, alliance based, and integrated supply system. Furthermore, the Company has gone deep into all levels of parts suppliers, with dedicated personnel stationed throughout the entire process to achieve end-to-end management of products and ensure high-quality and efficient delivery of terminal products.

(V) Complete refinancing successfully to assist the Company in innovative research and development

During the reporting period, the Company successfully completed the non-public offering of A-shares and issued 137,168,141 new shares to specific targets, raising a total of approximately RMB 7.13 billion. The funds raised by the Company this time will be used for the new energy business, including the development of electric vehicle models and product platform technology upgrades, factory intelligent upgrades and electric drive production line construction projects, and other key areas of innovative R&D manufacturing. The Company will increase investment in NEV technology research and development, enhance its core competitiveness in research and development, optimize its product structure, and improve its comprehensive strength.

(VI) Promote the high-quality development of the group through Party building work

The Company adheres to the concept of "strong development by virtue of strong Party building work", promotes the *Party Building Work System* with "cultural integration, organizational integration, and development integration" as the core based on the political mainline of implementation of the spirit of the 20th CPC National Congress, escorts the high-quality development of the Company . with practical and powerful Party building work, and constructs a new pattern of "Party building + management" with "consistent goals, organizational coordination, work mutual promotion, and achievement sharing". Party organizations at all levels fully leverage their role as fighting bastions, and carry out activities such as "Party building instructors joining teams, participating in projects, and visiting departments", "award-winning collection of golden production and operation ideas", and lean improvement and upgrading based on the actual needs of different links such as R&D, supply, production, quality, sales, and functions, reducing costs and increasing efficiency of nearly RMB 10 million. Under the call of Party organizations, the volunteer service team consisted of a total of 1,200 employees from SERES was established. The volunteer team led by backbone Party members and key employees actively engage in various urgent and difficult production and operation tasks and projects, and have a group of advanced typical figures represented by "the most beautiful industrial workers in Chongqing". In tasks of ensuring production under the condition of limiting electricity, extinguishing wildfires, and resuming work and production, volunteers quickly responded to the call of the Party and the government, took the initiative, fearlessly faced difficulties, and successfully completed all tasks, demonstrating a strong sense of social responsibility.

II. Industrial Information of the Company within the Reporting Period

According to data from China Association of Automobile Manufacturers, the production and sales of automobiles in China in 2022 were 27.021 million and 26.864 million respectively, with a year-on-year increase of 3.4% and 2.1% respectively, setting a record of being the world's largest for fourteen consecutive years. Despite the structural shortage of chips and the sustained high prices of power batteries and other raw materials in 2022, coupled with multiple pressures such as demand contraction, supply shock, and expectation weakening, the stable growth target of the automobile industry is facing uncertainty. However, thanks to the effective stimulation of demand by purchase tax incentives and consumption promotion policies, government departments have coordinated and taken multiple measures to ensure efficient and safe production of automobile enterprise, boost their confidence in development, and encourage their active actions, increase marketing efforts, and stimulate market vitality. As a result, the Chinese automobile industry is generally stable and improving in the face of adversity.

Under the strong consumption potential and intensive consumption promotion policies in China, the production and sales of passenger vehicles in 2022 were 23.836 million and 23.563 million respectively, with a year-on-year increase of 11.2% and 9.5% respectively, exceeding 20 million units for the eighth consecutive year, and maintaining positive growth since 2020. Moreover, Chinese automobile enterprises are seizing the opportunities of electrification, intelligence, and networking transformation, promoting product structure optimization and industrial technology upgrading, and highlighting their advantages in technical strength, brand image, and product experience. In 2022, a total of 11.766 million Chinese brand passenger vehicles were sold, with a year-on-year increase of 22.8%, and the market share increased to 49.9%, reaching a new high.

In terms of commercial vehicles, although the overall demand has slowed down due to multiple factors such as demand overdraft under previous environmental protection and overload control policies, as well as high oil prices, there are still some highlights. In 2022, the production and sales of commercial vehicles were 3.185 million and 3.3 million respectively; a total of 582,000 commercial vehicles were exported, with a year-on-year increase of 44.9%, including 27,000 new energy commercial vehicles, with a year-on-year increase of 1.3 times. The overseas influence of Chinese commercial vehicle brands continues to increase.

Driven by both policies and the market, China's NEV industry has developed rapidly, with sustained explosive growth in 2022, showing an irreversible trend. The production and sales of NEVs were 7.058 million and 6.887 million respectively, with a year-on-year increase of 96.9% and 93.4% respectively, far exceeding industry expectations. The market share was 25.6%, 12.1% higher than the previous year. The sales of plug-in hybrid (including extended range) models were 1.518 million, accounting for over 20% of the sales of NEVs, with a year-on-year growth rate of 1.5 times, surpassing the 81.6% year-on-year growth rate of pure electric vehicles and becoming the largest increase in the market. Among them, extended range electric vehicles have rapidly gained market recognition due to the advantages of smooth and powerful driving experience of pure electric vehicles, long range without range anxiety, low cost of full lifecycle use, and diverse and flexible energy replenishment methods. Due to the relatively small impact of changes in the national subsidy and exemption for NEVs from purchase tax policies on hybrid models (including extended range), the policy advantages are highlighted, and it is expected to maintain a good growth momentum in 2023.

With the rapid rise of Chinese automobile enterprises in key areas such as core three electronics, intelligent cockpit, and autonomous driving, etc., differentiated competitive advantages have gradually been established, and the Chinese NEV industry chain has achieved global leadership. Chinese brands have become a trend to go global. In 2022, 3.111 million Chinese brand vehicles were exported, with a year-on-year increase of 54.4%, including 679,000 NEVs, with a year-on-year growth rate of 1.2 times. China's automobile exports have reached new highs for two consecutive years, becoming an important driving force for the growth of China's automobile industry.

On the whole, in 2022, the automobile industry overcame many unfavorable factors, emerged from volatile market conditions, and showed strong development resilience. With the implementation of relevant supporting policies in 2023, market demand and consumption vitality are expected to be further stimulated. In addition, as the supply of critical components tends to be stable, China Association of Automobile Manufacturers predicts that the automobile market will continue to develop well throughout the year.

III. Business Condition of the Company during the Reporting Period

The Company is a technology-based manufacturing enterprise with NEVs as its core business, involving R&D, manufacturing, sales, and services of NEVs, core three electronics, traditional vehicles, and core parts assemblies. In terms of vehicles, the Company's main products cover NEVs and traditional vehicles, with representative models including AITO series high-end intelligent NEVs, RUICHI electric commercial vehicles, FENGON SUVs and MPVs, etc.

IV. Analysis of Core Competitiveness during the Reporting Period

√ Applicable □ Not applicable

Driven by electrification, intelligence, and networking technologies, the automobile industry chain needs to carry out significant restructuring and extension. The Company seizes historical opportunities in the industry, upholds innovation driven, longtermism and commercial success, and implements the "strategy of high-quality products" of quality first and talent driven, promoting the Company's sustained high-quality development. It has achieved key breakthroughs in key technology research and development, smart vehicle development, advanced manufacturing processes, and business model innovation.

(I) Independently developed smart electric vehicle platform

The Company has fully considered the universality of the platform and created a smart electric vehicle platform based on a six-layer architecture (including mechanical layer, energy layer, electronic and electrical layer, operating system layer, vehicle function application layer, and cloud big data layer), which has the advantages of "pluggable hardware, programmable scene, on-demand ecology, and self-evolved system". It can be extended to the development of sedans, SUVs, MPVs, and other models, and is compatible with multiple power modes. The platform achieves a closed-loop data process by combining hardware base, software base, and applications, constructing the core technical capability of the Company's "software defined vehicles". Moreover, the platform has a unified computing center and operating system, and continuous OTA can form a huge application ecosystem to meet the customized needs of users. The Company has achieved agile development of the vehicle through the platform, and launched three high-end smart NEVs in 2022: in terms of power, it is equipped with an industry-leading 1.5T dedicated range extender and an intelligent extended range control system, which combines high performance and long endurance. It supports 4-second 0/100 km/h acceleration and has a range of over 1,000km. In terms of cockpit, HarmonyOS solves the three major pain points of traditional vehicle computer: "few applications, slow upgrade, and poor experience", achieving easier interaction, more comfortable interaction experience, simpler resource acquisition, smarter functional experience, and more convenient cross device connection and control capabilities.

(II) Independently developed super electric drive intelligent technology platform (DE-i)

super electric drive intelligent technology platform (DE-i) independently developed by the Company is composed of a 1.5T dedicated range extender, a multi-in-one electric drive system, a large capacity power type battery pack, a vehicle controller, a motor controller, a generator controller, a battery management system, and other units, which plays a leading role in extended range technology in the NEV industry.

The dedicated range extender can achieve multi-point steady-state power generation and automatically respond to the power demand of the vehicle. In terms of vehicle performance, NEVs manufactured on the DE-i platform have advantages of ultra-low energy consumption, excellent power, and super quietness. In terms of intelligent control, the DE-i platform supports dynamic torque management, uses a dual closed-loop control strategy of "VCU macro control +MCU fine control", and fully considers factors such as road conditions, altitude, temperature, load, and vehicle conditions to dynamically adjust driving torque, ensuring smooth driving performance on bumpy roads. In terms of electric drive technology, the "permanent magnet synchronous + AC asynchronous" power combination has the advantages of high integration, small size, and strong explosive power; compared to traditional water cooling technology, the industry's first precision oil cooling technology significantly improves the heat dissipation efficiency, ensuring the ultra strong stability of vehicles during high-speed cruising. In terms of batteries, the CTP reinforced box design has passed tests such as 24Hz fixed frequency vibration higher than the national standard, vehicle level side pillar collision, compression, and simulated shoulder collision, making the mechanical strength more reliable. In addition, the non thermal diffusion design makes the battery pack safer to use.

The DE-i platform provides a solid foundation for the thermal management of the vehicle, supporting the heat utilization and circulation of the vehicle in extremely cold conditions, ensuring stable and reliable range, and solving mileage anxiety. What's more, the platform supports OTA upgrade iteration and intelligent growth.

(III) Rich category layout of smart NEVs

The Company's high-end smart NEVs have outstanding competitiveness, and AITO M5, M7, M5 (pure electric model), and M5 (intelligent driving model) have been launched, with many highlights such as high-performance driving and riding experience, integrated encircled cockpit, HarmonyOS, and advanced intelligent solutions, fully explaining "software defined vehicles".

AITO M5, an intelligent luxury electric drive SUV, has a streamlined body that pursues symmetrical aesthetics to the extreme, and simple lines create a sense of dynamism that is ready to go. Shark fin type headlights, eagle wing type taillights, and aerodynamic hubs showcase a morale posture. The vehicle adopts a front four-ball joint double wishbone, a rear trapezoidal multi link, and a million level luxury all-aluminum alloy chassis, which is both sporty and comfortable. HarmonyOS intelligent cockpit provides more convenient cross device connection and control capabilities, and seamless connection experience of multiple products in the entire scenario. Equipped with a 1.5T four-cylinder range extender specially designed for the extended range system, the CLTC has a comprehensive range of up to 1,200km in full fuel and charging conditions. It achieves efficient oil to electricity conversion, breaking mileage limitations.

AITO M7, a luxurious and intelligent large electric SUV, follows the ultimate, minimalist, and pure family oriented avant-garde design, focusing on every detail from the inside out, and pursuing a balance between aesthetics and functionality. The original 6-in-1 range extender powertrain is horizontally arranged, significantly reducing the distance of L113 to 422mm, and achieving a space conversion rate of up to 92.4%. It is equipped with the industry's first commercial zero gravity seat, one click/voice activation, 3-axis dynamic adjustment, and 6-motor drive. In terms of intelligent configuration, it is equipped with an extremely smooth HarmonyOS cockpit, which supports over 100 automatic parking scenarios, and can automatically identify the parking floor and location of the vehicle. In terms of performance, the four-wheel drive model has a high-performance motor power of up to 330kW for front and rear wheel drive, with a maximum torque of 660Nm and a 0-100 km/h acceleration time of only 4.8 seconds; The comprehensive range of CLTC can reach 1,200km, truly achieving ultra long range and worry free driving for thousands of miles.

AITO M5 (pure electric model), a smart luxury pure electric SUV, has a dynamic shark nose front design, focused lion style headlights, strong and powerful front and rear shoulder lines, eagle wing type taillights and illuminated AITO tail tags, shaping a youthful and sporty dynamic body; Featuring a pure enclosed front face and an active intake grille, it can effectively reduce wind resistance. It is equipped with a super electric drive intelligent technology platform, which can balance power and endurance. It provides users with a high-performance experience, and has a 0-100 km/h acceleration time of only 4.5 seconds; The entire series is equipped with a dynamic adaptive torque system as standard, providing millisecond level fast response and more agile torque adjustment: in case of bumpy roads, adaptive torque adjustment can effectively reduce the feeling of bumps and impact; in case of cornering, adaptive torque adjustment and distribution can improve stability; the linear power design reduces power fluctuations and energy consumption of the vehicle. Through the mileage "poached egg" function, the current range of battery capacity that can be reached can be displayed intuitively; There are two ways to timely remind users to activate the super power-saving mode: card and voice. The comprehensive range can increase by 12km, helping users travel worry free.

The Huawei Advanced Intelligent Driving Model of the AITO M5 series, with its superior aerodynamic design, has once again broken through in terms of range, with the CLTC comprehensive range exceeding 1,400 km. HUAWEI Mag Link vehicle interface is equipped as standard for the first time, which can attach the tablet to the back of the seat, and it can be easily closed or removed. With the support of the HarmonyOS base, it achieves multi screen interaction in the car and expands the new mode of the intelligent cockpit. Equipped with HUAWEI ADS 2.0 advanced intelligent driving system, the vehicle has 1 long-range high-precision lidar, 3 millimeter wave radars, two 8 million pixel high-perception front view cameras, 9 side view, surround view, and rear view cameras, as well as 12 ultrasonic radars. It integrates perception BEV network, Huawei integrated perception GOD network, and road topology inference network, and supports active safety assistance and intelligent driving navigation assistance, and intelligent parking assistance together with high-performance computing platform to make urban commuting and long-distance driving safer and easier.

In the second half of 2023, the Company will launch the full-size, full-intelligent, and full-scenario flagship SUV, AITO M9, dedicated to the integration of cutting-edge technology and humanistic care, further establishing the positioning of high-end smart NEVs, improving market share, and enhancing comprehensive competitive strength.

(IV) Leading intelligent manufacturing capabilities to create high-quality products

The Company has a number of modern vehicle and parts production bases in Liangjiang, Shapingba, Jiangjin and Changshou in Chongqing, and Shiyan in Hubei. Among them, SERES Smart Factory is an intelligent factory built according to the requirements of Industry 4.0 standards and the Industrial Internet. With digitalization as the core, it uses advanced technologies in the fields of intelligence, digitalization, IoT, as well as advanced manufacturing management systems and processes, implements strict quality control standards, and carries out large-scale customized production in a real-time online response manner. Key processes are fully automated, achieving "flexibility, transparency, automation, interconnection, and intelligence" in vehicle manufacturing, improving production efficiency, ensuring product quality, and empowering high-quality delivery with high-level intelligent manufacturing capabilities. In 2022, at the World Intelligent Manufacturing Conference hosted by Ministry of Industry and Information Technology, Chinese Academy of Engineering, and other departments, the Company was awarded the 2022 Intelligent Manufacturing Benchmark Enterprise, becoming a new batch of benchmark enterprises with industry representativeness and demonstration effect. In addition, the Company is also the only NEV enterprise among the evaluated enterprises.

(V) Interconnected automobile ecosystem

The Company adheres to opening up and cooperation, from self-employment to joint venture vehicle manufacturing, and then to cross-border business cooperation. It focuses on physical manufacturing industry, and is committed to building an interconnected automobile ecosystem. In 2003, the Company collaborated with state-owned enterprise Dongfeng Motor Corporation to produce automobiles, and since then, it has entered the vehicle manufacturing industry, achieving a model of mixed ownership in China's automobile industry. In 2021, the Company and Huawei fully leverage their respective advantages and deepen cooperation in technologies, products, quality control, and channels, continuously launching high-end smart NEVs that are popular among users and have market competitiveness. In terms of industry chain, the Company establishes deep cooperative relationships with leading suppliers such as CATL and Bosch, etc., and builds an open, inclusive, interdependent, and co-evolving full industry chain ecosystem.

(VI) High-quality sales network and advanced service system

Under continuous high-intensity investment, the Company has promoted the channel construction in an orderly manner, and established an integrated online and offline sales system. AITO series products are sold in offline stores in core commercial areas of over 200 cities nationwide, and a one-stop service solution is provided through customer service centers. Software services are used to serve users, and digital experiences are provided for users throughout the full lifecycle of vehicles, effectively reaching the widest range of user groups. In addition, the Company also has over 1,000 marketing service outlets overseas, and has completed the construction of a sales service system among the consumer group.

Based on the channel network, the Company synchronously builds a professional service system. With 20 years of experience in vehicle manufacturing and the profound insight of global leading ICT enterprises into user needs, it is committed to creating the highest quality service experience for users - from after-sales maintenance and active service in the era of fuel vehicles to serving users with software. Through the software OTA upgrade, the Company ensures to keep the vehicles always convenience to use and new, and creates a full-touch app for users, bringing them a brand new digital service experience, and using digital experience throughout the full lifecycle of vehicles.

