

**2024 Semi-annual Report**

**of**

**Gotion High-Tech Co., Ltd.**



**August, 2024**

## **Section I Important Notes, Table of Contents and Definitions**

**The Board of Directors, Board of Supervisors, directors, supervisors and senior officers of the Company guarantee that the information of this report is true, accurate and complete, and free from false records, misrepresentations or major omissions, and will bear individual and joint and several liabilities with respect thereto.**

**Li Zhen (the person in charge of the Company), Zhang Yifei (the accounting principal) and Zhao Hua (the head of the Accounting Department (person in charge of accounting)) declare that the financial statements herein are true, accurate and complete.**

**All directors have attended the meeting of the Board of Directors at which this report is deliberated.**

**The statements of future development plans and matters involved herein are planned ones, which do not constitute substantial commitments of the Company to investors. Investors and relevant persons should be fully aware of risks and understand the differences between plans, forecasts and commitments, and are advised to pay attention to investment risks.**

**There is no risk factor that may have a major adverse impact on the production and operation status, financial status and sustainable profitability of the Company. For details of the main risks and the Company's response measures, please refer to "X. Risks faced by the Company and response measures" in "Section III Management Discussion and Analysis" of this report. Investors are kindly reminded to pay attention to investment risks.**

**The Company does not plan to distribute cash dividends, bonus shares, or increase**

**share capital with reserved funds.**

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## **Directory of Reference Documents**

I. The financial statements signed and sealed by the legal representative of the Company, accounting principal of the Company, head of the accounting department;

II. The original 2024 semi-annual report and its summary signed by the legal representative of the Company and sealed by the Company;

III. The originals of all corporate documents and announcements publicly disclosed on designated media and websites during the reporting period;

IV. Other reference documents.

The said reference documents are available at the Securities Affairs Center of the Company.

## Definitions

Term	mean(s)	Definition
Company, the Company or Gotion High-Tech	mean(s)	Gotion High-Tech Co., Ltd.
Company Law	mean(s)	Company Law of the People's Republic of China
Securities Law	mean(s)	Securities Law of the People's Republic of China
Articles of Association or AoA	mean(s)	Articles of Associations of Gotion High-Tech Co., Ltd.
CSRC	mean(s)	China Securities Regulatory Commission
SZSE	mean(s)	Shenzhen Stock Exchange
SIX	mean(s)	SIX Swiss Exchange
GDR	mean(s)	Global Depositary Receipt
Reporting period, current reporting period, current period	mean(s)	From January 1, 2024, to June 30, 2024.
Gotion Holding	mean(s)	Nanjing Gotion Holding Group Co., Ltd. (formerly known as Zhuhai Gotion Trading Co., Ltd., which was relocated and renamed as "Nanjing Gotion Holding Group Co., Ltd." on September 29, 2020)
The largest shareholder, Volkswagen China	mean(s)	Volkswagen (China) Investment Co., Ltd.
VW Group, VW AG	mean(s)	Volkswagen Aktiengesellschaft
Shareholders' Agreement	mean(s)	the Shareholders Agreement between Volkswagen (China) Investment Co., Ltd. and Zhuhai Gotion Trading Co., Ltd., Li Zhen, Li Chen regarding Gotion High-Tech Co., Ltd.
Hefei Gotion	mean(s)	Hefei Gotion High-Tech Power Energy Co., Ltd.
Feidong Gotion	mean(s)	Feidong Gotion New Material Co., Ltd.
Jiangxi Gotion	mean(s)	Jiangxi Gotion New Energy Technology Co., Ltd.
Jiangsu Gotion	mean(s)	Jiangsu Gotion New Energy Technology Co., Ltd.
Dongyuan Electric Appliance	mean(s)	Jiangsu Dongyuan Electric Appliance Group Co., Ltd.
Power Battery System	mean(s)	Cell, module, battery pack, and other components used in electric vehicles and hybrid electric vehicles.
Energy Storage Battery System	mean(s)	Cell, module, battery cabinet, and battery pack for lithium-ion energy storage systems.
GWh, MWh	mean(s)	Kilowatt-hour (kWh) is the unit of electrical energy. 1 GWh = 1,000,000 kWh, and 1 MWh = 1,000 kWh.
Ah	mean(s)	Ampere-hour (Ah) is used to express the capacity of a battery, which is the product of discharge current (amperes, A) and discharge time (hours, H).
Yuan, Ten thousand yuan, One hundred million yuan	mean(s)	RMB Yuan, RMB 10,000 yuan, RMB 100,000,000 yuan.
cninfo	mean(s)	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>

## Section II Company Profile and Key Financial Indicators

### I. Company profile

Stock name	Gotion High-Tech	Stock code	002074
Stock exchange	SZSE		
Chinese enterprise name	国轩高科股份有限公司		
Chinese name abbreviation (if any)	国轩高科		
Foreign enterprise name (if any)	Gotion High-Tech Co., Ltd.		
Foreign name abbreviation (if any)	GOTION		
Legal representative	Li Zhen		

### II. Contact person and contact information

	Secretary of the Board of Directors	Representative of Securities Affairs
Name	Wang Quan	Xu Guohong
Contact address	No. 566, Huayuan Avenue, Baohe District, Hefei City, Anhui Province	No. 566, Huayuan Avenue, Baohe District, Hefei City, Anhui Province
Tel.	0551-62100213	0551-62100213
Fax	0551-62100175	0551-62100175
E-mail address	<a href="mailto:wangquan_yj@gotion.com.cn">wangquan_yj@gotion.com.cn</a>	xuguohong@gotion.com.cn

### III. Other information

#### 1. Contact information

Whether the Company's registered address, office address and postal code, website and e-mail address have changed during the reporting period

Applicable  Not applicable

There is no change in the Company's registered address, office address and postal code, website and e-mail address during the reporting period. For details, please refer to the 2023 annual report.

#### 2. Information disclosure and storage location

Whether the information disclosure and storage location have changed during the reporting period

Applicable  Not applicable

There is no change in the stock exchange website, media outlets and their websites where the Company discloses the semi-annual report during the reporting period. There is no change in the storage location of the Company's semi-annual report during the reporting period. For details, please refer to the 2023 annual report.

### 3. Other relevant information

Whether other relevant information has changed during the reporting period

Applicable  Not applicable

### IV. Major accounting data and financial indicators

Whether the Company needs to retrospectively adjust or restate previous year's accounting data

Yes  No

	Current reporting period	Same period of last year	Increase or decrease in the reporting period compared with the same period of last year
Operating income (RMB)	16,793,872,660.65	15,238,815,021.58	10.20%
Net profit attributable to shareholders of the listed company (RMB)	271,142,494.62	209,075,222.07	29.69%
Net profit attributable to shareholders of the listed company excluding non-recurring profit and loss (RMB)	49,061,238.87	35,370,053.23	38.71%
Net cash flow from operating activities (RMB)	180,121,856.31	164,992,056.21	9.17%
Basic earnings per share (RMB/Share)	0.15	0.12	25.00%
Diluted earnings per share (RMB/Share)	0.15	0.12	25.00%
Weighted average return on net assets	1.10%	0.88%	0.22%
	End of the reporting period	End of last year	Increase or decrease at the end of the reporting period compared with the end of last year
Total assets (RMB)	98,770,644,280.00	93,592,652,122.38	5.53%
Net assets attributable to shareholders of the listed company (RMB)	24,655,809,940.26	25,066,839,997.17	-1.64%

### V. Differences in accounting data under domestic and overseas accounting standards

#### 1. Differences in the net profit and net assets disclosed in the financial reports under both the international and Chinese accounting standards

Applicable  Not applicable

There was no difference of the net profit and net assets of the Company disclosed in the financial reports under both the international and Chinese accounting standards during the reporting period.

## 2. Differences in the net profit and net assets disclosed in the financial reports under both overseas and Chinese accounting standards

Applicable  Not applicable

There was no difference in the net profit and net assets of the Company disclosed in the financial reports under both overseas and Chinese accounting standards during the reporting period.

## VI. Items and amounts of non-recurring profit and loss

Applicable  Not applicable

Monetary Unit: RMB

Item	Amount	Note
Gains or losses from disposal of non-current assets, including the portion offset by assets impairment provision	3,040,583.44	
Government subsidies included into the current profit or loss (except for the government subsidies that are closely related to the Company's business, conform to national policies and regulations, are enjoyed according to determined standards, and have a continuous impact on the Company's profits and losses.)	265,641,872.90	
In addition to the effective hedging business related to the normal business of the Company, gains or losses from changes in fair value of financial assets and financial liabilities held by non-financial enterprises, as well as gains or losses from the disposal of financial assets and financial liabilities	14,011,433.36	
Non-operating income and expenses other than the said items	-1,771,492.63	
Other profit or loss items complying with the definition of non-recurring profit and loss	8,786,559.15	
Less: impact amount of income tax	61,219,682.02	
Impact amount of minority equity (after tax)	6,408,018.45	
<b>Total</b>	<b>222,081,255.75</b>	

Details of other profit or loss items complying with the definition of non-recurring profit and loss:

Applicable  Not applicable

The Company does not have any other profit or loss item complying with the definition of non-recurring profit and loss.

Description of the situation where any non-recurring profit or loss item listed in *Explanatory Announcement of Information Disclosure of Companies Publicly Issuing Securities No.1 - Non-recurring Profit and Loss* is defined as a recurring profit or loss item

Applicable  Not applicable

The Company does not define any non-recurring profit or loss item listed in *Explanatory Announcement of Information Disclosure of Companies Publicly Issuing Securities No.1 - Non-recurring Profit and Loss* as a recurring profit or loss item

## Section III Management Discussion and Analysis

### I. Primary business of the Company during the reporting period

During the reporting period, the Company's primary business is divided into three parts: Power Battery System, Energy Storage Battery System, and transmission and distribution equipment. According to the *Industrial Classification and Codes for National Economic Activities* (GB/T 4754-2017) released by the National Bureau of Statistics, the Company is engaged in an industry under the "C38 electrical machinery and equipment manufacturing", a subcategory of "C manufacturing".

#### (I) Outline of primary business

##### 1. Power Battery System

The Company is a domestic pioneer in the independent R&D, production and sales of lithium batteries. Its main products are lithium iron phosphate materials and battery cells, ternary materials and battery cells, power battery packs and battery management systems. The Company has maintained long-term strategic cooperation relations with many enterprises in the new energy vehicle ecosystem chains in the world, and its products are widely used in the field of new energy vehicles, such as pure electric passenger cars, commercial vehicles, special vehicles and hybrid vehicles.

##### 2. Energy Storage Battery System

In the field of energy storage, the Company's main products include energy storage cells, standardized battery boxes, battery clusters, lithium-ion battery compartments for power storage, outdoor cabinets for commercial and industrial lithium-ion batteries, household energy storage systems, modules, etc., which meet the needs of various scenarios such as centralized power storage, commercial and industrial energy storage, and household energy storage, and have passed compulsive standards GB in China, the UL safety standards in US, the international IEC and other standard certifications. The Company focuses on the deployment of energy storage on the power generation side, grid side, power side and user side, with energy storage customers around the world.

##### 3. Power transmission and distribution equipment

Power transmission and distribution equipment is a traditional business segment of the Company. Its main products include high and low voltage switch gear, digital electrical equipment, smart distribution network equipment, transformers, circuit breakers, integrated charging piles, and energy storage cabinets. These products are widely used in industries such as thermal power, hydro power, nuclear power, wind power, rail

transportation, metallurgy, and chemical engineering. In recent years, the Company has actively promoted industrial transformation through technological innovation, expanding its power transmission and distribution O&P services as well as EPC project contracting.

## **(II) Business model**

Through long-term development, the Company has established an independent and mature R&D, manufacturing, supply chain and marketing systems. Its business model mainly focuses on technological innovation, industrial chain integration and global market layout.

### **1. Business model for power lithium battery and energy storage**

In terms of R&D, the Company continues to develop an energy science system based on materials science and digital science, and carries out independent R&D on material system, product system, testing & verification, lean manufacturing and battery recycling, covering the entire life cycle of batteries. In the meantime, the Company continues to increase investment in the R&D of battery technology, hires high-end talents from the global battery industry and formed an efficient R&D team, establishes good cooperative relationships with well-known enterprises, universities and research institutes at home and abroad and strengthens the cooperation of enterprises, universities and research institutions to jointly promote the R&D and application of battery technology. In terms of manufacturing, the Company actively promotes the application of intelligent manufacturing technology, improves the manufacturing level by digital, automated and intelligent means, arranges production plan according to the market and order situation, and ensures high quality and on-time delivery of products through lean manufacturing. In terms of supply chain, the Company actively promotes the layout of global supply chain and builds long-term stable supply channels through joint ventures, strategic investments and other methods to maintain cost competitiveness. At the same time, the Company establishes a strict supplier selection system to put the suppliers under classified management and strict assessment, so as to effectively prevent and control risks. In terms of marketing, on the one hand, the Company establishes strategic cooperative relations with many well-known car companies at home and abroad to provide customized battery solutions. In addition, the Company also pays attention to market feedback and customer needs, and constantly adjusts and optimizes product structure and sales strategy.

### **2. Business model for power transmission and distribution**

In the field of power transmission and distribution, the Company adheres to the strict market access principle, and adopts a purchase model of bidding first and procurement later and settlement in accordance with the contracted terms to effectively guarantee the transparency and efficiency of purchase activities. Dongyuan Electric Appliance, the Company's subsidiary, as a core operating entity of the business segment, adopts a direct sales model and realizes the allocation and optimization of market resources through unified management and control.

During the reporting period, the Company's business model remained stable and continuous and did not undergo significant changes.

### **(III) Industry development and position of the Company**

In the first half of 2024, the lithium battery industry showed solid growth momentum, and the shipments of power batteries and energy storage cells showed significant growth. In the global market, Chinese battery companies have shown strong competitiveness and their export volume continued to grow. Despite the upturn of the industry, it also faces challenges such as fluctuating raw material prices, overcapacity and increased market competition.

According to data released by SNE Research, a South Korean market research agency, in the first half of 2024, the global consumption of electric vehicle power batteries reached 364.6GWh, a year-on-year increase of 22.3%. The Company's battery loading capacity was 9GWh, a year-on-year increase of 38.2%, ranking eighth in the world.

In the field of energy storage, the Company is growing steadily. According to data released by InfoLink Consulting, a renewable energy research institute, among the TOP10 enterprises in terms of shipment of energy storage cells in the first half of 2024, the Company ranks seventh, improved in the overall ranking.

### **(IV) Performance driver analysis**

#### **1. Industrial policy incentives**

The "new three" (i.e. new energy vehicles, lithium batteries, photovoltaic products) are becoming an important direction of global energy transformation. In order to encourage the development of new energy vehicles and renewable energy, governments have introduced a series of subsidies and incentive policies, such as car purchase subsidies, tax incentives, charging facility construction subsidies, etc. which provide a good development environment for the lithium battery industry.

#### **2. Surge in market demand**

In terms of power batteries, the growth of global new energy vehicle sales has driven the demand for power batteries to continue to grow. According to data released by SNE Research, the global sales of new energy vehicles in the first half of 2024 reached 7.159 million, a year-on-year increase of 20.8%, and the market penetration rate further increased to 41%. In terms of energy storage batteries, with the growth of energy storage demand on the grid side, power generation side, power side and user side, the market demand for new energy storage was rapidly released. According to research and statistics of Gaogong Industry Institute (GGII), in the first half of 2024, China's shipment of energy storage lithium batteries reached 116GWh, an increase of 41% compared with the first half of 2023, with a strong momentum. The GGII predicts that global shipment of

energy storage batteries will reach 700GWH by 2025 and exceed 2TWH by 2030, and the market size will exceed RMB 3 trillion.

### **3. Continuous improvement of core competitiveness**

Adhering to the mission of making green energy serve mankind, the Company adheres to product as king, talent as the foundation and customer first, and is committed to becoming the world's leading green energy solution service provider. The Company focuses on the R&D, production and sales of lithium batteries and their materials, continuously enhances its competitiveness in its layout in industrial chain, technology research and development, internationalization strategy, supply chain management, market position, sustainable development, etc., to promote steady growth of its business. Aming at the global market, the Company builds an industrial chain integrating mineral procurement, material production, product application and battery recycling. The Company persists in the philosophy of seeking development through innovation, constructs an energy science system based on materials science and digital science, and has created more than 9,000 patented technologies covering the whole battery industry chain. In the face of surging market demand, it actively promotes overseas layout and market expansion, and constantly expands battery production capacity. The Company comprehensively learns the management system of VW Group, promotes cost reduction and efficiency increase, and drives the improvement of management.

## **II. Analysis of core competitiveness**

### **(I) Technology R&D level**

Adhering to the philosophy of seeking development through innovation, the Company has established eight R&D centers globally, including those in Shanghai, Hefei in China, Tsukuba in Japan, Singapore, Silicon Valley in the United States, and Cleveland in the United States, as well as four major experimental platforms in Baohe District of Hefei City, Xinzhan District of Hefei City, Jiading District of Shanghai and Liuhe County of Nanjing City. Besides, the Company has been continuously improving its R&D capabilities and technical strength, and now owns multiple core technologies in the fields of battery materials, battery processes, and battery testing. The Company continued to increase investment in R&D and made progress in material system R&D, battery manufacturing technology, manufacturing process capabilities and product applications. During the reporting period, the Company delivered 8 new third-generation battery products, including Volkswagen UC ternary and iron lithium standard cell, L600, etc, and launched new 5C ultra-fast charging G-carved battery, high-nickel ternary cylindrical Xingchen battery, and the first development progress of the goldstone battery based on the all-solid-state battery technology. The Company lays emphasis on the cooperation and exchange with well-known domestic and foreign enterprises, universities and research institutions, and constantly improves its technology R&D level through industry-university-research cooperation and technology introduction. At the same time, the Company pays attention to the protection and management of IP rights,

takes the initiative to apply for patents, and participates in the formulation of industry standards. The Company had more than 7,000 members of the R&D technical team. As of the end of June 2024, the Company applied for a total of 9,295 patents, and licensed a total of 5,534 patents, including 1,330 invention patents (including 94 foreign patents), 3,764 utility model patents, and 440 design patents, has published 290 research papers, 24 SCI papers, 192 core journals, and 266 copyright registrations, and has led and participated in the formulation of a total of 92 standards.

## **(II) Industrial chain layout**

The Company is one of the earliest battery companies to make a strategic arrangement in the upstream chain. It has successively made arrangement in upstream raw materials such as mineral resources, precursor, positive electrode, negative electrode, copper foil, diaphragm, as well as cell, battery pack and battery recycling, forming a relatively complete ecosystem of the whole industrial chain. On the upstream resource side, the Company accelerated the development and arrangement of mineral resources in Yichun, Indonesia, Argentina and other places, and steadily improved the production capacity of its material bases in Lujiang, Feidong, Wuhai and other areas. On the battery manufacture side, the Company further optimized its production capacity layout, improved its battery manufacturing capabilities, transformed and expanded production bases in China, and accelerated the arrangement for constructing bases in overseas regions such as the Asia Pacific, Europe & Africa and the Americas. Currently. On the downstream application side, the Company maintains good long-term cooperative relationships with customers such as Chery Automobile, SAIC GM Wuling, JAC, Changan Auto, Geely, SAIC Maxus, Huawei, State Grid, China Tower, Wenergy Group, Volkswagen, TATA, Vinfast, Rivian, etc. Its battery products are widely used in fields such as new energy vehicles, industrial and commercial energy storage and household energy storage.

## **(III) Globalization strategy**

The Company lays emphasis on the expansion of international market. Focusing on the three major regions for its business (i.e., Americas, Europe & Africa and the Asia Pacific), it actively seeks international cooperation, with its products exported to multiple countries and regions around the world, including Thailand, Indonesia, Vietnam, India, Singapore, the United States, Canada and the European Union. On the other hand, guided by the globalization strategy, the Company has been comprehensively promoting the construction of overseas production bases and R&D arrangement, accelerating the localization production and R&D process. Currently, products from four Pack factories in Germany, Indonesia, Thailand and Silicon Valley in the United States have been successfully taken offline. In addition, the Company has established long-term strategic partnerships with well-known overseas enterprises to jointly explore the global new energy market and continuously improve its market share and international competitiveness.

### III. Analysis of primary business

#### Overview

During the reporting period, the Company realized operating income of RMB 16,793.8727 million, a year-on-year increase of 10.20%; net profit attributable to the owner of the parent company of RMB 271.1425 million, a year-on-year increase of 29.69%; net profit attributable to shareholders of the listed company excluding non-recurring profit and loss of RMB 49.0612 million, a year-on-year increase of 38.71%. The main operating conditions are as below:

#### **(I) Mature organizational structure**

The Company built a “511” organizational structure, namely five business segments including China, Strategy, Americas, Europe and Africa, and Asia Pacific, and two supports including technical platform and functional platform. The Company has made great progress in research, production and marketing, operation and management of personnel and property, as well as supervision system and administrative system. In addition, the Company’s management improvement strategy is being rolled out in various lines to meet the needs of the Company’s development at the present stage.

#### **(II) Gradually mature technology**

The Company has been building an energy science system based on materials science and digital science to promote the maturity and progress of material system, battery manufacturing technology, manufacturing process capabilities and product applications. It launched new 5C ultra-fast charging G-carved battery, high-nickel ternary cylindrical Xingchen battery and the first development progress of the goldstone battery based on the all-solid-state battery technology, and newly registered 500 global patented technologies.

#### **(III) Gradually improved manufacturing capability**

The Company has vigorously introduced the Volkswagen quality management system, strengthened the control of the quality of supplied goods, built a supply chain system that covers both domestic and international markets, and the product quality has improved compared to that of before. It, for the purpose of achieving “high quality and attractive price”, established standardized systems and processes, and paid close attention to the construction of its process engineering capabilities and lean manufacturing capabilities, making the management system of product manufacturing more and more mature and its manufacturing management capabilities further enhanced.

#### **(IV) Improved global market power**

Under the situation of continuous decline in battery prices, its operating income increased by 10.20% year-on-year, and overseas business revenue increased significantly. In terms of market development, it delivered to existing customers steadily and continuously deepened cooperation with them, and had many new European car companies designated for mass production. The loading volume of the A-class and above markets continued to increase, and the commercial vehicle heavy truck market made new breakthroughs. In terms of base construction, layout of production bases in Chicago (USA), Michigan, Slovakia, Argentina, Morocco, Vietnam, etc. is in progress. The layout of the top 10 overseas bases covering materials, battery cells, and packs was preliminarily formed.

Year-on-year changes to the major financial data

Monetary Unit: RMB

	Current reporting period	Same period of last year	Year-on-year increase or decrease	Reasons for changes
Operating income	16,793,872,660.65	15,238,815,021.58	10.20%	
Operating cost	13,802,981,718.33	12,899,601,817.37	7.00%	
Selling expenses	393,016,491.87	326,801,740.18	20.26%	
General and administrative expenses	742,534,630.66	798,207,203.40	-6.97%	
Financial expenses	373,431,217.48	-10,660,699.12	3,602.88%	Mainly as a result of the decrease in the exchange gain in the current period
Income tax expenses	-60,712,100.96	-32,253,959.58	-88.23%	Mainly as a result of the increase in deferred income tax in the current period
R&D investment	1,218,966,502.14	1,204,013,772.82	1.24%	
Net cash flow from operating activities	180,121,856.31	164,992,056.21	9.17%	
Net cash flow from investing activities	-3,057,310,111.79	-3,804,536,280.00	19.64%	
Net cash flow from financing activities	2,888,731,051.21	5,747,632,460.20	-49.74%	Mainly as a result of the increase in debt repayments in the current period
Net increase in cash and cash equivalents	79,211,995.02	2,370,554,026.35	-96.66%	Mainly as a result of the decrease in cash inflow from financing activities in the current period

Major changes in the profit composition or profit source of the Company during the reporting period

Applicable  Not applicable

There are no major changes in the profit composition or profit source of the Company during the reporting period.