(VII) Efficient operational management capabilities

The Company adopts a control model that combines financial control and strategic control, promotes the construction of matrix organization through all business sectors, and uses a "product line" driven model to quickly connect from demand to delivery and "end-to-end", improving its operational efficiency. Adhering to the cost concept of "wringing water out of dry towels", the Company builds a comprehensive cost management system, reducing costs, improving quality and efficiency in various stages such as R&D, procurement, technology, and production refinement, etc.

(VIII) High-quality talent team building

Through continuous improvement of its internal training and selection mechanism, the Company strengthens the introduction of high-level talents at home and abroad, implements efficient performance evaluation and incentive mechanisms, and builds a high-level talent team. It has now formed a stable core management team and a young backbone force, with a continuous increase in professionalism. Furthermore, the number of R&D personnel in the Company has been increasing year by year, and the R&D team is specialized in cutting-edge technologies such as next-generation vehicle engineering, electronic and electrical architecture, core three electronics, autonomous driving, and intelligent cockpit, etc. As a result, the Company's core competitiveness in software and hardware is constantly improving.

V. Main Operating Conditions during the Reporting Period

In 2022, the Company's operating income was RMB 34.105 billion, with a year-on-year increase of 104.00%; throughout the year, the Company sold 267,200 vehicles, with a year-on-year increase of 0.24%, including 135,100 NEVs, with a year-on-year increase of 225.90%.

(I) Analysis of main business

1. Profit statement and cash flow statement related item variation analytical statement

Unit: CNY Currency: RMB

Item	Amount of the current period	Amount of the same period of the previous year	Variable proportion (%)
Operating income	34,104,996,188.52	16,717,920,929.77	104.00
Operating cost	30,243,611,627.56	16,087,604,150.41	87.99
Sales expenses	4,819,624,056.74	1,279,955,159.89	276.55
Management expenses	1,775,340,393.67	1,088,753,488.91	63.06
Financial expenses	172,150,380.89	244,449,975.43	-29.58
R&D expenses	1,313,661,262.38	947,986,961.92	38.57
Net cash flow generated from operating activities	-1,168,541,990.58	-987,448,451.50	N/A
Net cash flow generated from investing activities	-4,154,003,755.84	-1,562,738,623.89	N/A
Net cash flow generated from financing activities	6,325,284,341.33	2,936,133,458.00	115.43

Explanations for the reasons for changes of operating income: mainly due to the high selling price of NEVs M5 and M7 and the increase in sales.

Explanations for the reasons for changes of operating cost: mainly due to the high manufacturing cost of single NEV M5 or M7 and the increase in sales.

Explanations for the reasons for changes of sales expenses: mainly due to the construction of NEV channels and the increase in marketing and promotion expenses.

Explanations for the reasons for changes of management expenses: mainly due to the increase in the business volume of NEVs, the introduction of high-end talents, and the increase in daily operating expenses. Explanations for the reasons for

changes of financial expenses: mainly due to the increase in the yield of idle monetary capital and the increase in interest income.

Explanations for the reasons for changes of R&D expenses: mainly due to the acceleration of continuous investment in product research and development, as well as the increase in intangible asset amortization expenses.

Explanations for the reasons for changes of net cash flow generated from operating activities: mainly due to the increase in business volume of NEVs, as well as the increase in payment for raw materials and period expenses.

Explanations for the reasons for changes of net cash flow generated from investing activities: mainly due to the continuous increase in investment in new product research and development. Explanations for the reasons for changes of net cash flow generated from financing activities: mainly due to the receipt of funds raised through non-public offering of shares in the current period.

Description on the major changes in business type, profit composition or profit source of the Company in the current period

Applicable Not applicable

2. Revenue and cost analysis

Applicable Not applicable

The Company's operating income in 2022 has significantly increased compared to the previous year, mainly due to the comprehensive effectiveness of its new energy transformation strategy. The Company has deeply implemented the NEV strategy, and launched a series of high-end smart NEV models based on the concept of "software defined vehicles", quickly opening up the high-end new energy product market. AITO M5, M7, and M5 (pure electric model) have excellent performance, setting a record for growth in delivery volume for new brand models launched in the same year. As a representative of "software defined vehicles", the Company's smart vehicle models have gained full market recognition, and the sales of high-end products have increased, driving the high growth of its revenue.

In 2022, the Company's operating costs increased correspondingly with the growth of operating income, but were also affected by factors such as structural shortage and sustained high prices of raw materials such as chips and power batteries, etc. There is significant pressure of the Company's production costs, squeezing profit margins and affecting the annual profit level. However, benefiting from the scale effect brought by the rapid increase in new vehicle sales, the Company's gross margin continues to rise.

(1) Main business condition in terms of industry, product, region and sales model

Unit: CNY Currency: RMB

Main business condition in terms of industry						
Industry	Operating income	Operating cost	Gross margin (%)	Increase/decrease of the operating income compared to the previous year (%)	Increase/decrease of the operating cost compared to the previous year (%)	Increase/decrease of the gross margin compared to the previous year (%)
Automobile industry	32,967,305,927.52	29,388,653,738.00	10.86	107.03	90.30	Increase by 7.84%
Main business condition in terms of product						
Product	Operating income	Operating cost	Gross margin (%)	Increase/decrease of the operating income compared to the previous year (%)	Increase/decrease of the operating cost compared to the previous year (%)	Increase/decrease of the gross margin compared to the previous year (%)

NEVs	24,934,089,353.54	21,657,919,922.64	13.14	482.75	415.94	Increase by 11.25%
Fuel vehicles	6,346,800,470.88	6,119,735,063.19	3.58	-37.41	-38.26	Increase by 1.33%
Others	1,686,416,103.10	1,610,998,752.17	4.47	12.05	20.83	Decrease by 6.94%
Main business condition in terms of region						
Region	Operating income	Operating cost	Gross margin (%)	Increase/decrease of the operating income compared to the previous year (%)	Increase/decrease of the operating cost compared to the previous year (%)	Increase/decrease of the gross margin compared to the previous year (%)
Domestic	29,054,694,586.24	26,219,404,942.25	9.76	118.83	98.75	Increased by 9.12%
Overseas	3,912,611,341.28	3,169,248,795.75	19.00	47.81	40.74	Increased by 4.07%
Main business condition in terms of sales model						
Sales model	Operating income	Operating cost	Gross margin (%)	Increase/decrease of the operating income compared to the previous year (%)	Increase/decrease of the operating cost compared to the previous year (%)	Increase/decrease of the gross margin compared to the previous year (%)
Direct sales	5,719,792,858.20	5,049,285,599.59	11.72	256.35	206.77	Increase by 14.26%
Distribution	27,247,513,069.32	24,339,368,138.41	10.67	90.29	76.40	Increase by 7.03%

Description on main business condition in terms of industry, product, region and sales model

1. The increase in automobile revenue is mainly due to the increase in sales of NEVs with higher unit prices;
2. The increase in overseas revenue is mainly due to the increase in overseas sales of automobiles in the current period.

(2) Analysis of production and sales situation

Applicable Not applicable

Main products	Unit	Production	Sales	Inventory	Increase/decrease of the production compared to the previous year (%)	Increase/decrease of the sales compared to the previous year (%)	Increase/decrease of the inventory compared to the previous year (%)
NEVs	Vehicle	139,132	135,054	4,992	233.64	225.90	96.23
Other models	Vehicle	126,965	132,192	7,132	-46.08	-41.29	-54.52
Total	Vehicle	266,097	267,246	12,124	-4.00	0.24	-33.48
Engine	Unit	241,846	240,944	4,005	-31.54	-31.49	19.59

Description of production and sales situation

The increase in production and sales of NEVs is mainly due to the Company's strategic transformation and the enhancement of product competitiveness.

(3) Performance of major purchase contracts and major sales contracts

Applicable Not applicable

(4) Cost analysis

Unit: CNY

Condition in terms of industry							
Industry	Items of cost composition	Amount of the current period	(%)	Amount of the same period of the previous year	(%)	Variable proportion of the amount of the current period over the same period of the previous year (%)	Presentation of situation
Automobile industry	Direct materials, direct labor, energy and power, manufacturing expenses, etc.	29,388,653,738.00	100	15,443,723,941.94	100	90.30	
Condition in terms of product							
Product	Items of cost composition	Amount of the current period	(%)	Amount of the same period of the previous year	(%)	Variable proportion of the amount of the current period over the same period of the previous year (%)	Presentation of situation
NEVs	Direct materials, direct labor, energy and power, manufacturing expenses, etc.	21,657,919,922.64	73.69	4,197,780,883.46	27.18	415.94	
Fuel vehicles	Direct materials, direct labor, energy and power, manufacturing expenses, etc.	6,119,735,063.19	20.82	9,912,632,867.77	64.19	-38.26	
Others	Direct materials, direct labor, energy and power, manufacturing expenses, etc.	1,610,998,752.17	5.48	1,333,310,190.71	8.63	20.83	

Other information of cost analysis

None

(5) Changes in consolidation scope due to changes in equity of major subsidiaries during the reporting period

√ Applicable Not applicable

Refer to "VIII. Changes in Consolidation Scope" in "Section X. Financial Statements" for details.

(6) Relevant conditions of significant change or adjustment about the Company's business, product or service during the reporting period

Applicable Not applicable

(7) Condition of main trade debtors and main suppliers

A. Condition of main trade debtors of the Company

Applicable Not applicable

The sales amount of the top five customers is RMB 3,754,817,100, accounting for 11.39% of the annual total sales amount; among them, the sales amount of the related party is RMB 1,097,289,000, accounting for 3.33% of the total annual sales amount.

The proportion of sales to a single customer exceeds 50% of the total during the reporting period, and there are new customers or highly dependent on a few customers among the top five customers

Applicable Not applicable

Unit: RMB 0,000 Currency: RMB

S/N	Customer name	Sales amount	Proportion in annual total sales (%)
1	China Post PTAC Automobile Sales Service (Shenzhen) Co., Ltd.	101,604.19	3.08

B. Condition of main suppliers of the Company

Applicable Not applicable

The purchase amount of the top five suppliers is RMB 9,124,624,000, accounting for 31.05% of total annual purchase amount; among them, the purchase amount of the related party is RMB 0, accounting for 0% of total annual purchase amount.

The proportion of purchase from a single supplier exceeds 50% of the total during the reporting period, and there are new suppliers or highly dependent on a few suppliers among the top five suppliers

Applicable Not applicable

Other descriptions

None

3. Expenses

Applicable Not applicable

Unit: CNY

Item	Accrual in the current period	Accrual in the previous period	Increase/decrease proportion (%)
Sales expenses	4,819,624,056.74	1,279,955,159.89	276.55
Management expenses	1,775,340,393.67	1,088,753,488.91	63.06
R&D expenses	1,313,661,262.38	947,986,961.92	38.57
Financial expenses	172,150,380.89	244,449,975.43	-29.58

Refer to the "Profit Statement and Cash Flow Statement Related Item Variation Analytical Statement" of "V. Main Operating Conditions during the Reporting Period" in this section for the reasons for changes in expense items.

Other descriptions:

The Company is in the development period of new energy passenger vehicles, and the scale effects of production and sales have not been fully released. As a result, the related expenses, fixed assets, and R&D investment are relatively large, and the depreciation and amortization expenses are relatively high. However, the overall cost rate level of the Company throughout the year is lower than that of new energy vehicle manufacturers, and is within a reasonable range.

The Company has promoted the channel construction in an orderly manner. Through deep strategic cooperation with

partners, the Company has obtained extremely high-quality online and offline channels, advertising and other comprehensive sales resources with industry level sales expense ratios, and has obvious advantages in sales expense efficiency. With the gradual establishment of the channel network, the initial investment and production expenses of the Company will be gradually controlled.

4. R&D investment

(1) R&D investment information

Applicable Not applicable

Unit: CNY

Expensed R&D investment of the current period	497,078,473.08
Capitalized R&D investment of the current period	2,608,785,523.45
Total R&D investment	3,105,863,996.53
Proportion of total R&D investment in the operating income (%)	9.11
Proportion of capitalized R&D investment (%)	84.00

(2) R&D personnel information

Applicable Not applicable

Quantity of the Company's R&D personnel	4,178
Proportion of R&D personnel in the total staff of the Company (%)	24.90
Educational background structure of R&D personnel	
Educational background structure category	Educational background structure quantity
Doctoral candidate	22
Master degree candidate	512
Undergraduate	3,262
Junior college	382
Age structure of R&D personnel	
Age structure category	Age structure quantity
Under 30 years old (excluding 30 years old)	1,452
30-40 years old (including 30 years old and excluding 40 years old)	2,331
40-50 years old (including 40 years old and excluding 50 years old)	326
50-60 years old (including 50 years old and excluding 60 years old)	64
60 years old and above	5

(3) Presentation of situation

Applicable Not applicable

(4) Reasons for major changes in the composition of R&D personnel and their impact on the future development of the Company

Applicable Not applicable

At the end of 2022, the total number of R&D personnel increased by 1,159 compared to the number of the same period of the previous year, with a year-on-year increase of 38.39%. The proportion of R&D personnel to the total number of employees in the Company has further increased compared to the previous year, and the R&D team members are younger and highly educated, with over 90% having a bachelor's degree or above.

In 2022, the Company entered a new segment market of high-end intelligent electric vehicles. It is committed to building a high-quality talent team that is "mission driven + capability driven". It accelerates the improvement of independent R&D and innovation capabilities, deepens and solidifies high-quality product research and development, and continues to strengthen the construction of R&D capabilities such as intelligent networking, autonomous driving, and software development, etc. In 2022, the Company focuses on strengthening its soft power in core areas such as intelligent networking, electronic and electrical architecture, power systems, functional safety, and software development. In addition, it also

establishes a sound talent incentive mechanism, integrates talent and organizational development, improves talent training mechanisms, and builds a high-level R&D talent team based on external and internal training, creating value contributions for building an interconnected automobile ecosystem.

5. Cash flow

Applicable Not applicable

Unit: CNY

Item	Accrual in the current period	Accrual in the previous period	Increase/decrease proportion (%)
Net cash flow generated from operating activities	-13168,541,990.58	-987,448,451.50	
Net cash flow generated from investing activities	-4,154,003,755.84	-1,562,738,623.89	
Net cash flow generated from financing activities	6,325,284,341.33	2,936,133,458.00	115.43

Refer to the "Profit Statement and Cash Flow Statement Related Item Variation Analytical Statement" of "V. Main Operating Conditions during the Reporting Period" for the reasons for changes.

(II) Description on the major changes in profits due to non main business

Applicable Not applicable

(III) Analysis of assets and liabilities

Applicable Not applicable

1. Assets and liabilities

Unit: RMB 0,000

Item name	Closing balance of the current period	Proportion of closing balance of the current period in the total assets (%)	Closing balance of the previous period	Proportion of closing balance of the previous period in the total assets (%)	Proportion of changes in the ending amount of the current period over the closing balance of the previous period (%)	Presentation of situation
Monetary capital	1,636,480.28	34.95	583,224.90	18.21	180.59	Mainly due to the increase in funds raised through non-public offering of shares and sales receipts
Trading financial assets	175,152.93	3.74	32,031.64	1.00	446.81	Mainly due to the management of idle fundraising cash and the improvement of fund returns
Accounts receivable	178,080.68	3.80	99,668.77	3.11	78.67	Due to the increase in export sales of products and the unexpired receipt of the letter of credit
Receivables financing	24,227.89	0.52	37,736.19	1.18	-35.80	Mainly due to the decrease in bank acceptance bills received
Advance payment	44,202.50	0.94	66,033.51	2.06	-33.06	Mainly due to the decrease in advance payment for steel materials and other raw

						materials
Other receivables	100,212.96	2.13	161,086.95	5.03	-37.79	Mainly due to the receipt of performance compensation and the payment of capacity margin to CATL
Inventory	399,286.51	8.53	277,288.53	8.66	44.00	Mainly due to the normal circulation of high-end NEVs
Non-current assets due within one year	846.17	0.02	24,698.74	0.77	-96.57	Mainly due to the receipt of progress payment for the transfer of EVAP Factory
Other current assets	45,282.55	0.97	89,339.88	2.79	-49.31	Mainly due to the receipt of VAT reserve refunds
Long-term receivables	7,134.44	0.15	30,166.67	0.94	-76.35	Mainly due to the recovery of progress payment for the transfer of EVAP Factory
Construction in progress	34,566.10	0.74	153,273.45	4.79	-77.45	Mainly due to assets reaching their intended usable state and being converted into fixed assets
Right-of-use assets	47,971.05	1.02	30,454.38	0.95	57.52	Mainly due to the rental of office space
Intangible assets	691,029.16	14.76	515,272.61	16.09	34.11	Mainly due to the transfer of R&D projects for high-end NEVs and new products
Long-term unamortized expenses	16,209.33	0.35	8,243.25	0.26	96.64	Mainly due to an increase in decoration costs for direct-sale stores, office areas, and other areas
Other non-current assets	127,558.44	2.72	28,802.02	0.90	342.88	Mainly due to the management of idle fundraising cash and the improvement of fund returns
Notes payable	1,611,165.45	34.41	776,756.67	24.26	107.42	Mainly due to the increase in business volume of NEVs and the issuance of bank acceptance bills for payment of goods
Accounts payable	955,856.62	20.41	614,347.77	19.18	55.59	Mainly due to the increase in business volume of NEVs and the increase in payable payments to suppliers during normal operation
Advance receipt	132.33	0.00	12,006.66	0.37	-98.90	Mainly due to the transfer of gains and losses from the receipts and deposits assets received in advance
Payroll payable	66,160.19	1.41	50,370.84	1.57	31.35	Mainly due to the introduction of high-end talents and the increase in the number of employees
Taxes payable	53,222.68	1.14	15,975.95	0.50	233.14	Mainly due to the increase in VAT, corporate income tax, etc.

Other payables	128,557.35	2.75	69,909.65	2.18	83.89	Mainly due to the increase in business volume of NEVs and the receipt of deposits by sales channels and stores
Non-current liabilities due within one year	103,206.05	2.20	59,546.41	1.86	73.32	Mainly due to the increase in long-term borrowings due within one year
Other current liabilities	10,687.87	0.23	6,893.95	0.22	55.03	Mainly due to the increase in advance payment from customers
Long-term borrowings	119,181.44	2.55	184,694.87	5.77	-35.47	Mainly due to the reclassification of long-term borrowings to non-current liabilities due within one year
Long-term payables	115,842.19	2.46	177,771.06	5.55	-34.84	Mainly due to the return of financial aid to controlling shareholders
Estimated liabilities	5,141.42	0.11	2,495.06	0.08	106.06	Mainly due to the increase in business volume of high-end NEVs and the provision of fee of three guarantees
Deferred income	188,927.45	4.04	118,540.03	3.70	59.38	Mainly due to special payables being carried forward to deferred income based on project progress
Capital reserves	1,529,492.20	32.51	808,737.96	25.25	89.12	Mainly due to premium on non-public offering of share capital
Other comprehensive incomes	-8,093.88	0.17	-12,814.35	0.40	36.84	Mainly due to the translation of foreign currency statements
Undistributed profits	-560,627.16	-11.92	-171,304.29	-5.35	-227.27	Mainly due to the increase in marketing and R&D expenses, rising prices of chips and batteries, as well as the increase in depreciation and amortization expenses

Other descriptions

None

2. Condition of overseas assets

Applicable Not applicable

(1) Asset scale

Including: overseas assets of 98774.12 (unit: RMB 0,000, currency: RMB), accounting for 2.10% of total assets.

(2) Description on high proportion of overseas assets

Applicable Not applicable

3. Major asset constraints as of the end of the reporting period

Applicable Not applicable

Refer to "Note 81 Assets with restricted ownership or usage rights" to "VII. Item Notes for Consolidated Financial Statement" for details.

4. Other descriptions

Applicable Not applicable

(IV) Analysis of operational information in the industry

Applicable Not applicable

Refer to the following analysis for details

Analysis of operational information in the automobile manufacturing industry

1. Capacity status

Applicable Not applicable

Existing capacity

Applicable Not applicable

Unit: 0,000 vehicles

Name of main factory	Design capacity	Capacity during the reporting period	Capacity utilization rate (%)
SERES Automobile Factory	5	8.37	167.40
Other vehicle factories	40	18.24	45.60

Capacity under construction

Applicable Not applicable

Capacity calculation standard

Applicable Not applicable

2. Vehicle production and sales

Applicable Not applicable

By model category

Applicable Not applicable

Model category	Sales (vehicle)			Production (vehicle)		
	Accumulated amount of the current year	Accumulated amount of the previous year	Cumulative year-on-year increase or decrease (%)	Accumulated amount of the current year	Accumulated amount of the previous year	Cumulative year-on-year increase or decrease (%)
NEVs	135,054	41,440	225.90	139,132	41,701	233.64
Others	132,192	225,174	-41.29	126,965	235,482	-46.08

By region

√ Applicable □ Not applicable

Model category	Domestic sales (vehicle)			Overseas sales (vehicle)		
	Accumulated amount of the current year	Accumulated amount of the previous year	Cumulative year-on-year increase or decrease (%)	Accumulated amount of the current year	Accumulated amount of the previous year	Cumulative year-on-year increase or decrease (%)
NEVs	125,935	38,333	228.53	9,119	3,107	193.50
Others	85,987	182,789	-52.96	46,205	42,385	9.01

3. Production and sales of parts

□ Applicable √ Not applicable

4. NEV business

√ Applicable □ Not applicable

NEV capacity

√ Applicable □ Not applicable

Name of main factory	Design capacity (vehicle)	Capacity during the reporting period (vehicle)	Capacity utilization rate (%)
SERES Automobile Factory	50,000	83,701	167.40
Other NEV factories	20,000	55,431	277.16

Production and sales of NEVs

√ Applicable □ Not applicable

Model category	Sales (vehicle)			Production (vehicle)		
	Accumulated amount of the current year	Accumulated amount of the previous year	Cumulative year-on-year increase or decrease (%)	Accumulated amount of the current year	Accumulated amount of the previous year	Cumulative year-on-year increase or decrease (%)
NEVs	135,054	41,440	225.90	139,132	41,701	233.64

NEV revenue and subsidies

√ Applicable □ Not applicable

Unit: RMB 0,000 Currency: RMB

Model category	Revenue	NEV subsidies	Percentage of subsidies (%)
NEVs	2,493,408.94	41,285.03	1.66

As of December 31, 2022, the balance of NEV subsidies receivable is as follows:

Unit: RMB 0,000

Item	Balance receivable as of December 31, 2022
NEV subsidies from the central government	119,586.20
NEV subsidies from the local government	3,933.72
Total	123,519.92

5. Auto finance business

Applicable Not applicable

6. Other descriptions

Applicable Not applicable

(V) Investment condition analysis

Overall analysis of foreign equity investment

Applicable Not applicable

As of December 31, 2022, the balance of the Company's external long-term equity investment was RMB 41.3465 million, with an increase of 3.41% compared to the end of the previous year; The details of significant non-equity investments are as follows.

1. Significant equity investment

Applicable Not applicable

2. Significant non-equity investment

Applicable Not applicable

Unit: RMB 0,000

Name of investment project	Planned investment amount	Investment amount for 2022	Cumulative investment amount	Cumulative investment completion progress
Project of Electric Drive System for High-end Electric Vehicles	106,629.00	16,604.44	47,875.27	44.90%

3. Financial assets measured at fair value

Applicable Not applicable

Unit: CNY Currency: RMB

Asset category	Opening balance	Gain or loss from changes in fair value in the current period	Changes in the cumulative fair value included in equity	Provision for impairment in the current period	Purchase amount of the current period	Sales/redemption amount of the current period	Other changes	Closing balance
Stocks	320,316,449.65	181,517,646.56	-		134,559.36		700,403.25	139,633,765.70
Others		11,905,542.80			1,899,990,000.00	300,000,000.00		1,611,895,542.80
Including: cash management		11,905,542.80			1,899,990,000.00	300,000,000.00		1,611,895,542.80
Total	320,316,449.65	169,612,103.76	-		1,900,124,559.36	300,000,000.00	700,403.25	1,751,529,308.50

Other changes are caused by changes in exchange rates.

Securities investment information

√ Applicable Not applicable

Unit: CNY Currency: RMB

Securities category	Securities code	Securities abbreviation	Initial investment cost	Sources of funds	Beginning book value	Gain or loss from changes in fair value in the current period	Changes in the cumulative fair value included in equity	Purchase amount of the current period	Sales amount of the current period	Investment gains and losses of the current period	Ending book value	Financial accounting items
Stocks	601077	Chongqing Rural Commercial Bank	63,171,585.00	Self-owned funds	152,036,500.00	-12,636,800.00					139,399,700.00	Trading financial assets
Stocks	000980	Zotye Auto	341,750.40	Debt offset	200,558.40	-101,052.06		134,559.36			234,065.70	Trading financial assets
Stocks	ELMS	Electric Last Mile	278,053,402.50	Agreement	168,079,391.25	168,779,794.50	700,403.25					Trading financial assets
Total	/	/	341,566,737.90	/	320,316,449.65	181,517,646.56	700,403.25	134,559.36			139,633,765.70	/

ELMS stocks: The amount of change caused by exchange rate changes is RMB 700,403.25.

Privately-offered fund investment information

√ Applicable Not applicable

The Company and Chongqing Sokon Holdings Co., Ltd. jointly invested in "Chongqing Yuxinchuang Private Equity Investment Fund Partnership (Limited Partnership)". For details, refer to the *Announcement on Participating in Investment in Equity Investment Funds and Related Party Transactions* (Announcement No. 2022-121) disclosed by the Company on September 20, 2022.

Derivative investment information

 Applicable √ Not applicable**4. Specific progress of major asset restructuring and integration during the reporting period** Applicable √ Not applicable**(VI) Major assets and equity sale**√ Applicable Not applicable

SFMOTORS sold its EVAP Factory located in North America to ELECTRICLASTMILE, INC (hereinafter referred to as "ELM") with a transaction consideration of USD 145 million. SFMOTORS received the full transaction payment for the sale of EVAP Factory on November 30, 2022 local time in the United States. The transaction has closed, and SFMOTORS no longer holds the ownership of EVAP Factory. For details, refer to the *Announcement on the Proposed Sale of EVAP Factory and Signing of Agreement* (Announcement No. 2021-031), *Progress Announcement on the Sale of EVAP Factory* (Announcement No. 2021-077), *Progress Announcement on the Sale of EVAP Factory* (Announcement No. 2022-062) and *Progress Announcement on the Sale of EVAP Factory* (Announcement No. 2022-150) disclosed by the Company.

In addition, Chongqing Sokon Import and Export Co., Ltd., a wholly-owned subsidiary of the Company, has signed an *Intellectual Property License Agreement* with ELM. Due to ELM's failure to pay the licensing fee under the *Intellectual Property License Agreement* within the agreed time, both parties signed a termination agreement for the *Intellectual Property License Agreement* on May 27, 2022.

(VII) Analysis of main controlling and shareholding companies

√ Applicable □ Not applicable

Unit: RMB 0,000

Company name	Main business	Registered capital	Investment proportion	Total assets	Net assets	Operating income	Net profit
SERES Automobile Co., Ltd.	R&D, manufacturing, and sales of pure electric vehicles	496,000.00	80.65%	2,721,420.90	61,035.94	1,795,164.64	-221,960.22
Dongfeng Sokon Automobile Co., Ltd.	Production and sales of automobiles and automobile parts	80,000.00	100.00%	1,250,911.60	301,951.45	836,359.97	62,913.58
Chongqing SERES New Energy Automobile Design Institute Co., Ltd.	Technology research and development	5,000.00	80.65%	653,184.28	-190,747.48	2,719.82	-112,181.89
Chongqing Sokon Import and Export Co., Ltd.	Sales of automobiles and automobile parts	30,000.00	100.00%	389,549.98	88,834.93	425,029.42	35,361.06
Chongqing Sokon Powertrain Co., Ltd.	Production and sales of automobile engines	35,000.00	100.00%	342,636.09	123,828.79	254,730.93	-13,297.62
Chongqing Jinkang Powertrain New Energy Co., Ltd.	R&D, manufacturing and sales of batteries	103,000.00	41.50%	284,484.37	11,981.84	333,785.19	-42,228.25
Chongqing Ruichi Automobile Industry Co., Ltd.	Production and sales of automobiles and automobile parts	20,000.00	100.00%	227,206.95	47,473.80	274,541.34	12,862.88
SERES Automobile Sales Co., Ltd.	Sales of automobiles and automobile parts	5,000.00	41.50%	183,255.65	-143,987.76	1,939,409.89	-55,190.77
Chongqing Yu'an Huaihai Powertrain Co., Ltd.	Production and sales of automobile engines	800.00	100.00%	95,186.94	57,347.54	68,918.37	-6,272.58
Chongqing Sokon Automobile Parts Co., Ltd.	Production and sales of automobile parts	5,000.00	100.00%	92,107.86	56,688.96	87,183.97	1,409.46
Sokon Automobile Co., Ltd. (Indonesia)	Motor vehicle assembly industry with four or more wheels	49,930.92	99.00%	51,246.13	-21,866.58	17,215.64	-12,426.55
SFMOTORSINC	Technology research and development	131,218.43	80.65%	42,546.12	2,737.34	8,195.43	-23,214.84
Chongqing Sokon Machinery Parts Co., Ltd.	Production and sales of automobile parts	500.00	100.00%	37,784.57	34,941.53	11,142.86	3/91.03
New Energy Automobile Industry Development (Chongqing) Co., Ltd.	Industrial investment	10,000.00	33.00%	11,735.30	11,307.49	328.11	155.28

The above data of the main controlling and shareholding companies are financial data of individual companies.

(VIII) Structured entity conditions under the control of the Company

□ Applicable √ Not applicable

VI. Discussion and Analysis of the Company's Future Development**(I) Industry pattern and trend**

√ Applicable □ Not applicable

The automobile industry is a pillar industry and strategic emerging industry of China's national economy, characterized by a long industrial chain, wide coverage, strong driving force, large market size, and high degree of internationalization. Under the current trend of electrification, intelligence, and networking, a new green and intelligent automobile industry ecosystem is emerging, and the sales growth rate of NEVs continues to play a leading role in the automobile industry, providing new impetus for the sustained growth of the Chinese economy and new channels for the integration of high-tech applications in many fields. Through unremitting efforts, China is accelerating its transition from a major automobile country to a strong automobile power.

- Continuously introduce policies to safeguard the development of NEVs

In terms of national policies, the overall tone of promoting automobile consumption by the central and local governments remains unchanged in 2023, and many ministries and commissions have made intensive efforts to support consumption in NEV and other key areas. In addition, the implementation of policies such as exemption from vehicle purchase tax for NEVs purchased in 2023 will continue to provide support for the development of the automobile market. Meanwhile, fiscal expenditure is expected to tilt towards the field of new energy infrastructure, and the construction of infrastructure such as charging and swapping stations, etc. is conducive to enhancing consumer's purchase intentions. Moreover, the relevant vehicle purchase restriction policies are expected to be further relaxed, which may effectively stimulate the release of some rigid demand.

- Establish the focus of intelligent competition, and determine the trend of high-end development

In the first half of the electrification of the automobile revolution, Chinese automobile enterprises promoted the transformation of automobile power towards electrification, and made innovations in technology and business models, becoming innovators and leaders in this profound transformation. However, the competition in the second half of the automobile industry will focus on intelligence, networking, and gradually show a trend of high-end development. Relying on China's good accumulation of new generation information and communication technology, mobile Internet, artificial intelligence, digitalization and other aspects in recent years, Chinese automobile enterprises will further open up the innovation chain from R&D to application of core technologies such as automotive-grade chips, operating systems, automatic driving through the integration of cutting-edge technologies, and the utilization of China's automobile market scale and unique application scenarios, and strengthen independent R&D capabilities. Moreover, it will also become a trend for automobile enterprises to cooperate with power battery, information communication, Internet, chip and other enterprises to form a new automobile industry ecosystem that supports each other, which will effectively enhance the supply flexibility of core technologies.

- Make clear signals of market recovery, and accelerate the penetration of new energy

The trend of steady macroeconomic recovery in 2023 is evident, and the repair of the automobile market has a strong foundation. Consumer confidence is gradually recovering, and there are more scenarios for consumers to use their cars. They are looking forward to independent mobile spaces, which will have a stronger driving effect on automobile consumption and market development. According to data from Joint Advisory Committee of China Passenger Car Market, in a narrow sense, the overall sales of passenger vehicles in China were 20.53 million in 2022, with a year-on-year increase of 1.9%; among them, the fuel market decreased by 13% year-on-year, while the new energy market increased by 88% year-on-year, indicating a more pronounced differentiation between the two levels. China Association of Automobile Manufacturers predicts that the sales of NEVs in China will reach 9 million in 2023, with a year-on-year increase of 35%, which has broad market prospects. NEVs have become the backbone driving the positive growth of the automobile market, and the market driving force remains strong.

- Apply innovative technology to make the domestic brand vehicles "full of power"

Sound and stable local supply chain system, innovative product design, break-through power technology, and ultimate service experience jointly drive the rapid development of the domestic brand new energy market. The momentum of domestic and joint venture brands has reversed, with a current market share of over 50%. Against the backdrop of continuously rising market share and increasingly fierce market competition, domestic brands will continue to develop, enhance their core competitiveness, and further widen the gap in local market share with joint venture brands.

- Accelerate overseas sales of Chinese automobiles to help the global automobile industry transform and upgrade

Chinese automobile enterprises accelerate their entry into overseas markets by leveraging their advantageous technological layout and innovative development strategies. As Chinese brand vehicles, especially NEVs, gradually occupy an important position in the global automobile market, Chinese automobile enterprises will seek cooperation with target market governments and enterprises based on national policies, promote the formulation and introduction of relevant standards, carry out infrastructure construction such as charging and swapping stations, etc., expand overseas market sales, and promote win-win development of the global automobile industry.

With the stabilization and recovery of the economy, the recovery of consumer confidence, and the gradual recovery of demand, it is expected that NEVs will gain a larger share after the market improves in the future. Thanks to the active implementation of automobile consumption policies, the core competitiveness of Chinese brand enterprises in intelligence and networking continues to enhance, and the level of supply chain management continues to improve. The advantages of China's industrial clusters will be more prominent, and the leading advantage compared to joint venture brands will be further deepened. As a result, China's automobile industry is sure to make steady progress.

(II) Company's development strategies

Applicable Not applicable

The Company insists on taking Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era as the fundamental principle of its development, implements the major decisions and deployment of the CPC Central Committee, and strives to write a chapter of NEV development on the new journey of Chinese path to modernization.

Guided by the Basic Law of Development, the Company adheres to the mission of "promoting automobile energy transformation and creating a smart mobile life", takes NEVs as its core business, practices software defined vehicles, serves users wholeheartedly, upholds innovation driven, and provides users with a unique travel experience of high-end smart NEVs; it adheres to longtermism, strives for the early realization of the "China's dual carbon targets", and enables more people to become automobile environmentalists; it persists in commercial success, and builds an interconnected automobile ecosystem.