Operating income structure

Monetary Unit: RMB

	Current reporting period	Same period of last year	Year-on-year
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	Amount	Proportion in operating income	Amount	Proportion in operating income	increase or decrease
Total operating income	16,793,872,660.65	100%	15,238,815,021.58	100%	10.20%
By industry					
Power Battery System	11,700,749,600.03	69.67%	10,478,394,745.58	68.76%	11.67%
Energy Storage Battery System	4,338,991,146.41	25.84%	4,146,764,927.67	27.21%	4.64%
Transmission and distribution products	294,342,178.07	1.75%	412,080,479.79	2.70%	-28.57%
Other businesses	459,789,736.14	2.74%	201,574,868.54	1.32%	128.10%
By products					
Power Battery System	11,700,749,600.03	69.67%	10,478,394,745.58	68.76%	11.67%
Energy Storage Battery System	4,338,991,146.41	25.84%	4,146,764,927.67	27.21%	4.64%
Transmission and distribution products	294,342,178.07	1.75%	412,080,479.79	2.70%	-28.57%
Other businesses	459,789,736.14	2.74%	201,574,868.54	1.32%	128.10%
By regions					
The mainland of China	11,267,146,106.88	67.09%	12,176,608,025.40	79.91%	-7.47%
Overseas (including Hong Kong, Macao, and Taiwan)	5,526,726,553.77	32.91%	3,062,206,996.18	20.09%	80.48%

Industry, product, or region accounting for more than 10% of the Company's operating income or profit

Applicable  Not applicable

Monetary Unit: RMB

	Operating income	Operating cost	Gross margin	Increase or decrease of operating income compared with the same period of last year	Increase or decrease of operating cost compared with the same period of last year	Increase or decrease of gross margin compared with the same period of last year
By industry						
Power Battery System	11,700,749,600.03	10,112,545,945.04	13.57%	11.67%	11.21%	2.65%
Energy Storage Battery System	4,338,991,146.41	3,303,256,910.51	23.87%	4.64%	-3.53%	36.95%
Transmission and distribution products	294,342,178.07	229,444,127.42	22.05%	-28.57%	-28.05%	-2.52%
Other businesses	459,789,736.14	157,734,735.36	65.69%	128.10%	149.13%	-4.23%
By products						
Power Battery System	11,700,749,600.03	10,112,545,945.04	13.57%	11.67%	11.21%	2.65%
Energy Storage Battery System	4,338,991,146.41	3,303,256,910.51	23.87%	4.64%	-3.53%	36.95%
Transmission and	294,342,178.07	229,444,127.42	22.05%	-28.57%	-28.05%	-2.52%

distribution products						
Other businesses	459,789,736.14	157,734,735.36	65.69%	128.10%	149.13%	-4.23%
By regions						
The mainland of China	11,267,146,106.88	9,443,686,351.16	16.18%	-7.47%	-8.71%	7.51%
Overseas (including Hong Kong, Macao, and Taiwan)	5,526,726,553.77	4,359,295,367.17	21.12%	80.48%	70.59%	27.61%

Where the standard for the statistics of the Company's primary business data is adjusted during the reporting period, the Company's primary business data after the adjustment as at the end of the reporting period in the most recent period

Applicable  Not applicable

#### IV Analysis on non-primary business

Applicable  Not applicable

#### V. Analysis of assets and liabilities

##### 1. Significant changes in assets composition

Monetary Unit: RMB

	End of the reporting period		End of last year		Proportion increase and decrease	Notes on significant changes
	Amount	Proportion in total assets	Amount	Proportion in total assets		
Cash and cash equivalents	14,225,915,922.31	14.40%	14,513,081,982.66	15.51%	-1.11%	No major changes
Accounts receivable	17,224,928,781.13	17.44%	12,910,896,108.05	13.79%	3.65%	Mainly as a result of the increase in income in the current period
Inventory	5,369,101,402.46	5.44%	5,678,694,206.58	6.07%	-0.63%	No major changes
Long-term equity investment	1,593,044,890.21	1.61%	1,504,967,335.07	1.61%	0.00%	No major changes
Fixed assets	21,602,326,972.21	21.87%	21,856,847,448.98	23.35%	-1.48%	No major changes
Construction in progress	19,135,306,080.14	19.37%	15,820,621,504.09	16.90%	2.47%	Mainly as a result of the construction of a number of ancillary bases in the current period
Right-of-use assets	128,666,540.29	0.13%	133,933,797.18	0.14%	-0.01%	No major changes.
Short-term borrowings	17,815,337,879.23	18.04%	16,236,958,673.37	17.35%	0.69%	No major changes
Contract liabilities	194,476,711.63	0.20%	1,025,880,130.88	1.10%	-0.90%	No major changes
Long-term borrowings	18,976,807,151.31	19.21%	18,159,844,604.65	19.40%	-0.19%	No major changes
Lease liabilities	193,836,845.98	0.20%	229,098,013.94	0.24%	-0.04%	No major changes

**2. Status of main overseas assets**

Applicable  Not applicable

**3. Assets and liabilities measured at fair value**

Applicable  Not applicable

Monetary Unit: RMB

Item	Amount at the beginning of the reporting period	Gains or losses from changes in fair value in the reporting period	Accumulated changes in fair value recognized in equity	Impairment provision in the reporting period	Repurchasing amount in the reporting period	Selling amount in the reporting period	Other changes	Amount at the end of the reporting period
Financial assets								
1. Held-for-trading financial assets (excluding the derivative financial assets)	4,707,054,011.26	-21,382,422.87			4,441,701,886.00	5,661,200,000.00	4,699,698.05	3,470,873,172.44
2. Derivative financial assets		9,609,722.84			1,371,909,000.00	356,340,000.00		9,609,722.84
3. Other debt investments	4,957,890.00						30,870.00	4,988,760.00
4. Other equity instrument investments	1,525,336,830.09		-463,997,772.12		285,720,824.34	2,900,560.80	2,791,138.68	1,346,950,460.19
5. Other non-current financial assets	1,567,541,000.00				1,000,000,000.00	1,000,000,000.00	1,323,000.00	1,568,864,000.00
Subtotal of the financial assets	7,804,889,731.35	-11,772,700.03	-463,997,772.12		7,099,331,710.34	7,020,440,560.80	8,844,706.73	6,401,286,115.47
Total	7,804,889,731.35	-11,772,700.03	-463,997,772.12		7,099,331,710.34	7,020,440,560.80	8,844,706.73	6,401,286,115.47
Financial liabilities	0.00							0.00

Details of other changes:

Other changes are differences in ending balances of financial assets resulting from exchange rates.

Whether there were major changes in the measurement attributes of the Company's major assets during the reporting period

Applicable  Not applicable

#### 4. Restrictions on asset rights as of the end of the reporting period

Item	Book balance as at the end of the period (RMB)	Book value as at the end of the period (RMB)	Reasons for restriction
Cash and cash equivalents	2,818,498,367.98	2,818,498,367.98	Among them, RMB 1,395,721,614.80 is deposit, RMB 1,258,873,842.83 is pledged for financing, and RMB 163,902,910.35 is frozen due to judicial proceedings
Notes receivable	160,460,100.07	152,437,095.07	Endorsed undue and non-canceled notes
Fixed assets	1,130,478,586.50	902,056,385.08	Mortgaged for financing
Fixed assets	3,105,169,648.22	1,591,061,090.94	Property rights used for financing
Construction in progress	1,604,361,492.88	1,604,361,492.88	Mortgaged for financing
Construction in progress	727,087,598.29	727,087,598.29	Property rights used for financing
Right-of-use assets	27,130,584.06	23,694,043.41	Property rights used for financing
Intangible assets	738,412,478.11	666,174,776.03	Mortgaged for financing
Subsidiaries' equity			Subsidiaries' equity was pledged for financing [see remark]
Total	10,311,598,856.11	8,485,370,849.68	/

Remark: Jiangxi Gotion New Energy Technology Co., Ltd., a subsidiary of the Company, used the 184.4262 million equity held by it in its subsidiary Yichun Kefeng New Materials Co., Ltd. as collateral for loans; Yichun Gotion Lithium Industry Co., Ltd. a subsidiary of the Company, used the 45.5 million equity held by it in its subsidiary Jiangxi Weihong Lithium Industry Co., Ltd., as collateral for loans.

## VI. Analysis of investments

### 1. Overview

Applicable  Not applicable

Investment in the reporting period (RMB)	Investment in the same period of last year	Rate of change
8,924,534,613.48	6,149,496,981.18	45.13%

### 2. Significant equity investments acquired during the reporting period

Applicable  Not applicable

### 3. Major non-equity investment in progress during the reporting period

Applicable  Not applicable

Monetary Unit: RMB

Project name	Investment method	Fixed assets investment or not	Industry of the investment project	Investment amount during the reporting period	Accumulated investment amount as of the end of the reporting period	Source of funds	Project progress	Expected income	Accumulated realized income as of the end of the reporting period	Reasons for not achieving planned progress and expected income	Disclosure date (if any)	Disclosure index (if any)
Gotion Xinzhan's power battery project with an annual output of 20GWh	Self-built	Yes	New Energy Industry	153,463,779.35	1,918,156,112.45	Self-owned and self-raised funds	Under construction	Not applicable	Not applicable	Still under construction	October 27, 2022	Cninfo website, Announcement No. 2022-104
Liuzhou Gotion newly added power battery production base project with an annual output of 10GWh (Phase II)	Self-built	Yes	New Energy Industry	622,417,510.64	1,094,208,985.11	Self-owned and self-raised funds	Under construction	Not applicable	Not applicable	Still under construction	October 27, 2022	Cninfo website, Announcement No. 2022-105
Total	--	--	--	775,881,289.99	3,012,365,097.56	--	--	--	--	--	--	--

#### 4. Investment in financial assets

##### (1) Investment in securities

Applicable Not applicable

Monetary Unit: RMB

Securities type	Securities code	Securities abbreviation	Initial investment cost	Accounting measurement model	Beginning book value	Profit/loss from changes in fair value in the current period	Accumulated changes in fair value recognized in equity	Purchase amount in the current period	Sales amount in the Current Period	Profit/loss during the reporting period	Ending book value	Accounting subject	Source of funds
Domestic/foreign stock	000980.SZ	Zotye Auto	26,344,379.91	Fair value	15,613,906.68	-8,226,118.62				-8,226,118.62	7,387,788.06	Held-for-trading financial assets	Self-owned
Domestic/foreign stock	301217.SZ	Tongguan Copper Foil	262,880,828.64	Fair value	258,093,263.88	-49,181,347.08				-	208,911,916.80	Held-for-trading financial assets	Self-owned
Domestic/foreign stock	688223.SH	Jingke Energy	2,500.00	Fair value	4,430.00	-880.00				-768.00	3,550.00	Held-for-trading financial assets	Self-owned
Domestic/foreign stock	601127.SH	Seres	204,999,971.52	Fair value	300,519,388.80	58,841,854.08				58,841,854.08	359,361,242.88	Held-for-trading financial assets	Self-owned
Domestic/foreign stock	301325.SZ	Manst	30,000,000.00	Fair value	30,289,062.50	-10,404,687.50				-	19,884,375.00	Held-for-trading financial assets	Self-owned
Domestic/foreign stock	301511.SZ	Defu Technology	49,999,992.00	Fair value	41,410,707.66	-4,510,707.66				-4,412,493.39	36,900,000.00	Held-for-trading financial assets	Self-owned
Domestic/foreign stock	688646.SZ	Yifilaser	48,913,628.40	Fair value	38,294,772.32	-5,675,235.09				-5,330,331.30	32,619,537.23	Held-for-trading financial assets	Self-owned
Domestic/foreign stock	09690.HK	Tuhu-W	218,371,834.12	Fair value	214,067,143.41		-35,684,932.62			0.00	178,382,210.79	Other equity instrument investments	Self-owned
Domestic/foreign stock	VFS.US	VinFast Auto Ltd.	1,204,300,824.34	Fair value	889,232,985.00		-427,839,860.02	127,720,824.34		0.00	591,905,088.00	Other equity instrument investments	Self-owned
Total			2,045,813,958.93	--	1,787,525,660.25	-19,157,121.87	-463,524,792.64	127,720,824.34	0.00	-	1,435,355,708.76	--	--

##### (2) Investment in derivatives

Applicable Not applicable

**1) Derivative investments for hedging purposes during the reporting period**

☑Applicable ☐Not applicable

Monetary Unit: RMB '0,000

Type of derivative investment	Initial investment amount	Amount as at the beginning of the period	Profit or loss from changes in fair value in the current period	Accumulated changes in fair value recognized in equity	Purchase amount during the reporting period	Sales amount during the reporting period	Amount as at the end of the period	Proportion of investment amount as at the end of the period to the net assets of the Company at the end of the reporting period
Foreign exchange swap	137,190.9	0	1,390.27	0	137,190.9	35,634	101,556.9	1.03%
Total	137,190.9	0	1,390.27	0	137,190.9	35,634	101,556.9	1.03%
Is there any significant change in accounting policies and specific accounting principles for hedging business during the reporting period	No major change							
Actual profit or loss during the reporting period	In order to avoid and prevent operational risks caused by fluctuations in foreign exchange rates, the Company carried out forward foreign exchange settlement, foreign exchange swaps and related business for foreign exchange related to its production and operation in a certain proportion. The business was within the expected scale of procurement and sales business, with a clear business basis. During the reporting period, the actual income realized by the Company's foreign exchange hedging derivative contracts amounted to RMB 13.9027 million.							
Effectiveness of the hedging	The financial derivatives invested by the Company for hedging can offset the risk of exchange rate fluctuations and achieved the goal of risk management.							
Source of funding for derivative investment	Self-owned and self-raised funds							
Risks of the derivatives held during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.) and risk control measures	<p>I. Analysis of the risk of hedging business conducted by the Company.</p> <p>The hedging business can help avoid the impact of exchange rate fluctuations on the Company. However, there may also be certain risks:</p> <p>1. Market risk: profit and loss is caused by changes in the fair value of foreign exchange hedging products due to fluctuations in the underlying exchange rate, interest rate and other market prices; 2. liquidity risk: it is necessary to make payments to banks in contract transactions arising from liquidity shortage because the foreign exchange hedging business carried out is operated by financial institutions; 3. technical risk: corresponding risk results from delays, interruptions or data errors in transaction commands because of abnormal operation of the transaction system caused by uncontrollable or unpredictable system, network failure, etc.; 4. performance risk: in case the counter-party defaults by failing to pay the Company's hedging profits as agreed, the Company's actual exchange losses cannot be hedged; 5. other risks: when conducting business, operators fail to report and approve according to the prescribed procedures, or fail to accurately and timely identify business-related information, which may lead to losses or loss of transaction opportunities.</p>							

	<p>II. Preparation work and risk control measures for hedging</p> <p>1. The Company has formulated the <i>Securities Investment and Derivatives Trading Management Rules</i>, which has clear provisions on the operating principles, approval authority, business processes, information isolation, risk management and other aspects of the hedging businesses. All transactions throughout the entire hedging process will be conducted in strict accordance with the above rules; 2. the Company has made it clear that all foreign exchange hedging businesses are based on normal cross-border business and foreign currency investment and financing business, with the purpose of avoiding and preventing exchange rate and interest rate risks, and does not engage in foreign exchange derivatives transactions for speculative purposes; 3. the Company has controlled risks by clarifying the principles of product selection and counterparty selection, allocating professionals, establishing and improving risk early warning and reporting mechanisms, and requiring regular inspection by audit departments.</p>
Changes in the market prices or fair value of derivatives invested during the reporting period, and the specific methods and the assumptions and parameter used for analyzing the fair value of derivatives	Changes in fair value will be determined at the end of each month based on market price quoted by external financial institutions.
Is it involved in any litigation (if applicable)	Not applicable

## 2) Derivative investments for speculative purposes during the reporting period

Applicable  Not applicable

There was no derivative investment for speculative purposes during the reporting period.

## 5. Use of raised funds

Applicable  Not applicable

### (1) Overall situation of use of raised funds

Applicable  Not applicable

Monetary Unit: RMB '0,000

Fundraising year	Fundraising method	Total amount of funds raised	Net amount of funds raised	Total amount of raised funds used in the current period	Total amount of raised funds used cumulatively	Total amount of raised funds with change of use during the reporting period	Cumulative total amount of raised funds with change of use	Proportion of cumulative total amount of raised funds with change of use	Total amount of raised funds not used yet	Use and destination of raised funds not used yet	Amount of funds raised after idling for over two years
2021	Non-public offering of shares	730,294.52	723,085.51	49,450.67	459,151.11	0	532,278.38	72.89%	263,934.4	Raised funds not yet used are still	263,934.4

										deposited in the special account and will continue to be used for the investment projects that the Company originally committed to invest.	
Total	--	730,294.52	723,085.51	49,450.67	459,151.11	0	532,278.38	72.89%	263,934.4	--	263,934.4
Overall situation of use of raised funds											
For the non-public offering of shares in 2021, RMB 494,506,700 (including the part used for replenishment of working capital) was directly invested in the committed investment projects during the reporting period. As of June 30, 2024, the Company has used the raised funds in an aggregate amount of RMB 4,591,511,100.											

**(2) Projects committed to be invested with raised funds**

Applicable  Not applicable

Monetary Unit: RMB '0,000

Committed investment projects and use of over-raised funds	Project after changes (including partial change) or not	Total committed investment amount	Total investment amount after adjustment (1)	Amount invested during the reporting period	Cumulative amount invested as of the end of the period (2)	Investment progress as of the end of the period (3) = (2)/(1)	Date when the project reaches the intended usable status	Benefits realized during the reporting period	Expected benefits achieved or not	Feasibility of the project changed tremendously or not
Committed investment projects										
1. Gotion Battery's high specific energy power lithium battery industrialization project of with annual production capacity of 16GWh	Yes	532,464.78	3,462.56	0	3,462.56			0	N/A	No
2. Gotion Material's high nickel ternary cathode material project with an annual output of 30,000 tons	No	100,000	100,000	39,178.03	66,225.9	66.23%	December 1, 2024	0	N/A	No
3. Replenishment of working capital	No	90,620.73	90,620.73	0	90,650	100.03%		0	N/A	No
4. Volkswagen standard battery cell project with an annual output of 20GWh	No		532,278.38	10,272.64	298,812.65	56.14%	December 1, 2024	0	N/A	No
Subtotal of committed investment projects	--	723,085.51	726,361.67	49,450.67	459,151.11	--	--	0	--	--
Use of over-raised funds										

N/A	No									
Total	--	723,085.51	726,361.67	49,450.67	459,151.11	--	--	0	--	--
Failure to achieve the scheduled progress or expected earnings (by specific project) and the reason therefor (including reasons for selecting "N/A" for "Expected benefits achieved or not")	<p>On December 4, 2023, the 5th meeting of the ninth Board of Directors deliberated and adopted the <i>Proposal on Adjusting the Implementation Progress of Some Projects Invested with Raised Funds</i>, agreeing that the Company adjusted the date when the "Volkswagen standard battery cell project with an annual output of 20GWh" is planned to reach the expected serviceable state from September 2023 to December 2024, while the implementing entity, investment content and investment scale remained unchanged. In order to adapt to the changing the market economy environment, Hefei Gotion Battery Technology Co., Ltd., the entity implementing the invested project, has continuously upgraded some of its production lines based on customers' feedback. In this process, the company used some imported or customized equipment, which required a long procurement period and thus affected the construction progress of the project and the commissioning progress of some equipment. Therefore, the company adopted a gradual input approach for the purpose of controlling project input risks and avoiding hidden dangers in production and operation after the project is put into operation, which resulted in the project not reaching the expected serviceable state within the planned time. In order to better improve the construction quality of the project, allocate resources reasonably and effectively, and match the current production and operation status of the company, the company carefully studied and decided to follow the principle of balance between production and use to gradually promote the construction process of the project, and thus adjusted the date when the project is planned to reach the expected serviceable state.</p>									
Major changes in the feasibility of the project	N/A									
Amount, purpose and use progress of over-raised funds	N/A									
Changes in the implementation place of projects invested with raised funds	<p>Applicable</p> <p>Happened in previous years</p> <p>The Company changed "Gotion Battery's high specific energy lithium battery industrialization project with an annual output of 16GWh" into "Volkswagen standard battery cell project with an annual output of 20GWh", with the implementation entity changed from Hefei Gotion Battery Co., Ltd., a wholly-owned subsidiary of the Company, to Hefei Gotion Battery Technology Co., Ltd., a wholly-owned subsidiary of the Company, and the implementation location changed from Hefei Economic and Technological Development Zone to Hefei Xinzhan High-tech Industrial Development Zone.</p>									
Adjustment to the implementation mode of projects invested with raised funds	N/A									
Preliminary investment and replacement of projects invested with raised funds	N/A									
Temporary supplement of working capital with idle raised funds	N/A									

Amount of the balance of raised funds in project implementation and its reasons	N/A
Use and destination of raised funds not yet used	Raised funds not yet used are still deposited in the special account and will continue to be used for the investment projects that the Company originally committed to invest.
Problems or other situations in the use and disclosure of raised funds	N/A

**(3) Change in the projects invested with raised funds**

Applicable  Not applicable

Monetary Unit: RMB '0,000

Project after change	Originally committed projects	Total amount of raised funds to be invested in the project after change (1)	Actual amount invested during the reporting period	Actual cumulative amount invested as of the end of the period (2)	Investment progress as of the end of the period (3) = (2) / (1)	Date when the project reaches the intended usable status	Benefits realized during the reporting period	Expected benefits achieved or not	Feasibility of the project after change has changed tremendously or not
Volkswagen standard cell project with an annual output of 20GWh	Gotion Battery's high specific energy lithium battery industrialization project with annual output of 16GWh	532,278.38	10,272.64	298,812.65	56.14%	December 1, 2024	0	N/A	No
Total	--	532,278.38	10,272.64	298,812.65	--	--	0	--	--
Reasons for changes, decision-making procedures and information disclosure (by specific project)	<p>1. Changes and reasons</p> <p>The Company changed the investment project "Gotion's high specific energy lithium battery industrialization project with an annual output of 16GWh" into "Volkswagen standard cell project with an annual output of 20GWh", with the implementation entity changed from Hefei Gotion Battery Co., Ltd., a wholly-owned subsidiary of the Company, to Hefei Gotion Battery Technology Co., Ltd., a wholly-owned subsidiary of the Company, and the implementation location changed from Hefei Economic and Technological Development Zone to Hefei Xinzhan High-tech Industrial Development Zone.</p> <p>In 2021, driven by the rapid growth of new energy vehicles, China installed 154.5 GWh of power batteries, up 142.8% year-on-year, of which lithium iron phosphate accounted for more than 51%. In order to meet the rapidly increasing market demand for new energy vehicles, in line with the Company's future strategic development planning, and in view of the fact that the scale of land to be used for the original project invested with the raised funds could meet the need of the project construction, it is likely to increase the costs of construction, energy consumption, labor and site maintenance and it will be difficult to implement the project if the project continues to be implemented according to the original plan. Therefore, the Company changed the use of the raised funds, from the original project to the "Volkswagen standard cell project with an annual output of</p>								

	20Gwh”, which was implemented in Hefei Xinzhan High-tech Industrial Development Zone by Hefei Gotion Battery Technology Co., Ltd., a wholly-owned subsidiary of the Company. Upon the completion of the above change, the investment and construction of the project will be accelerated, the utilization efficiency of the raised funds will be improved and the market share of the Company’s products will be further enlarged. 2. Decision-making procedures On April 27, 2022, the <i>Proposal on Changing the Use of Raised Funds</i> was deliberated and approved at the 16th meeting of the eighth Board of Directors. At the same time, the Board of Supervisors clearly expressed its consent, independent directors issued independent opinions on their consents, and Haitong Securities Co., Ltd. issued a non-objection verification opinion on it. On May 23, 2022, the above proposal was deliberated and adopted at the Company’s 2021 annual general meeting of shareholders.
Failure to achieve the scheduled progress or expected earnings and the reason therefor (by specific project)	N/A
Major changes in the feasibility of the project after change	N/A

## VII. Sales of major assets and equity

### 1. Sales of major assets

Applicable  Not applicable

The Company did not sell major assets during the reporting period.

### 2. Sales of major equity

Applicable  Not applicable

## VIII. Analysis of the major holding companies and joint stock companies

Applicable  Not applicable

There was no important information about the Company’s holding and joint stock companies that should be disclosed during the reporting period.

## IX. Structured entities controlled by the Company

Applicable  Not applicable

## X. Risks faced by the Company and response measures

At present, the global lithium battery industry shows the characteristics of high market concentration, optimized competition pattern, accelerated technological innovation, strengthened industrial chain integration, intensified international competition, etc. Going to sea has become a new trend. Challenges and opportunities coexist. The risks that battery companies may face are as follow:

### (I) Intensified market competition

In the context of rapid development of global new energy market, rapid expansion of battery production capacity by domestic and foreign enterprises as well as globalization, power battery companies are facing dual

pressures from both domestic and international markets. Therefore, there is a risk of intensified market competition.

Response measures: Achieve market diversification; develop new application scenarios to address fluctuations in a single market; strengthen core technology R&D, and improve the technical level of its products; establish international brands and strengthen marketing and promotion in overseas markets.

## **(II) Policy, law & regulations**

The uncertainty of the foreign policy environment, such as the implementation of the EU's New Battery Law, will have an impact on the export of Chinese battery companies, and may also lead to compliance challenges and increased costs.

Response measures: Pay close attention to domestic and foreign policy situation, timely adjust corporate strategy and business model to adapt to policy changes. Ensure compliance and reduce policy risks.

## **(III) Supply chain**

Power battery companies rely on a stable raw material supply chain. Since the beginning of 2024, the price of battery materials has continued to decline, upstream suppliers are under pressure of making profits, and the raw material supply in overseas markets is instable due to geopolitical or political factors, which will have an adverse impact on production.

Response measures: Build both domestic and international supply chain systems, have more alternative suppliers, and explore more procurement channels; adopt advanced supply chain management systems to enhance the transparency and responsiveness of the supply chain.

## **(IV) Rapid technological updates**

Currently, power battery technology is in a stage of rapid development, and the continuous emergence of new technologies may rapidly render existing technologies outdated. If enterprises cannot keep up with the pace of technological development, they may lose market competitiveness.

Response measures: Continuously increase investment in R&D, collaborate with complete vehicle enterprises, research institutions and universities for joint development, and always maintain foresight and leading position in terms of development of new products and technologies.

## **(V) Accounts receivable**

With a continuous increase in the Company's operating income, the balance of its accounts receivable has increased. Although the aging of accounts receivable is mainly within one year, they will have an adverse impact on the production and operation if they cannot be collected in a timely manner.

Response measures: Continuously optimize customer structure and concentrate resources, focus on exploring high-quality customers with timely payment and strong financial strength; strengthen management from the aspects of system, process, collection, financial instruments and internal control to reduce the risk of accounts receivable losses.

## **XI. Implementation of the action plan for “Improvement of Both Quality and Return”**

Has the Company disclosed its announcement on the action plan for “Improvement of Both Quality and Return”?

Yes  No

Following the guiding philosophy of “revitalizing the capital market and boosting investors' confidence” and “vigorously improving the quality and investment value of listed companies, taking more powerful and effective measures to stabilize the market and investors' confidence”, the Company continuously strengthens its corporate governance, effectively safeguard the interests of investors, enhance its quality and investment value as a listed company to achieve sustainable development. To actively responded to the call for “Improvement of Both Quality and Return”, the Company formulated its own action plan, in which the key measures mentioned are as follows: 1. improve the quality of the primary business and actively implement the “carbon peaking and carbon neutrality” strategy; 2. accelerate innovation to drive enterprise development; 3. operate in a lawful manner and continuously improve its corporate governance; 4. strengthen communication and improve the quality of information disclosure; 5. share results and continuously stabilize cash dividends. For more details, please refer to the *Announcement on the Action Plan for Promoting the “Improvement of Both Quality and Return”* (Announcement No. 2024-009) disclosed by the Company on February 6, 2024 on cninfo website.