Targeting both domestic and international markets, SERES AITO will anchor the high-end smart NEV segment market, applying intelligence into vehicles and making them smarter; Landian Brand, born out of electricity, implements the four core values of "reality, practicality, novelty, and improvement" and fights for the "intelligent value ratio"; Ruichi New Energy is deeply rooted in the segment market of electric logistics vehicles, committed to becoming a leading brand of pure electric commercial vehicles. The Company adopts the automobile unit composed of "hardware base + software base + application", which is divided into six layers of architecture. It also launches competitive new and upgraded products with a strategy of high-quality products, continues to build a leading super electric drive intelligent technology platform (DE-i), promotes intelligent manufacturing platforms, improves production efficiency, enhances supply chain resilience, strengthens talent team construction, and improve operational capabilities to achieve the vision of becoming a global intelligent automobile brand enterprise.

(III) Business plan

Applicable Not applicable

Since the deep cross-border cooperation with globally leading ICT enterprises, the Company has adhered to the implementation of the strategy of high-quality products and created a record for the fastest growth of new brands in the high-end smart NEVs. In 2022, the Company successively launched three products: AITO M5, M7, and M5 (pure electric model), showing the "SERES Speed" in the NEV segment market. In 2023, the Company will maintain strategic focus and impetus, uphold innovation driven, longtermism and commercial success, and pursue high-quality development. The Company will focus on the following work:

- Maintain the core position of new energy business

The Company has firm confidence to maintain strategic focus and impetus, makes use of five high-quality platforms in its product line, and ensures the completion of production and operation goals through measures such as order grabbing, delivery guarantee, high efficiency, and cost precision, etc. SERES AITO will anchor the high-end smart NEV segment market, applying intelligence into vehicles and making them smarter; Landian Brand, born out of electricity, implements the four core values of "reality, practicality, novelty, and improvement" and fights for the "intelligent value ratio"; Ruichi New Energy is deeply rooted in the segment market of electric logistics vehicles, committed to becoming a leading brand of pure electric commercial vehicles. Taking advantage of the situation, we will promote high-quality delivery of overseas orders and achieve new breakthroughs in the export of NEVs.

- Make the automobile ecosystem bigger and stronger

Committed to building an interconnected automobile ecosystem, based on profound insights into the industry situation and consistent pursuit of business goals, the Company will continue to strengthen deep cross-border cooperation with leading global ICT enterprises, deepen strategic cooperation with governments, central enterprises, and other high-quality partners, and create industry-leading high-end smart NEVs. In addition, the Company will adhere to fulfilling the obligations of chain owners, play a leading role through the "leading and supporting" model, strengthen and supplement the chain, promote the coordinated development of upstream and downstream enterprises, and improve the stability of the industrial chain and supply chain.

- Further implement the strategy of high-quality products

The Company will further build five major high-quality platforms: high-quality research and development, high-quality manufacturing, the best quality, high-quality supply chain, and high-quality services, and solidify the foundation of the high-quality platform; intensify innovation and R&D efforts, launch and deliver high-quality new products such as AITO M5 series intelligent driving model, AITO M9, and Landian E5, etc.; adhering to software defined vehicles, help users achieve the ultimate driving experience throughout the entire product lifecycle; strengthen the support of high-quality talents and high-quality finance, and promote the strategy of high-quality products through meticulous budgeting.

- Promote the iterative upgrade of the service management

Adhering to the principle of serving users wholeheartedly, the Company will continue to promote the iterative upgrade of its service philosophy. Based on high-quality management of user service in the 3.0 era, the Company will explore user service 4.0 and 5.0, launch digital service products, and strive to build SERES Automobile into an energy mobile station and a data mobile station; keep the vehicles always convenience to use and new using software as a medium.

- Improve operational management level

The Company will further improve the management system with scientific mechanisms, compliant operations, efficient running, and controllable risks. Adhering to the bottom-line thinking that the bottom line cannot be broken and the red line cannot be touched, the Company will strengthen operational control, improve work efficiency, ensure efficient business development within the framework of laws, regulations, and policies, and provide guarantees and foundations for its stable and long-term development.

- Strengthen Party building work to promote the achievement of business goals

The Company will enrich and improve the Party building work system, focus on expanding the depth and breadth of "business empowerment and employee service", and help the achievement of the annual production and operation goals. In addition, it will mobilize backbone Party members to play a role in tackling difficult projects, urgent and dangerous tasks, and daily leading demonstrations, deploy all branches to strive to promote the achievement of established business goals in this sector, and enhance the political, ideological, organizational, work style, and disciplinary guarantees of the Party building work.

(IV) Possible risks

Applicable Not applicable

1. Risk of macroeconomic uncertainty. The automobile industry is greatly affected by the overall level of economic development. There are uncertainties in the macroeconomic situation due to the cyclical fluctuations in the global and domestic macroeconomics, industrial restructuring, and international political environment, and the consumer purchasing power is influenced to a certain extent, affecting the demand for automobile consumption.
2. Risk of industry policies. As the new national strategic plan has put forward higher requirements for R&D capabilities and production technology of NEVs in automobile enterprises, the Company needs to increase investment in R&D and production. In addition, the adjustment of subsidy policies by national and local governments at all levels will also have an impact on the sales of NEVs.
3. Risk of intensified market competition. Affected by the policy of liberalizing the foreign ownership ratio of automobile enterprises, the prices of products from foreign and joint venture automobile enterprises have dropped, and the updating speed of various brand models has accelerated. As a result, the competition in the domestic automobile market has become increasingly fierce.
4. Risk related to raw materials. Affected by various factors, there is a risk of short supply of raw materials such as chips, batteries, steel materials, and non-ferrous metals, etc. If there is a sharp increase of raw material prices or shortage of raw materials in the future, it will lead to an increase in Company's costs or affect production.
5. Risk of continuous technological innovation. With the promotion and application of new materials and technologies, the automobile industry is facing severe challenges of technological innovation, transformation and upgrading.
6. Risk of exchange rate fluctuations. Due to trade frictions, trade barriers, and geopolitical risks, the exchange rate of the RMB against the USD may fluctuate. The fluctuation of the RMB exchange rate may have a certain impact on the Company's operating conditions and profit changes.

Faced with the above risks, the Company will pay attention to national macro policies, economic situation, and market trends, and track the competitive situation in the industry; increase investment in cutting-edge technology research and development, master core technologies, optimize product structure, develop and launch products that meet market and user needs; stabilize the supply chain, enhance the ability to resist fluctuations in raw material prices, and promote its high-quality development.

(V) Others

Applicable Not applicable

VII. Situations and Explanations for the Reasons of the Company Failing to Conduct Disclosure According to the Standard Due to Improper Rules or National Secrets, Business Secrets or Other Special Reasons

Applicable Not applicable

Section III Discussion and Analysis of the Management

I. Discussion and Analysis of Operating Conditions

New energy vehicle industry is not only the main direction of upgrading & transformation and green development of the global automobile industry, but also an important representative of the country to form new quality productivity, and promote industrial upgrading and high-quality economic development. In 2023, China's automobile production and sales both exceeded the 30 million for the first time, and China's share of global automobile sales accounted for more than 30%, of which China's new energy vehicle ("NEV") sales accounted for more than 60% of the global new energy. China's NEV production and sales scale ranked among the world's top for nine consecutive years, promoting the China's automobile industry to step into the center of the world stage. The excellent performance of China's new energy vehicle industry is attributed to the country's strategic emerging industry, which supports enterprise innovation and research & development through multiple measures. The breakthroughs and development applications of the "three electric technologies" represented by batteries, motors, and electronic control systems, as well as intelligent technologies such as intelligent cockpits and intelligent driving, etc., provide new driving forces for the sustainable development of the new energy vehicle industry, enhancing users' understanding and trust in "Made in China". China's NEVs, with their high-tech and high-quality attributes, have changed the competitive landscape of the global automobile industry forming new quality productivity with global influence. The new energy vehicle industry also faces some challenges while flourishing, such as accelerated technological updates and iterations, and diverse user demands for intelligence. The superposition of technological and demand changes puts higher requirements for the ability of automobile enterprises to respond to changes.

In the face of challenges, the Company always maintains strategic focus, consolidates market position, and accelerates development, faces external uncertainties with internal certainty, and steadfastly invests in large-scale research and development to transform high-quality innovative achievements into new quality productivity, achieving a leap in quality with technological leadership. The Company leads innovation through breakthroughs in key core technologies, achieves high-quality development through comprehensive capacity building, and transforms scientific and technological achievements into enterprise benefits. In 2023, AITO M5 intelligent driving version, new M7 and M9 were successively launched, and quickly occupied the market. The sales and operating income of NEVs hit a record high throughout the year. In 2023, the Company's operating income was RMB 35.842 billion, with a year-on-year increase of 5.09%; the sales of NEVs reached 150,900, with a year-on-year increase of 11.75%. The Company has forged technological innovation genes, and created the AITO series of technological luxury cars represented by M9 by greatly invested in research and development. With excellent product strength, the Company has built a solid foundation, created brand influence, and achieved a phased victory in the "breakthrough battle", laying a solid foundation for the Company to win long-term high-quality development.

(I) Technological innovation, building new quality productivity with core technologies

The Company has formed a profound technological accumulation through continuous R&D investment, expanding the "technology leading" enterprise moat, and laying a solid foundation for its high-quality development. In 2023, the Company invested RMB 4.438 billion in research and development, accounting for 12.38% of operating income, with a year-on-year increase of 42.90%. According to statistics from China Automotive Technology & Research Center Co. Ltd, in the 2023 list of automobile invention patents, the number of patents disclosed by the Company was 1,244, with a year-on-year increase of 407.76%, ranking first among independent vehicle enterprises in terms of growth rate.

In terms of platform development, the Company has independently innovated and created a modular intelligent Rubik's Cube platform with continuous iteration and upgrading capabilities. The platform is a cross domain intelligent and versatile platform that integrates chassis, body, power, software, and safety, suitable for all series and full-size models; the power can balance super extended range, pure electric, and ultra hybrid, making it the first platform in the industry to be compatible with these three forms of power, achieving a powerful combination and expansion like a Rubik's Cube.

In terms of power technology, focusing on improving efficiency and NVH performance, the Company has independently developed a super extended range system, which utilizes industry-leading technologies such as high flow low-pressure cooling EGR, high-energy directional ignition, flat wire stator winding, forced oil cooling, and high-precision IGBT junction temperature estimate. It has three core highlights of "intelligence, efficiency, and insensitivity", which can meet the carrying needs of different levels of models, with high adaptability. The Company's products were awarded the "China Heart" Top 10 New Energy Power Systems of 2023 and the Second World Top 10 Hybrid Power Systems. In the pure electric field, the Company has successfully developed a highly integrated electric drive seven-in-one assembly. The efficient and compact design has improved the efficiency of energy and space utilization, and improved the performance and range of the vehicle.











(II) Improving quality with new technologies and supporting high-quality development with new quality productivity

1. Set a benchmark for innovation with the "technological luxury concept", expanding brand influence

Adhering to software defined cars, the Company independently grasps the core technologies of intelligence and electrification in the automobile industry, takes safety as the foundation, reshapes luxury with wisdom, explores the "new luxury" concept of "traditional luxury + technological luxury", and expands the brand influence with new quality productivity. The AITO high-end intelligent NEV series, represented by M9, covers two major technological routes: range extended and pure electric, which has many highlights in safety, intelligence, comfort, space, and other fields, creating the ultimate product strength and winning the love of users with industry-leading technological attributes such as intelligent driving, intelligent cockpit, intelligent chassis, and

intelligent range extender. With the release of technological value brought by long-term R&D investment, new quality productivity has won user recognition. According to third-party statistics, AITO ranked sixth on the luxury brand sales list in the Chinese market in December 2023.

December 1-31, 2023
Luxury Brand Sales in the Chinese Market

Ranking	Brand	Sales
01	 BMW	79,600
02	 Audi	76,700
03	 Tesla	76,000
04	 Mercedes-Benz	59,300
05	 Li Auto	5,050,000
06	 AITO	24,500
07	 Lexus	22,400
08	 Cadillac	19,500
09	 NIO	17,700
10	 Volvo	17,400

2. Give full play to the leading role of chain owners, creating high-quality productivity

The intelligence and electrification of the automobile industry are reshaping the automobile supply chain system. With the concept of an integrated supply chain ecosystem, the Company gathers high-quality resources in the industry, gives full play to the core advantages of technological innovation, industrial chain ecology, and capital resources of both supply and demand sides, and has established strategic cooperation relationships with multiple leading enterprises in the industry, promoting "mutual trust, co creation, and win-win", developing the intelligent electric vehicle ecosystem, and promoting local supplier to build factories. The Company accurately matches product requirements, optimizes resource flow efficiency, and develops towards a quality, alliance, and integrated supply system, developing a high-quality, agile, and flexible component delivery capability.

The Company has been selected as a green supply chain management enterprise of the Ministry of Industry and Information Technology of the People's Republic of China, promoting the accurate and efficient control of end-to-end information flow, product flow and capital flow, and improving the operational efficiency of the entire industrial chain. In addition, the Company's supply chain digital system has been selected as a pilot demonstration unit for the Chongqing "One Chain, One Network, One Platform" project.



3. Create high-quality hardcore products to make users feel at ease

The Company's high-quality strategy ensures the high quality of products from all aspects of the entire product lifecycle. The Company has established five key processes: R&D quality system, production quality system, mass production quality system, supplier quality system, and market quality system. With the help of digital quality means, it ensures the quality of five aspects, namely product design, production, physical product, charm, and service. The Company's smart factory is globally leading in full chain intelligence, process flexibility, low-carbon sustainability, and other aspects. Through AI technology and full-automatic robots, it achieves 100% automation of key processes such as welding, gluing, and spraying, etc., improving production efficiency and ensuring high quality and high consistency.

Before delivery, the vehicle needs to pass through 8 quality inspections, and the hardware monitoring content covers materials, components, systems, and the vehicle; the software monitoring content includes testing items such as automatic driving, human-machine interface, AR-HUD, etc. Each vehicle has completed over 3,200 dynamic and static monitoring items such as assisted driving, insulation testing, intensive road testing, electromagnetic radio frequency, etc. In addition, there are nearly 1,000 automated monitoring items, and advanced digital and intelligent quality methods are adopted to achieve quality automation and ensure product quality and safety. AITO M5 ranked first in J.D. Power2023 mainstream plug-in hybrid market for NEV quality research in China.

(III) Making organizational innovation, strengthening internal forces for the development of new quality productivity

1. Lead by Party building, promoting high-quality development of enterprises

Based on the concept of "strong development based on strong Party building", the Company always adheres to listening to the Party's voice, thanking the Party for its kindness, and following the Party. In the work, it promotes the integration of Party building into production and operation in corporate culture, organizational construction, and enterprise development with business promotion, employee service, and volunteer service as the focus. Production and operation activate Party building, forming a new pattern of mutual integration and promotion of Party building and operation in non-public enterprises. In terms of information technology, the Party Committee of the Group has reached a cooperation agreement with 19 units to promote the rapid establishment of 5G smart factories, and to solve the urgent problems of employees in medical treatment and children admission. All Party branches and Party members of the Company actively responded to the call of the Party Committee of the Group, carrying out activities such as "Crack Troops and Brilliant Generals, Party Members First" and "Everyone Rushing to Be a Promotion officer", etc. More than 20 "vanguard teams" and "Party member assault teams" have been established, playing a model and leading role in R&D, production, supply chain, sales service, quality, and other aspects.

2. Carry out organizational change, building a high-quality talent team

The Company deepens organizational change and innovates talent mechanism management, creating an organization structure of "5 major businesses + 5 empowerment platforms" based on businesses and functions. With a goal oriented approach, it establishes a "mission driven + capability driven" talent team, and build an ecological organization that wholeheartedly serves users with a quantum thinking, creating a dynamic and fighting organization.

The Company is closely following the development trend of digitization, intelligence, and low-carbon, further achieving refined management, optimizing processes, and improving response speed to users. The Company promotes the construction of a systematic talent team, improves employee capabilities, and promotes the growth, development, and value realization of its employees. In addition, the Company adheres to a "result oriented" differentiated incentive mechanism and implements business responsibilities.

During the reporting period, the Company continued to repurchase shares with RMB 105 million, with a cumulative total repurchase amount of RMB 205. The repurchased shares will be used for the 2024 employee stock ownership plan to further enhance the cohesion, motivation, and creativity of employees, and drive the achievement of the Company's key milestones.

3. Care for employees, building harmonious labor relations

The Company is committed to building a caring and warm working environment, enhancing the happiness and belongingness of employees, and creating a cohesive corporate atmosphere. The Company has established a sound employee welfare security system, paying attention to the special needs of female employees and disadvantaged employees, and carrying out care and assistance activities. Such activities include, but are not limited to, regular lectures on mental health knowledge, setting up a "health service room" every Wednesday, and inviting hospital experts to provide one-on-one health counseling services for employees; setting up a dedicated "maternal and child room" and exclusive breastfeeding leave for lactating female employees, providing a more comfortable and private environment; establishing a mutual assistance fund for disadvantaged employees to address their actual needs.

(III) Implementing ESG concepts, accelerating new quality transformation and green growth

The Company actively responds to the national strategic goals of carbon peaking and carbon neutrality, promotes green and low-carbon development, and takes responsibility for building a beautiful China together. The Basic Law for Development of the Company clarifies the green and low-carbon development path, focusing on green design, green procurement, green manufacturing, green logistics, green marketing, and recycling to produce green and low-carbon products.

During the reporting period, the Company formulated energy-saving and consumption reduction measures tailored to the

characteristics of each manufacturing base, developed green and low-carbon energy, invested a large amount of resources in photovoltaic construction using factory roofs, and promoted the use of renewable energy; relying on the application scenario of "industrial Internet + green low-carbon", the Company has built a digital platform for carbon management, opening up supply chain management, energy digital monitoring, carbon emission management and other systems, and realizing the functions of enterprise carbon emissions, vehicle carbon footprint, supply chain carbon traceability and carbon information disclosure.

In addition, the Company actively reduces energy consumption and improves energy efficiency through a series of measures such as improving production efficiency, utilizing surplus energy, and complementing multiple energy sources, etc. Stamping Workshop adopts a full-automatic cold stamping technology stamping line, which recycles regenerative current and reduces 70% of electricity; Welding Workshop adopts high-efficiency and low-energy consumption welding equipment to improve labor efficiency and production capacity, reduce input power, and save electricity; the Company also optimizes the non production time parameters of the coating air compression station, and reduces the compressed air pressure during non production time, reducing energy consumption, and building a green and energy-saving factory.

II. Industrial Information of the Company during the Reporting Period

The world's unprecedented major changes are accelerating. In 2023, the China's automobile is showing a trend of "beginning with low and going high, gradually improving" in a complex macro environment. At the beginning of the year, the recovery of car consumption was relatively delayed due to early Spring Festival holiday, early overdraft of some consumption, and other factors. With the continuous promotion of a series of national and local policies to promote consumption and stabilize growth, as well as the introduction of attractive new products by automobile enterprises, the market demand is gradually released, showing a good development trend. According to statistics from China Automobile Industry Association, the cumulative production and sales of automobiles in China reached 30.161 million and 30.094 million in 2023, with a year-on-year increase of 11.6% and 12% respectively, hitting a record high in production and sales.

Driven by both policies and the market, China's new energy vehicle industry is developing rapidly. In 2023, China's new energy vehicle industry continues to maintain rapid development, with production and sales of 9.587 million and 9.495 million, respectively, a year-on-year increase of 35.8% and 37.9%, far exceeding industry expectations. The market share reached 31.6%, with a year-on-year increase of 6%, becoming an important force leading the transformation of the global automobile industry.

In 2023, the sales structure of the national passenger vehicle market in the price range continues to rise, with a significant increase in the proportion of high-end models sold. In 2023, the sales of high-end brand passenger vehicles produced domestically reached 4.516 million, with a year-on-year increase of 15.4%. Among them, the sales growth of models priced between RMB 350,000 to RMB 400,000 and above RMB 500,000 was the largest.

With the deep integration and development of AI technology and the automobile industry, the intelligence level of automobiles continues to improve, and automobiles have become mobile intelligent terminals. In 2023, the intelligent development of automobiles has shown a vigorous trend, with breakthrough progress in research and application of intelligent driving technology, vehicle networking technology, and other aspects. The increasing demand for intelligent vehicles from consumers has brought new opportunities for the development of the industry.

III. Business Conditions of the Company during the Reporting Period

The Company is a technology oriented automobile enterprise with NEVs as its core business, involving R&D, manufacturing, sales, and services of NEVs and core "three-electric" products. During the reporting period, the models mainly sold by the Company were as follows:

AITO M9, panoramic intelligent flagship SUV, meets users' full scene travel needs due to its versatile space. Twelve key parts are made of 2000MPa hot formed steel, 9,000 tons of integrated die-casting technology, and the vehicle's aluminum alloy volume exceeds 80%. The ultra hard core body structure is lightweight and safe; it adopts extended range and pure electric dual energy power; the total length of the vehicle reaches 5,230 mm, but it has flexible steering ability; the entire series is equipped with closed pneumatic suspension and CDC variable damping shock absorbers as standard, with soft and hard dynamic adjustment for more stable continuous handling. The 75" AR-HUD has the industry's highest definition 2K resolution, and is integrated with AR reality; the two-row projection screen has a 32" large frame. The intelligent interactive matrix headlights achieve multi-scene intelligent light signals. Equipped with ADS2.0 fusion perception system, it achieves full coverage of 540°, helping users confidently face various complex road conditions.



New AITO M7 is a mid-to-large luxury intelligent driving SUV with features of great intelligence, large space, great comfort, and ultra safety. Equipped with advanced intelligent driving systems, it can autonomously understand complex road conditions, making travel comfortable and reassuring. Super spacious interior with versatile seat postures provides first-class like enjoyment. It is developed according to the C-NCAP2021 five-star safety standard and CII "Good" rating safety standard, with the super strong body. A-pillars and B-pillars are made of "submarine grade" super hot formed steel, and the battery is equipped with impact and explosion-proof technology to ensure travel safety.



AITO M5 Intelligent Driving version is equipped with advanced intelligent driving system and HarmonyOS Intelligent Cockpit 3.0 system. The vehicle has 27 perception hardware, and the software and hardware collaboration has become a new model of advanced intelligent driving, making users enjoy the "human-machine co-driving" experience. The all aluminum alloy chassis, combined with front double wishbone and rear multi link independent suspension, reduces the non-suspended weight by 30%. The vehicle has simple and powerful lines, and excellent aerodynamic design improves its range. The range extended CLTC has a comprehensive range of over 1,400km, and the pure electric CLTC has a pure electric range of over 600km.



IV. Analysis of Core Competitiveness during the Reporting Period

✓ Applicable Not applicable

1. Full stack self-developed smart electric new energy Rubik's Cube platform

The Company's self-developed vehicle Rubik's Cube platform provides users with an intelligent driving experience that is "easy to drive, easy to use, and super safe" through panoramic safety, diverse power, versatile space, and intelligent leadership.

2. Base advantages based on digital and intelligent quality

Adhering to the quality standard of "zero defects", and relying on technology driven quality management, the Company constructs a comprehensive, full process, and all staff participation SERES quality management system, improves the early design planning and preventive ability of quality, and achieves a unified high level of quality.

3. High-quality product delivery based on intelligent manufacturing

The Company has established a globally leading intelligent manufacturing system, using a combination of software and hardware, digital process design, and on-site manufacturing processes to build intelligent processes. Key processes are fully automated, and real-time online testing is guaranteed to ensure delivery quality and efficiency.

4. Aggregation power of industrial ecology for co-existence and common prosperity

The cooperation between the Company and partners such as Dongfeng, Huawei, CATL, and Bosch, etc. has deepened, building an automotive ecosystem with intelligent electric vehicles as the core and Internet of Everything for co-existence and common prosperity, consolidating and expanding development advantages, and moving towards new, high-quality, and upward trends.

5. Promotion of the talent growth through "technology +"

The Company adheres to the concept that talent is the first capital, improves the talent selection and cultivation system, strengthens the introduction and cultivation of technical and skilled talents at home and abroad, and increases the talent density of intelligent and electrified core technologies, establishing a high-quality talent team driven by talent and mission.

V. Main Operating Conditions during the Reporting Period

In 2023, the Company's operating income was RMB 35.842 billion, with a year-on-year increase of 5.09%.

(I) Analysis of main businesses

1. Profit Statement and Cash Flow Statement Related Item Variation Analytical Statement

Unit: CNY Currency: RMB

Item	Amount of the current period	Amount of the same period of the previous year	Variable proportion (%)
Operating income	35,841,957,866.81	34,104,996,188.52	
Operating cost	32,119,287,172.82	30,243,611, 627.56	
Sales expenses	5,465,112,817.58	4,819,624,056.74	
Management expenses	1,653,330,818.57	1,775,340,393.67	
Financial expenses	-15,810,314.12	172,150,380.89	
R&D expenses	1,696,475,826.71	1,313,661,262.38	
Net cash flow generated from operating activities	6,397,611,620.70	-1,168,541,990.58	
Net cash flow generated from investing activities	-2,972,808,458.54	-4,154,003,755.84	
Net cash flow generated from financing activities	-1,269,022,770.62	6,325,284,341.33	
Return on investment	1,789,117,933.18	-37,390,482.84	
Income from changes in fair value	22,293,471.81	-169,612,103.76	
Asset impairment losses	-423,613,470.36	-305,725,891.93	
Income from asset disposal	133,006,644.87	280,977,863.58	

Non-operating income	48,363,601.45	32,688,074.83	
Non-operating expenditure	135,692,784.94	36,171,154.04	
Income tax expenses	75,857,026.16	290,147,272.04	

Explanations on the reasons for changes in operating income: mainly due to the increase in sales of NEVs with higher prices per unit.

Explanations on the reasons for changes in operating cost: mainly due to the increase in sales of NEVs with higher prices per unit.

Explanations on the reasons for changes in sales expenses: mainly due to the increase in NEV promotion, sales service fees, and overseas marketing and promotion expenses.

Explanations on the reasons for changes in management expenses: mainly due to the decrease in daily operating expenses.

Explanations on the reasons for changes in financial expenses: mainly due to the management of idle cash and the increase in interest income.

Explanations on the reasons for changes in R&D expenses: mainly due to the continuous investment in product research and development, as well as the increase in intangible asset amortization expenses.

Explanations on the reasons for changes in net cash flow generated from operating activities: mainly due to the increase in sales receipts for NEVs.

Explanations on the reasons for changes in net cash flow generated from investing activities: mainly due to the expiration of idle fundraising cash management.

Explanations on the reasons for changes in net cash flow generated from financing activities: mainly due to the increase in funds raised from non-public issuance of stocks in the same period last year and the repayment of bank loans in the current period.

Explanations on the reasons for changes in return on investment: mainly due to the transfer of equity in subsidiaries, and the increase in the return on investment recognized by the equity method, rather than cost method.

Explanations on the reasons for changes in income from changes in fair value: mainly due to the changes in fair value of trading financial assets.

Explanations on the reasons for changes in assets impairment losses: mainly due to the increase in provision for impairment of intangible assets.

Explanations on the reasons for changes in income from asset disposal: mainly due to the influence of asset disposal in the same period last year.

Explanations on the reasons for changes in non-operating income: mainly due to the influence of customers transferring overdue deposits to revenue.

Explanations on the reasons for changes in non-operating expenditure: mainly due to the technological updates and iterations, as well as intangible asset write-offs.

Explanations on the reasons for changes in R&D expenses: mainly due to the decrease in income tax expenses provisioned in the current period.

Description on the major changes in business type, profit composition or profit source of the Company in the current period

Applicable Not applicable

2. Revenue and cost analysis

Applicable Not applicable

Revenue and cost analysis:

(1) Main business condition in terms of industry, product, region and sales model

Unit: CNY

Currency: RMB

Main business condition in terms of industry						
By industry	Operating income	Operating cost	Gross margin (%)	Increase/decrease of the operating income compared to the previous year	Increase/decrease of the operating cost compared to the previous year (%)	Increase/decrease of the gross margin compared to the previous year (%)

				(%)		
Automobile industry	34,644,781,470.46	31,349,284,574.75	9.51	5.09	6.67	Decreased by 1.35%
Main business condition in terms of product						
By product	Operating income	Operating cost	Gross margin (%)	Increase/decrease of the operating income compared to the previous year (%)	Increase/decrease of the operating cost compared to the previous year (%)	Increase/decrease of the gross margin compared to the previous year (%)
NEVs	28,947,606,109.43	26,075,938,862.21	9.92	16.10	20.40	Decreased by 3.22%
Conventional fuel vehicles	4,608,886,407.97	4,291,900,304.73	6.88	-27.38	-29.87	Increased by 3.30%
Others	1,088,288,953.06	981,445,407.81	9.82	-35.47	-39.08	Increased by 5.35%
Main business condition in terms of region						
By region	Operating income	Operating cost	Gross margin (%)	Increase/decrease of the operating income compared to the previous year (%)	Increase/decrease of the operating cost compared to the previous year (%)	Increase/decrease of the gross margin compared to the previous year (%)
China	29,678,714,018.64	27,436,735,150.77	7.55	2.15	4.64	Decreased by 2.21%
Overseas	4,966,067,451.82	3,912,549,423.98	21.21	26.92	23.45	Increased by 2.21%
Main business condition in terms of sales model						
Sales model	Operating income	Operating cost	Gross margin (%)	Increase/decrease of the operating income compared to the previous year (%)	Increase/decrease of the operating cost compared to the previous year (%)	Increase/decrease of the gross margin compared to the previous year (%)
Direct sales	1,955,799,273.69	1,812,234,812.05	7.34	-65.81	-64.11	Decreased by 4.38%

Distribution	32,688,982,196.77	29,537,049,762.70	9.64	19.97	21.36	Decreased by 1.03%
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Description on main business condition in terms of industry, product, region and sales model

None

(2) Analysis of production and sales

✓ Applicable Not applicable

Main products	Unit	Production capacity	Sales volume	Inventory	Increase/decrease of the production capacity compared to the previous year (%)	Increase/decrease of the sales volume compared to the previous year (%)	Increase/decrease of the inventory compared to the previous year (%)
NEVs	Vehicle	153,731	150,926	4,387	10.49	11.75	-12.12
Others	Vehicle	102,303	101,383	8,245	-19.42	-23.31	15.61
Total	Vehicle	256,034	252,309	12,632	-3.78	-5.59	4.19
Range extender	Set	112,075	112,528	736	32.44	34.86	-47.13

At the end of 2023, the inventory does not include Chongqing Ruichi Automobile Industry Co., Ltd.

Description on production and sales situation None

(3) Performance of major purchase contracts and major sales contracts

Applicable ✓ Not applicable

(4) Table for cost analysis

Unit: RMB

Condition in terms of industry							
By industry	Items of cost composition	Amount of the current period	Proportion of the current period in the total cost (%)	Amount of the same period of the previous year	Proportion of the same period last year to the total cost (%)	Variable proportion of the amount of the current period compared to the same period of the previous year (%)	Presentation of situation
Automobile industry	Direct materials, direct labor, energy and power, manufacturing expenses, etc.	31,349,284,574.75	100	29,388,653,738.00	100	6.67	
Condition in terms of product							
By product	Items of cost composition	Amount of the current period	Proportion of the current period in the total cost (%)	Amount of the same period of the previous year	Proportion of the same period last year to the total cost (%)	Variable proportion of the amount of the current period compared to the same period of the previous	Presentation of situation

						year (%)	
NEVs	Direct materials, direct labor, energy and power, manufacturing expenses, etc.	26,075,938,862.21	83.18	21,657,919,922.64	73.69	20.40	
Fuel vehicles	Direct materials, direct labor, energy and power, manufacturing expenses, etc.	4,291,900,304.73	13.69	6,119,735,063.19	20.82	-29.87	
Others	Direct materials, direct labor, energy and power, manufacturing expenses, etc.	981,445,407.81	3.13	1,610,998,752.17	5.48	-39.08	

Cost analysis and description on other situations

None

(5) Changes in consolidation scope due to changes in equity of major subsidiaries during the reporting period

Applicable Not applicable

Refer to 4. Disposal of Subsidiaries of IX. Change in Consolidation Scope for details.

(6) Significant change or adjustment about the Company's businesses, products or services during the reporting period

Applicable Not applicable

(7) Main sales customers and main suppliers

A. Main sales customers of the Company

Applicable Not applicable

The sales amount of the top five customers is RMB 2,865,911,400, accounting for 8.27% of the annual total sales amount; among the top five customers, related party sales amounted to RMB 0, accounting for 0% of the annual total sales amount.

The proportion of sales to a single customer exceeds 50% of the total during the reporting period, and there were new or highly dependent customers among the top 5 customers Applicable Not applicable

Unit: CNY Currency: RMB

S/N	Customer name	Sales amount	Proportion in annual total sales amount (%)
1	Shenzhen Changpeng Automobile Sales Service Co., Ltd.	55,420.43	1.60

B. Main suppliers of the Company

Applicable Not applicable

The purchase amount of the top five suppliers was RMB 10,411,654,900, accounting for 33.21% of total annual purchase amount; among the top five suppliers, the purchase amount from related parties was RMB 0, accounting for 0% of the total annual purchase amount.

The proportion of purchase from a single supplier exceeds 50% of the total during the reporting period, and there were new or highly dependent suppliers among the top 5 suppliers

Applicable Not applicable

Other descriptions None

3. Expenses

√ Applicable Not applicable

Unit: RMB

Item	Accrual in the current period	Accrual in the previous period	Year-on-year increase or decrease (%)
Sales expenses	5,465,112,817.58	4,819,624,056.74	13.39
Management expenses	1,653,330,818.57	1,775,340,393.67	-6.87
Financial expenses	-15,810,314.12	172,150,380.89	-109.18
R&D expenses	1,696,475,826.71	1,313,661,262.38	29.14

Refer to 1. Profit Statement and Cash Flow Statement Related Item Variation Analytical Statement of V. Main Operating Conditions during the Reporting Period (I) for the reasons for changes.