During the reporting period, the Company actively promoted the action plan for “Improvement of Both Quality and Return”. In terms of investor returns, the Company issued and implemented the 2023 profit distribution plan, and distributed a cash dividend of RMB 1.00 (tax included) per 10 shares to all shareholders, with a total cash dividend of RMB 177 million. At the same time, the Company steadily promoted share repurchases. As of the end of the reporting period, the Company repurchased 14,390,929 shares of the Company by means of centralized bidding through the special account for securities repurchase.

## Section IV Corporate Governance

### I. Annual and extraordinary general meetings held during the reporting period

#### 1. General meetings held during the reporting period

Session	Meeting type	Investor participation ratio	Date of meeting	Disclosure date	Resolutions
Annual general meeting of 2023	Annual general meeting	40.28%	May 21, 2024	May 22, 2024	For details, please refer to the <i>Announcement on Resolutions of the 2023 Annual General Meeting of Shareholders</i> disclosed on cninfo website) (Announcement No.: 2024-040)

#### 2. Extraordinary general meetings held under the request of shareholders holding preferred shares with voting rights resumed

Applicable  Not applicable

### II. Changes in directors, supervisors and senior officers

Applicable  Not applicable

Name	Position	Type of change	Date of change	Reason for change
Andrea Nahmer	Director	Resignation	June 28, 2024	Resigned due to personal work adjustment, and no longer held any position in the Company after resigning

### III. Profit distribution and increase of share capital with reserved fund during the reporting period

Applicable  Not applicable

The Company does not plan to distribute cash dividends, bonus shares, or increase share capital with reserved funds in the six months.

### IV. Implementation of equity incentive plans, employee stock ownership plans or other employee incentive measures of the Company

Applicable  Not applicable

## 1. Equity incentive plans

### (1) 2021 stock option incentive plan (the “2021 Incentive Plan”)

a) The Company held the 13th meeting of the eighth Board of Directors on August 26, 2021, deliberating and passing the *Proposal on the “2021 Stock Option Incentive Plan (Draft) of the Company” and Its Summary*, the *Proposal on the “Administrative Measures for the Implementation and Assessment of the 2021 Stock Option Incentive Plan of the Company”* and the *Proposal on Requesting the Shareholders’ Meeting to Authorize the Board of Directors to Handle Matters Related to the 2021 Stock Option Incentive Plan*. It was agreed that 29.98 million stock options would be granted to 1,087 eligible incentive objects, including directors, senior officers and core technical (business) personnel, at the exercise price of RMB 39.30 per option.

b) The Company held the 13th meeting of the eighth Board of Directors on August 26, 2021, deliberating and passing the *Proposal on the “2021 Stock Option Incentive Plan (Draft) of the Company” and Its Summary*, the *Proposal on the “Administrative Measures for the Implementation and Assessment of the 2021 Stock Option Incentive Plan of the Company”* and the *Proposal on Examining the List of Incentive Objects under the 2021 Stock Option Incentive Plan of the Company*. The Board of Supervisors verified the list of incentive objects under the 2021 Incentive Plan and gave verification opinions.

c) The Company publicized the names and positions of the incentive objects under the 2021 Incentive Plan during the period from September 1, 2021 to September 10, 2021. During the publicity period, the Board of Supervisors of the Company did not receive any objection related to the intended incentive objects under the 2021 Incentive Plan. On September 11, 2021, the Company disclosed the *Publicity Description and Verification Opinions on the List of Incentive Objects under the 2021 Stock Option Incentive Plan of the Company* (Announcement No.: 2021-079).

d) The Company held the 3rd extraordinary shareholders’ meeting of 2021 on September 15, 2021, deliberating and passing the *Proposal on the “2021 Stock Option Incentive Plan (Draft) of the Company” and Its Summary*, the *Proposal on the “Administrative Measures for the Implementation and Assessment of the 2021 Stock Option Incentive Plan of the Company”* and the *Proposal on Requesting the Shareholders’ Meeting to Authorize the Board of Directors to Handle Matters Related to the 2021 Stock Option Incentive Plan*. At the same time, the Company conducted an examination on the buying and selling of the Company’s stocks by the persons in the know of insider information and the incentive objects within 6 months before the announcement of the 2021 Incentive Plan, and did not find any buying and selling of stocks by the persons in the know of insider information using insider information. On September 16, 2021, the Company disclosed the *Report on Examination of the Buying and Selling of the Company’s Stocks by the Persons in the Know of Insider Information and the Incentive Objects under the 2021 Stock Option Incentive Plan* (Announcement No.: 2021-082).

e) The Company held the 14th meeting of the eighth Board of Directors and the 14th meeting of the eighth Board of Supervisors on October 28, 2021, deliberating and passing the *Proposal on the Adjustment of Matters Related to the 2021 Stock Option Incentive Plan* and the *Proposal on the Grant of Stock Options to the Incentive Objects*. The number of incentive objects under the 2021 Incentive Plan was adjusted from 1,087 to 1,063, while the total number of stock options granted under the 2021 Incentive Plan was not adjusted. Meanwhile, the grant date under the 2021 Incentive Plan was confirmed to be October 28, 2021. The Board of Supervisors verified the list of incentive objects to be granted with stock options.

f) The Company disclosed the *Announcement on the Completion of Registration of Grant under the 2021 Stock Option Incentive Plan* (Announcement No.: 2021-096) on November 16, 2021. The registration of grant under the 2021 Incentive Plan was completed in Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. Actually 29.98 million stock options were granted to 1,063 eligible incentive objects.

g) The Company held the 18th meeting of the eighth Board of Directors and the 19th meeting of the eighth Board of Supervisors on July 7, 2022, deliberating and passing the *Proposal on Adjusting the Exercise Price of Stock Options under the 2021 Stock Option Incentive Plan* to adjust the exercise price of the 2021 Incentive Plan from RMB 39.30/share to RMB 39.20/share.

h) The Company held the 3rd meeting of the ninth Board of Directors and the 3rd meeting of the ninth Board of Supervisors on August 28, 2023, deliberating and passing the *Proposal on the Achievement of the Exercise Conditions for the First Exercise Period for the Stock Options Granted under the 2021 Stock Option Incentive Plan* and the *Proposal on the Canceling Some of the Stock Options Granted under the 2021 Stock Option Incentive Plan*. There were a total of 936 incentive objects who met the exercise conditions for the first exercise period for the stock options granted under the 2021 Incentive Plan, and thus a total of 10.6392 million stock options were exercisable. Meanwhile, a total of 3.3688 million stock options that have been granted to 133 incentive objects but not yet exercised were canceled since they did not meet or not fully meet the standards in in personal performance appraisal or resigned.

i) The Company held the 5th meeting of the ninth Board of Directors and the 5th meeting of the ninth Board of Supervisors on December 4, 2023, deliberating and passing the *Proposal on Canceling Some of the Stock Options Granted under the 2021 Stock Option Incentive Plan*. A total of 520,000 stock options that have been granted to 19 incentive objects but not yet exercised were canceled since they resigned and were no longer qualified as incentive objects. Meanwhile, the first exercise period for the stock options granted under the 2021 Incentive Plan has expired on November 14, 2023, and as of the expiration date, none of the incentive objects have exercised the stock options. Therefore, the Company canceled a total of 10.4312 million stock options that have not been exercised upon expiration in accordance with relevant rules and regulations. After the completion of the cancellation, the number of stock options under the 2021 Incentive Plan was changed to 15.66 million, and the number of incentive objects was changed to 917.

j) The Company held the 8th meeting of the ninth Board of Directors and the 8th meeting of the ninth Board of Supervisors on June 21, 2024, deliberating and passing the *Proposal on Adjusting the Exercise Price of Stock Options under the 2021 Stock Option Incentive Plan*. In view of the completion of the implementation of the Company's 2023 annual equity distribution plan, in accordance with the Company's 2021 Stock Option Incentive Plan and the authorization of the third Extraordinary General Meeting of Shareholders in 2021, the Board of Directors of the Company adjusted the exercise price of the stock options under the 2021 Incentive Plan from RMB 39.20/share to RMB 39.10/share.

k) The second waiting period under the 2021 Incentive Plan has expired on November 14, 2023. As of the end of the reporting period, the options thereunder have not been unlocked.

## **(2) 2022 stock option incentive plan (the "2022 Incentive Plan")**

a) The Company held the 16th meeting of the eighth Board of Directors on April 27, 2022, deliberating and passing the *Proposal on the “2022 Stock Option Incentive Plan (Draft) of the Company” and Its Summary*, the *Proposal on the “Administrative Measures for the Implementation and Assessment of the 2022 Stock Option Incentive Plan of the Company”* and the *Proposal on Requesting the Shareholders’ Meeting to Authorize the Board of Directors to Handle Matters Related to the 2022 Stock Option Incentive Plan*. It was agreed that 60 million stock options would be granted to incentive objects, and 48 million of them would be granted to 1,757 eligible incentive objects in the first grant, accounting for 80.00% of the total number of stock options to be granted under the 2022 Incentive Plan. 12 million stock options would be reserved for grant, accounting for 20.00% of the total stock options to be granted under the 2022 Incentive Plan. The exercise price is RMB 18.77 per option. The incentive objects can be directors, senior officers and core technical (business) personnel of the Company.

b) The Company held the 16th meeting of the eighth Board of Directors on April 27, 2022, deliberating and passing the *Proposal on the “2022 Stock Option Incentive Plan (Draft) of the Company” and Its Summary*, the *Proposal on the “Administrative Measures for the Implementation and Assessment of the 2022 Stock Option Incentive Plan of the Company”* and the *Proposal on Examining the List of Incentive Objects in the First Grant under the 2022 Stock Option Incentive Plan of the Company*. The Board of Supervisors verified the list of incentive objects in the first grant under the 2022 Incentive Plan and gave verification opinions.

c) The Company publicized the names and positions of the incentive objects in the first grant under the 2022 Incentive Plan during the period from April 30, 2022 to May 9, 2022. During the publicity period, the Board of Supervisors of the Company did not receive any objection related to the intended incentive objects in the first grant under the 2022 Incentive Plan. On May 11, 2022, the Company disclosed the *Publicity Description and Verification Opinions on the List of Incentive Objects in the First Grant under the 2022 Stock Option Incentive Plan of the Company* (Announcement No.: 2022-047).

d) The Company held the annual shareholders’ meeting of 2021 on May 23, 2022, deliberating and passing the *Proposal on the “2022 Stock Option Incentive Plan (Draft) of the Company” and Its Summary*, the *Proposal on the “Administrative Measures for the Implementation and Assessment of the 2022 Stock Option Incentive Plan of the Company”* and the *Proposal on Requesting the Shareholders’ Meeting to Authorize the Board of Directors to Handle Matters Related to the 2022 Stock Option Incentive Plan*. At the same time, the Company conducted an examination on the buying and selling of the Company’s stocks by the persons in the know of insider information and the incentive objects within 6 months before the disclosure of the draft 2022 Incentive Plan for the first time. On May 24, 2022, the Company disclosed the *Report on Examination of the Buying and Selling of the Company’s Stocks by the Persons in the Know of Insider Information and the Incentive Objects under the 2021 Stock Option Incentive Plan* (Announcement No.: 2022-050).

e) The Company held the 18th meeting of the eighth Board of Directors and the 19th meeting of the eighth Board of Supervisors on July 7, 2022, deliberating and passing the *Proposal on the Adjustment of Matters Related to the 2022 Stock Option Incentive Plan* and the *Proposal on the First Grant of Stock Options to Incentive Objects*. The number of incentive objects in the first grant under the 2022 Incentive Plan was adjusted from 1,757 to 1,723, the total number of stock options in the first grant under the 2022 Incentive Plan was adjusted from 48 million to 47.75 million, the total number of stock options reserved for grant was adjusted from 12 million to 11.9375 million, the total number of stock options to be granted was adjusted from 60 million to 59.6875 million, and the exercise price of stock options first granted and reserved for grant was adjusted from RMB 18.77/share to RMB18.67/share. Meanwhile, the date of first grant under the 2022

Incentive Plan was confirmed to be July 8, 2022. The Board of Supervisors verified the list of incentive objects to be granted with stock options.

f) The Company disclosed the *Announcement on the Completion of Registration of the First Grant under the 2021 Stock Option Incentive Plan* (Announcement No.: 2022-067) on July 22, 2022. The registration of the first grant under the 2022 Incentive Plan was completed in Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. Actually 47.75 million stock options were granted to 1,723 eligible incentive objects.

g) The Company held the 3rd meeting of the ninth Board of Directors and the 3rd meeting of the ninth Board of Supervisors on August 28, 2023, deliberating and passing the *Proposal on the Achievement of the Exercise Conditions for the First Exercise Period for the Stock Options First Granted under the 2022 Stock Option Incentive Plan* and the *Proposal on Canceling Some of the Stock Options First Granted under the 2022 Stock Option Incentive Plan*. There were a total of 1,571 incentive objects who met the exercise conditions for the first exercise period of the stock options granted under the 2022 Incentive Plan, and a total of 17.396 million stock options became exercisable, with an exercise price of RMB 18.67/share. Meanwhile, a total of 4.14 million stock options that have been granted to 193 incentive objects but not yet exercised were canceled since they did not meet or not fully meet the standards in individual performance appraisal or resigned.

h) The Company disclosed the *Reminder Announcement on the Adoption of Autonomous Exercise Mode for the First Exercise Period for the Stock Options First Granted under the 2022 Stock Option Incentive Plan* (Announcement No.: 2023-068) on September 19, 2023. The first exercise period for the stock options first granted under the 2022 Incentive Plan is from September 20, 2023 to July 19, 2024. During the period from the deliberation and approval by the Board of Directors of the Company of the *Proposal on the Achievement of the Exercise Conditions for the First Exercise Period for the Stock Options First Granted under the 2022 Stock Option Incentive Plan* to the completion of the procedures for the application for registration for the autonomous exercise mode, a total of 10 incentive objects did not meet the exercise conditions due to resignation, and thus a total of 200,000 stock options were canceled after completing the approval process. In 2022, there were a total of 1,561 incentive objects who actually meet the exercise conditions during the first exercise period for the stock options first granted under the 2022 Incentive Plan, and thus a total of 17.316 million stock options were exercisable.

i) The Company held the 8th meeting of the ninth Board of Directors and the 8th meeting of the ninth Board of Supervisors on June 21, 2024, deliberating and passing the *Proposal on Adjusting the Exercise Price of Stock Options under the 2022 Stock Option Incentive Plan*. In view of the completion of the implementation of the Company's 2023 annual equity distribution plan, in accordance with the Company's 2022 Stock Option Incentive Plan and the authorization of the annual general meeting of 2021, the Board of Directors of the Company adjusted the exercise price of the stock options under the 2022 Incentive Plan from RMB 18.67/share to RMB 18.57/share.

j) A total of 11.9375 million stock options that were reserved for grant under the 2022 Incentive Plan have expired, since they were not granted within 12 months after the deliberation and approval by the shareholders meeting of the Company (i.e. before May 23, 2023). As of the end of the reporting period, the first exercise period for the stock options first granted under the 2022 Incentive Plan has not yet expired, and a total of 12,422,683 shares were autonomously exercised by the incentive objects. During the reporting period, a total of

6,130,686 shares were autonomously exercised by the incentive objects, and the total share capital of the Company increased from 1,785,186,832 shares to 1,791,317,518 shares.

## 2. Implementation of the employee stock ownership plan (ESOP)

Applicable  Not applicable

All ESOPs in force during the reporting period

Scope of employees	Number of employees	Total amount of stocks held	Change	Ratio to total share capital of the listed Company	Source of funds for plan implementation
The Company's directors (excluding independent directors), supervisors, senior officers and core employees or employees in key positions identified by the Board of Directors as having made outstanding contributions to the development of the Company	97	3,133,684	Some holders under the ESOP (Phase III) were disqualified as holders due to voluntary resignation during the reporting period, and their shares were reclaimed by the Company.	0.17%	Legal remuneration and self-raised funds of participants.

Stocks held by directors, supervisors and senior officers under the ESOP during the reporting period

Name	Position	Number of shares held at the beginning of the reporting period	Number of shares held at the end of the reporting period	Ratio to the total share capital of the Company
Steven Cai	Director	50,000	50,000	0.00%
Zhang Hongli	Director	50,000	50,000	0.00%
Yang Dafa	Chairman of the Board of Supervisors	20,000	20,000	0.00%
Wu Yibing	Supervisor	20,000	20,000	0.00%
Wang Qisui	Vice General Manager	90,000	90,000	0.01%
Zhang Wei	Vice General Manager	50,000	50,000	0.00%
Sun Aiming	Vice General Manager	50,000	50,000	0.00%

Changes of asset management institutions during the reporting period

Applicable  Not applicable

Changes in equity caused by holders' disposal of shares during the reporting period

Applicable  Not applicable

Exercise of shareholders' rights during the reporting period

During the reporting period, representatives of the ESOP (Phase III) attended one shareholders' meeting and exercised voting rights at the meeting.

Other relevant information and explanation of the ESOP during the reporting period

Applicable  Not applicable

Changes in the members of the ESOP Management Committee

Applicable  Not applicable

Financial influence of the ESOP on the listed company during the reporting period and related accounting treatment

Applicable  Not applicable

Termination of the ESOP during the reporting period

Applicable  Not applicable

Other notes:

### **(1) ESOP (Phase III)**

a) The Company held the 21st meeting of the eighth Board of Directors on December 20, 2022, deliberating and passing the *Proposal on the Achievement of the Conditions for Unlocking the First Batch of Shares under the ESOP (Phase III)*. The conditions for unlocking the first batch of shares under the ESOP (Phase III) have been met, and 1,253,473 underlying stocks can be unlocked. For more details, please refer to the *Announcement on the Achievement of the Conditions for Unlocking the First Batch of Shares under the ESOP (Phase III)* (Announcement No. 2022-139) disclosed by the Company on December 22, 2022 on cninfo website.

b) On January 19, 2023, the Company disclosed the *Reminder Announcement on the Expiration of the Lockup Period for the First Batch of Shares under the ESOP (Phase III)* (Announcement No. 2023-007). The first unlocking period of the ESOP (Phase III) expired on January 17, 2023. The Management Committee will choose to sell the underlying stocks during the term of existence, and distribute the cash assets obtained from the sale of the shares held under the ESOP (Phase III) according to the proportion of shares held by the holders after deducting relevant taxes and fees in accordance with the law.

c) On January 20, 2024, the Company disclosed the *Reminder Announcement on the Expiration of the Lockup Period for the Second Batch of Shares under the ESOP (Phase III)* (Announcement No. 2024-005). The second unlocking period of the ESOP (Phase III) expired on January 17, 2024.

d) The Company held the 6th meeting of the ninth Board of Directors on April 18, 2024, deliberating and passing the *Proposal on the Achievement of the Conditions for Unlocking the Second Batch of Shares under the ESOP (Phase III)*. The conditions for unlocking the second batch of shares under the ESOP (Phase III) have been met, and 871,705 underlying stocks can be unlocked. For more details, please refer to the *Announcement on the Achievement of the Conditions for Unlocking the Second Batch of Shares under the ESOP (Phase III)* (Announcement No. 2024-028) disclosed by the Company on April 20, 2024 on cninfo website. The Management Committee will choose to sell the underlying stocks during the term of existence, and distribute the cash assets obtained from the sale of the shares held under the ESOP (Phase III) according to the proportion of shares held by the holders after deducting relevant taxes and fees in accordance with the law.

e) As of the end of the reporting period, the unlocked shares have not been sold.

### **(2) ESOP (Phase IV)**

a) The Company held the first meeting of workers and employees' congress of 2024 on April 27, 2024, fully consulting employees on the proposed implementation of the ESOP (Phase IV). At the meeting, the Company was approved to implement the ESOP (Phase IV). In addition, the proposal has been reviewed and approved by the Compensation and Evaluation Committee of the Board of Directors of the Company.

b) The Company held the 7th meeting of the ninth Board of Directors on April 30, 2024, deliberating and passing the *Proposal on the “ESOP (Phase IV) (Draft) of the Company” and Its Summary*, the *Proposal on the “Administrative Measures for the ESOP (Phase IV) of the Company”* and the *Proposal on Requesting the Shareholders’ Meeting to Authorize the Board of Directors to Handle Matters Related to the ESOP (Phase IV)*. The Company was approved to implement the ESOP (Phase IV), and the Board of Supervisors of the Company gave verification opinions.

c) The Company held the annual general meeting of 2023 on May 21, 2024, deliberating and passing the *Proposal on the “ESOP (Phase IV) (Draft) of the Company” and Its Summary*, the *Proposal on the “Administrative Measures for the ESOP (Phase IV) of the Company”* and the *Proposal on Requesting the Shareholders’ Meeting to Authorize the Board of Directors to Handle Matters Related to the ESOP (Phase IV)*. The Company was approved to implement the ESOP (Phase IV), and the shareholders’ meeting was approved to authorize the Board of Directors to handle matters related to the ESOP (Phase IV).

d) The Company held the 8th meeting of the ninth Board of Directors on June 21, 2024, deliberating and passing the *Proposal on Adjusting the Transfer Price of Stocks under the ESOP (Phase IV)*. In view of the completion of the implementation of the Company’s 2023 annual equity distribution plan, in accordance with the Company’s ESOP (Phase IV) and the authorization of the annual general meeting of 2023, the Board of Directors of the Company adjusted the transfer price of the stocks under the ESOP (Phase IV) from RMB 11.70/share to RMB 11.60/share.

(e) As of the end of the reporting period, the Company has not completed the grant of stocks under the ESOP (Phase IV).

### 3. Other employee incentive measures

Applicable  Not applicable

## Section V Environmental and Social Responsibilities

### I. Major environmental issues

Whether the Company and its subsidiaries belong to the key pollutant discharging units announced by the environmental protection department

Yes  No

Policies and industry standards related to environmental protection

During the reporting period, the Company and those subsidiaries which are key units subject to environmental supervision strictly complied with the requirements of the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Soil Pollution*, the *Law of the People's Republic of China on Environmental Impact Assessment* and other related laws and regulations to protect the environment and prevent pollution, and discharged exhaust gas, waste water and solid waste in strict accordance with the *Emission Standard of Pollutants for Battery Industry* (GB30484), the *Integrated Wastewater Discharge Standard* (GB8978), the *Integrated Emission Standard of Air Pollutants* (GB16279), the *Emission Standard of Air Pollutants for Boilers* (GB13271), the *Emission Standard for Industrial Enterprises Noise at Boundary* (GB12348), the *Standard for Pollution Control on the Non-Hazardous Industrial Solid Waste Storage and Landfill* (GB18599), the *Standard for Pollution Control on Hazardous Waste Storage* (GB18597), the *Emission Standards of Pollutants for Inorganic Chemical Industry* (GB31573) and other standards.

The Company has signed cooperation agreements with professional organizations to provide environmental protection laws and regulations services for the Company and regularly identify environmental protection laws and regulations and industry standards. All subsidiaries strictly abide by the provisions of national laws and regulations on waste water, exhaust gas, noise, solid waste and soil pollution that should be complied with and performed by enterprises, and implement environmental protection requirements in the industry standards.

Environmental protection administrative license

During the reporting period, the Company and its subsidiaries observed relevant national laws and regulations on environmental protection, complied with the national "three simultaneous" system on environmental protection (construction projects and environmental protection facilities are designed, constructed and put into production and use simultaneously), completed environmental impact assessment procedures for new, renovation, and expansion projects in accordance with the law, and obtained the environmental impact assessment approval of construction projects and the emission permit issued by the competent environmental protection department, with no unlicensed projects. In addition, they constructed pollution prevention and control equipment and facilities for waste water, exhaust gas, noise, hazardous waste, etc. in strict accordance with the requirements of the environmental impact assessment in respect of the projects, regularly maintained the facilities to ensure their normal operation, strictly controlled the concentration of

pollutant emissions to achieve standard emissions, and developed pollutant reduction measures, so as to contribute to the protection and improvement of the ecological environment.