4. R&D investment

(1) R&D investment information

√ Applicable Not applicable

Unit: RMB

Expensed R&D investment of the current period	620,645,827.39
Capitalized R&D investment of the current period	3,817,594,915.70
Total R&D investment	4,438,240,743.09
Proportion of the R&D investment amount to the operating income (%)	12.38
Proportion of capitalized R&D investment (%)	86.02

(2) R&D personnel information

√ Applicable Not applicable

Quantity of the Company's R&D personnel	4,955
Proportion of R&D personnel to the total number of employees in the Company (%)	30.77
Educational background structure of R&D personnel	
Educational background structure category	Educational background structure quantity
Doctoral candidates	26
Postgraduate students	735
Undergraduates	3,730
Junior college students	464
Age structure of R&D personnel	
Age structure category	Age structure quantity
Under 30 years old (excluding 30 years old)	1,689
30-40 years old (including 30 years old and excluding 40 years old)	2,777

40-50 years old (including 40 years old and excluding 50 years old)	419
50-60 years old (including 50 years old and excluding 60 years old)	66
60 years old and above	4

(3) Presentation of situation

Applicable Not applicable

(4) Reasons for major changes in the composition of R&D personnel and their impact on the future development of the Company

Applicable Not applicable

At the end of 2023, the total number of R&D personnel increased by 777 compared to the number of the same period of the previous year, with a year-on-year increase of 18.6%. The proportion of R&D personnel to the total number of employees in the Company has further increased compared to the previous year, and the R&D team is showing a trend towards youthfulness and higher education.

In 2023, the Company will accelerate the improvement of independent R&D and innovation capabilities, deepen the promotion of high-quality product research and development, and build a comprehensive core technological strength. In addition, the Company will steadfastly take technology as the foundation and innovation as the driving force, and bravely move forward on the road to becoming a technology-based automobile enterprise with profound technological heritage and strong innovation explosive power. In 2023, the Company will focus on strengthening its soft power in core areas such as intelligent networking, electronic and electrical systems, power systems, functional safety, and software development, etc., and empower multiple key value chain links such as product research and development, manufacturing, and digital sales with intelligent and electrified core technologies, pursuing excellent quality and achieving user satisfaction. In addition, the Company will also establish a sound innovative talent management mechanism and talent incentive mechanism, integrate talent and organizational development, improve talent training mechanisms, cultivate "technical +" talents, and build a high-level R&D talent team based on external introduction and internal training, creating value contributions for building an interconnected automobile ecosystem.

5. Cash flow

Applicable Not applicable

Unit: RMB

Item	Accrual in the current period	Accrual in the previous period	Year-on-year increase or decrease (%)
Net cash flow generated from operating activities	6,397,611,620.70	-1,168,541,990.58	N/A
Net cash flow generated from investing activities	-2,972,808,458.54	-4,154,003,755.84	N/A
Net cash flow generated from financing activities	-1,269,022,770.62	6,325,284,341.33	-120.06

Refer to 1. Profit Statement and Cash Flow Statement Related Item Variation Analytical Statement of V. Main Operating Conditions during the Reporting Period (I) for the reasons for changes.

(II) Description on the major changes in profits due to non main business

Applicable Not applicable

Chongqing Ruichi Automobile Industry Co., Ltd., a wholly-owned subsidiary, introduced external investors through capital increase in 2023. After the external investors invested, the Company's shareholding ratio in Ruichi Automobile decreased from 100% to 49.88%, which changed from being able to control to having a significant influence. It was reported as an associated enterprise and generated a return on investment of RMB 1.522 billion.

(III) Analysis of assets and liabilities

Applicable Not applicable

1. Assets and liabilities

Unit: RMB

Item name	Closing balance of the current period	Proportion of closing balance of the current period in the total assets (%)	Closing balance of the previous period	Proportion of closing balance of the previous period in the total assets (%)	Proportion of changes in the ending amount of the current period over the ending amount of the previous period (%)	Presentation of situation
Trading financial assets	1,133,644,316.74	2.21	1,751,529,308.50	3.72	-35.28	Mainly due to the expiration of some idle fundraising cash management.
Accounts receivable	2,445,936,145.68	4.77	1,780,806,784.01	3.79	37.35	Mainly due to the increase in export sales of products and the receipt of unexpired letters of credit for foreign exchange.
Advance payment	1,868,278,607.77	3.65	442,024,964.07	0.94	322.66	Mainly due to the increase in prepayments for raw materials such as steel and controllers, etc. for NEVs
Other receivables	2,237,250,989.26	4.37	1,002,129,626.08	2.13	123.25	Mainly due to the increase in performance compensation receivables
Contract assets	320,380,080.23	0.63	938,248,097.44	1.99	-65.85	Mainly due to the influence of subsidies for NEVs received in the current period and changes in the consolidation scope.
Other current assets	1,210,586,689.40	2.36	452,825,509.09	0.96	167.34	Mainly due to the increase in VAT to be deducted or certified, as well as cash management of idle raised funds.
Long-term receivables	47,833,053.33	0.09	71,344,449.54	0.15	-32.95	Mainly due to receiving payments for installment sales of goods.
Long-term equity investment	2,042,405,195.17	3.99	41,346,493.87	0.09	4,839.73	Mainly due to the transfer of equity in subsidiaries. The impact is accounted for using the equity method instead of the cost method.
Construction in progress	195,038,729.29	0.38	345,661,017.62	0.73	-43.58	Mainly due to the conversion of the construction in progress into fixed assets when it reaches the expected serviceable condition.
Right-of-use assets	1,981,989,974.84	3.87	479,710,469.50	1.02	313.16	Mainly due to the increase in leased external assets.
Intangible assets	9,544,499,376.50	18.63	6,910,291,648.67	14.69	38.12	Mainly related to the transfer of intangible assets from new

						product development projects.
Deferred income tax assets	479,671,660.66	0.94	127,549,844.22	0.27	276.07	Mainly due to the increase in lease liabilities and the increase in provision for deferred income tax assets.
Other non-current assets	788,162,757.18	1.54	1,275,584,410.41	2.71	-38.21	mainly due to the expiration of idle fundraising cash management.
Short-term borrowings	786,157,611.11	1.53	2,078,656,419.46	4.42	-62.18	Mainly due to the repayment of bank loans.
Notes payable	10,184,007,867.48	19.87	16,111,654,518.09	34.25	-36.79	Mainly due to the bank acceptance bills paid to suppliers being redeemed upon maturity.
Accounts payable	19,966,128,597.60	38.96	9,558,566,230.48	20.32	108.88	Mainly due to the increase in business volume of NEVs and the increase in payable supplier payments for normal production and operation.
Advance receipt	22,963,612.85	0.04	1,323,318.82	0.00	1,635.30	Mainly due to prepaid rents for the rooftop photovoltaic power station project of the factory building.
Contract liabilities	3,270,306,749.58	6.38	962,942,319.15	2.05	239.62	Mainly due to the increase in advance payments from NEV customers.
Other payables	638,397,547.80	1.25	1,285,573,477.90	2.73	-50.34	Mainly due to the Company's adjustment to provide display vehicles in the user center instead of SERES store, and the refund of sales store display vehicle deposit.
Other current liabilities	382,702,434.39	0.75	106,878,665.89	0.23	258.07	Mainly due to the increase in the tax amount on pending sales of NEV customer payments received in advance.
Bonds payable			147,295,747.61	0.31	100.00	Mainly due to the redemption of convertible corporate bonds.
Lease liabilities	1706,680,782.75	3.33	424,899,883.88	0.90	301.67	Mainly due to the increase in leased external assets.
Deferred income tax liabilities	371,040,236.13	0.72	50,509,282.58	0.11	634.60	Mainly due to the increase in right-of-use assets and the increase in provision for deferred income tax liabilities.

Other descriptions None

2. Overseas assets

✓ Applicable Not applicable

(1) Asset scale

Including: overseas assets of RMB 83,685.23, accounting for 1.63% of the total assets.

(2) Description on high proportion of overseas assets

Applicable Not applicable

3. Major asset constraints as of the end of the reporting period

Applicable Not applicable

Refer to 31. Assets with Restricted Ownership or Usage Rights of VII. Notes to Consolidated Financial Statement Items for details.

4. Other descriptions

Applicable Not applicable

Tiveni Merge Co, Inc (hereinafter referred to as "TMI") is an enterprise invested by the Company's subsidiary SF Motors, which holds 47% of TMI's shares. TMI was formed by the combination of InEVit and Tiveni, subsidiaries of SF Motors, in July 2019. The Company has made provisions for impairment of long-term equity investments related to TMI in 2019 and for impairment of accounts receivable and payable related to TMI in 2020. During the reporting period, TMI has completed the liquidation and cancellation procedures. Before the liquidation and cancellation of TMI, the book value of the Company's assets related to TMI was RMB 0. The liquidation and cancellation of the Company will not have a significant influence on the Company.

(IV) Analysis of operational information in the industry

Applicable Not applicable

The details are as follows:

Analysis of operational information in the automobile manufacturing industry

1. Capacity

Applicable Not applicable

Existing capacity

Applicable Not applicable

Unit: Vehicle

Name of main factory	Design capacity	Capacity during the reporting period	Capacity utilization rate (%)
NEV factory	150,000	153,731	102.49
Other vehicle factories	300,000	102,303	34.10

Capacity under construction

Applicable Not applicable

Capacity calculation standards

Applicable Not applicable

2. Vehicle production and sales

Applicable Not applicable

After audit, the Company's sales data are as follows:

By model category

Applicable Not applicable

Model category	Sales volume (vehicle)			Production capacity (vehicle)		
	Accumulated amount of the current year	Accumulated amount of the previous year	Cumulative year-on-year increase or decrease (%)	Accumulated amount of the current year	Accumulated amount of the previous year	Cumulative year-on-year increase or decrease (%)

NEVs	150,926	135,054	11.75	153,731	139,132	10.49
Others	101, 383	132,192	-23.31	102,303	126,965	-19.42

Description: After audit, the sales volume of NEVs in 2023 (excluding that of Chongqing Ruichi Automobile Industry Co., Ltd.) was 124,911.

By region

Applicable Not applicable

Model category	Domestic sales (vehicle)			Overseas sales (vehicle)		Cumulative year-on-year increase or decrease (%)
	Accumulated amount of the current year	Accumulated amount of the previous year	Cumulative year-on-year increase or decrease (%)	Accumulated amount of the current year	Accumulated amount of the previous year	
NEVs	140,993	125,935	11.96	9,933	9,119	8.93
Others	51,472	85,987	-40.14	49,911	46,205	8.02

3. Production and sales of parts

Applicable Not applicable

4. NEV business

Applicable Not applicable

NEV capacity

Applicable Not applicable

Name of main factory	Design capacity (vehicle)	Capacity during the reporting period (vehicle)	Capacity utilization rate (%)
NEV factory			

Production and sales of NEVs

Applicable Not applicable

Model category	Sales volume (vehicle)			Production capacity (vehicle)		
	Accumulated amount of the current year	Accumulated amount of the previous year	Cumulative year-on-year increase or decrease (%)	Accumulated amount of the current year	Accumulated amount of the previous year	Cumulative year-on-year increase or decrease (%)
NEVs						

NEV revenue and subsidies

Applicable Not applicable

Unit: CNY Currency: RMB

Model category	Revenue	NEV subsidies	Percentage of subsidies (%)
NEVs			

5. Auto finance business

Applicable Not applicable

6. Other descriptions

Applicable Not applicable

(V) Analysis of investment status

Overall analysis of external equity investment

Applicable Not Applicable

As of December 31, 2023, the balance of the Company's external long-term equity investments was RMB 2,042,405,200, an increase of 4839.73% compared to the end of the previous year. Refer to 17. Long-term Equity Investments of VII. Notes to Consolidated Financial Statement Items for details.

1. Significant equity investment

Applicable Not applicable

2. Significant non equity investment

Applicable Not applicable

Unit: RMB 0,000

Name of investment project	Planned investment amount	Investment amount for 2023	Cumulative investment amount	Cumulative investment completion progress
Project of Electric Drive System for High-end Electric Vehicles				

3. Financial assets measured at the fair value

Applicable Not applicable

Unit: CNY

Currency: RMB

Asset category	Opening balance	Gain or loss from changes in fair value in the current period	Changes in the cumulative fair value included in equity	Impairment accrued in the current period	Purchase amount of the current period	Sales/redemption amount of the current period	Other changes	Closing balance
Stocks	139,633,765.70	21,649,170.40						161,282,936.10
Others	1,611,895,542.80	-9,544,162.16				629,990,000.00		972,361,380.64
Including: Cash management	1,611,895,542.80	-9,544,162.16				629,990,000.00		972,361,380.64
Total	1,751,529,308.50	12,105,008.24				629,990,000.00		1,133,644,316.74

Securities investment information

Applicable Not applicable

Unit: CNY

Currency: RMB

Securities category	Securities code	Securities abbreviation	Initial investment cost	Sources of funds	Beginning book value	Gain or loss from changes in fair value in the current period	Changes in the cumulative fair value included in equity	Purchase amount of the current period	Sales amount of the current period	Investment gains and losses of the current period	Ending book value	Financial accounting items
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Stocks	Chongqing Rural Commercial Bank	63,171,585.00	Self-owned funds	139,399,700.00	21,719,500.00					161,119,200.00	Trading financial assets
Stocks	Zotye Auto	341,750.40	Debt offset	234,065.70	-70,329.60					163,736.10	Trading financial assets
Total	/	63,513,335.40		139,633,765.70	21,649,170.40					161,282,936.10	

Description of securities investment

Applicable Not applicable

Privately-offered fund investment

Applicable Not applicable

On November 18, 2019, the Company signed the *Partnership Agreement of Guangdong Rongchuang Lingyue Intelligent Manufacturing and Information Technology Industry Equity Investment Fund Partnership (Limited Partnership)* (hereinafter referred to as the "Partnership Agreement") with Shenzhen Qianhai Zhongxin Rongchuang Capital Management Co., Ltd., Ningbo Meishan Bonded Port Zone Chuangyi Asset Management Partnership Enterprise (Limited Partnership), TCL Group Co., Ltd., Guangdong Yuecai Industry Investment Fund Partnership Enterprise (Limited Partnership), Chongqing Haorong Ruigong Investment Center (Limited Partnership), Tangying (Ningxia) Investment Management Co., Ltd., and Anhui Quanyin High-tech Seed Industry Co., Ltd. The Agreement stipulates that the Company will participate in the investment and establishment of Rongchuang Lingyue as a limited partner and subscribe to a capital of RMB 15,000. For specific details, refer to the *Announcement on Participating in Investment and Establishment of Equity Investment Funds* (Announcement No.: 2019-130).

In order to optimize the Company's investment structure and layout and focus on the development of its main business, during the reporting period, the Company signed the *Share Transfer Agreement* with Guangdong Yuehai Private Equity Investment Fund Management Co., Ltd. (hereinafter referred to as "Yuehai Fund"), Guangdong Yuehai Capital Group Co., Ltd. (hereinafter referred to as "Yuehai Capital"), Huizhou Investment Development Co., Ltd. (hereinafter referred to as "Huizhou Guotou"), Xizang Trust Co., Ltd. (on behalf of "Xizang Trust - Datang Shengze Taishi Family Trust No. 236", hereinafter referred to as "Xizang Trust No. 236") (collectively as the "transferee") and the fund manager Zhongxin Rongchuang Capital Management Co., Ltd. (hereinafter referred to as "Zhongxin Rongchuang"). The Agreement stipulates that Yuehai Fund, Yuehai Capital, Huizhou Guotou, and Xizang Trust No. 236 transferred RMB 75 million capital contribution of the partnership (hereinafter referred to as "target fund shares") held by the Company. The target fund shares traded include RMB 37.5 million fund shares of the Company that had been paid in before signing the *Share Transfer Agreement* and RMB 37.5 million fund shares that had been subscribed but not paid in, of which the paid in fund shares were transferred at a price of RMB 41.25 million, and the fund shares that had been subscribed but not paid in were transferred to each transferee at a consideration of RMB 0, and each transferee performed legal obligations such as paid-in capital contributions according to the *Partnership Agreement*, the *Share Transfer Agreement* and other relevant documents; part of the transaction consideration obtained from this transaction will be used to complete the remaining RMB 37.5 million subscribed capital share of the partnership enterprise. After the transaction is completed, the Company holds a share of RMB 75 million in Rongchuang Lingyue Fund, with a contribution ratio of 3.69%. Up to now, the relevant industrial and commercial change procedures have been completed.

Derivative investment

Applicable Not applicable

4. Specific progress of major asset restructuring and integration during the reporting period

Applicable Not applicable

(VI) Major assets and equity sale

Applicable Not applicable

Refer to 4. Disposal of Subsidiaries of IX. Change in Consolidation Scope for details, including capital increase, introduction of external investors, dilution of equity, and transfer of equity in subsidiary Chongqing Jiangshuang Automobile Parts Co., Ltd. of Chongqing Ruichi Automobile Industry Co., Ltd.

(VII) Analysis of main controlling and shareholding companies

√ Applicable □ Not applicable

Unit: RMB 0,000

Company name	Main business	Registered capital	Investment proportion	Total assets	Net assets	Operating income	Net profit
SERES Automobile Co., Ltd.	R&D, manufacturing, and sales of pure electric vehicles	496,000.00	80.65%	2,968,661.01	-255,714.30	2,141,397.45	-317,473.97
SERES Automobile (Hubei) Co., Ltd.	Production and sales of automobiles and automobile parts	80,000.00	100.00%	1,171,528.73	368,658.82	676,391.46	58,427.91
Chongqing SERES New Energy Automobile Design Institute Co., Ltd.	Technology research and development	5,000.00	41.50%	899,740.43	-290,927.48	48,520.51	-102,502.72
Chongqing Sokon Import and Export Co., Ltd.	Sales of automobiles and automobile parts	30,000.00	100.00%	507,277.26	118,739.87	499,453.29	29,960.24
Chongqing Sokon Powertrain Co., Ltd.	Production and sales of automobile engines	35,000.00	100.00%	320,856.55	113,338.55	260,208.14	-10,413.41
Chongqing Jinkang Powertrain New Energy Co., Ltd.	R&D, manufacturing and sales of batteries	103,000.00	41.50%	338,941.64	-39,778.48	225,576.10	-47,065.64
SERES Automobile Sales Co., Ltd.	Sales of automobiles and automobile parts	5,000.00	41.50%	121,348.27	-177,428.88	816,813.31	-33,285.79
Chongqing Yu'an Huaihai Powertrain Co., Ltd.	Production and sales of automobile engines	800.00	100.00%	94,066.19	53,029.03	72,293.71	<238.55
Chongqing Sokon Automobile Parts Co., Ltd.	Production and sales of automobile parts	5,000.00	100.00%	115,048.99	58,416.98	72,134.67	1,767.47
Sokon Automobile Co., Ltd. (Indonesia)	Motor vehicle assembly industry with four or more wheels	49,930.92	99.00%	43,841.59	-33,388.18	10,333.79	-10,975.28
SFMotors, Inc.	Technology research and development	131,218.43	80.64%	38,922.18	-322.07	6,470.18	-3,207.59

Chongqing Sokon Machinery Parts Co., Ltd.	Production and sales of automobile parts	500.00	100.00%	39,613.06	36,677.18	8,353.07	1,752.77
Chongqing SERES New Electric Vehicle Sales Co., Ltd.	Sales of automobiles and automobile parts	10,000.00	80.65%	350,576.79	449.03	1,660,735.30	-614.68
Chongqing Ruichi Automobile Industry Co., Ltd.	Production and sales of automobiles and automobile parts	45,400.00	49.88%	366,473.14	254,362.16	211,586.15	5,951.76
New Energy Automobile Industry Development (Chongqing) Co., Ltd.	Industrial investment	10,000.00	33.00%	11,862.53	11,482.56	322.34	175.07

(VIII) Structured entities under the control of the Company

Applicable Not applicable

VI. Discussion and Analysis of the Company's Future Development**(I) Industry pattern and trend**

Applicable Not applicable

The automobile industry is a pillar industry and strategic emerging industry of China's national economy, characterized by a long industrial chain, wide coverage, strong driving force, large market size, and high degree of internationalization. Under the trend of intelligent high-end, green and low-carbon, and accelerating overseas expansion, a new automobile industry ecosystem is emerging. NEVs are the main direction for the transformation, upgrading, and green development of the global automobile industry, as well as an important carrier for forming new quality productivity and promoting high-quality economic development in China. Thanks to the forward-looking layout of the country and the collective improvement of the industry, China's sales of NEVs will continue to lead the automobile industry, providing new impetus for the sustained growth of the Chinese economy and new channels for the integration and application of high-tech in multiple fields, and accelerating China's transition from a big country to a powerful country in automobile industry.

- The new energy vehicle industry is the main battlefield and important lever for cultivating and developing new quality productivity

As the new round of technological revolution and industrial transformation deepens, accelerating the development of new quality productivity has become a necessary path for the new energy vehicle industry to move towards higher quality development. The new energy vehicle industry is a carrier that integrates new energy, new materials, new generation information technology, advanced manufacturing, and many other new technologies. It is the intersection of multiple new technologies, a new industry that conforms to the direction of digital and green development, and a field of common concern and high importance for developed economies worldwide. The development of NEVs is of great strategic significance for promoting the transformation and upgrading of China's automobile and even manufacturing industries, improving added value and global competitiveness.

- Establish the focus of intelligent competition, and determine the trend of high-end development

Through continuous innovation in technology and business models, Chinese automobile enterprises have achieved preliminary results on the path of electrification transformation, becoming the innovator and leader in this industrial transformation. At present, the development of electric vehicles in China has entered the era of intelligence, achieving comprehensive matching of intelligent cockpits, intelligent driving, and other aspects. For Chinese brands, it is necessary to seize the strategic opportunity of the rapid development of intelligence and electrification of China's new energy vehicle industry, rely on China's accumulation in the new generation of information and communication technology, mobile Internet, AI, digitization and other aspects in recent years, integrate cutting-edge technologies, take advantage of China's automobile market size and unique application scenarios, and open up the innovation chain of core technologies such as car standard chips, operating systems, electronic architecture, and automatic driving from R&D to application. In addition, the strong cooperation of automobile enterprises with power battery, information communication, Internet, chip and other enterprises forms a new automobile industry ecosystem that supports each other, promoting the intelligence and high-end of products.

- Empower the whole chain of integrated digitalization and intelligence, reshaping the automobile industry ecosystem

With the development of AI, 5G, industrial Internet and other technologies, digitalization and intelligence will permeate and

empower the whole chain of the automobile industry. Intelligent production and management, digital R&D and design, full lifecycle quality monitoring, personalized customization and services will enhance the innovation ability, product quality, and service level of enterprises. Moreover, the industrial brain built based on new generation information technologies such as cloud computing and big data, etc. will also integrate upstream and downstream resources, promote supply chain integration and development, promote industrial digital transformation, and reshape the industrial ecosystem.

- Reshape the competitive landscape and accelerate internal competition in industrial development

With the continuous acceleration of electrification, China's new energy vehicle industry has further elevated its global position, and the rapid development of NEVs has also prompted the industry to accelerate its reshuffle, resulting in more intense competition and a more differentiated competitive landscape. With the continuous emergence of new consumer demand and the diversification of technological solutions, new models are released intensively, and products are constantly iterating, meeting the needs of diverse markets while also accelerating industry competition. How to break through and survive, or even live better, is a challenge that all enterprises need to face. Leading product competitiveness, strong technological accumulation, and a deep understanding of user needs are the foundation and key for automobile enterprises to break through.

- Chinese automobile enterprises are accelerating their overseas expansion, and overseas competition is becoming increasingly fierce

With strong technological innovation capabilities and a sound industrial chain foundation, Chinese automobile enterprises have entered the world's top tier in product value, especially with the increasing international competitiveness and brand influence of NEVs; many Chinese enterprises have already achieved global market layout through R&D, factory construction, cooperation, and other means. In addition, the continuous changes in industrial policies and subsidies for new energy markets in major global new energy regions, as well as the growing demand in emerging markets except for Europe and America, will make Chinese automobile enterprises facing increasingly fierce and uncertain competition in overseas markets, posing challenges to their ability to adapt and adjust strategies in a timely manner.

(II) Company's development strategies

✓ Applicable Not applicable

Guided by the Basic Law for Development of SERES, the Company promotes its new development with new quality productivity with technology as the base and innovation as the driving force, and creates high-quality products through technological innovation, so as to better practice the purpose of "taking users as the center and serving users wholeheartedly", make continuous efforts to promote the development of NEVs in China, and write a new chapter of Chinese path to modernization.

(III) Business plan

✓ Applicable Not applicable

1. Accelerate the development of high-quality productivity with intelligent electric vehicles as the core business. Continue to adhere to innovation driven, consolidate the five major platforms of R&D, manufacturing, quality, sales and service, and supply, accelerate the transformation of scientific and technological innovation achievements, and strengthen the quality foundation and quality automation, so that users can obtain the ultimate driving experience throughout the product lifecycle.

2. With power and platform as key technological development directions, create diverse ecological cooperation methods, and achieve technological and cost leadership, ultimately achieving technological productivity, and supporting the healthy development of intelligent electric vehicle business.

3. Enhance flexible production and delivery capabilities based on digital and intelligent manufacturing. The Company will focus on the construction of digital infrastructure, utilize leading technologies in areas such as intelligence, digitization, and the Internet of Things, as well as advanced manufacturing operation management systems and manufacturing processes, implement strict quality control standards, and carry out customized production in a real-time and online response manner, empowering high-quality delivery with high-level intelligent manufacturing capabilities.

4. Promote the localization, systematization, and integration layout of the supply chain. The Company will use digitalization and AI to assist in the iterative upgrading of supply chain quality and delivery management capabilities, build an efficient and collaborative supply system, and ensure the stable supply and controllable quality of raw materials and components.

5. Improve the management system of compliance, efficient operation, controllable risks, and scientific mechanisms.

Adhere to the bottom line thinking of not breaking the bottom line and not touching the red line, prioritize prevention and control, strengthen operational control, enhance work efficiency, ensure efficient business development, and provide guarantees and foundations for the Company's stable and long-term development.

6. Promote the full range of EV and EVR products to compete in overseas markets. The Company will seize opportunities in the overseas new energy market, implement refined management, and compete in key target markets with EV, EVR, and other full range products.

(IV) Possible risks

✓ Applicable Not applicable

1. Risk of macroeconomic uncertainties. The automobile industry is greatly affected by the overall level of economic development. There are uncertainties in the macroeconomic situation due to the cyclical fluctuations in the global and domestic macroeconomics, industrial restructuring, and international political environment, and the consumer purchasing power is influenced to a certain extent, affecting the demand for consumption.
2. Risk of industry policies. As the new national strategic plan has put forward higher requirements for R&D capabilities and production technology of NEVs in automobile enterprises, the Company needs to increase investment in R&D and production. In addition, the adjustment of subsidy policies by national and local governments at all levels will also have an impact on the sales of NEVs.
3. Risk of intensified market competition. With the expansion of consumer demand and technological progress in the industry, intelligent NEVs have ushered in good industry development opportunities. The expansion of production capacity by existing market participants and the entry of new investors may make the market competition pattern increasingly complex.
4. Risk of industrial chains. The new energy vehicle industry chain is relatively long, involving multiple links such as raw materials, components, and vehicle manufacturing, etc. Due to politics and economy and other factors, there are still some unpredictable risks in the future new energy vehicle industry chain.
5. Risks of technological innovation. With the promotion and application of new materials and technologies, the automobile industry is facing challenges of technological innovation, transformation and upgrading.
6. Risk of exchange rate fluctuations. Due to trade frictions, trade barriers, and geopolitical risks, the exchange rate of the RMB against the USD may fluctuate. The fluctuation of the RMB exchange rate may have a certain impact on the Company's operating conditions and profit changes.
7. Risk of sustainable development. Under the background of China's dual carbon targets, the requirements for carbon emissions throughout the entire lifecycle of products are gradually increasing, facing risks such as increased manufacturing costs, export tariffs, and access restrictions, etc.

Faced with the above risks, the Company will pay attention to domestic and foreign macro policies, economic situation, and market trends, and track the competitive situation in the industry; increase investment in cutting-edge technology research and development, master core technologies, optimize product structure, implement the green and low-carbon concept, develop and launch products that meet market and user needs; stabilize the supply chain, improve the resilience of supply chains, and promote the high-quality development of the Company.

(V) Others

Applicable Not applicable

VII. Situations and Explanations on the Reasons for the Company's Failure to Conduct Disclosure According to the Standard Due to Improper Rules or National Secrets, Business Secrets or Other Special Reasons

Applicable Not applicable

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A. UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The following is an illustrative unaudited pro forma consolidated statement of assets and liabilities of Brainhole Technology Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) (the “**Unaudited Pro Forma Financial Information**”) prepared in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants and on the basis of the notes set out below, to illustrate the financial position of the Group as if the acquisitions and disposals of listed securities (the “**Major Transaction**”) had been completed on 31 December 2023.

This Unaudited Pro Forma Financial Information has been prepared by the directors of the Company for illustrative purpose only and because of its hypothetical nature, it may not purport to represent the true picture of the financial position of the Group had the Major Transaction been completed on 31 December 2023. The Unaudited Pro Forma Financial Information should be read in conjunction with other financial information included elsewhere in this circular.

Unaudited pro forma statement of assets and liabilities of the Group

	Audited									Unaudited
	31 December	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	31 December
	2023	adjustment (1)	adjustment (2)	adjustment (3)	adjustment (4)	adjustment (5)	adjustment (6)	adjustment (7)	adjustment (8)	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)	(Note 6)	(Note 7)	(Note 8)	(Note 9)	
Non-current assets										
Plant and equipment	37,887									37,887
Right-of-use assets	4,910									4,910
Intangible assets	880									880
Deferred tax assets	20,182									20,182
Prepayment for plant and equipment	29									29
	<u>63,888</u>									<u>63,888</u>

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	Audited 31 December 2023	Pro forma adjustment (1)	Pro forma adjustment (2)	Pro forma adjustment (3)	Pro forma adjustment (4)	Pro forma adjustment (5)	Pro forma adjustment (6)	Pro forma adjustment (7)	Pro forma adjustment (8)	Unaudited Pro forma 31 December 2023
	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>
	<i>(Note 1)</i>	<i>(Note 2)</i>	<i>(Note 3)</i>	<i>(Note 4)</i>	<i>(Note 5)</i>	<i>(Note 6)</i>	<i>(Note 7)</i>	<i>(Note 8)</i>	<i>(Note 9)</i>	
Current assets										
Inventories	29,000									29,000
Trade and other receivables	65,814									65,814
Contract assets	2,202									2,202
Amounts due from related companies	6,543									6,543
Financial assets at fair value through profit or loss	69,276	17,106	4,038	9,085	10,116	(20,306)	(10,175)	(7,133)	(7,995)	64,012
Bank balances and cash	42,473	(17,142)	(4,046)	(9,104)	(10,137)	20,253	10,148	7,115	7,974	47,534
	<u>215,308</u>									<u>215,105</u>
Current liabilities										
Trade and other payables	71,095									71,095
Lease liabilities	2,744									2,744
Deferred income	392									392
Loans from related companies	49,930									49,930
Income tax payables	34									34
	<u>124,195</u>									<u>124,195</u>
Net current assets	<u>91,113</u>									<u>90,910</u>
Total assets less current liabilities	<u>155,001</u>									<u>154,798</u>

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	Audited 31 December 2023	Pro forma adjustment (1)	Pro forma adjustment (2)	Pro forma adjustment (3)	Pro forma adjustment (4)	Pro forma adjustment (5)	Pro forma adjustment (6)	Pro forma adjustment (7)	Pro forma adjustment (8)	Unaudited Pro forma 31 December 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Note 1)</i>	<i>(Note 2)</i>	<i>(Note 3)</i>	<i>(Note 4)</i>	<i>(Note 5)</i>	<i>(Note 6)</i>	<i>(Note 7)</i>	<i>(Note 8)</i>	<i>(Note 9)</i>	
Non-current liabilities										
Lease liabilities	2,760									2,760
Deferred tax liability	435									435
Deferred income	1,695									1,695
Loan from ultimate controlling party	83,349									83,349
	<u>88,239</u>									<u>88,239</u>
	<u>66,762</u>									<u>66,559</u>
Capital and reserves										
Share capital	8,000									8,000
Reserves	58,762	(36)	(8)	(19)	(21)	(53)	(27)	(18)	(21)	58,559
	<u>66,762</u>									<u>66,559</u>

Notes to the unaudited pro forma statement of assets and liabilities of the Group:

- The consolidated statement of financial position of the Company as at 31 December 2023 has been extracted from the annual report of the Company dated 27 March 2024.
- The Group acquired Seres Group Co., Ltd. (Shanghai Stock Exchange Code: 601127.SH) shares (“**Sokon Shares**”) through the open market with details below. Total consideration of Sokon Shares was HK\$17,142,000, being assumed to the fair value of Sokon Shares as at 31 December 2023.

Trade date	Number of shares acquired	Average purchase price per share <i>RMB</i>	Average purchase price per share <i>HK\$</i>	Consideration (excluding stamp duty and related expenses) <i>HK\$'000</i>	Stamp duty and related expenses <i>HK\$'000</i>	Total consideration <i>HK\$'000</i>
20 February 2024	213,000	72.97	80.31	17,106	36	17,142
				<u>17,106</u>	<u>36</u>	<u>17,142</u>

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- (3) The Group further acquired Sokon shares through the open market with details below. Total consideration of Sokon Shares was HK\$4,046,000, being assumed to the fair value of Sokon Shares as at 31 December 2023.

Trade date	Number of shares acquired	Average purchase price per share <i>RMB</i>	Average purchase price per share <i>HK\$</i>	Consideration (excluding stamp duty and related expenses) <i>HK\$'000</i>	Stamp duty and related expenses <i>HK\$'000</i>	Total consideration <i>HK\$'000</i>
21 February 2024	51,500	71.22	78.41	4,038	8	4,046

- (4) The Group further acquired Sokon shares through the open market with details below. Total consideration of Sokon Shares was HK\$9,104,000, being assumed to the fair value of Sokon Shares as at 31 December 2023.

Trade date	Number of shares acquired	Average purchase price per share <i>RMB</i>	Average purchase price per share <i>HK\$</i>	Consideration (excluding stamp duty and related expenses) <i>HK\$'000</i>	Stamp duty and related expenses <i>HK\$'000</i>	Total consideration <i>HK\$'000</i>
28 February 2024	93,800	87.96	96.85	9,085	19	9,104

- (5) The Group further acquired Sokon shares through the open market with details below. Total consideration of Sokon Shares was HK\$10,137,000, being assumed to the fair value of Sokon Shares as at 31 December 2023.

Trade date	Number of shares acquired	Average purchase price per share <i>RMB</i>	Average purchase price per share <i>HK\$</i>	Consideration (excluding stamp duty and related expenses) <i>HK\$'000</i>	Stamp duty and related expenses <i>HK\$'000</i>	Total consideration <i>HK\$'000</i>
1 March 2024	101,200	90.7	100	10,116	21	10,137

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- (6) The Group disposed Sokon Shares through the open market with details below. Total consideration of Sokon Shares was HK\$20,253,000, being assumed to the fair value of Sokon Shares as at 31 December 2023.