#### Industry emission standards and the situation of pollutant emissions in the production and business activities

Name of the Company or its subsidiary	Type of main pollutants and particular pollutants	Name of main pollutants and particular pollutants	Discharge method	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration	Pollutant discharge standards	Total discharge	Approved total discharge	Excessive discharge
Yichun Kefeng New Materials Co., Ltd.	Air pollutant	Sulfur dioxide	Organized discharge	3	Exhaust gas discharge outlet of electric baking furnace; exhaust gas discharge outlet of drying furnace	21.31mg/m <sup>3</sup>	Other discharge standards as set forth in Table 3 of the <i>Emission Standards of Pollutants for Inorganic Chemical Industry</i> (GB31573-2015): 100mg/m <sup>3</sup>	0.9867t	14.438t/a	None
Yichun Kefeng New Materials Co., Ltd.	Air pollutant	Nitrogen oxide	Organized discharge	3	Exhaust gas discharge outlet of electric baking furnace; exhaust gas discharge outlet of drying furnace	85.69mg/m <sup>3</sup>	Other discharge standards as set forth in Table 3 of the <i>Emission Standards of Pollutants for Inorganic Chemical Industry</i> (GB31573-2015): 200mg/m <sup>3</sup>	7.428t	22.1t/a	None
Yichun Kefeng New Materials Co., Ltd.	Water pollutant	COD	Indirect discharge	2	General sewage discharge outlet	23.908mg/L	Indirect discharge standards as set forth in Table 1 of the <i>Emission Standards of Pollutants for Inorganic Chemical Industry</i> (GB31573-2015): 200mg/L	1.9448t	19.263t/a	None
Yichun Kefeng New Materials Co., Ltd.	Water pollutant	Ammonia nitrogen	Indirect discharge	2	General sewage discharge outlet	2.50mg/L	Indirect discharge standards as set forth in Table 1 of the <i>Emission Standards of Pollutants for Inorganic Chemical Industry</i> (GB31573-2015): 40mg/L	0.2233t	4.582t/a	None
Yifeng Gotion Lithium Co., Ltd.	Air pollutant	Sulfur dioxide	Organized discharge	2	Exhaust gas discharge outlet of boiler; exhaust gas discharge outlet of electric baking furnace	9.67mg/m <sup>3</sup>	<i>Emission Standards of Pollutants for Inorganic Chemical Industry</i> (GB31573-2015): 100mg/m <sup>3</sup>	2.02t	37.67t/a	None
Yifeng Gotion Lithium Co., Ltd.	Air pollutant	Nitrogen oxide	Organized discharge	2	Exhaust gas discharge outlet of boiler; exhaust gas discharge outlet of electric baking furnace	33.03mg/m <sup>3</sup>	<i>Emission Standards of Pollutants for Inorganic Chemical Industry</i> (GB31573-2015): 200mg/m <sup>3</sup>	15.52t	42.38t/a	None
Yifeng Gotion Lithium Co., Ltd.	Water pollutant	COD	Indirect discharge	1	Sewage discharge outlet	21mg/L	<i>Emission Standards of Pollutants for Inorganic Chemical Industry</i> (GB31573-2015): 200mg/l	7.18t	10.489t/a	None
Yifeng Gotion Lithium Co., Ltd.	Water pollutant	Ammonia nitrogen	Indirect discharge	1	Sewage discharge outlet	1.60mg/L	<i>Emission Standards of Pollutants for Inorganic Chemical Industry</i>	0.45t	1.141t/a	None

							(GB31573-2015): 40mg/l			
Hefei Gotion High-Tech Power Energy Co., Ltd.	Water pollutant	COD	Indirect discharge	1	General sewage discharge outlet	12.03mg/L	Indirect discharge standard as set forth in Table 2 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB30484-2013): 150mg/L	0.324t	4.352t/a	None
Hefei Gotion High-Tech Power Energy Co., Ltd.	Water pollutant	Ammonia nitrogen	Indirect discharge	1	General sewage discharge outlet	0.112mg/L	Indirect discharge standard as set forth in Table 2 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB30484-2013): 30mg/L	0.005t	0.365t/a	None
Hefei Gotion High-Tech Power Energy Co., Ltd.	Air pollutant	Non-methane hydrocarbon	Organized discharge	2	Organic waste gas discharge outlet	1.48mg/m <sup>3</sup>	Air pollutant emission limit for newly built enterprises as set forth in Table 5 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB30484-2013): 50mg/m <sup>3</sup>	0.05t	13.828t/a	None
Tangshan Gotion Battery Co., Ltd.	Air pollutant	Non-methane hydrocarbon	Organized discharge	4	Organic waste gas discharge outlet	2.50mg/m <sup>3</sup>	Air pollutant emission limit for newly built enterprises as set forth in Table 5 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB30484-2013): 50mg/m <sup>3</sup>	0.45t	18.92t/a	None
Tangshan Gotion Battery Co., Ltd.	Water pollutant	COD	Indirect discharge	1	General sewage discharge outlet	50mg/L	Indirect discharge standards as set forth in Table 2 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB30484-2013): 150mg/L	0.59t	1.757t/a	None
Tangshan Gotion Battery Co., Ltd.	Water pollutant	Ammonia nitrogen	Indirect discharge	1	General sewage discharge outlet	5.00mg/L	Indirect discharge standards as set forth in Table 2 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB30484-2013): 30mg/L	0.06t	0.153t/a	None
Hefei Gotion Battery Co., Ltd.	Water pollutant	COD	Indirect discharge	1	General sewage discharge outlet	52.00mg/L	Indirect discharge standards as set forth in Table 2 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB30484-2013): 150mg/L	0.314t	2.843t/a	None
Hefei Gotion Battery Co., Ltd.	Water pollutant	Ammonia nitrogen	Indirect discharge	1	General sewage discharge outlet	10.61mg/L	Indirect discharge standards as set forth in Table 2 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB30484-2013): 30mg/L	0.066t	0.204t/a	None
Hefei Gotion Battery Co., Ltd.	Air pollutant	Non-methane hydrocarbon	Organized discharge	10	Organic waste gas discharge outlet	3.19mg/m <sup>3</sup>	Air pollutant emission limit for newly built enterprises as set forth in Table 5 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB30484-2013): 50mg/m <sup>3</sup>	0.418t	3.93t/a	None
Hefei Gotion Battery Co., Ltd.	Air pollutant	Nitrogen oxide	Organized discharge	1	Outlet for boiler exhaust gas	28.80mg/m <sup>3</sup>	Special emission limits for gas pollutants as set	1.565t	4.08t/a	None

Ltd.					discharge		forth in Table 3 of the <i>Emission Standard of Air Pollutants for Boiler</i> (GB13271-2014): 150mg/m <sup>3</sup>			
Hefei Gotion Battery Co., Ltd.	Air pollutant	Sulfur dioxide	Organized discharge	1	Outlet for boiler exhaust gas discharge	1.22mg/m <sup>3</sup>	Special emission limits for gas pollutants as set forth in Table 3 of the <i>Emission Standard of Air Pollutants for Boiler</i> (GB13271-2014): 50mg/m <sup>3</sup>	0.07t	1.08t/a	None
Hefei Gotion Battery Co., Ltd.	Air pollutant	Particulate matter	Organized discharge	1	Outlet for boiler exhaust gas discharge	1.23mg/m <sup>3</sup>	Special emission limits for gas pollutants as set forth in Table 3 of the <i>Emission Standard of Air Pollutants for Boiler</i> (GB13271-2014): 20mg/m <sup>3</sup>	0.058t	2.59t/a	None
Nanjing Gotion Battery Co., Ltd.	Water pollutant	Total nitrogen	Indirect discharge	1	General sewage discharge outlet	17.80mg/L	Indirect discharge standard as set forth in Table 2 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB30484-2013): 40mg/L	0.03t	0.259t/a	None
Nanjing Gotion Battery Co., Ltd.	Water pollutant	Ammonia nitrogen	Indirect discharge	1	General sewage discharge outlet	1.20mg/L	Indirect discharge standard as set forth in Table 2 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB30484-2013): 30mg/L	0.004t	0.194t/a	None
Nanjing Gotion Battery Co., Ltd.	Water pollutant	COD	Indirect discharge	1	General sewage discharge outlet	35.00mg/L	Indirect discharge standard as set forth in Table 2 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB30484-2013): 150mg/L	0.032t	0.972t/a	None
Nantong Asitong Electrical Apparatus Co., Ltd.	Air pollutant	Particulate matter	Organized discharge	1	Plastic coating dust outlet	17.03mg/m <sup>3</sup>	Emission concentration of air pollutants from new pollution sources (other) as set forth in Table 2 of the <i>Integrated Emission Standard of Air Pollutants</i> (GB16297-1996): 120mg/m <sup>3</sup>	5.2t	20t/a	None
Nantong Asitong Electrical Apparatus Co., Ltd.	Air pollutant	Non-Methane hydrocarbon	Organized discharge	1	Spray painting exhaust gas outlet	1.46mg/m <sup>3</sup>	Emission concentration of air pollutants from new pollution sources (other) as set forth in Table 2 of the <i>Integrated Emission Standard of Air Pollutants</i> (GB16297-1996): 120mg/m <sup>3</sup>	0.38t	1.0t/a	None
Nantong Asitong Electrical Apparatus Co., Ltd.	Air pollutant	Sulfuric acid mist	Organized discharge	1	Pickling exhaust gas outlet	1.24mg/m <sup>3</sup>	Emission concentration of air pollutants from new pollution sources (other) as set forth in Table 2 of the <i>Integrated Emission Standard of Air Pollutants</i> (GB16297-1996): 45mg/m <sup>3</sup>	0.45t	2t/a	None
Hefei Gotion New Material	Air pollutant	Particulate matter	Organized discharge	1	Coated carbonated exhaust gas	2.70mg/m <sup>3</sup>	Standard limit in the <i>Emission Standard of Air</i>	0.11t	5.76t/a	None

Technology Co., Ltd.							<i>Pollutants for Industrial Kiln and Furnace (DB31/860-2014) of Shanghai Municipality: emission standard: 20mg/m<sup>3</sup></i>			
Hefei Gotion New Material Technology Co., Ltd.	Air pollutant	Non-methane hydrocarbon	Organized discharge	1	Coated carbonated exhaust gas	3.10mg/m <sup>3</sup>	Standard limit in the <i>Integrated Emission Standard of Air Pollutants (DB31/933-2015) of Shanghai Municipality: emission standard: 70mg/m<sup>3</sup></i>	0.13t	3.09t/a	None
Hefei Gotion New Material Technology Co., Ltd.	Air pollutant	Sulfur dioxide	Organized discharge	1	Coated carbonated exhaust gas	ND	Standard limit in the <i>Integrated Emission Standard of Air Pollutants (DB31/933-2015) of Shanghai Municipality: emission standard: 70mg/m<sup>3</sup></i>	/	0.08t/a	None
Hefei Gotion New Material Technology Co., Ltd.	Air pollutant	Nitrogen oxide	Organized discharge	1	Coated carbonated exhaust gas	1.10mg/m <sup>3</sup>	Standard limit in the <i>Integrated Emission Standard of Air Pollutants (DB31/933-2015) of Shanghai Municipality: emission standard: 70mg/m<sup>3</sup></i>	0.044t	0.37t/a	None
Inner Mongolia Gotion Zero Carbon Technology Co., Ltd.	Air pollutant	Sulfur dioxide	Organized discharge	1	Exhaust gas discharge outlet of desulfurizer	8mg/m <sup>3</sup>	<i>Emission Standard of Air Pollutants for Industrial Kiln and Furnace (GB 9078-1996)</i>	0.699t	155.976t/a	None
Inner Mongolia Gotion Zero Carbon Technology Co., Ltd.	Air pollutant	Nitrogen oxide	Organized discharge	1	Exhaust gas discharge outlet of desulfurizer	25mg/m <sup>3</sup>	<i>Emission Standard of Air Pollutants for Industrial Kiln and Furnace (GB 9078-1996)</i>	1.71t	13.464t/a	None
Inner Mongolia Gotion Zero Carbon Technology Co., Ltd.	Air pollutant	Particulate matter	Organized discharge	2	Exhaust gas discharge outlet of desulfurizer; exhaust gas discharge outlet of bag filter	5.15mg/m <sup>3</sup>	Secondary standard of the <i>Integrated Emission Standard of Air Pollutants (GB 16297-1996): Emission Standard of Air Pollutants for Industrial Kiln and Furnace (GB 9078-1996)</i>	1.04t	57.887t/a	None

#### Treatment of pollutants

During the reporting period, the pollution prevention and control facilities and systems of the Company have been functioning normally. The factory adopted “diversion of rain and sewage water”, and domestic sewage was discharged to the septic tank of the park for treatment. The production wastewater and domestic sewage were treated and discharged to the standard. The production exhaust gas was treated and discharged to the standard by the corresponding exhaust gas treatment facilities. The solid wastes were collected and stored separately according to the relevant regulations, among which the domestic wastes were handed over to the sanitation department for disposal, the general industrial solid wastes were handed over to the recycler with technical ability for recycling, and the hazardous wastes were handed over to the unit with hazardous waste management license for disposal. The Company prepares a hazardous waste management plan every year and promptly submits it to the local ecological and environmental department for filing. Noise equipment were

treated with sound insulation, noise reduction, sound absorption, vibration damping and other measures to reduce noise emissions, and the noise of the factory boundary were in compliance with the relevant emission standards.

Firmly with the mission of “Making green energy to serve mankind” and guided by the environmental protection concept of “Adhering to the realization of green manufacturing and taking the road of sustainable development”, the Company actively establishes a sound environmental management system and improves the implementation of environmental management rules and policies. For the production processes that are likely to cause environmental pollution, special management systems and contingency plans for environmental emergencies are formulated to strengthen the supervision of production pollutant emissions and monitoring work to ensure clean production and to build an environmentally friendly and interpersonal harmonious enterprise. The environmental protection facilities constructed by the Company are managed and maintained by dedicated persons, and are designed, constructed and put into production and use together with the main work at the same time.

#### Emergency plan for environmental emergencies

The subsidiaries of the Company have entrusted qualified units to prepare the contingency plans for environmental emergencies based on the *National Contingency Plan for Environmental Emergencies* and other relevant documents, taking into account their actual situations, and filed the plans with the local environmental protection authorities. The contingency plans for environmental emergencies will be revised every three years. At the same time, regular emergency drills for environmental emergencies have been conducted to improve emergency management capabilities and to ensure effective control in the event of an emergency and to reduce the harm to the environment.

#### Input in environmental governance and protection and payment of environmental protection taxes

During the reporting period, all subsidiaries of the Company have strictly complied with national laws and regulations as well as local environmental protection policies, and invested in money in environmental protection from aspects such as wastewater treatment, exhaust gas treatment, noise treatment, solid waste treatment and soil pollution treatment, and paid environmental protection taxes on time every quarter.

#### Environmental self-monitoring plan

In accordance with the *Measures for Self-monitoring and Information Disclosure by Key Enterprises Subject to State Monitoring (for Trial Implementation)* (Huan Fa [2013] No.81) issued by the Ministry of Environmental Protection and the latest requirements for the implementation of pollution discharge permits, the subsidiaries of the Company have carried out self-monitoring and information disclosure of pollutants discharged, formulated self-monitoring plans every year, conducted regular testing in strict accordance with the plan and disclosed the monitoring information, and the monitoring results meet relevant emission standards.

#### Administrative punishment received for environmental issues during the reporting period

Name of the Company or its subsidiaries	Reason for punishment	Description of non-compliance	Result of punishment	Impact on the production and operation of the Company	Rectification measures of the Company
Yifeng Gotion Lithium Co., Ltd.	The concentration of fluoride at the exhaust gas	Administrative punishment	Fine of RMB 396,000	Economic losses and increased environmental	To upgrade the exhaust gas treatment facilities

	discharge outlet of electric baking furnace exceeds the emission standard of air pollutants			risks	to enhance the spray absorption effect, improve the dust removal and fluorine removal efficiency, and stabilize the discharge to the standard.
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Other environmental information that should be disclosed

During the reporting period, there were no environmental information that the Company need to or was required to disclose in the form of an interim report.

Actions taken to reduce carbon discharge and their effect during the reporting period

Applicable  Not applicable

In the context of the continuous hot global new energy market and the continuous advancement of the global carbon neutrality goal, in order to better promote the Company's ESG management and enhance the Company's sustainable development ability, the Company established an ESG management committee, with the chairman as the director. The committee has 11 ESG working groups to develop ESG target indicators, clarify the direction of improvement, gradually promote the Company's ESG management level in stages, and plan to achieve carbon neutrality by 2040. With regard to the goal, the Company formulated a detailed implementation path to gradually increase the number and proportion of zero-carbon factories, improve the proportion of green logistics transportation, and thus reduce the carbon emissions from its own operations. At the same time, the Company actively promoted carbon emission reduction in the supply chain, used recycled materials to improve the green proportion of auxiliary energy, promoted the implementation of the strategic plan of carbon neutrality by reducing carbon emissions and other means through optimization of product design and manufacturing processes via technological innovation, and comprehensively promoted the improvement of ESG management performance in battery recycling, recyclable material use, waste reduction, resource conservation, scientific and technological equality, social welfare, community relations, employee rights and development, and efficient corporate governance.

The major carbon emissions from the operations of the Company and its subsidiaries come from energy consumption. During the reporting period, the Company actively adopted technology upgrading, energy structure optimization and energy-saving and emission reduction measures, promoted the establishment of ISO50001 energy management system certification, effectively reduced carbon emissions, demonstrated the win-win situation of environmental responsibility and economic efficiency, and continued to plan future emission reduction strategies to meet the challenges.

During the reporting period, the Company actively responded to the national "carbon peaking and carbon neutrality goals" and promoted energy conservation and consumption reduction measures. The subsidiaries of Gotion High-Tech initiated a total of 66 energy-saving and carbon reduction projects to reduce greenhouse gas

emissions by 107,700 tonnes of carbon dioxide equivalent through measures such as equipment optimization and retrofitting. At the same time, the Company actively increased the proportion of renewable energy use, reducing greenhouse gas emissions of 43,000 tons of carbon dioxide equivalent by using photovoltaic power.

Other environmental protection related information

The Company, as the vice chairman of Anhui Environmental Federation, will continue to assist and cooperate with the government to achieve the environmental objectives and tasks of Anhui Province, safeguard the public and social environmental rights and interests, and promote the development of environmental protection and environmental protection industry in Anhui Province.

## II. Social responsibilities

### (I) Strengthen the achievements of help projects and go all out for love donation and assistance

On the road of pursuing excellent development, the Company always insists on improving the ESG performance in accordance with relevant policies and standards. Social responsibility is an important part. During the reporting period, the Company actively participated in helping the poverty group, fulfilled its corporate responsibility with practical actions through precise help and continuous care, and continued to contribute deeply to social development. Details are as follows.

#### 1. Help projects

(1) “Two-Festival” heart-warming activities: in early 2024, the Company visited the workers in difficulty, and gave a total of RMB 600,000 to 200 workers in difficulty as condolence payments, with each worker receiving RMB 3,000.

(2) Help fund: The Company has established a perfect help fund system. In the first half of 2024, a total of 11 employees were helped through the help fund, and a total of RMB 116,000 of help funds is used.

(3) Employment help: The Company solved the local employment problem by “sending posts to villages” and other means. In the first half of 2024, Liuzhou and many other subsidiaries of Gotion High-Tech solved the employment problem of 368 people, including 129 people from ethnic minorities.

#### 2. Love donation

(1) In February 2024, Jiangxi Gotion donated RMB 500,000 to Huaqiao Chiyuan Village for public utility construction;

(2) In April 2024, Yichun Gotion Lithium donated RMB 200,000 to help Heshe Village, Xinchang Town, Yichun implement livelihood improvement, poverty alleviation and employment training projects, and actively respond to the call of “ten thousand enterprises prosper ten thousand villages”;

(3) In May 2024, Tongcheng Gotion donated RMB 100,000 to Tongcheng Disabled Persons' Federation to care for and support the cause of disabled persons, and contribute to promoting the well-being of disabled persons and social inclusive development.

## **(II) Follow-up work plan for the current year**

### **1. Helping vulnerable groups**

The Company plans to organize a series of activities to visit families in difficulty in villages with prominent aging problems and lagging economic development. It will provide special funds and daily necessities for each family in difficulty.

In response to the employment difficulty, the Company will absorb members of local groups in economic difficulty and vulnerable groups to participate in employment, especially the disabled groups, and implement special employment assistance plans to broaden their employment channels, so as to achieve optimal allocation of labor resources and social inclusive growth.

### **2. Caring for students**

The Company plans to use the provincial A-level Party organization project bonus to donate to Tangshan Children Welfare Office to support its operation and development.

## Section VI Major Matters

### I. Commitments that have been completed during the reporting period or not completed by the end of the reporting period by the Company's actual controller, shareholders, related parties, acquirers and other commitment parties

Applicable  Not applicable

Reasons for commitment	Party making the commitment	Type of commitment	Content of commitment	Commitment time	Commitment period	Performance
Commitments made during IPO or refinancing	Volkswagen China	Other commitments	According to the <i>Commitment on Ensuring Adequate Provision of Important Strategic Resources to the Listed Company</i> issued by Volkswagen China: "As of the date of the commitment, other than this transaction, Volkswagen China is not currently engaged in and has no plans in the next three years to participate as a strategic investor in non-public offerings of other domestic listed companies engaged in the production of automotive power lithium batteries. Due to the strategic importance of this transaction, Volkswagen China will perform its	February 10, 2021	February 10, 2021 to February 9, 2024	Completed

			necessary duties and make every effort to ensure that its important strategic resources shall be adequately provided to Gotion High-Tech under the principle of equality, willingness and fairness.”			
Whether the commitments are performed on time	Yes					
Elaborate the specific reasons for failure to perform any commitment on time and the work plan for the next step	Not applicable					

## II. Controlling shareholder and its related parties' occupation of non-operating capital of the Company

Applicable  Not Applicable

During the reporting period, the controlling shareholder and its related parties did not occupy any non-operating capital of the Company.

## III. Illegal guarantee

Applicable  Not Applicable

During the reporting period, the Company did not provide any illegal guarantees.

## IV. Appointment and dismissal of accounting firm

Whether the semi-annual financial report is audited or not

Yes  No

The semi-annual report of the Company is not audited.

## V. Explanations made by the Board of Directors and the Board of Supervisors on the “Non-standard Auditor’s Report” from the accounting firm during the reporting period

Applicable  Not applicable

## VI. Statement by the Board of Directors on the “Non-Standard Auditor’s Report” of the last year

Applicable  Not applicable

## VII. Matters related to bankruptcy reorganization

Applicable  Not applicable

The Company did not have any bankruptcy reorganization related matters during the reporting period.

## VIII. Litigation

Major litigation and arbitration

Applicable  Not applicable

The Company did not have any major litigation or arbitration during the reporting period.

Other litigation

Applicable  Not applicable

General information of litigation (arbitration)	Amount involved (RMB '0,000)	Whether estimated liabilities are formed	Progress in litigation (arbitration)	Result of litigation (arbitration) and impact thereof	Enforcement of litigation (arbitration) judgments	Disclosure date	Disclosure website
Case of financial loan dispute between Tianjin Branch of SPD Bank v. Tianjin Hengtian New Energy Vehicle Research Institute Co., Ltd. and Beijing CHTC Xinneng New Energy Automobile Technology Co., Ltd.	16,428.03	No	Under enforcement	No material impact	Under enforcement		
Case of sales contract dispute between Hefei Gotion High-Tech Power Energy Co.,	16,443.99	No	In the process of restructuring	No material impact	In the process of restructuring		

Ltd. v. Hubei Xinchufeng Automobile Co., Ltd.							
Petition for bankruptcy reorganization of Hubei Xinchufeng Automobile Co., Ltd. by Tianjin Hengtian New Energy Vehicle Research Institute Co., Ltd.	25,437.89	No	In the process of restructuring	No material impact	In the process of restructuring		
Case of sales contract disputes between Feidong Gotion New Material Co., Ltd. v. Zhejiang Yongtai Technology Co., Ltd.	20,253.92	No	Pending court	No material impact	Under trial		
Case of sales contract disputes between Zhejiang Yongtai Technology Co., Ltd. v. Feidong Gotion New Material Co., Ltd. and Hefei Qianrui Technology Co., Ltd.	31,118.3	No	Pending court	No material impact	Under trial		
Case of sales contract disputes between Nantong Gotion New Energy Technology Co., Ltd. v. Letin (Shandong) Supply Chain Management Co., Ltd. and Letin Automobile Group Co., Ltd.	14,719.16	No	Creditor's rights declared	No material impact	In the process of bankruptcy reorganization		
Other cases under enforcement	94,462.85	No	Under enforcement	No material impact	Under enforcement		

## **IX. Punishment and rectification**

Applicable  Not applicable

The Company received no punishment and made no rectification during the reporting period.

## **X. Credit status of the Company, its controlling shareholder and actual controller**

Applicable  Not applicable

## **XI. Major related party transactions**

### **1. Related party transactions related to daily operations**

Applicable  Not applicable

Related party	Related relationship	Type of related party transaction	Contents of related party transaction	Pricing principles for related party transactions	Price of related party transaction	Amount of related party transaction (RMB '0,000)	Proportion in amount of similar transactions	Approved transaction quota (RMB '0,000)	Is the approved limit exceeded	Settlement method of related party transactions	Available market price for similar transactions	Disclosure date	Disclosure website
MCC Ramu New Energy Technology Co., Ltd.	Corporate Associates in which Wang Qiang, the Deputy General Manager of the Company, serves as a director	Purchase of materials	Ternary precursor	Market pricing	Market price	3,612.95	20.72%	50,000	No	Currency	3,612.95	April 20, 2024	Cninfo website, Announcement No. 2024-022
Hefei Qianrui Technology Co., Ltd.	A company controlled by the actual controller	Purchase of materials	Electrolyte, dimethyl carbonate	Market pricing	Market price	21,771.84	38.62%	50,000	No	Currency	21,771.84	April 20, 2024	Cninfo website, Announcement No. 2024-022
Anhui Chiyu New Materials Technology Co., Ltd.	A company controlled by the actual controller	Purchase of materials and battery accessories	Battery box and accessories	Market pricing	Market price	12,802.68	19.89%	35,000	No	Currency	12,802.68	August 29, 2024	Cninfo website, Announcement No. 2024-022 and 2024-066
Anhui Gotion Xianglv Technology Co., Ltd.	A company controlled by the actual controller	Purchase of materials and battery accessories	Battery box, battery box cover, etc.	Market pricing	Market price	24,139.37	32.21%	100,000	No	Currency	24,139.37	August 29, 2024	Cninfo website, Announcement No. 2024-022 and 2024-066
Hefei Yuanyuan Technology Co., Ltd.	A company controlled by the actual controller	Purchase of materials and battery accessories	Aluminum foil and conductive paste	Market pricing	Market price	21,934.44	54.46%	90,000	No	Currency	21,934.44	April 20, 2024	Cninfo website, Announcement No. 2024-022
Nanjing Shengshi Precision Industry Co., Ltd.	A company controlled by the actual controller	Purchase of materials and battery accessories	Cell cover plate, cell shell, etc.	Market pricing	Market price	56,230.2	48.11%	120,000	No	Currency	56,230.20	August 29, 2024	Cninfo website, Announcement No. 2024-022 and 2024-066
Bengbu Jinshi Technology Co., Ltd.	A company controlled by the actual controller	Purchase of materials and battery accessories	Pole piece, hard row, etc.	Market pricing	Market price	3,950.38	6.00%	20,000	No	Currency	3,950.38	April 20, 2024	Cninfo website, Announcement No. 2024-022
Shanghai Gotion Digital Energy Technology Co., Ltd.	A company controlled by the actual controller	Purchase of battery accessories	Energy storage related accessories	Market pricing	Market price	35,438.24	60.99%	80,000	No	Currency	35,438.24	April 20, 2024	Cninfo website, Announcement No. 2024-022
Volkswagen	The largest	Sales of	Battery cells,	Market	Market	5,416.2	0.35%	100,000	No	Currency	5,416.20	April 20,	Cninfo

(China) Investment Co., Ltd. and its related parties	shareholder of the Company	goods	etc.	pricing	price							2024	website, Announcement No. 2024-022
Innovative (Suzhou) New Energy Technology Co., Ltd.	A joint venture of Volkswagen China	Sales of goods	Battery pack	Market pricing	Market price	1,606.37	5.86%	50,000	No	Currency	1,606.37	April 20, 2024	Cninfo website, Announcement No. 2024-022
Tata Auto Comp Gotion Green Energy Solutions Private Limited	A joint venture of the Company, in which Li Chen, one of the controlling shareholders, once served as a director	Sales of materials and goods	Battery cells and accessories, etc.	Market pricing	Market price	100,228.2	6.71%	200,000	No	Currency	100,228.20	August 29, 2024	Cninfo website, Announcement No. 2024-022 and 2024-066
Shanghai Gotion Digital Energy Technology Co., Ltd.	A company controlled by the actual controller	Sales of goods	Battery cells, energy storage products, etc.	Market pricing	Market price	7,037.73	0.36%	100,000	No	Currency	7,037.73	April 20, 2024	Cninfo website, Announcement No. 2024-022
Nanjing Gotion Holding Group Co., Ltd. and its subsidiaries	Companies controlled by the actual controller	Sales of goods	Switch cabinets, etc.	Market pricing	Market price	222.73	3.19%	60,000	No	Currency	222.73	April 20, 2024	Cninfo website, Announcement No. 2024-022
Gotion Holding Group Co., Ltd. and its subsidiaries	Companies controlled by the actual controller	Sales of goods and materials	Battery cells and accessories, etc.	Market pricing	Market price	87.07	0.01%	10,000	No	Currency	87.07	April 20, 2024	Cninfo website, Announcement No. 2024-022
Gotion Holding Group Co., Ltd. and its subsidiaries	Companies controlled by the actual controller	Acceptance of labor services	Property services, entrusted hotel and cafeteria management, entrusted collection and payment of water and electricity fees ,	Market pricing	Market price	8,482.01	86.38%	40,000	No	Currency	8,482.01	April 20, 2024	Cninfo website, Announcement No. 2024-022

			conference services, etc.										
Gotion Holding Group Co., Ltd. and its subsidiaries	Companies controlled by the actual controller	Rental of assets from related persons	Leasing of factories and equipment, etc.	Market pricing	Market price	2,110.03	65.69%	9,000	No	Currency	2,119.39	April 20, 2024	Cninfo website, Announcement No. 2024-022
Nanjing Gotion Holding Group Co., Ltd. and its subsidiaries	Companies controlled by the actual controller	Acceptance of labor services	Entrusted collection and payment of water and electricity fees, etc.	Market pricing	Market price	1,337.76	13.62%	10,000	No	Currency	1,337.76	April 20, 2024	Cninfo website, Announcement No. 2024-022
Nanjing Gotion Holding Group Co., Ltd. and its subsidiaries	Companies controlled by the actual controller	Rental of assets from related persons	Leasing of factories, etc.	Market pricing	Market price	1,102.19	34.31%	3,000	No	Currency	1,109.42	April 20, 2024	Cninfo website, Announcement No. 2024-022
Volkswagen (China) Investment Co., Ltd. and its related parties	The largest shareholder of the Company	Rendering of labor services	Development services	Market pricing	Market price	3,169.54	100.00%	20,000	No	Currency	3,169.543	April 20, 2024	Cninfo website, Announcement No. 2024-022
Volkswagen (China) Investment Co., Ltd. and its related parties	The largest shareholder of the Company	Leasing of assets to related parties	Leasing of production lines	Market pricing	Market price	5,715.27	100.00%	12,000	No	Currency	5,715.27	August 29, 2024	Cninfo website, Announcement No. 2024-066
Total				--	--	316,395.2	--	1,159,000	--	--	--	--	--
Details of large sales return				No									
If the total amount of daily related party transactions to occur in the current period is estimated by category, the actual performance (if any) during the reporting period				No									
Reasons for large difference between the transaction price and the market reference price (if applicable)				Not applicable									

## **2. Related party transactions related to the acquisition or sale of assets or equity**

Applicable  Not Applicable

The Company did not have any related party transactions related to the acquisition or sale of assets or equity during the reporting period.

## **3. Related party transactions related to joint investment**

Applicable  Not Applicable

The Company had no related party transaction related to joint investment during the reporting period.

## **4. Related creditor's rights and debts**

Applicable  Not Applicable

The Company had no related creditor's rights and debts during the reporting period.

## **5. Transactions with related finance company**

Applicable  Not Applicable

The Company had no deposits, loans, credit facilities or other financial business with the related finance company and related parties.

## **6. Transactions between the finance company controlled by the Company and related parties**

Applicable  Not Applicable

There were no deposits, loans, credit facilities or other financial business between the finance company controlled by the Company and related parties.

## **7. Other major related party transactions**

Applicable  Not Applicable

The Company had no other major related party transactions during the reporting period.

## **XII. Major contracts and the performance thereof**

### **1. Trusteeship, contracting and lease matters**

#### **(1) Trusteeship**

Applicable  Not applicable

The Company had no trusteeship matters during the reporting period.

**(2) Contracting**

Applicable Not applicable

The Company had no contracting matters during the reporting period.

**(3) Lease**

Applicable  Not applicable

Description of lease

1. Financial leasing: As of the end of the reporting period, the total lease principal involved in the sale-leaseback and direct lease financial leasing of the Company and its subsidiaries totaled RMB 3,920,330,100. The business has not been completed. During the reporting period, the Company and its subsidiaries paid the rent on time.

2. Please refer to the relevant contents of Section X Financial Report - XIV.5.(2) Related party leasing” for related party leasing. In addition, during the reporting period, some of the Company’s own properties were rented out, and there were no other major leases except for office and warehouse use.

Projects that bring the Company a profit or loss of more than 10% of the Company’s total profit of the reporting period

Applicable Not Applicable

The Company had no leasing projects that bring it a profit or loss of more than 10% of the Company’s total profit thereof during the reporting period.

**2. Major guarantee**

Applicable  Not applicable

Monetary Unit: RMB ‘0,000

Guarantee provided by the Company and its subsidiaries for other (excluding the guarantees provided for its subsidiaries)										
Name of guaranteed entity	Disclosure date of relevant announcement on guarantee amount	Guarantee amount	Actual date of occurrence	Actual guarantee amount	Guarantee type	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Performance completed or not	Related party guarantee or not
MCC Ramu New Energy Technology Co., Ltd.	April 20, 2024	18,000.00	January 5, 2022	11,325.00	Joint and several liability guarantee	None	None	2.25 years	Yes	Yes
Shanghai Electric Gotion New Energy Technology Co., Ltd.	April 20, 2024	38,514.00	November 22, 2018 - May 9, 2020	29,789.99	Joint and several liability guarantee	None	Counter guarantee provided	8-10 years	No	No
Hefei Senior New Energy Materials Co., Ltd.	April 20, 2024	19,374.00	January 14, 2022 - July 5, 2022	9,314.51	Joint and several liability guarantee	Corresponding collateral	Counter guarantee provided	6-9 years	No	No
Total amount of guarantee approved to be provided for others (excluding subsidiaries) during the reporting period (A1)			0	Total amount of guarantee actually provided for others (excluding subsidiaries) during the reporting period (A2)						0
Total amount of guarantee approved to be provided for others (excluding subsidiaries) as at the end of the reporting period (A3)			57,888	Balance of the amount of guarantee actually provided for others (excluding subsidiaries) as at the end of the reporting period (A4)						39,104.5
Guarantees provide by the Company for its subsidiaries										
Name of guaranteed entity	Disclosure date of relevant announcement on guarantee amount	Guarantee amount	Actual date of occurrence	Actual guarantee amount	Guarantee type	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Performance completed or not	Related party guarantee or not
Chuzhou Gotion New Energy Power Co., Ltd.	April 20, 2024	300,000.00	November 17, 2023	50,996.21	Joint and several liability guarantee	None	None	10 years	No	No

Gotion New Energy (Lujiang) Co., Ltd.	April 20, 2024	185,500.00	June 29, 2021 - May 22, 2024	105,880.14	Joint and several liability guarantee	Corresponding collateral	None	3.5-7 years	No	No
Gotion New Energy (Lujiang) Co., Ltd.	April 20, 2024	185,500.00	July 6, 2023 - November 23, 2023	9,499.00	Joint and several liability guarantee	None	None	0.5 years	Yes	No
Hefei Gotion Battery Materials Co., Ltd.	April 20, 2024	173,300.00	March 25, 2022 - June 21, 2024	140,568.00	Joint and several liability guarantee	Corresponding collateral	None	3.5-11 years	No	No
Hefei Gotion Battery Material Co., Ltd.	April 20, 2024	173,300.00	July 10, 2023 - December 21, 2023	20,996.00	Joint and several liability guarantee	None	None	0.5-1 year	Yes	No
Hefei Gotion Battery Technology Co., Ltd.	April 20, 2024	320,000.00	March 17, 2023	112,081.67	Joint and several liability guarantee	None	None	10 years	No	No
Hefei Gotion Battery Co., Ltd.	April 20, 2024	49,950.00	December 19, 2020	21,250.00	Joint and several liability guarantee	None	None	9 years	No	No
Hefei Gotion Battery Co., Ltd.	April 20, 2024	55,000.00	March 18, 2022	51,471.96	Joint and several liability guarantee	Corresponding collateral	None	2 years	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 20, 2024	2,601,239.10	September 29, 2021 - June 26, 2024	1,751,205.62	Joint and several liability guarantee	Corresponding collateral	None	2.5-10 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 20, 2024	2,601,239.10	March 26, 2021 - December 28, 2023	741,268.09	Joint and several liability guarantee	Corresponding collateral	None	0.5-3 years	Yes	No
Hefei Gotion Kehong New Energy Technology Co., Ltd.	April 20, 2024	307,900.00	April 29, 2022 - January 11, 2024	170,182.37	Joint and several liability guarantee	Corresponding collateral	None	4-11 years	No	No
Hefei Gotion New Materials Technology Co., Ltd.	April 20, 2024	56,500.00	June 27, 2022 - March 19, 2024	36,648.81	Joint and several liability guarantee	Corresponding collateral	None	5-11 years	No	No
Hefei Gotion Cycle Technology Co., Ltd.	April 20, 2024	10,000.00	September 13, 2022 - January 18, 2024	2,435.57	Joint and several liability guarantee	Corresponding collateral	None	4-5 years	No	No
Hefei Gotion Cycle Technology Co., Ltd.	April 20, 2024	10,000.00	August 1, 2023	5,000.00	Joint and several liability guarantee	None	None	1 year	Yes	No
Jiangsu Dongyuan Electric Appliance Group Co., Ltd.	April 20, 2024	38,650.00	July 25, 2023 - May 16, 2024	33,900.00	Joint and several liability guarantee	None	None	3-4 years	No	No
Jiangsu Dongyuan Electric Appliance Group Co., Ltd.	April 20, 2024	38,650.00	January 10, 2023 - November 28, 2023	16,500.00	Joint and several liability guarantee	None	None	0.5-1 year	Yes	No
Jiangsu Gotion New Energy Technology Co., Ltd.	April 20, 2024	258,500.00	September 2, 2022 - May 22, 2024	238,942.23	Joint and several liability guarantee	Corresponding collateral	None	3.5-11 years	No	No
Jiangxi Gotion New Energy Technology Co., Ltd.	April 20, 2024	20,000.00	October 12, 2022	16,400.00	Joint and several liability guarantee	Corresponding collateral	None	6 years	No	No
Jinzhai Gotion New Energy Co., Ltd.	April 20, 2024	195,000.00	November 30, 2023 - March 12, 2024	43,860.81	Joint and several liability guarantee	None	None	4-10 years	No	No
Liuzhou Gotion Battery Co., Ltd.	April 20, 2024	224,064.00	September 14, 2021 - June 20, 2024	157,743.75	Joint and several liability guarantee	Corresponding collateral	None	4-9 years	No	No
Liuzhou Gotion Battery Co., Ltd.	April 20, 2024	224,064.00	March 31, 2023	5,596.00	Joint and several liability guarantee	None	None	1 year	Yes	No
Nanjing Gotion Battery Co., Ltd.	April 20, 2024	145,400.00	October 31, 2022 - June 13, 2024	120,920.00	Joint and several liability guarantee	None	None	3-5 years	No	No
Nanjing Gotion Battery Co., Ltd.	April 20, 2024	145,400.00	March 10, 2023 - December 4, 2023	38,890.00	Joint and several liability guarantee	None	None	0.5-1 year	Yes	No
Nanjing Gotion New Energy Co., Ltd.	April 20, 2024	185,000.00	July 28, 2023 - June 19, 2024	136,450.00	Joint and several liability guarantee	None	None	3-5 years	No	No
Nanjing Gotion New Energy Co., Ltd.	April 20, 2024	185,000.00	September 2, 2020 - December	63,749.50	Joint and several liability	Corresponding collateral	None	0.5-4 years	Yes	No

			21, 2023		guarantee					
Nantong Asitong Electrical Apparatus Co., Ltd.	April 20, 2024	1,000.00	December 12, 2023	1,000.00	Joint and several liability guarantee	None	None	4 years	No	No
Nantong Gotion New Energy Technology Co., Ltd.	April 20, 2024	35,000.00	July 18, 2023- June 28, 2024	30,000.00	Joint and several liability guarantee	None	None	4 years	No	No
Nantong Gotion New Energy Technology Co., Ltd.	April 20, 2024	35,000.00	February 27, 2023- July 3, 2023	10,000.00	Joint and several liability guarantee	None	None	1 year	Yes	No
Inner Mongolia Gotion Zero Carbon Technology Co., Ltd.	April 20, 2024	138,248.02	April 2, 2022- December 25, 2023	74,545.09	Joint and several liability guarantee	Corresponding collateral	None	6-8 years	No	No
Inner Mongolia Gotion Zero Carbon Technology Co., Ltd.	April 20, 2024	138,248.02	March 31, 2023	6,000.00	Joint and several liability guarantee	None	None	1 year	Yes	No
Qingdao Gotion Battery Co., Ltd.	April 20, 2024	167,000.00	September 27, 2023- June 6, 2024	118,000.00	Joint and several liability guarantee	None	None	4-5 years	No	No
Qingdao Gotion Battery Co., Ltd.	April 20, 2024	167,000.00	January 17, 2023- November 21, 2023	77,000.00	Joint and several liability guarantee	None	None	1 year	Yes	No
Shanghai Xuanyi New Energy Development Co., Ltd.	April 20, 2024	138,590.00	December 31, 2019- December 25, 2020	80,285.23	Joint and several liability guarantee	Corresponding collateral	None	12-13 years	No	No
Tangshan Gotion Battery Co., Ltd.	April 20, 2024	389,500.00	August 15, 2022- June 5, 2024	244,836.60	Joint and several liability guarantee	Corresponding collateral	None	4-10 years	No	No
Tangshan Gotion Battery Co., Ltd.	April 20, 2024	389,500.00	July 31, 2023	15,000.00	Joint and several liability guarantee	None	None	1 year	Yes	No
Tongcheng Gotion New Energy Technology Co., Ltd.	April 20, 2024	511,700.00	March 24, 2022 - June 13, 2024	278,259.00	Joint and several liability guarantee	None	None	4-8.5 years	No	No
Tongcheng Gotion New Energy Technology Co., Ltd.	April 20, 2024	511,700.00	June 22, 2023- September 6, 2023	22,127.28	Joint and several liability guarantee	None	None	0.5-1 year	Yes	No
Yichun Gotion Battery Co., Ltd.	April 20, 2024	310,000.00	January 21, 2022- June 20, 2024	203,459.64	Joint and several liability guarantee	Corresponding collateral	None	4-11 years	No	No
Yichun Gotion Battery Co., Ltd.	April 20, 2024	310,000.00	June 20, 2023	30,000.00	Joint and several liability guarantee	None	None	1 year	Yes	No
Yichun Gotion Lithium Industry Co., Ltd.	April 20, 2024	10,000.00	November 24, 2023	9,500.00	Joint and several liability guarantee	None	None	4.5 years	No	No
Yifeng Gotion Lithium Co., Ltd.	April 20, 2024	105,500.00	August 18, 2023 - April 16, 2024	67,379.07	Joint and several liability guarantee	Corresponding collateral	None	3-4 years	No	No
Total amount of guarantee approved to be provided for subsidiaries during the reporting period (B1)			1,418,016.02		Total amount of guarantee actually provided for subsidiaries during the reporting period (B2)					1,494,812.7
Total amount of guarantee approved to be provided for subsidiaries as at the end of the reporting period (B3)			6,902,354.12		Balance of the amount of guarantee actually provided for subsidiaries as at the end of the reporting period (B4)					4,246,729.81
Guarantee provided by a subsidiary for another subsidiary										
Name of guaranteed entity	Disclosure date of relevant announcement on guarantee amount	Guarantee amount	Actual date of occurrence	Actual guarantee amount	Guarantee type	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Performance completed or not	Related party guarantee or not
None										
Total amount of guarantee approved to be provided for subsidiaries during the reporting period (C1)			0		Total amount of guarantee actually provided for subsidiaries during the reporting period (C2)					0
Total amount of guarantee approved to be provided for subsidiaries as at the end of the reporting period (C3)			0		Balance of the amount of guarantee actually provided for subsidiaries as at the end of the reporting period (C4)					0

Total amount of guarantee provided by the Company (i.e., sum of the three items above)			
Total amount of guarantee approved to be provided during the reporting period (A1+B1+C1)	1,418,016.02	Total amount of guarantee actually provided during the reporting period (A2+B2+C2)	1,494,812.7
Total amount of guarantee approved to be provided as at the end of the reporting period (A3+B3+C3)	6,960,242.12	Balance of the amount of guarantee actually provided as at the end of the reporting period (A4+B4+C4)	4,285,834.31
Proportion of the total actual amount of guarantee (i.e., A4+B4+C4) to the Company's net assets		173.83%	
Of which:			
Balance of the amount of guarantee provided to shareholders, the actual controller and their related parties (D)		0	
Balance of the amount of debt guarantee provided, directly or indirectly, to insured parties with an asset-liability ratio of more than 70% (E)		3,492,331.28	
Amount guaranteed in excess of 50% of net assets (F)		3,032,492.31	
Total amount of the above three guarantees (D+E+F)		4,121,067.02	
Notes on unexpired guarantee contracts with guarantee responsibilities occurred or evidence indicating the possible joint liabilities during the reporting period (if any)		None	
Notes on providing external guarantees in violation of specified procedures (if any)		None	

Description of the use of composite guarantees

### 3. Entrusted wealth management

Applicable  Not applicable

Monetary Unit: RMB '0,000

Specific type	Source of funds for entrusted wealth management	Amount of entrusted wealth management	Unexpired balance	Amount overdue yet uncollected	Impairment provision for the amount overdue yet uncollected
Bank financial products	Raised funds	-90,645.21	110,233.63	0	0
Others	Self-owned funds	-32,102.67	149,711.88	0	0
Total		-122,747.88	259,945.51	0	0

Details of high-risk entrusted wealth management with significant individual amounts, low security and poor liquidity

Applicable  Not Applicable

Situations where the expected principal of the entrusted financial management may encounter cannot be recovered or otherwise impaired

Applicable  Not Applicable

### 4. Other major contracts

Applicable  Not Applicable

There are no major contracts during the reporting period.

## XIII. Other major events

Applicable  Not applicable

1. The Company held the 6th meeting of the ninth Board of Directors and the 6th meeting of the ninth Board of Supervisors, and the 2023 Annual General Meeting of Shareholders on April 18, 2024 and May 21, 2024 respectively, deliberating and passing the *Proposal on the Renewal of the Appointment of Accounting*

*Firm for 2024*, in which the Company renewed the appointment of Suya Jincheng CPA LLP to be responsible for financial report audit and internal control audit. For details, please refer to the *Announcement on the Renewal of the Appointment of the Accounting Firm for 2024* (Announcement No.: 2024-023) disclosed by the Company on April 20, 2024 on the designated information disclosure media.

2. The Company held the 6th meeting of the ninth Board of Directors and the 6th meeting of the ninth Board of Supervisors on April 18, 2024, deliberating and passing the *Proposal on the Change of Accounting Policies*. For details, please refer to the *Announcement on the Change of Accounting Policies* (Announcement No.: 2024-025) disclosed by the Company on April 20, 2024 on the designated information disclosure media.

3. The Company held the 6th meeting of the ninth Board of Directors and the 6th meeting of the ninth Board of Supervisors, and the 2023 Annual General Meeting of Shareholders on April 18, 2024 and May 21, 2024 respectively, deliberating and passing the *2023 Annual Profit Distribution Plan*. The Company intends to distribute a cash dividend of RMB 1 (tax included) per 10 shares to all shareholders based on the total share capital registered on the equity registration date for the implementation of the equity distribution after deducting the repurchased shares in the Company's special account for securities repurchase, and no bonus shares will be granted and the Company will not increase share capital with reserved funds. As of the end of the reporting period, the Company had completed the 2023 annual equity distribution, with a total cash dividend of RMB 177 million. For details, please refer to the *Announcement on the Implementation of 2023 Annual Equity Distribution* (Announcement No.: 2024-043) disclosed by the Company on June 15, 2024 on the designated information disclosure media.

#### **XIV. Major events of the subsidiaries**

Applicable  Not Applicable

## Section VII Changes in Shares and Information of Shareholders

### I. Changes in shares

#### 1. Changes in shares

Unit: Share

	Before the change		Increase/decrease in the change					After the change	
	Number	Proportion	Shares newly issued	Shares granted	Shares converted from capital reserve	Others	Subtotal	Number	Proportion
I. Shares subject to sales restriction	462,032,583	25.88%	600	0	0	0	600	462,033,183	25.79%
1. Shares held by the state	0	0.00%	0	0	0	0	0	0	0.00%
2. Shares held by state legal persons	0	0.00%	0	0	0	0	0	0	0.00%
3. Shares held by other domestic subjects	462,032,583	25.88%	600	0	0		600	462,033,183	25.79%
Including: shares held by domestic legal persons	384,163,346	21.52%	0	0	0	0	0	384,163,346	21.45%
Shares held by domestic natural persons	77,869,237	4.36%	600	0	0		600	77,869,837	4.35%
4. Shares held by foreign subjects	0	0.00%	0	0	0	0	0	0	0.00%
Including: shares held by foreign legal persons	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by foreign natural persons	0	0.00%	0	0	0	0	0	0	0.00%
II. Shares not subject to sales restriction	1,323,154,249	74.12%	6,130,086	0	0		6,130,086	1,329,284,335	74.21%
1. RMB ordinary shares	1,323,154,249	74.12%	6,130,086	0	0		6,130,086	1,329,284,335	74.21%
2. Shares listed at home and held by foreign subjects	0	0.00%	0	0	0	0	0	0	0.00%
3. Shares listed overseas and held by foreign subjects	0	0.00%	0	0	0	0	0	0	0.00%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total number of shares	1,785,186,832	100.00%	6,130,686	0	0	0	6,130,686	1,791,317,518	100.00%

Reasons for shares change

Applicable  Not applicable

The Company disclosed the *Reminder Announcement on the Adoption of Autonomous Exercise Mode for the First Exercise Period for the Stock Options First Granted under the 2022 Stock Option Incentive Plan* (Announcement No.: 2023-068) on September 19, 2023. The first exercise period for the stock options first granted under the 2022 Incentive Plan is from September 20, 2023 to July 19, 2024. During the reporting period, a total of 6,130,686 shares were autonomously exercised by the incentive objects, and the total share capital of the Company increased from 1,785,186,832 shares to 1,791,317,518 shares.

Approval of shares change

Applicable  Not applicable

The Company held the 3rd meeting of the ninth Board of Directors and the 3rd meeting of the ninth Board of Supervisors on August 30, 2023, deliberating and passing the *Proposal on the Achievement of the Exercise Conditions for the First Exercise Period for the Stock Options First Granted under the 2022 Stock Option Incentive Plan*. The exercise conditions for the first exercise period for the stock options first granted under the 2022 stock option incentive plan were achieved. There were a total of 1,571 incentive objects who met the exercise conditions, and a total of 17.396 million stock options became exercisable, with an exercise price of RMB 18.67/share.

The Company held the 8th meeting of the ninth Board of Directors and the 8th meeting of the ninth Board of Supervisors on June 21, 2024, deliberating and passing the *Proposal on Adjusting the Exercise Price of Stock Options under the 2022 Stock Option Incentive Plan*. In view of the completion of the implementation of the Company's 2023 annual equity distribution plan, in accordance with the Company's 2022 Stock Option Incentive Plan and the authorization of the annual general meeting of 2021, the Board of Directors of the Company adjusted the exercise price of the stock options under the 2022 Incentive Plan from RMB 18.67/share to RMB 18.57/share.

Ownership transfer with respect to the shares change

Applicable  Not applicable

Progress on share repurchases

Applicable  Not applicable

The Company held the 5th meeting of the ninth Board of Directors on December 4, 2023, deliberating and passing the *Proposal on the Plan of Repurchasing the Company's Shares*, and agreeing that the Company would use its own funds to repurchase part of the Company's RMB ordinary A-shares through centralized bidding for the later implementation of the ESOP or equity incentive plan. The total amount of funds used for repurchase is not less than RMB 300 million (inclusive) and not more than RMB 600 million (inclusive), the price of share repurchase does not exceed RMB 34.00/share, and the period of share repurchase is 12 months from the date of approval of the share repurchase plan by the Board of Directors. In view of the completion of

the implementation of the Company's 2023 annual equity distribution on June 21, 2024, the price of share repurchase has been adjusted from not exceeding RMB 34.00/share to not exceeding RMB 33.90/share. As of the end of the reporting period, the Company repurchased 14,390,929 shares of the Company by means of centralized bidding through the special account for securities repurchase, with the highest transaction price of RMB 21.18/share and the lowest transaction price of RMB 17.11/share. The payment amount is RMB 280,940,375.79 (excluding transaction cost).