Trade date	Number of shares disposed	Average selling price per share <i>RMB</i>	Average selling price per share <i>HK\$</i>	Consideration (excluding stamp duty and related expenses) <i>HK\$'000</i>	Stamp duty and related expenses <i>HK\$'000</i>	Total consideration <i>HK\$'000</i>
21 March 2024	181,000	101.76	112.19	20,306	53	20,253

- (7) The Group further disposed Sokon Shares through the open market with details below. Total consideration of Sokon Shares was HK\$10,148,000, being assumed to the fair value of Sokon Shares as at 31 December 2023.

Trade date	Number of shares disposed	Average selling price per share <i>RMB</i>	Average selling price per share <i>HK\$</i>	Consideration (excluding stamp duty and related expenses) <i>HK\$'000</i>	Stamp duty and related expenses <i>HK\$'000</i>	Total consideration <i>HK\$'000</i>
22 March 2024	94,000	98.27	108.24	10,175	27	10,148

- (8) The Group further disposed Sokon Shares through the open market with details below. Total consideration of Sokon Shares was HK\$7,115,000, being assumed to the fair value of Sokon Shares as at 31 December 2023.

Trade date	Number of shares disposed	Average selling price per share <i>RMB</i>	Average selling price per share <i>HK\$</i>	Consideration (excluding stamp duty and related expenses) <i>HK\$'000</i>	Stamp duty and related expenses <i>HK\$'000</i>	Total consideration <i>HK\$'000</i>
30 April 2024	66,100	97.99	107.92	7,133	18	7,115

- (9) The Group further disposed Sokon Shares through the open market with details below. Total consideration of Sokon Shares was HK\$7,974,000, being assumed to the fair value of Sokon Shares as at 31 December 2023.

Trade date	Number of shares disposed	Average selling price per share <i>RMB</i>	Average selling price per share <i>HK\$</i>	Consideration (excluding stamp duty and related expenses) <i>HK\$'000</i>	Stamp duty and related expenses <i>HK\$'000</i>	Total consideration <i>HK\$'000</i>
7 May 2024	82,900	87.58	96.44	7,995	21	7,974

**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

The following is the text of the independent reporting accountants' assurance report received from CWK CPA Limited, Certified Public Accountants, Hong Kong, the reporting accountants of Company, in respect of the unaudited pro forma financial information prepared for the purpose of incorporation in this circular.



The Directors
Suites 1801-03
18/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Brainhole Technology Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the (“**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of assets and liabilities of the Group as at 31 December 2023, and related notes as set out on pages IV-1 to IV-5 of Appendix IV of the circular dated 24 May 2024 (the “**Circular**”) (the “**Unaudited Pro Forma Financial Information**”) issued by the Company in connection with the acquisition, further acquisition, the February 28 Further Acquisition, the March Further Acquisition, disposal, further disposal, the April further disposal and the May further disposal of listed securities (the “**Major Transaction**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on IV-1 to IV-5 of Appendix IV of the Circular.

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The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Major Transaction on the Group's financial position as at 31 December 2023 as if the transaction had taken place at 31 December 2023. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the year ended 31 December 2023, on which an audited annual report has been published.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline ("**AG**") 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our independence and quality management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our firm applies Hong Kong Standard on Quality Management 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

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We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of Major Transaction on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

CWK CPA Limited

Certified Public Accountants

Hong Kong,

24 May 2024

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executives' interests and short positions in shares of the Company

As at the Latest Practicable Date, the Directors and chief executives of the Company and their associates had the following interests in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies of the Listing Rules (the "Model Code") to be notified to the Company and the Stock Exchange.

Long positions in the shares and underlying shares of the Company

Name of Director	Nature of interest	Number of ordinary shares held	Approximate percentage of interest in the Company as at Latest Practicable Date
Mr. Zhang Liang Johnson	Interest of controlled Corporation (<i>Note</i>)	599,658,000 Shares (L)	74.96%

(L) denotes long position

Note: Mr. Zhang Liang Johnson, an executive Director, was interested in 599,658,000 Shares, representing approximately 74.96% of the Company's issued share capital, through Yoho Bravo Limited which is wholly-owned by him.

(b) Substantial Shareholders' interests and short positions

Name of Shareholder	Nature of interest	Number of ordinary shares held	Approximate percentage of interest in our Company as at the Latest Practicable Date
Yoho Bravo Limited (Note)	Beneficial owner	599,658,000 (L)	74.96%

(L) denotes long position

Note: Mr. Zhang Liang Johnson, an executive Director, was interested in 599,658,000 Shares, representing approximately 74.96% of the Company's issued share capital, through Yoho Bravo Limited which is wholly-owned by him.

Save as disclosed herein, at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors is a director or employee of a company which had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors entered, or proposed to enter, into any service contract with any member of the Group, excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS OF THE GROUP

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors had any interest, either directly or indirectly, in any assets which has since 31 December 2023 (being the date to which the latest published audited consolidated financial statements of the Company were made up) been acquired or disposed of by or leased to, any member of the Group or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date and which is significant in relation to the businesses of any member of the Group.

5. MATERIAL CONTRACTS

The Group has entered into the following contract (not being contract entered into in the ordinary course of business) within the two years immediately preceding the Latest Practicable Date which is or may be material:

- (a) on 31 July 2023 (after trading hours of the Stock Exchange), the Company executed a trade order with BOCI Securities Limited relating to the further disposal of 131,400 American depository shares of XPeng Inc. through the open market at the aggregate consideration of approximately US\$2.6 million (equivalent to approximately HK\$20.6 million) (for which no written contract was entered into between the parties thereto);
- (b) on 20 December 2023 (after trading hours of the Stock Exchange), the Company executed a trade order with BOCI Securities Limited relating to the further acquisition of 17,650 Class A common stocks of Affirm Holdings, Inc. through the open market at the aggregate consideration of approximately US\$0.9 million (equivalent to approximately HK\$7.0 million) (for which no written contract was entered into between the parties thereto);
- (c) on 24 January 2024 (after trading hours of the Stock Exchange), the Company executed a trade order with BOCI Securities Limited relating to the further acquisition of 1,910 common stocks of NVIDIA Corporation through the open market at the aggregate consideration of approximately US\$1.1 million (equivalent to approximately HK\$8.9 million) (for which no written contract was entered into between the parties thereto);
- (d) on 30 January 2024 (after trading hours of the Stock Exchange), the Company executed a trade order with BOCI Securities Limited relating to the further acquisition of 1,960 common stocks of Super Micro Computer, Inc. through the open market at the aggregate consideration of approximately US\$1.0 million (equivalent to approximately HK\$8.0 million) (for which no written contract was entered into between the parties thereto);

- (e) on 30 January 2024 (after trading hours of the Stock Exchange), the Company executed a trade order with BOCI Securities Limited relating to the further disposal of 1,430 common stocks of NVIDIA Corporation through the open market at the aggregate consideration of approximately US\$0.9 million (equivalent to approximately HK\$7.0 million) (for which no written contract was entered into between the parties thereto);
- (f) on 6 February 2024 (after trading hours of the Stock Exchange), the Company executed a trade order with BOCI Securities Limited relating to the further disposal of 3,220 class A common stocks of Coinbase Global, Inc. through the open market at the aggregate consideration of approximately US\$0.4 million (equivalent to approximately HK\$3.0 million) (for which no written contract was entered into between the parties thereto);
- (g) on 15 February 2024 (after trading hours of the Stock Exchange), the Company executed a trade order with BOCI Securities Limited relating to the further acquisition of 3,740 class A common stocks of Coinbase Global, Inc. through the open market at the aggregate consideration of approximately US\$0.6 million (equivalent to approximately HK\$5.0 million) (for which no written contract was entered into between the parties thereto);
- (h) on 15 February 2024 (after trading hours of the Stock Exchange), the Company executed a trade order with BOCI Securities Limited relating to the further disposal of 880 common stocks of NVIDIA Corporation through the open market at the aggregate consideration of approximately US\$0.6 million (equivalent to approximately HK\$5.0 million) (for which no written contract was entered into between the parties thereto);
- (i) on 16 February 2024 (after trading hours of the Stock Exchange), the Company executed a trade order with BOCI Securities Limited relating to the further disposal of 2,650 common stocks of NVIDIA Corporation through the open market at the aggregate consideration of approximately US\$1.9 million (equivalent to approximately HK\$15.0 million) (for which no written contract was entered into between the parties thereto);
- (j) on 16 February 2024 (after trading hours of the Stock Exchange), the Company executed a trade order with BOCI Securities Limited relating to the further acquisition of 3,470 class A common stocks of Coinbase Global, Inc. through the open market at the aggregate consideration of approximately US\$0.6 million (equivalent to approximately HK\$5.0 million) (for which no written contract was entered into between the parties thereto);

- (k) on 16 February 2024 (after trading hours of the Stock Exchange), the Company executed a trade order with BOCI Securities Limited relating to the further disposal of 1,020 common stocks of Super Micro Computer, Inc. through the open market at the aggregate consideration of approximately US\$1.0 million (equivalent to approximately HK\$7.0 million) (for which no written contract was entered into between the parties thereto);
- (l) on 20 February 2024 (after trading hours of the Stock Exchange), the Company executed a trade order with BOCI Securities Limited relating to the disposal of 16,370 class A common stocks of Coinbase Global, Inc. through the open market at the aggregate consideration of approximately US\$2.9 million (equivalent to approximately HK\$22.3 million) (for which no written contract was entered into between the parties thereto);
- (m) on 20 February 2024 (after trading hours of the Stock Exchange), the Company executed a trade order with BOCI Securities Limited relating to the Acquisition of Sokon Shares through the open market at the aggregate consideration of approximately RMB15.5 million (equivalent to approximately HK\$17.1 million) (for which no written contract was entered into between the parties thereto);
- (n) on 21 February 2024 (after trading hours of the Stock Exchange), the Company executed a trade order with BOCI Securities Limited relating to the Further Acquisition of Sokon Shares through the open market at the aggregate consideration of approximately RMB3.7 million (equivalent to approximately HK\$4.0 million) (for which no written contract was entered into between the parties thereto);
- (o) on 22 February 2024 (after trading hours of the Stock Exchange), the Company executed a trade order with BOCI Securities Limited relating to the further acquisition of 1,920 common stocks of Super Micro Computer, Inc. through the open market at the aggregate consideration of approximately US\$1.7 million (equivalent to approximately HK\$12.9 million) (for which no written contract was entered into between the parties thereto);
- (p) on 27 February 2024 (after trading hours of the Stock Exchange), the Company executed a trade order with BOCI Securities Limited relating to the further disposal of 33,350 class A common stocks of Affirm Holdings, Inc. through the open market at the aggregate consideration of approximately US\$1.3 million (equivalent to approximately HK\$9.9 million) (for which no written contract was entered into between the parties thereto);
- (q) on 28 February 2024 (after trading hours of the Stock Exchange), the Company executed a trade order with BOCI Securities Limited relating to the February 28 Further Acquisition of Sokon Shares through the open market at the aggregate consideration of approximately RMB8.3 million (equivalent to approximately HK\$9.1 million) (for which no written contract was entered into between the parties thereto);

- (r) on 29 February 2024 (after trading hours of the Stock Exchange), the Company executed a trade order with BOCI Securities Limited relating to the further disposal of 1,490 common stocks of Super Micro Computer, Inc. through the open market at the aggregate consideration of approximately US\$1.3 million (equivalent to approximately HK\$9.9 million) (for which no written contract was entered into between the parties thereto);
- (s) on 1 March 2024 (after trading hours of the Stock Exchange), the Company executed a trade order with BOCI Securities Limited relating to the March Further Acquisition of Sokon Shares through the open market at the aggregate consideration of approximately RMB9.2 million (equivalent to approximately HK\$10.1 million) (for which no written contract was entered into between the parties thereto);
- (t) on 6 March 2024 (after trading hours of the Stock Exchange), the Company executed a trade order with BOCI Securities Limited relating to the further disposal of 780 common stocks of Super Micro Computer, Inc. through the open market at the aggregate consideration of approximately US\$0.9 million (equivalent to approximately HK\$6.9 million) (for which no written contract was entered into between the parties thereto);
- (u) on 7 March 2024, the Company executed a trade order with BOCI Securities Limited relating to the acquisition of 305,000 domestic shares of IEIT SYSTEMS Co., Ltd. through the open market at the aggregate consideration of approximately RMB12.9 million (equivalent to approximately HK\$14.2 million) (for which no written contract was entered into between the parties thereto);
- (v) on 21 March 2024 (after trading hours of the Stock Exchange), the Company executed a trade order with BOCI Securities Limited relating to the acquisition of 23,200 common stocks of Micron Technology, Inc. through the open market at the aggregate consideration of approximately US\$2.6 million (equivalent to approximately HK\$19.8 million) (for which no written contract was entered into between the parties thereto);
- (w) on 21 March 2024 (after trading hours of the Stock Exchange), the Company executed a trade order with BOCI Securities Limited relating to the Disposal of Sokon Shares through the open market at the aggregate consideration of approximately RMB18.4 million (equivalent to approximately HK\$20.3 million) (for which no written contract was entered into between the parties thereto);
- (x) on 22 March 2024, the Company executed a trade order with BOCI Securities Limited relating to the acquisition of 650,000 ordinary shares of Pop Mart International Group Limited through the open market at the aggregate consideration of approximately HK\$18.0 million (for which no written contract was entered into between the parties thereto);

- (y) on 22 March 2024, the Company executed a trade order with BOCI Securities Limited relating to the Further Disposal of Sokon Shares through the open market at the aggregate consideration of approximately RMB9.2 million (equivalent to approximately HK\$10.2 million) (for which no written contract was entered into between the parties thereto);
- (z) on 1 April 2024, the Company executed a trade order with BOCI Securities Limited relating to the further acquisition of 10,400 common stocks of Micron Technology, Inc. through the open market at the aggregate consideration of approximately US\$1.3 million (equivalent to approximately HK\$10.0 million) (for which no written contract was entered into between the parties thereto);
- (aa) on 1 April 2024, the Company executed a trade order with BOCI Securities Limited relating to the further acquisition of 740 common stocks of Super Micro Computer, Inc. through the open market at the aggregate consideration of approximately US\$0.8 million (equivalent to approximately HK\$6.0 million) (for which no written contract was entered into between the parties thereto);
- (bb) on 2 April 2024, the Company executed a trade order with BOCI Securities Limited relating to the further acquisition of 166,000 ordinary shares of Pop Mart International Group Limited through the open market at the aggregate consideration of approximately HK\$5.0 million (for which no written contract was entered into between the parties thereto);
- (cc) on 23 April 2024, the Company executed a trade order with BOCI Securities Limited relating to the further acquisition of 145,000 ordinary shares of Pop Mart International Group Limited through the open market at the aggregate consideration of approximately HK\$5.0 million (for which no written contract was entered into between the parties thereto);
- (dd) on 30 April 2024, the Company executed a trade order with BOCI Securities Limited relating to the April Further Disposal of Sokon Shares through the open market at the aggregate consideration of approximately RMB6.5 million (equivalent to approximately HK\$7.1 million) (for which no written contract was entered into between the parties thereto); and
- (ee) on 7 May 2024, the Company executed a trade order with BOCI Securities Limited relating to the May Further Disposal of Sokon Shares through the open market at the aggregate consideration of approximately RMB7.3 million (equivalent to approximately HK\$8.0 million) (for which no written contract was entered into between the parties thereto).

6. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, the Group is not engaged in any material litigation or arbitration proceedings nor is any material litigation or claim pending or threatened against it.

7. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, so far as the Directors are aware of, none of the Directors nor their respective close associates had any interest in any business which competes or is likely to compete, or is in conflict or is likely to be in conflict, either directly or indirectly, with the business of the Group.

8. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice contained in this circular:

Name	Qualification
CWK CPA Limited	Certified Public Accountants under Professional Accountant Ordinance (Cap. 50 of Laws of Hong Kong) and Registered Public Interest Entity Auditor under Financial Reporting Council Ordinance (Cap. 588 of Laws of Hong Kong)

CWK CPA Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its report or letter (as the case may be) and references to its name in the form and context in which they are included.

As at the Latest Practicable Date, CWK CPA Limited had no shareholding in any member of the Group, nor did it have any right (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any securities in any member of the Group.

As at the Latest Practicable Date, CWK CPA Limited did not have any direct or indirect interest in any assets which have been, since 31 December 2023 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to any member of the Group.

The letter or report (as the case may be) from the above expert is given as at the date of this circular for incorporation therein.

9. GENERAL

- (a) The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands.
- (b) The principal place of business of the Company in Hong Kong is at Suites 1801–03, 18/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong.
- (c) The Hong Kong share registrar of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) The company secretary of the Company is Ms. Wong Tik. Ms. Wong is a certified public accountant and an associate member of the Hong Kong Institute of Certified Public Accountants.
- (e) In the event of any inconsistency, the English version of this circular shall prevail over the Chinese version.

10. DOCUMENTS ON DISPLAY

Copies of memorandums giving full particulars of the transaction contemplated under each of the Acquisition of Sokon Shares, the Further Acquisition of Sokon Shares, the February 28 Further Acquisition of Sokon Shares, the March Further Acquisition of Sokon Shares, the Disposal of Sokon Shares, the Further Disposal of Sokon Shares, the April Further Disposal of Sokon Shares and the May Further Disposal of Sokon Shares (material contracts (m), (n), (q), (s), (w), (y), (dd) and (ee) as mentioned above) will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.brainholettechnology.com>) for a period of 14 days from the date of this circular.