Progress of reducing the repurchased shares by means of centralized bidding

Applicable  Not applicable

Impact of the shares changes on the financial indicators, including the basic earnings per share, diluted earnings per share and the net assets per share attributed to the shareholders of the Company's ordinary shares in the recent year and period

Applicable  Not applicable

As of the end of the reporting period, the total number of the Company's shares has increased from 1,785,186,832 shares at the beginning to 1,791,317,518 shares. The impact of this share change on the financial indicators such as basic earnings per share, diluted earnings per share, and net assets per share for the first half of 2024 is as follows:

Item	Calculated based on the share capital at the beginning of the reporting period (RMB/Share)	Calculated based on the share capital at the end of the reporting period (RMB/Share)
Basic earnings per share	0.1519	0.1514
Diluted earnings per share	0.1518	0.1513
Net asset per share	13.8051	13.7579

Other contents deemed necessary by the Company or required to be disclosed by the security regulatory institution

Applicable  Not applicable

## 2. Changes in shares subject to sales restriction

Applicable  Not applicable

Unit: Share

Name of shareholder	Number of shares subject to sales restriction at the beginning of the period	Number of shares with sales restriction released in the current period	Number of shares with sales restriction newly imposed in the current period	Number of shares subject to sales restriction at the end of period	Reasons for sales restriction	Date of sales restriction being released
Li Zhen	77,457,112	0	0	77,457,112	Locked-up shares of senior officers	Subject to relevant laws and regulations of the CSRC and the SZSE
Zhang Hongli	129,750	0	0	129,750	Locked-up	Subject to

					shares of senior officers	relevant laws and regulations of the CSRC and the SZSE
Wang Qiang	219,675	0	0	219,675	Locked-up shares of senior officers	Subject to relevant laws and regulations of the CSRC and the SZSE
Wang Qisui	9,000	0	0	9,000	Locked-up shares of senior officers	Subject to relevant laws and regulations of the CSRC and the SZSE
Wu Yibing	19,500	0	0	19,500	Locked-up shares of senior officers	Subject to relevant laws and regulations of the CSRC and the SZSE
Volkswagen (China) Investment Co., Ltd.	384,163,346	0	0	384,163,346	The Company made a private placement of 384,163,346 shares to strategic investors, Volkswagen China; the shares subscribed by Volkswagen China shall not be transferred within 36 months from the date of listing.	The lock-up for directed issue of restricted stocks will be lifted on December 14, 2024
Pan Wang	34,200	0	600	34,800	Locked-up shares of departed senior officers	Subject to relevant laws and regulations of the CSRC and the SZSE
Total	462,032,583	0	600	462,033,183	--	--

## II. Securities issuance and listing

Applicable  Not applicable

## III. Number of shareholders and shareholding status

Unit: Share

Total number of shareholders holding ordinary shares at the end of the reporting period	154,803	Total number of preferred shareholders whose voting rights have been restored by the end of the reporting period (if any) (refer to Note VIII)	0				
Shareholding status of shareholders holding above 5% ordinary shares or top 10 shareholders holding ordinary shares (excluding shares lent through refinancing business)							
Name of	Nature of	Ownership	Number of	Increase	Number of	Number of	Being pledged, marked or

shareholder	shareholder	ratio	ordinary shares held at the end of the reporting period	and decrease during the reporting period	restricted ordinary shares held	ordinary shares held without unlimited sales condition	frozen	
							Share status	Number
Volkswagen (China) Investment Co., Ltd.	Domestic non-state-owned legal person	24.60%	440,630,983	0	384,163,346	56,467,637	N/A	0
Nanjing Gotion Holding Group Co., Ltd.	Domestic non-state-owned legal person	9.53%	170,751,887	0	0	170,751,887	Pledged	108,880,000
Li Zhen	Domestic natural person	5.77%	103,276,150	0	77,457,112	25,819,038	N/A	0
Hong Kong Securities Clearing Co., Ltd.	Overseas legal person	3.53%	63,166,217	18,629,046	0	63,166,217	N/A	0
Li Chen	Domestic natural person	1.59%	28,472,398	0	0	28,472,398	N/A	0
Galaxy Derivatives Financial Service Co. Ltd.	Domestic non-state-owned legal person	1.20%	21,414,618	-27,100	0	21,414,618	N/A	0
Citibank, National Association	Overseas legal person	1.19%	21,280,100	0	0	21,280,100	N/A	0
China Construction Bank Corporation - Qianhai Kaiyuan Public Utility Industry Equity Securities Investment Fund	Others	0.97%	17,426,516	-630,100	0	17,426,516	N/A	0
Foshan Electric Lighting Co., Ltd.	Domestic non-state-owned legal person	0.96%	17,133,791	0	0	17,133,791	N/A	0
Industrial and Commercial Bank of China Limited – Huatai-PineBridge HS300 Exchange Traded	Others	0.71%	12,661,194	4,696,000	0	12,661,194	N/A	0

Securities Investment Fund								
Circumstances where strategic investors or general legal persons become the top 10 shareholders holding ordinary shares due to the placement of new shares (if any) (refer to Note III)	N/A							
Explanations on the related relationship or concerted actions of the said shareholders	<p>1. Shareholders Li Zhen, Li Chen and Gotion Holding are persons acting in concert (Li Zhen is the Controlling Shareholder, legal representative, and executive director of Gotion Holding; and Li Chen is the son of Li Zhen).</p> <p>2. Gotion Holding implemented a capital increase plan in 2023 and conducted over-the-counter derivative trading with Galaxy Derivatives Financial Service Co. Ltd. (“Galaxy Derivatives”). Galaxy Derivatives accumulatively purchased 21,373,518 shares of the Company’s shares from the secondary market through the securities trading system of the SZSE, but Gotion Holding has no related relationship with Galaxy Derivatives;</p> <p>3. Except for the aforesaid related relationship, it is unknown whether there is any other related relationship among the top 10 shareholders, or whether there are any persons acting in concert as stipulated in the <i>Measures for the Administration of the Takeover of Listed Companies</i>.</p>							
Description of the shareholders entrusting/being entrusted with/waiving voting right	According to the provisions of the Shareholders Agreement, Volkswagen China undertakes that, within 36 months after the transferred shares are registered in the name of Volkswagen China or a longer period determined by Volkswagen China in its sole discretion, Volkswagen China shall irrevocably waive the voting rights with respect to part of shares held by it in the Company so that the voting percentage of Volkswagen China shall be at least 5% lower than the voting percentage of the Founder Shareholders (Nanjing Gotion Holding Group Co., Ltd., Li Zhen and Li Chen collectively referred to as the Founder Shareholders).							
Special statement of repurchase accounts among the top 10 shareholders (if any) (see Note XI)	As of the end of the reporting period, the total number of shares held in the Company’s special account for securities repurchase was 21,157,239 shares, with a holding ratio of 1.18%, excluding restricted shares and not involving pledge or freezing.							
Shareholding status of top 10 shareholders holding ordinary shares without limited sales condition (excluding shares lent through refinancing business or locked-up shares of senior officers)								
Name of shareholder	Number of ordinary shares held without limited sales condition at the end of the reporting period	Share class						
		Share class	Number					
Nanjing Gotion Holding Group Co., Ltd.	170,751,887	RMB ordinary shares	170,751,887					
Hong Kong Securities Clearing Co., Ltd.	63,166,217	RMB ordinary shares	63,166,217					
Volkswagen (China) Investment Co., Ltd.	56,467,637	RMB ordinary shares	56,467,637					
Li Chen	28,472,398	RMB ordinary shares	28,472,398					
Li Zhen	25,819,038	RMB ordinary shares	25,819,038					
Galaxy Derivatives Financial Service Co. Ltd.	21,414,618	RMB ordinary shares	21,414,618					

Citibank, National Association	21,280,100	RMB ordinary shares	21,280,100
China Construction Bank Corporation – Qianhai Kaiyuan Public Utility Industry Equity Securities Investment Fund	17,426,516	RMB ordinary shares	17,426,516
Foshan Electrical and Lighting Co., Ltd	17,133,791	RMB ordinary shares	17,133,791
Industrial and Commercial Bank of China Limited - Huatai Bairui CSI300 ETF	12,661,194	RMB ordinary shares	12,661,194
Explanations on the related relationship or concerted actions among the top 10 shareholders holding ordinary shares not subject to sales restriction, and that between the top 10 shareholders holding ordinary shares not subject to sales restriction and the top 10 shareholders holding ordinary shares	<p>1. Shareholders Li Zhen, Li Chen and Gotion Holding are persons acting in concert (Li Zhen is the Controlling Shareholder, legal representative, and executive director of Gotion Holding; and Li Chen is the son of Li Zhen).</p> <p>2. Gotion Holding implemented a capital increase plan in 2023 and conducted over-the-counter derivative trading with Galaxy Derivatives. Galaxy Derivatives accumulatively purchased 21,373,518 shares of the Company's shares from the secondary market through the securities trading system of the SZSE, but Gotion Holding has no related relationship with Galaxy Derivatives.</p> <p>3. Except for the aforesaid related relationship, it is unknown whether there is any other related relationship among the top 10 shareholders holding outstanding shares not subject to sales restriction, or between the top 10 shareholders holding outstanding shares not subject to sales restriction and the top 10 shareholders, or whether there are any persons acting in concert as stipulated in the <i>Measures for the Administration of the Takeover of Listed Companies</i>.</p>		
Explanation of the top 10 shareholders holding ordinary shares who participate in securities margin trading (if any) (refer to Note IV)	The shareholder Gotion Holding holds 15,550,000 shares of the Company through the credit securities account.		

Whether the shareholders holding above 5% shares, the top 10 shareholders and the top 10 shareholders holding outstanding shares without limited sales condition participate in the lending of shares through refinancing business

Applicable  Not applicable

Any change in the top 10 shareholders and the top 10 shareholders holding outstanding shares without limited sales condition compared to the previous period due to lending through refinancing business/return

Applicable  Not applicable

Whether the top 10 shareholders holding ordinary shares and the top 10 shareholders holding ordinary shares not subject to sales restriction of the Company conduct the agreed repurchase transaction during the reporting period

Yes  No

None of the top 10 shareholders holding ordinary shares or the top 10 shareholders holding ordinary shares not subject to sales restriction of the Company conducts any agreed repurchase transaction during the reporting period.

#### IV. Changes in shareholding of the directors, supervisors and senior officers

Applicable  Not applicable

Name	Position	Status	Number of shares held at the beginning of the period (share)	Number of shares increased in the current period (share)	Number of shares decreased in the current period (share)	Number of shares held at the end of the period (share)	Number of restricted shares granted at the beginning of the period (share)	Number of restricted shares granted in the current period (share)	Number of restricted shares granted at the end of the period (share)
Li Zhen	Chairman & General Manager	Incumbent	103,276,150	0	0	103,276,150	0	0	0
Steven Cai	Director & Deputy General Manager	Incumbent	0	0	0	0	0	0	0
Olaf Korzinovski	Director	Incumbent	0	0	0	0	0	0	0
Zhang Hongli	Director	Incumbent	173,000	0	0	173,000	0	0	0
Sun Zhe	Independent director	Incumbent	0	0	0	0	0	0	0
Qiao Yun	Independent Director	Incumbent	0	0	0	0	0	0	0
Qiu Xinping	Independent Director	Incumbent	0	0	0	0	0	0	0
Wang Feng	Independent Director	Incumbent	0	0	0	0	0	0	0
Yang Dafa	Chairman of the Board of Supervisors	Incumbent	0	0	0	0	0	0	0
Li Yan	Supervisor	Incumbent	0	0	0	0	0	0	0
Wu Yibing	Employee representative supervisor	Incumbent	26,000	0	0	26,000	0	0	0
Wang Qisui	Vice General Manager	Incumbent	12,000	0	0	12,000	0	0	0
Sun Aiming	Vice General Manager	Incumbent	0	0	0	0	0	0	0
Wang Qiang	Vice General Manager	Incumbent	292,900	0	0	292,900	0	0	0
Zhang Wei	Vice General Manager	Incumbent	0	0	0	0	0	0	0
Wang Quan	Secretary of the Board of Directors	Incumbent	0	0	0	0	0	0	0
Zhang Yifei	Financial Director	Incumbent	0	0	0	0	0	0	0
Andrea Nahmer	Director	Resigned	0	0	0	0	0	0	0
Total	--	--	103,780,050	0	0	103,780,050	0	0	0

## V. Change of the controlling shareholder or actual controller

Change of the controlling shareholder during the reporting period

Applicable  Not applicable

The controlling shareholder of the Company did not change during the reporting period.

Change of the actual controller during the reporting period

Applicable  Not applicable

The actual controller of the Company did not change during the reporting period.

## Section VIII Preferred Shares

Applicable  Not applicable

The Company does not have any preferred shares during the reporting period.

## Section IX Bonds

Applicable  Not applicable

### I. Corporation bonds

Applicable  Not applicable

The Company has no corporation bonds during the reporting period.

### II. Corporate bonds

Applicable  Not applicable

The Company has no corporate bonds during the reporting period.

### III. Debt financing instruments of non-financial enterprises

Applicable  Not applicable

#### 1. Basic information of debt financing instruments of non-financial enterprises

Monetary Unit: RMB '0,000

Name of bond	Name abbreviation	Bond code	Issue date	Date of value	Maturity date	Balance of bonds	Interest rate	Method of repayment of principal and interest	Place of trade
2022 Gotion High-Tech Green Bonds (Technological Innovation) Debt Financing Plan (Phase I)	22 Wan Gotion High-Tech ZRGN001 (Technological Innovation)	22CFGN0838	November 25, 2022	November 25, 2022	November 24, 2025	35,000	4.0%	The interest shall be paid once a season and the principal shall be repaid each half year, the remaining principal and interest are paid in full at maturity.	Beijing Financial Asset Exchange
2023 Collective Short-term Financing Bonds for Advanced Manufacturing Enterprises in the Yangtze River Delta (Phase I)	23 Yangtze River Delta Collective CP001	042380753	December 22, 2023	December 25, 2023	September 20, 2024	40,000	2.98%	Repayment of principal and interest at one time after maturity	Inter-bank bond market
Investor Suitability Arrangements (if any)	Qualified investors of Beijing Financial Asset Exchange (excluding investors prohibited by national laws and regulations) and domestic qualified institutional investors who have opened accounts at the Shanghai Clearing House respectively.								
Applicable trading mechanism	Not applicable.								
Whether there is any risk in the termination of listing and if any, the countermeasures to cope with such risks	None.								

Bonds with overdue payment

Applicable  Not applicable

#### 2. Trigger and enforcement of option provisions and investor protection provisions with respect to the issuer or investors

Applicable  Not applicable

**3. Adjustment of credit rating results during the reporting period**

Applicable  Not applicable

During the reporting period, the Company's corporate credit rating was adjusted from AA to AA+ according to the Subject Credit Rating Report numbered "Dong Fang Jin Cheng Zhu Ping Zi [2024] No. 0186" issued by Golden Credit Rating International Co., Ltd.

**4. Guarantee, debt repayment plan, and other debt security plans during the reporting period and their impacts on the rights and interests of bond investors**

Applicable  Not applicable

**IV. Convertible corporate bonds**

Applicable  Not applicable

The Company has no convertible corporate bonds during the reporting period.

**V. Situation where the loss as indicated in the consolidated financial statements during the reporting period exceeds 10% of the net assets as at the end of the previous year**

Applicable  Not applicable

**VI. Major accounting data and financial indicators of the Company in the past two years up to the end of the reporting period**

Monetary Unit: RMB '0,000

Item	End of the current period	End of previous year	Increase or decrease as at the end of the current period compared with the end of the previous year
Current ratio	0.91	0.94	-3.19%
Debt-to-asset ratio	73.77%	71.90%	1.87%
Quick ratio	0.74	0.73	1.37%
	Current period	Same period of last year	Increase or decrease in the current period compared with the same period of last year
Net profit after deducting non-recurring profit and loss	4,906.12	3,537.01	38.71%
EBITDA-to-total debt ratio	2.80%	4.05%	-1.25%
Interest coverage ratio	1.02	1.32	-22.73%
Cash interest coverage ratio	0.22	0.34	-35.29%
EBITDA interest coverage ratio	2.44	2.46	-0.81%
Loan repayment rate	100.00%	100.00%	0.00%
Interest payment coverage ratio	100.00%	100.00%	0.00%

## Section X Financial Report

### I. Audit reports

Is the company's semi-annual report audited?

Yes  No

The Company's semi-annual financial report is not audited.

### II. Financial statements

The currency of the statements in the financial notes: RMB

#### 1. Consolidated Balance Sheet

Prepared by: Gotion High-Tech Co., Ltd.

June 30, 2024

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Current assets:		
Cash and cash equivalents	14,225,915,922.31	14,513,081,982.66
Balances with clearing companies		
Lendings to banks and other financial institutions		
Held-for-trading financial assets	3,470,873,172.44	4,707,054,011.26
Derivative financial assets	9,609,722.84	
Notes receivable	319,470,759.19	129,078,415.05
Accounts receivable	17,224,928,781.13	12,910,896,108.05
Accounts receivable financing	705,850,302.71	482,376,009.97
Advance to suppliers	275,566,482.90	349,076,416.53
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	542,143,983.18	499,878,057.48
Of which: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	5,369,101,402.46	5,678,694,206.58
Of which: Data resources		
Contract assets		
Assets held for sale		
Non-current assets maturing within one year	71,012,201.10	69,311,028.19
Other current assets	2,773,519,825.25	3,089,771,842.51
Total current assets	44,987,992,555.51	42,429,218,078.28
Non-current assets:		
Disbursement of loans and advances		
Debt investments		
Other debt investments	4,988,760.00	4,957,890.00
Long-term receivables		

Long-term equity investments	1,593,044,890.21	1,504,967,335.07
Other equity investments	1,346,950,460.19	1,525,336,830.09
Other non-current financial assets	1,568,864,000.00	1,567,541,000.00
Investment properties		
Fixed assets	21,602,326,972.21	21,856,847,448.98
Construction in progress	19,135,306,080.14	15,820,621,504.09
Productive biological assets		
Oil and gas assets		
Right-of-use assets	128,666,540.29	133,933,797.18
Intangible assets	4,733,726,286.24	4,684,099,777.48
Of which: Data resources		
Development expenditure	524,324,206.69	396,375,241.69
Of which: Data resources		
Goodwill	498,539,014.91	498,539,014.91
Long-term deferred expenses	101,901,792.14	103,409,367.31
Deferred tax assets	1,415,325,172.64	1,053,587,652.39
Other non-current assets	1,128,687,548.83	2,013,217,184.91
Total non-current assets	53,782,651,724.49	51,163,434,044.10
Total assets	98,770,644,280.00	93,592,652,122.38
Current liabilities:		
Short-term borrowings	17,815,337,879.23	16,236,958,673.37
Borrowing from the central bank		
Borrowings from banks and other financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	6,854,027,955.95	6,127,727,697.37
Accounts payable	15,128,783,659.22	13,407,264,616.09
Receipts in advance		
Contract liabilities	194,476,711.63	1,025,880,130.88
Financial assets sold under repurchase agreements		
Receipts of customer deposits and interbank deposits		
Receipts from securities trading agency		
Receipts from securities underwriting agency		
Employee compensation payable	218,880,459.95	456,686,794.98
Taxes and surcharges payable	543,562,180.28	287,512,174.60
Other payables	995,238,749.85	938,044,051.99
Of which: Interest payable		
Dividends payable	22,162,146.61	2,033,891.80
Handling charges and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities maturing within one year	6,631,702,984.47	5,377,525,617.76
Other current liabilities	941,946,527.83	1,508,427,177.57
Total current liabilities	49,323,957,108.41	45,366,026,934.61
Non-current liabilities:		
Provision for insurance contracts		
Long-term borrowings	18,976,807,151.31	18,159,844,604.65
Bonds payable	247,855,104.20	296,796,432.95
Of which: Preferred shares		
Perpetual bonds		
Lease liabilities	193,836,845.98	229,098,013.94
Long-term payables	2,562,878,400.78	2,234,411,193.68
Long-term employee compensation payable		
Provisions	569,568,112.07	497,666,911.03
Deferred income	758,837,922.66	239,950,247.83
Deferred tax liabilities	229,340,618.90	272,976,747.84

Other non-current liabilities		
Total non-current liabilities	23,539,124,155.90	21,930,744,151.92
Total liabilities	72,863,081,264.31	67,296,771,086.53
Owners' equity:		
Share capital	1,791,317,518.00	1,785,186,832.00
Other equity instruments		
Of which: Preferred shares		
Perpetual bonds		
Capital reserves	19,259,395,749.04	19,036,728,674.44
Less: Treasury shares	611,844,932.22	341,698,364.73
Other comprehensive income	-541,890,653.76	-87,404,801.14
Special reserves	1,777,698.83	1,271,151.96
Surplus reserves	199,754,672.38	199,754,672.38
Generic risk reserve		
Undistributed profit	4,557,299,887.99	4,473,001,832.26
Total owners' equity attributable to parent company	24,655,809,940.26	25,066,839,997.17
Minority equity	1,251,753,075.43	1,229,041,038.68
Total owners' equity	25,907,563,015.69	26,295,881,035.85
Total liabilities and owners' equity	98,770,644,280.00	93,592,652,122.38

Legal Representative: Li Zhen    Accounting Principal: Zhang Yifei    Head of the Accounting Dept.: Zhao Hua

## 2. Parent Company's Balance Sheet

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Current assets:		
Cash and cash equivalents	2,324,080,147.46	1,821,666,374.55
Held-for-trading financial assets	459,516,260.11	419,564,721.28
Derivative financial assets		
Notes receivable		
Accounts receivable	624,000.00	0.00
Accounts receivable financing		
Advance to suppliers		
Other receivables	1,037,323,527.95	1,489,764,873.56
Of which: Interest receivable		
Dividends receivable	230,000,000.00	230,000,000.00
Inventories	4,575,637.00	5,807,714.00
Of which: Data resources		
Contract assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	20,167,642.20	15,186,598.20
Total current assets	3,846,287,214.72	3,751,990,281.59
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	21,645,999,424.37	21,539,635,999.55
Other equity investments	178,382,210.79	214,067,143.41
Other non-current financial assets		
Investment properties		
Fixed assets		
Construction in progress		
Productive biological assets		

Oil and gas assets		
Right-of-use assets		
Intangible assets		
Of which: Data resources		
Development expenditure		
Of which: Data resources		
Goodwill		
Long-term deferred expenses		
Deferred tax assets	15,394,358.23	18,903,571.39
Other non-current assets	2,714,880.75	
Total non-current assets	21,842,490,874.14	21,772,606,714.35
Total assets	25,688,778,088.86	25,524,596,995.94
Current liabilities:		
Short-term borrowings		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable		1,271,720.00
Receipts in advance		
Contract liabilities		
Employee compensation payable	7,121,726.23	19,128,845.83
Taxes and surcharges payable	243,919.63	356,496.58
Other payables	2,127,120,370.70	1,518,244,759.79
Of which: Interest payable		
Dividends payable	2,033,891.80	2,033,891.80
Liabilities held for sale		
Non-current liabilities maturing within one year	101,192,592.59	101,600,000.00
Other current liabilities	405,763,600.50	400,085,037.37
Total current liabilities	2,641,442,209.65	2,040,686,859.57
Non-current liabilities:		
Long-term borrowings		
Bonds payable	247,855,104.20	296,796,432.95
Of which: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee compensation payable		
Provisions		
Deferred income		
Deferred tax liabilities	3,355,455.90	19,150,084.84
Other non-current liabilities		
Total non-current liabilities	251,210,560.10	315,946,517.79
Total liabilities	2,892,652,769.75	2,356,633,377.36
Owners' equity:		
Share capital	1,791,317,518.00	1,785,186,832.00
Other equity instruments		
Of which: Preferred shares		
Perpetual bonds		
Capital reserves	21,480,245,539.08	21,362,574,111.95
Less: Treasury shares	552,844,932.22	282,698,364.73
Other comprehensive income	-39,989,623.33	-4,304,690.71
Special reserves		
Surplus reserves	106,641,495.66	106,641,495.66
Undistributed profit	10,755,321.92	200,564,234.41
Total owners' equity	22,796,125,319.11	23,167,963,618.58
Total liabilities and owners' equity	25,688,778,088.86	25,524,596,995.94

### 3. Consolidated Income Statement

Monetary Unit: RMB

Item	Half year of 2024	Half year of 2023
I. Gross operating income	16,793,872,660.65	15,238,815,021.58
Of which: Operating income	16,793,872,660.65	15,238,815,021.58
Interest income		
Premiums earned		
Income from handling charges and commissions		
II. Total operating costs	16,329,719,634.83	15,004,001,034.29
Of which: Operating costs	13,802,981,718.33	12,899,601,817.37
Interest expenses		
Handling charge and commission expenses		
Surrender value		
Net compensation expenses		
Net withdrawals of reserve for insurance liability		
Policy dividend payments		
Reinsurance costs		
Taxes and surcharges	114,794,898.56	85,607,180.10
Selling expenses	393,016,491.87	326,801,740.18
G&A expenses	742,534,630.66	798,207,203.40
R&D expenses	902,960,677.93	904,443,792.36
Financial expenses	373,431,217.48	-10,660,699.12
Of which: Interest expenses	644,120,153.54	497,235,691.83
Interest income	238,691,467.71	139,543,763.18
Add: Other income	334,904,609.03	87,495,235.84
Investment income (“-” for losses)	2,811,089.47	78,014,647.83
Of which: Income from investment in associates and joint ventures	-45,933,577.74	54,439,537.74
Income from derecognition of financial assets measured at amortized cost		
Foreign exchange gains (“-” for losses)		
Net exposure hedging gains (“-” for losses)		
Gains from changes in fair values (“-” for losses)	-11,772,700.03	132,767,406.45
Credit impairment losses (“-” for losses)	-439,257,336.32	-231,689,204.09
Assets impairment losses (“-” for losses)	-100,319,751.83	-85,959,501.25
Assets disposal income (“-” for losses)	3,040,583.44	6,031,053.65
III. Operating profit (“-” for losses)	253,559,519.58	221,473,625.72
Add: Non-operating income	9,573,706.17	8,132,344.55
Less: Non-operating expenses	11,345,198.80	20,912,022.49
IV. Total profit (“-” for total losses)	251,788,026.95	208,693,947.78
Less: Income tax expenses	-60,712,100.96	-32,253,959.58
V. Net profit (“-” for net losses)	312,500,127.91	240,947,907.36
(i) Classified by going concern		
1. Net profit from continuing operation (“-” for net losses)	312,500,127.91	240,947,907.36
2. Net profit from discontinued operations (“-” for net losses)		
(ii) Classified by ownership		
1. Net profit attributable to parent company (“-” for net losses)	271,142,494.62	209,075,222.07
2. Net profit attributable to minority equity (“-” for net losses)	41,357,633.29	31,872,685.29
VI. Other comprehensive income, net of income tax	-467,157,853.07	16,201,017.70
Other comprehensive income attributable to the parent company, net of income tax	-464,390,250.10	14,129,663.30
(i) Other comprehensive income that will not be reclassified to profit or loss	-492,340,007.60	1,904,529.18
1. Changes from re-measurement of defined benefit plan	-28,342,235.48	1,904,529.18
2. Other comprehensive income that cannot be transferred to profit or losses under equity method		
3. Changes in fair value of other equity investments	-463,997,772.12	
4. Changes in fair value of the company’s own credit risk		

5. Others		
(ii) Other comprehensive income that will be reclassified to profit or loss	27,949,757.50	12,225,134.12
1. Other comprehensive income that can be transferred to profit or losses under equity method		87,310.55
2. Changes in fair value of other debt investments		
3. Financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. The effective portion of gains or losses from cash flow hedging		
6. Translation differences from financial statements in foreign currencies	27,949,757.50	12,137,823.57
7. Others		
Other comprehensive income attributable to minority equity, net of income tax	-2,767,602.97	2,071,354.40
VII. Total comprehensive income	-154,657,725.16	257,148,925.06
Total comprehensive income attributable to parent company	-193,247,755.48	223,204,885.37
Total comprehensive income attributable to minority equity	38,590,030.32	33,944,039.69
VIII. Earnings per share:		
(i) Basic earnings per share	0.15	0.12
(ii) Diluted earnings per share	0.15	0.12

For a business combination under common control in the current period, the net profit of the combined party before the business combination is RMB [ ], and the net profit of the combined party in the previous period is RMB [ ]

Legal Representative: Li Zhen    Accounting Principal: Zhang Yifei    Head of the Accounting Dept.: Zhao Hua

#### 4. Parent Company's Income Statement

Monetary Unit: RMB

Item	Half year of 2024	Half year of 2023
I. Operating income	5,777,540.36	4,820,753.49
Less: Operating costs	5,541,331.93	4,402.80
Taxes and surcharges	54,654.75	3,261,089.92
Selling expenses		
G&A expenses	86,387,566.54	97,131,416.06
R&D expenses		
Financial expenses	-69,870,923.28	-210,329,180.25
Of which: Interest expenses	14,305,508.31	10,813,687.54
Interest income	66,347,952.35	40,585,051.90
Add: Other income	101,400.52	103,081.34
Investment income ("-" for losses)	-47,096,300.97	-11,144,393.78
Of which: Income from investment in associates and joint ventures	-47,734,731.53	-11,144,393.78
Income from derecognition of financial assets measured at amortized cost ("-" for losses)		
Net exposure hedging gains ("-" for losses)		
Gains from changes in fair values ("-" for losses)	38,251,223.83	2,027,449.22
Credit impairment losses ("-" for losses)	-75,520.66	40,907.61
Assets impairment losses ("-" for losses)		
Assets disposal income ("-" for losses)		
II. Operating profit ("-" for losses)	-25,154,286.86	105,780,069.35
Add: Non-operating income		
Less: Non-operating expenses		
III. Total profit ("-" for total losses)	-25,154,286.86	105,780,069.35
Less: Income tax expenses	-12,285,415.78	41,264,362.55
IV. Net profit ("-" for net losses)	-12,868,871.08	64,515,706.80
(i) Net profit from continuing operation ("-" for net losses)	-12,868,871.08	64,515,706.80
(ii) Net profit from discontinued operations ("-" for net losses)		
V. Other comprehensive income, net of income tax	-35,684,932.62	

(i) Other comprehensive income that will not be reclassified to profit or loss	-35,684,932.62	
1. Changes from re-measurement of defined benefit plan		
2. Other comprehensive income that cannot be transferred to profit or losses under equity method		
3. Changes in fair value of other equity investments	-35,684,932.62	
4. Changes in fair value of the company's own credit risk		
5. Others		
(ii) Other comprehensive income that will be reclassified to profit or loss		
1. Other comprehensive income that can be transferred to profit or losses under equity method		
2. Changes in fair value of other debt investments		
3. Financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. The effective portion of gains or losses from cash flow hedging		
6. Translation differences from financial statements in foreign currencies		
7. Others		
VI. Total comprehensive income	-48,553,803.70	64,515,706.80
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

## 5. Consolidated Cash Flow Statement

Monetary Unit: RMB

Item	Half year of 2024	Half year of 2023
I. Cash flows from operating activities:		
Cash receipts from sale of goods and services	10,284,751,754.46	10,116,884,729.29
Net increase in customer deposits and interbank deposits		
Net increase in borrowing from the central bank		
Net increase in borrowing from other financial institutions		
Cash receipts from premiums of original insurance contracts		
Net cash receipts from reinsurance operations		
Net increase in insurance deposits and investment funds		
Cash receipts for interest, handling charges and commissions		
Net increase in borrowings from banks and other financial institutions		
Net increase in repurchase business capital		
Net receipts from securities trading agency		
Receipts of taxes and surcharges refunds	831,539,534.07	472,951,707.07
Other cash receipts relating to operating activities	947,277,657.72	309,819,724.14
Sub-total of cash inflows from operating activities	12,063,568,946.25	10,899,656,160.50
Cash payments for purchase of goods and services	8,318,135,605.14	7,845,612,703.01
Net increase in customer loans and advances		
Net increase in deposits with the central bank and interbank		
Cash payments for claims under original insurance contract		
Net increase in lending to banks and other financial institutions		
Cash payments for interest, handling charges and commissions		
Cash payments for policy dividends		
Cash payments to and for employees	2,039,253,430.50	1,579,060,072.65
Payments for taxes and surcharges	422,339,320.91	419,150,669.53
Other cash payments relating to operating activities	1,103,718,733.39	890,840,659.10
Sub-total of cash outflows from operating activities	11,883,447,089.94	10,734,664,104.29
Net cash flows from operating activities	180,121,856.31	164,992,056.21
II. Cash flows from investing activities:		
Cash receipts from withdrawal of investments	5,550,589,114.27	2,300,295,238.39

Cash receipts of investment income	57,059,408.42	18,423,292.79
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	259,575,979.00	26,242,170.00
Net cash receipts from disposals of subsidiaries and other business entities		
Other cash receipts relating to investing activities		
Sub-total of cash inflows from investing activities	5,867,224,501.69	2,344,960,701.18
Cash payments for fixed assets, intangible assets and other long-term assets	3,993,020,762.55	3,104,881,058.36
Cash payments for investments	4,921,910,513.27	3,036,996,869.62
Net increase in pledge loans		
Net cash payments for acquisitions of subsidiaries and other business entities		
Other cash payments relating to investing activities	9,603,337.66	7,619,053.20
Sub-total of cash outflows from investing activities	8,924,534,613.48	6,149,496,981.18
Net cash outflows from investing activities	-3,057,310,111.79	-3,804,536,280.00
III. Cash flows from financing activities:		
Cash receipts for investments by others	119,291,641.22	
Of which: Cash receipts by subsidiaries from minority owners	4,907,715.00	
Cash receipts from borrowings	12,576,686,451.00	11,428,883,525.41
Other cash receipts relating to financing activities	1,002,886,137.31	822,257,326.84
Sub-total of cash inflows from financing activities	13,698,864,229.53	12,251,140,852.25
Cash repayments for debts	8,925,683,130.05	4,843,238,246.22
Cash payments for distribution of dividends and profit or for interest expenses	932,043,245.41	637,224,575.58
Of which: Cash payments by subsidiaries for distribution of dividends and profit to minority owners		
Other cash payments relating to financing activities	952,406,802.86	1,023,045,570.25
Sub-total of cash outflows from financing activities	10,810,133,178.32	6,503,508,392.05
Net cash outflows from financing activities	2,888,731,051.21	5,747,632,460.20
IV. Effect of foreign exchange rate changes on cash and cash equivalents	67,669,199.29	262,465,789.94
V. Net increase (decrease) in cash and cash equivalents	79,211,995.02	2,370,554,026.35
Add: Beginning balance of cash and cash equivalents	11,328,205,559.31	11,242,032,512.47
VI. Ending balance of cash and cash equivalents	11,407,417,554.33	13,612,586,538.82

## 6. Parent Company's Cash Flow Statement

Monetary Unit: RMB

Item	Half year of 2024	Half year of 2023
I. Cash flows from operating activities:		
Cash receipts from sale of goods and services	1,021,068.09	100,286,522.88
Receipts of taxes and surcharges refunds		
Other cash receipts relating to operating activities	469,057,534.44	41,628,526.12
Sub-total of cash inflows from operating activities	470,078,602.53	141,915,049.00
Cash payments for purchase of goods and services	1,276,720.00	100,000,000.00
Cash payments to and for employees	66,561,536.11	40,882,049.00
Payments for taxes and surcharges	3,773,084.48	13,428,311.79
Other cash payments relating to operating activities	31,520,435.95	22,916,925.84
Sub-total of cash outflows from operating activities	103,131,776.54	177,227,286.63
Net cash flows from operating activities	366,946,825.99	-35,312,237.63
II. Cash flows from investing activities:		
Cash receipts from withdrawal of investments		
Cash receipts of investment income		
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		
Net cash receipts from disposals of subsidiaries and other business entities		
Other cash receipts relating to investing activities		
Sub-total of cash inflows from investing activities		
Cash payments for fixed assets, intangible assets and other long-term assets	3,009,513.45	

Cash payments for investments	155,700,315.00	30,000,000.00
Net cash payments for acquisitions of subsidiaries and other business entities		
Other cash payments relating to investing activities		
Sub-total of cash outflows from investing activities	158,709,828.45	30,000,000.00
Net cash outflows from investing activities	-158,709,828.45	-30,000,000.00
III. Cash flows from financing activities:		
Cash receipts for investments by others	103,159,643.28	
Cash receipts from borrowings		
Other cash receipts relating to financing activities	778,503,072.24	707,095,555.55
Sub-total of cash inflows from financing activities	881,662,715.52	707,095,555.55
Cash repayments for debts	50,000,000.00	550,000,000.00
Cash payments for distribution of dividends and profit or for interest expenses	184,993,850.14	42,555,555.55
Other cash payments relating to financing activities	408,957,676.47	15,433,029.33
Sub-total of cash outflows from financing activities	643,951,526.61	607,988,584.88
Net cash outflows from financing activities	237,711,188.91	99,106,970.67
IV. Effect of foreign exchange rate changes on cash and cash equivalents	13,543,106.63	86,101,493.84
V. Net increase (decrease) in cash and cash equivalents	459,491,293.08	119,896,226.88
Add: Beginning balance of cash and cash equivalents	1,821,666,374.55	2,281,523,624.23
VI. Ending balance of cash and cash equivalents 额	2,281,157,667.63	2,401,419,851.11

## 7. Consolidated Statement of Changes in Owners' Equity

Current amount

Monetary Unit: RMB

Item	Half year of 2024														Minority equity	Total owners' equity
	Owners' equity attributable to parent company															
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Generic risk reserve	Undistributed profit	Others	Sub-total			
	Preferred shares	Perpetual bonds	Others													
I. Ending balance of the previous year	1,785,186,832.00				19,036,728,674.44	341,698,364.73	-87,404,801.14	1,271,151.96	199,754,672.38		4,473,001,832.26		25,066,839,997.17	1,229,041,038.68	26,295,881,035.85	
Add: Changes in accounting policies																
Correction of errors in the prior period																
Others																
II. Beginning balance of the current year	1,785,186,832.00				19,036,728,674.44	341,698,364.73	-87,404,801.14	1,271,151.96	199,754,672.38		4,473,001,832.26		25,066,839,997.17	1,229,041,038.68	26,295,881,035.85	
III. Increase/ decrease in the current year	6,130,686.00				222,667,074.60	270,146,567.49	-454,485,852.62	506,546.87			84,298,055.73		-411,030,056.91	22,712,036.75	388,318,020.16	
("-" for decrease)																
(i) Total comprehensive income							-464,390,250.10				271,142,494.62		-193,247,755.48	38,590,030.32	154,657,725.16	
(ii) Owners' contribution to and reduction in capital	6,130,686.00				222,667,074.60	270,146,567.49							-41,348,806.89	4,250,261.24	-37,098,545.65	
1. Ordinary shares contributed by owners	6,130,686.00				108,248,028.23								114,378,714.23	4,907,715.00	119,286,429.23	
2. Capital contributed by other equity instrument holders																
3. Share-based payments included in owners' equity					112,194,920.27	-11,070,653.50							123,265,573.77	1,468,516.00	124,734,089.77	
4. Others					2,224,126.10	281,217,220.99							-278,993,094.89	-2,125,969.76	-281,119,064.65	
(iii) Profit distribution											-176,940,041.41		-176,940,041.41	-20,128,254.81	-197,068,296.22	
1. Appropriation of surplus reserves																
2. Appropriation of generic risk reserve																
3. Distributions to owners (shareholders)											-176,940,041.41		-176,940,041.41	-20,128,254.81	-197,068,296.22	
4. Others																
(iv) Transfers within owners' equity							9,904,397.48				-9,904,397.48					
1. Capitalization of capital reserves																
2. Capitalization of surplus reserves																
3. Utilization of surplus reserves to cover previous losses																
4. Changes in defined benefit plan transferred to retained earnings																
5. Other							9,904,397.48				-9,904,397.48					

comprehensive income transferred to retained earnings															
6. Others															
(v) Special reserves							506,546.87					506,546.87		506,546.87	
1. Appropriated in the current period							2,537,748.53					2,537,748.53		2,537,748.53	
2. Used in the current period							2,031,201.66					-2,031,201.66		-2,031,201.66	
(vi) Others															
IV. Ending balance of the current period	1,791,317,518.00				19,259,395,749.04	611,844,932.22	-541,890,653.76	1,777,698.83	199,754,672.38		4,557,299,887.99		24,655,809,940.26	1,251,753,075.43	25,907,563,015.69

## Previous year amount

Monetary Unit: RMB

Item	Half year of 2023														Minority equity	Total owners' equity
	Owners' equity attributable to parent company												Sub-total			
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Generic risk reserve	Undistributed profit	Others				
	Preferred shares	Perpetual bonds	Others													
I. Ending balance of the previous year	1,778,874,835.00				18,191,023,725.17	404,574,459.45	209,751,958.34	2,809,129.24	188,051,476.38		3,546,316,521.53		23,512,253,186.21	985,521,022.44	24,497,774,208.65	
Add: Changes in accounting policies																
Correction of errors in the prior period																
Others																
II. Beginning balance of the current year	1,778,874,835.00				18,191,023,725.17	404,574,459.45	209,751,958.34	2,809,129.24	188,051,476.38		3,546,316,521.53		23,512,253,186.21	985,521,022.44	24,497,774,208.65	
III. Increase/ decrease in the current year ("+" for increase)					270,816,168.54	-39,956,168.62	14,129,663.30	2,758,812.25			209,075,222.07		531,218,410.28	80,594,937.02	611,813,347.30	
(i) Total comprehensive income							14,129,663.30				209,075,222.07		223,204,885.37	33,944,039.69	257,148,925.06	
(ii) Owners' contribution to and reduction in capital					270,816,168.54	-39,956,168.62							310,772,337.16	46,650,897.33	357,423,234.49	
1. Ordinary shares contributed by owners																
2. Capital contributed by other equity instrument holders																
3. Share-based payments included in owners' equity					270,250,923.22	-39,956,168.62							310,207,091.84	3,594,234.63	313,801,326.47	
4. Others					565,245.33								565,245.33	43,056,662.70	43,621,908.03	
(iii) Profit distribution																
1. Appropriation of surplus reserves																
2. Appropriation of generic risk reserve																
3. Distributions to owners (shareholders)																
4. Others																
(iv) Transfers within owners' equity																
1. Capitalization of capital reserves																

2. Capitalization of surplus reserves														
3. Utilization of surplus reserves to cover previous losses														
4. Changes in defined benefit plan transferred to retained earnings														
5. Other comprehensive income transferred to retained earnings														
6. Others														
(v) Special reserves								1,460,048.57				1,460,048.57		1,460,048.57
1. Appropriated in the current period								389,656.38				389,656.38		389,656.38
2. Used in the current period								-				-1,070,392.18		-1,070,392.18
(vi) Others								1,070,392.18				-		-
IV. Ending balance of the current period	1,778,874,835.00				18,461,839,893.71	364,618,290.83	223,881,621.64	50,316.99	188,051,476.38		3,755,391,743.60	24,043,471,596.49	1,066,115,959.46	25,109,587,555.95

## 8. Parent Company's Statement of Changes in Owners' Equity

Current amount

Monetary Unit: RMB

Item	Half year of 2024											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
I. Ending balance of the previous year	1,785,186,832.00				21,362,574,111.95	282,698,364.73	-4,304,690.71		106,641,495.66	200,564,234.41		23,167,963,618.58
Add: Changes in accounting policies												
Correction of errors in the prior period												
Others												
II. Beginning balance of the current year	1,785,186,832.00				21,362,574,111.95	282,698,364.73	-4,304,690.71		106,641,495.66	200,564,234.41		23,167,963,618.58
III. Increase/ decrease in the current year ("-" for decrease)	6,130,686.00				117,671,427.13	270,146,567.49	-35,684,932.62			-189,808,912.49		371,838,299.47
(i) Total comprehensive income							-35,684,932.62			-12,868,871.08		-48,553,803.70
(ii) Owners' contribution to and reduction in capital	6,130,686.00				117,671,427.13	270,146,567.49						146,344,454.36
1. Ordinary shares contributed by owners	6,130,686.00				108,248,028.23							114,378,714.23
2. Capital contributed by other equity instrument holders												
3. Share-based payments included in owners' equity					9,325,242.55	-11,070,653.50						20,395,896.05
4. Others					98,156.35	281,217,220.99						-281,119,064.64
(iii) Profit distribution										-176,940,041.41		-176,940,041.41
1. Appropriation of surplus reserves												
2. Distributions to owners (shareholders)										-176,940,041.41		-176,940,041.41
3. Others												
(iv) Transfers within owners' equity												
1. Capitalization of capital reserves												

2. Capitalization of surplus reserves											
3. Utilization of surplus reserves to cover previous losses											
4. Changes in defined benefit plan transferred to retained earnings											
5. Other comprehensive income transferred to retained earnings											
6. Others											
(v) Special reserves											
1. Appropriated in the current period											
2. Used in the current period											
(vi) Others											
IV. Ending balance of the current period	1,791,317,518.00				21,480,245,539.08	552,844,932.22	-39,989,623.33		106,641,495.66	10,755,321.92	22,796,125,319.11

## Previous year amount

Monetary Unit: RMB

Item	Half year of 2023											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
I. Ending balance of the previous year	1,778,874,835.00				20,018,624,007.18	345,574,459.45			94,938,299.66	95,235,470.39		21,642,098,152.78
Add: Changes in accounting policies												
Correction of errors in the prior period												
Others												
II. Beginning balance of the current year	1,778,874,835.00				20,018,624,007.18	345,574,459.45			94,938,299.66	95,235,470.39		21,642,098,152.78
III. Increase/ decrease in the current year ("-" for decrease)					30,233,413.24	-39,956,168.62				64,515,706.80		134,705,288.66
(i) Total comprehensive income										64,515,706.80		64,515,706.80
(ii) Owners' contribution to and reduction in capital					30,233,413.24	-39,956,168.62						70,189,581.86
1. Ordinary shares contributed by owners												
2. Capital contributed by other equity instrument holders												
3. Share-based payments included in owners' equity					29,095,828.54	-39,956,168.62						69,051,997.16
4. Others					1,137,584.70							1,137,584.70
(iii) Profit distribution												
1. Appropriation of surplus reserves												
2. Distributions to owners (shareholders)												
3. Others												
(iv) Transfers within owners' equity												
1. Capitalization of capital reserves												
2. Capitalization of surplus reserves												
3. Utilization of surplus reserves to cover previous losses												

4. Changes in defined benefit plan transferred to retained earnings											
5. Other comprehensive income transferred to retained earnings											
6. Others											
(v) Special reserves											
1. Appropriated in the current period											
2. Used in the current period											
(vi) Others											
IV. Ending balance of the current period	1,778,874,835.00				20,048,857,420.42	305,618,290.83			94,938,299.66	159,751,177.19	21,776,803,441.44

### III. Company profile

Gotion High-Tech Co., Ltd. (formerly known as Jiangsu Dongyuan Electric Appliance Group Co., Ltd., hereinafter referred to as the “Company”) is a joint stock limited company transformed from Jiangsu Dongyuan Group Co., Ltd. under the *Approval of Jiangsu Provincial People’s Government on the Overall Change for the Establishment of Jiangsu Dongyuan Electric Appliance Group Co., Ltd. (Su Zheng Fu [1998] No. 30)*. After several changes, the registered capital and share capital of the Company as of December 31, 2018 was RMB 1,136,650,819.

In accordance with the *Proposal on the Company’s Restricted Stock Incentive Plan (Draft) and its Summary* deliberated and approved at the Company’s 5th extraordinary shareholders’ meeting in 2015, the resolutions of the 22nd and the 23rd meetings of the 7th Board of Directors and the amended Articles of Association of the Company, the Company repurchased and canceled the 234,000 restricted shares that have been granted to Shen Qiangsheng, Hang Jun and Zhang Min but not yet unlocked. Due to the failure to meet the performance requirements at the corporate level in 2018, it was also agreed to repurchase and cancel 7,064,086 restricted shares that have been granted to all restricted stock incentive recipients but not yet unlocked. Accordingly, the Company reduced its registered capital by RMB 7,298,086.00 (and reduced the capital reserve by RMB 96,709,413.14) and completed the procedures for change of business registration on April 10, 2020. After the change, the Company’s registered capital and share capital was RMB 1,129,352,733.

According to relevant laws and regulations, as well as the *Prospectus for Public Issuance of Convertible Corporate Bonds of Gotion High-Tech Co., Ltd.*, among the 1,8500,000 convertible corporate bonds (each with a face value of RMB 100 with the bond code “128086”, “Gotion Convertible Bonds”) issued by the Company on December 17, 2019, the total number of convertible corporate bonds that have been converted into shares during the period from June 23, 2020 to August 28, 2020 is 18,430,632, with 69,368,000 bonds not yet converted. According to the 6th meeting of the 8th Board of Directors and the amended Articles of Association of the Company, the “Gotion Convertible Bonds” issued has triggered the conditional redemption clause agreed, so the Company exercised the right to conditionally redeem all those that have not been converted into shares and registered with the Shenzhen Branch of the China Securities Depository and Clearing Co., Ltd. after the closing of the market on the redemption registration date, at the price of the face value plus the accrued interest for the current period. After the redemption, the registered capital and share capital of the Company increased by RMB 151,191,756 (from RMB 1,129,352,733 to RMB 1,280,544,489) (increased by RMB 1,359,844,824.85 in capital reserve), and the formalities for change of business registration were completed on March 11, 2021. The registered capital and share capital after the change were RMB 1,280,544,489.

According to the resolution of the 4th meeting of the 8th Board of Directors of the Company held on May 28, 2020, the resolution of the first extraordinary general meeting of 2020 held on June 16, 2020, and the approval of the *Reply of CSRC on Approving the Private Placement of Stocks by Gotion High-Tech Co., Ltd. (Zheng Jian Xu Ke [2021] No. 1421)*, the Company issued 384,163,346 ordinary shares to Volkswagen (China) Investment Co., Ltd., a specific investor, at a par value of RMB 1 per share and an issue price of RMB 19.01 per share. The net amount of capital raised in this round of financing, after deduction of the issuance expenses relating thereto, totals RMB 7,230,855,085.62, of which RMB 384,163,346 is included in the share capital and RMB 6,846,691,739.62 in the capital reserve (capital premium). After the change, the Company’s total shares and registered capital were changed to 1,664,707,835 shares and RMB1,664,707,835, respectively.

According to the resolutions made by the 17th meeting of the 8th Board of Directors held on May 5, 2022, the resolution of 2021 Annual General Meeting of Shareholders held on May 23, 2022, and the *CSRC Reply on Approving the Initial Public Issuance of GDRs and Listing on the Swiss Exchange by Gotion High-Tech Co., Ltd. (Zheng Jian Xu Ke [2022] No. 1610)*, the Company is approved to issue a certain number of Global Depository Receipts (“GDR(s)”) to overseas investors. On July 28, 2022 (Zurich time), the Company successfully issued 22,833,400 GDRs (with an issue price of USD 30.00/GDR, each GDR representing 5 A-shares of the Company, corresponding to 114,167,000 A-share underlying stocks) and listed them on the SIX Swiss Exchange. A total of USD 685,002,000 (equivalent to RMB 4,619,447,987.4) was raised through this GDR issue, of which RMB 114,167,000 was credited to share capital and the remaining portion, net of issuance expenses, was credited to capital surplus (capital premium). After the change, the Company’s total shares were changed to 1,778,874,835, and the registered capital to RMB1,778,874,835.

On August 28, 2023, the *Proposal on the Achievement of the Exercise Conditions for the First Exercise Period of the First Grant of the 2022 Stock Option Incentive Plan* was deliberated and approved at the 3rd meeting of the 9th Board of Directors and the 3rd meeting of the 9th Board of Supervisors by the Company, respectively. The Board of Directors was of the view that the exercise conditions for the first exercise period of the Company's 2022 stock option incentive plan had been achieved. The number of incentive recipients eligible for exercise is 1,571, and the number of stock options exercisable is 17,396,000, with an exercise price of RMB18.67 per share (effective from 21 June 2024, the exercise price was adjusted to RMB18.57 per share). As of June 30, 2024, the eligible incentive recipients had exercised 12,442,683 shares, of which RMB 12,442,683 shares were included in share capital, and the remaining portion, net of the registration fee for the exercise of the right, amounting to RMB 210,049,724.84 was included in capital reserves (capital premium). Consequently, the Company's total shares were changed to 1,791,317,518, and its registered capital was changed to RMB 1,791,317,518.

The Company's registered address is No. 566, Huayuan Avenue, Baohe District, Hefei City, Anhui Province, and its legal representative is Li Zhen.

The primary business scope of the Company and its subsidiaries is the research and development, production and sale of power battery systems, energy storage battery systems and battery raw materials, as well as the production and sale of power transmission and distribution equipment.

#### **IV. Basis for preparing the financial statements**

##### **1. Preparation basis**

The Company prepares its financial statements on a going concern basis. It recognizes and measures its accounting items following the Accounting Standards for Business Enterprises – Basic Standards, other specific accounting standards and relevant regulations on the basis of transactions and events that have occurred.

##### **2. Going concern**

The Company's management believes that the Company has the ability to operate as a going concern for at least 12 months as of the end of the reporting period.

#### **V. Major accounting policies and accounting estimates**

Notes to specific accounting policies and accounting estimates:

The Company makes the following major accounting policies and estimates in accordance with the Accounting Standards for Business Enterprises (CAS). Accounting operations not mentioned herein shall be subject to relevant accounting policies in the CAS.

##### **1. Statement on compliance with CAS**

The financial statements are prepared in compliance with CAS to truly and fully present the Company's financial position, operating results, changes in owner's equity, cash flows and other related information.

##### **2. Accounting period**

The Company's fiscal year begins on January 1 and ends on December 31.

##### **3. Operating cycle**

The Company takes 12 months as an operating cycle.

**4. Functional currency**

The Company's functional currency is RMB.

**5. Methodology for determining significance criteria and basis for selection**

Applicable Not applicable

Item	Significance criteria
Major non-wholly owned subsidiaries	The non-wholly owned subsidiary whose total assets account for more than 10% of the Company's total assets as of the end of the consolidated period or whose total profit accounts for more than 10% of the Company's consolidated total profit
Major joint ventures and associates	The joint venture or associate whose book value of long-term equity investments accounts for more than 5% of the Company's net assets as at the end of the consolidated period or whose investment income under the equity method of long-term equity investments accounts for more than 10% of the Company's consolidated net profit
Significant construction in progress	A project with its single investment exceeding 1% of the Company's total assets as of the end of the consolidated period
Significant accounts receivable	Accounts receivable for which the write-off of a single receivable, the recovery or reversal of the bad debt provision for a single receivable accounts for more than 5 % of the Company's total accounts receivable as at the end of the consolidated period
Significant advances to suppliers with aging of over 1 year	Advances to suppliers for which the individual amount is greater than 0.5 % of the Company's total assets as of the end of the consolidated period
Significant other receivables with aging of over 1 year	Other receivables for which the individual amount is greater than 0.5 % of the Company's total assets as of the end of the consolidated period
Significant accounts payable with aging of over 1 year	Accounts payable for which the individual amount is greater than 0.5 % of the Company's total liabilities as of the end of the consolidated period
Significant other payables with aging of over 1 year	Other payables for which the individual amount is greater than 0.5 % of the Company's total liabilities as of the end of the consolidated period

**6. Method for accounting treatment of business combinations under common control and those not under common control****(i) Method for accounting treatment of business combinations under common control**

For the business combination under common control, the Company shall adopt the pooling of interest method for accounting treatment.

The Company shall measure the assets and liabilities obtained from the business combination under common control at the book value of the combined party's assets and liabilities in the ultimate controller's financial statements on the combination date. For long-term equity investments in an individual financial statement, the initial investment cost shall be recognized based on the combined party's post-combination share of the book value of owner's equity in the ultimate controller's consolidated financial statements. The difference between the initial investment cost and the consideration paid for the combination (including cash paid, non-cash assets transferred, book value of debts incurred or assumed or total face value of shares issued) shall be used to adjust the capital reserve (stock premium or capital premium). If there is no sufficient balance of capital reserve (stock premium or capital premium) to offset, the surplus reserve and undistributed profit shall be adjusted in turn.

**(ii) Method for accounting treatment of business combinations not under common control**

For the business combination not under common control, the Company shall adopt the purchase method for accounting treatment.

1. The Company shall measure its various identifiable assets, liabilities and contingent liabilities obtained from the business combination not under common control at their fair values. The measurement shall be made based on the fair value of the assets transferred, liabilities incurred or assumed, and equity securities issued by the Company on the acquisition date as the consideration for the combination. The difference between their fair value and book value shall be included in the current profits and losses.
2. The combination cost shall be determined in the following ways:

(1) For a business combination achieved by a single transaction, the combination cost shall be the sum of the fair value of the assets transferred, the liabilities incurred or assumed and the equity securities issued by the Company in order to obtain control over the acquiree on the acquisition date, and the contingent consideration meeting the conditions for recognition. For long-term equity investment, the combination cost shall be its initial investment cost.

(2) For a business combination achieved step by step through multiple transactions, the combination cost shall be the sum of the amount of the equity investment held before the acquisition date and re-measured at fair value on the acquisition date and the total investment costs of new investments on the acquisition date. The long-term equity investment in individual financial statements shall be the sum of the book value of the equity investment held before the acquisition date and the new investment cost on the acquisition date. This does not apply to package deals.

3. The Company shall allocate the combination cost between the acquired identifiable assets and liabilities on the acquisition date.

(1) For other assets (not limited to the assets originally recognized by the acquiree) other than intangible assets acquired by the Company from the acquiree in a business combination, if their future economic benefits possibly flow into the Company and their fair value can be reliably measured, such assets shall be separately recognized and measured at fair value.

(2) For intangible assets acquired by the Company from the acquiree in a business combination, if their fair value can be reliably measured, such assets shall be separately measured at fair value.

(3) For all liabilities other than contingent liabilities acquired by the Company from the acquiree in a business combination, if fulfilling the relevant obligations is expected to lead to the outflow of economic benefits from the Company and their fair value can be reliably measured, such liabilities shall be separately recognized and measured at fair value.

(4) For contingent liabilities acquired by the Company from the acquiree in a business combination, if their fair value can be reliably measured, such liabilities shall be separately recognized and measured at fair value.

(5) When the Company allocates the combination cost and recognizes the identifiable assets and liabilities acquired in the combination, the goodwill and deferred tax recognized by the acquiree before the business combination shall not be considered.

4. Treatment of the difference between the combination cost and the share of the fair value of the identifiable net assets acquired from the acquiree in the business combination

(1) The Company shall recognize as goodwill the difference of the combination cost in excess of the fair value of the net identifiable assets acquired from the acquiree.

(2) The Company shall treat the difference of the combination cost less than the fair value of the net identifiable assets acquired from the acquiree in the following ways:

① First, to review the measurement of the fair value of the identifiable assets, liabilities and contingent liabilities acquired and the combination cost;

② If upon review, the combination cost is still less than the share of fair value of the identifiable net assets obtained from the acquiree in the combination, the difference shall be included in the current profits and losses.

### **(iii) Treatment of relevant expenses incurred by the Company for business combination**

1. The directly related expenses (including intermediary service charges such as audit fee, legal service fee, appraisal and consultancy fee paid for business combination, and other relevant G&A expenses) incurred by the Company for business combination shall be included in the current profits and losses when incurred.
2. The commissions, handling charges and other transaction expenses paid by the Company to issue debt securities for the business combination shall be included in the initial measurement amount of the debt securities.

(1) If the securities are issued at a discount or face value, the amount of discount shall be increased by such expenses;

(2) If the securities are issued at a premium, the amount of the premium shall be reduced by such expenses.

3. The commission, handling charges and other transaction expenses paid by the Company for equity securities issued as the consideration under the business combination shall be included in the initial measurement amount of the equity securities.

(1) If the equity securities are issued at a premium, such expenses shall be deducted from the capital reserve (stock premium);

(2) If the equity securities are issued at face value or discount, such expenses shall be charged to the retained earnings

## **7. Criteria for determining control and method for preparing consolidated financial statements**

### **(i) Criteria for determining control**

The scope consolidation is determined on the basis of control in the consolidated financial statements. Control means that the power of the investor over the investee is such that the investor enjoys variable returns through participation in the investee's relevant activities and can use the power over the investee to affect the amount of its returns. The Company will perform a reassessment when changes in relevant facts and circumstances give rise to changes in the relevant elements involved in the definition of control.

### **(ii) Basis for preparing consolidated financial statements**

1. Unified accounting policies and accounting period

The accounting policies and accounting period adopted by subsidiaries included in the consolidation scope of the consolidated financial statements shall be the same as those of the Company; otherwise, necessary adjustments shall be made according to the Company's accounting policies and accounting period when preparing the consolidated financial statements.

2. Methods for preparing the consolidated financial statements

The consolidated financial statements shall be prepared by the parent company based on the financial statements of the Company and its subsidiaries, with adjustments for long-term equity investments in subsidiaries using the equity method in light of other relevant information, netting off the effects of the internal transactions between the Company and its subsidiaries and between subsidiaries

### 3. Reflection of excess loss of subsidiary in the consolidated financial statements

In the consolidated financial statements, if the current loss shared by the parent company exceeds its share in the owner's equity of the subsidiary at the beginning of the period, the balance shall be used to offset the owner's equity (undistributed profit) attributable to the parent company. Similarly, if the current loss shared by minority owners of a subsidiary exceeds their share in the owners' equity of the subsidiary at the beginning of the period, the balance shall be used to offset the minority equity.

### 4. Accounting treatment in case of acquisition or disposal of subsidiaries during the reporting period

#### (1) Accounting treatment in case of acquisition of subsidiaries during the reporting period

##### ① Acquisition of subsidiaries due to business combination under common control

During the reporting period, if the Company acquires a subsidiary due to the business combination under common control, the beginning balance in the consolidated balance sheet shall be adjusted. The incomes, expenses and profits of the newly acquired subsidiary from the beginning of the current period of combination until the end of the reporting period shall be included in the consolidated income statement. The cash flows of the newly acquired subsidiary from the beginning of the current period until the end of the reporting period shall be included in the consolidated cash flow statement.

##### ② Acquisition of subsidiaries due to business combination not under common control

During the reporting period, if the Company acquires a subsidiary due to the business combination not under common control, the beginning balance in the consolidated balance sheet shall not be adjusted. The incomes, expenses and profits of the newly acquired subsidiary from the acquisition date until the end of the reporting period shall be included in the consolidated income statement. The cash flows of the newly acquired subsidiary from the acquisition date until the end of the reporting period shall be included in the consolidated cash flow statement.

#### (2) Accounting treatment in case of disposal of subsidiaries during the reporting period

If the Company disposes of a subsidiary during the reporting period, the beginning balance in the consolidated balance sheet shall not be adjusted. The incomes, expenses and profits of the subsidiary from the beginning of the period until the disposal date shall be included in the consolidated income statement. The cash flows of the subsidiary from the beginning of the period until the disposal date shall be included in the consolidated cash flow statement.

## 8. Classification of joint arrangements and methods for the accounting treatment of joint operation

### (i) Classification of joint arrangements

Joint arrangements are classified into joint operation and joint venture. Joint operation refers to those joint arrangements under which the parties thereto are entitled to relevant assets and are responsible for relevant liabilities. Joint venture refers to those joint arrangements under which the parties thereto are only entitled to the net assets.

Joint arrangements that are not reached through independent entities shall be classified as a joint operation. The said "independent entities" refer to the entities with independent and identifiable financial structures, including the independent legal entities and the entities without legal entity qualification but recognized by law.

Joint arrangements that are reached through independent entities are generally classified as joint venture. However, if there is conclusive evidence that a joint arrangement meets any of the following conditions and complies with relevant laws and regulations, such joint arrangement shall be classified as joint operation:

1. the legal form of the joint arrangement indicate that the parties thereto are entitled to relevant assets and be responsible for relevant liabilities under the arrangement.
2. the contract terms of the joint arrangement indicate that the parties thereto are entitled to relevant assets and be responsible for relevant liabilities under the arrangement.
3. there are other relevant facts and circumstances indicating that the parties thereto are entitled to relevant assets and be responsible for relevant liabilities under the arrangement, and the parties thereto enjoy almost all the outputs related to the arrangement, the settlement of the liabilities under the arrangement continues to depend on the support from the parties thereto.

#### **(ii) Accounting treatment of joint operation**

The Company recognizes the following items related to the Company in the share of interests in joint operation and accounts for them in accordance with the relevant CAS:

1. its assets, including its share of any assets held jointly;
2. its liabilities, including its share of any liabilities incurred jointly;
3. its revenue from the sale of its share of the output of the joint operation;
4. its share of the revenue from the sale of the output by the joint operation; and
5. its expenses, including its share of any expenses incurred jointly.

### **9. Cash and cash equivalents**

Cash includes the Company's cash on hand, the bank deposit readily available for payment and other cash and cash equivalents.

Cash equivalents are the short-term (maturing within three months from acquisition date) and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

### **10. Foreign currency transactions and translation of foreign currency statements**

#### **(i) Method for accounting foreign currency transactions**

1. Initial recognition of foreign currency transactions

For foreign currency transactions, the Company shall translate the foreign currency amount into the amount in the functional currency according to the spot exchange rate (middle price) published by the People's Bank of China on the transaction date. Among them, for foreign currency exchange or transactions involving foreign currency exchange, the Company shall translate them according to the exchange rate adopted on the transaction date.

2. Adjustment or settlement on balance sheet date or settlement date

On the balance sheet date or settlement date, the Company shall treat foreign currency monetary items and foreign currency non-monetary items in the following ways:

(1) Principles for the accounting treatment of foreign currency monetary items

For foreign currency monetary items, the Company shall translate them at the spot exchange rate (middle price) on the balance sheet date or the settlement date. The difference arising from exchange rate fluctuation shall be used to adjust the amount of the foreign currency monetary items in functional currency and treated as the exchange difference. Among them, the exchange differences arising from foreign currency borrowings related to the acquisition, construction or production of assets eligible for capitalization shall be included in the cost of assets eligible for capitalization. Other exchange differences shall be included in the current financial expenses.

(2) Principles for the accounting treatment of foreign currency non-monetary items

① For foreign currency non-monetary items measured at historical cost, the Company shall maintain the translation at the spot exchange rate (middle price) on the transaction date, without changing amounts in their functional currency or generating exchange differences.

② For an inventory measured at cost or net realizable value (whichever is lower), if its net realizable value is determined in foreign currency, the Company shall first translate the net realizable value into the amount in the functional currency according to the ending exchange rate and then compares it with the inventory cost reflected in functional currency when determining the ending value of the inventory.

③ For a non-monetary item measured at fair value, if its fair value at the end of the period is reflected in foreign currency, the Company shall translate the foreign currency amount into the amount in the functional currency at the spot exchange rates on the day when the fair value is determined, and then compare foreign currency amount with the amount in functional currency, and include the difference in the current profits and losses as profit or loss from change in fair value (including change in exchange rate).

**(ii) Accounting treatment of foreign currency statement translation**

1. The Company translates the financial statements of overseas businesses according to the following methods:

(1) Assets and liabilities items in the Balance Sheet are translated at the spot exchange rate on the balance sheet date, and owners' equity items other than "undistributed profit" are translated at the spot exchange rate when they occur.

(2) The income and expenses in the Income Statement are translated at the spot exchange rate (or other similar exchange rates similar to the spot exchange rate on the transaction date determined in accordance with the systematic and reasonable method) on the dates when the transactions occur.

Foreign currency translation differences arising from translations conducted in compliance with the aforesaid principles are presented in "other comprehensive income" under the "owners' equity" in the Balance Sheet.

2. The Company translates the financial statements of overseas businesses in the hyperinflation economy according to the following methods:

(1) The Company restates the items in the Balance Sheet by using the general price index, restates the items in the Income Statement by using the general price index changes, and then translates them according to the spot exchange rate on the balance sheet date.

(2) When an overseas business is no longer in the hyperinflation economy, the Company ceases the re-statement, and translates the financial statements restated at the price on the cessation date.

3. Where the Company disposes of an overseas business, it transfers the exchange difference relating to the business disposed of, which is presented under the items of the "other comprehensive income" in the Consolidated Balance Sheet, to current profit and loss. If the overseas business is partly disposed of, the exchange difference is calculated in proportion to the percentage of disposal and transferred to current profit or loss.

## **11. Financial instruments**

### **(i) Classification of the financial instruments**

#### 1. Classification of the financial assets

The Company classifies financial assets into the following three categories based on the business model for managing financial assets and the contractual cash flow characteristics of the financial assets: (1) financial assets at amortized cost; (2) financial assets at fair value through other comprehensive income (including financial assets designated at fair value through other comprehensive income); and (3) financial assets at fair value through profit or loss.

#### 2. Classification of the financial liabilities

The Company classifies financial liabilities into the following two categories: (1) financial liabilities at fair value through profit or loss (including trading financial liabilities and financial liabilities designated as at fair value through profit or loss); and (2) financial liabilities at amortized cost.

### **(ii) Basis for recognizing and method for measuring the financial instruments**

#### 1. Basis for recognizing financial instruments

When the Company becomes a party to a financial instrument, it shall recognize a financial asset or liability.

#### 2. Method for measuring financial instruments

##### (1) Financial assets

Financial assets shall be measured at fair value when initial recognition is made. For the financial assets measured at fair value through profit and loss, the related transaction costs shall be included directly in the current profits and losses. For the financial assets of other categories, the related transaction costs shall be included in the initial recognition amount. If the accounts receivable and notes receivable arising from the sale of products or the rendering of services do not contain major financing elements or the financing elements in the contracts of no more than one year are not considered, the expected amount of consideration to be collected shall be taken as the initial recognition amount.

##### ① Financial assets measured at amortized cost

After initial recognition, such financial assets shall be subsequently measured at amortized cost using the effective interest method. Gains or losses arising from the financial assets that are measured at amortized cost and that are not part of any hedging relationship shall be recorded into the current profits and losses when such financial assets are derecognized, reclassified, amortized under the effective interest method or impaired.

##### ② Financial assets measured at fair value through other comprehensive income

After initial recognition, such financial assets will be subsequently measured at fair value. Except that impairment losses or gains, exchange losses or gains, and interest calculated by effective interest method shall be included in current profits and losses, other gains or losses shall be included in other comprehensive income.

When de-recognized, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income to the current profits and losses

If the Company designates part of the non-tradable equity instrument investments as financial assets measured at fair value through other comprehensive income, the relevant dividend income shall be included in the current profits and losses, and the changes in fair value shall be in other comprehensive income. When the financial asset is de-recognized, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income to retained earnings, instead of being included in current profits and losses.

### ③ Financial assets measured at fair value through profit or loss

Except for the financial assets measured at amortized cost and the financial assets measured at fair value through other comprehensive income mentioned above, the Company shall classify all other financial assets as financial assets measured at fair value through profit or loss. In addition, in the initial recognition, in order to eliminate or significantly reduce the accounting mismatch, the Company shall designate some financial assets as financial assets measured at fair value through profit or loss. For such financial assets, the Company adopts fair value for subsequent measurement, with changes in fair value included in the current profits and losses.

## (2) Financial liabilities

Financial liabilities shall be classified at initial recognition into financial liabilities measured at fair value through the current profit or loss and the other financial liabilities. For the financial liabilities measured at fair value through profit and loss, the related transaction costs shall be included directly into the current profits and losses. For other financial liabilities, the related transaction costs shall be included in the initial recognition amount.

### ① Financial liabilities measured at fair value through profit or loss

Held-for-trading financial liabilities (including derivative instruments that are financial liabilities) shall be subsequently measured at fair value. Except for hedge accounting, all changes in fair value shall be included in the current profits and losses. For the financial liabilities designated to be measured at fair value through profit or loss, the changes in fair value caused by the Company's own credit risk changes shall be included in other comprehensive income, and when the liabilities are de-recognized, the accumulated changes in fair value caused by the Company's own credit risk changes which are included in other comprehensive income shall be transferred into retained earnings. Other changes in fair value shall be included in the current profits and losses. If the impact of changes in the credit risk of such financial liabilities treated in the said way will cause or expand the accounting mismatch in the profits and losses, the Company shall include all the profit or loss of the financial liabilities (including the impact amount caused by changes in the Company's own credit risk) into the current profits and losses.

### ② Financial liabilities measured at amortized cost

Other financial liabilities, except for the financial liabilities and financial guarantee contracts formed by the transfer of financial assets that does not meet the conditions for de-recognition or continued involvement in the transferred financial assets, shall be classified as financial liabilities measured at the amortized cost. Such financial liabilities shall be subsequently measured at the amortized cost, with the profit or loss arising from the de-recognition or amortization included in the current profits and losses.

## **(iii) Basis for recognizing and method for measuring the financial assets transferred**

Where the Company has transferred nearly all the risks and rewards associated with the ownership of financial assets, the financial assets shall be de-recognized. The rights and obligations arising from or retained in the transfer shall be separately recognized as assets or liabilities; if the Company retains nearly all the risks and rewards associated with the ownership of financial assets, the financial assets transferred shall be

continuously recognized. Where the Company does not transfer or retain nearly all of the risks and rewards related to the ownership of a financial asset, it shall be treated as follows: (1) if the Company does not retain control over the financial asset, the financial asset shall be de-recognized, and the rights and obligations arising or retained during the transfer shall be separately recognized as assets or liabilities; (2) if the Company does not retain control over the financial asset, it shall, according to the extent of its continuous involvement in the transferred financial asset, recognize the relevant financial asset and the relevant liability accordingly.

If the overall transfer of a financial asset meets the condition for derecognition, the difference between the following two amounts shall be included in the current profits and losses: (1) the book value of transferred financial asset; and (2) the sum of the consideration received from transfer and the amount corresponding to the derecognized part in the accumulative amount of change in the fair value originally included directly in other comprehensive income (the financial asset involved in the transfer is an investment in debt instrument measured at fair value through other comprehensive income). Where a financial asset is partially transferred and the transferred part meets the de-recognition conditions, the entire book value of the financial asset before the transfer shall be allocated between the derecognized part and the continuously recognized part based on the relative fair value on the transfer date.

#### **(iv) De-recognition of financial liabilities**

When the current obligation of a financial liability (or part thereof) has been relieved, the Company shall de-recognize the financial liability (or part thereof), and the difference between its book value and the consideration paid (including the non-cash assets transferred out or the liabilities assumed) shall be included in the current profits and losses.

#### **(v) Offset of financial assets and financial liabilities**

Financial assets and financial liabilities shall be separately presented in the balance sheet without mutual offset. However, the net amount after mutual offset shall be presented in the balance sheet if all of the following conditions are satisfied:

1. The Company has legal rights to offset the recognized amounts, and such legal right is currently enforceable;
2. The Company plans to make settlement with net amounts, or to cash the financial assets and settle the financial liability simultaneously.

For a financial asset transferred that does not meet the conditions for de-recognition, the transferor shall not offset the financial asset transferred with relevant liabilities.

#### **(vi) Equity instruments**

Equity instruments refer to contracts that can prove the ownership of the remaining equity of the Company's assets after the deduction of all liabilities. The Company shall treat the issue (refinancing), repurchase, sale, or cancellation of equity instruments as changes in equity. The Company shall not recognize the changes in the fair value of equity instruments. Expenses related to equity transactions shall be deducted from the value of equity. The Company shall treat the distribution to holders of equity instruments as profit distribution, and the stock dividends paid shall not affect the total owner' equity.

Where an entity controlled by the Company issues a special financial instrument that meets the definition of a financial liability but satisfies the conditions set out in CAS for classification as an equity instrument, such special financial instrument shall be classified as financial liabilities in the corresponding part of minority equity in the Company's consolidated financial statements.

#### **(vii) Method for determining fair values of financial instruments**

The fair value of a financial asset or financial liability in an active market shall be determined at the quoted price in the active market. The fair value of financial assets or financial liabilities that is not traded in an active market shall be determined by valuation techniques. During valuation, the Company adopts valuation techniques that are applicable under the current circumstances and supported by sufficient available data and other information, selects input values that are consistent with the features of assets or liabilities considered by market participants in the transactions of related assets or liabilities, and uses relevant observable input values as much as possible. The unobservable input value shall be used only under the circumstances when the relevant observable input value cannot be obtained or it is not feasible to obtain it.

At the initial recognition, if the fair value of a financial asset or financial liability is determined by the quoted price of the same asset or liability in the active market or by any other method other than the valuation technique that only uses observable market data, the Company shall defer the difference between the fair value and the transaction price. After initial recognition, the Company shall recognize the deferred difference as the gain or loss in the corresponding accounting period according to the change degree of a certain factor in the corresponding accounting period.

### **(viii) Impairment of financial assets**

For financial assets measured at amortized cost, debt investments measured at fair value through other comprehensive income, etc., the Company shall recognize the loss provisions based on the expected credit loss.

#### 1. Method for determining the provision for impairment

In light of the reasonable and reliable information such as past events, current situation and forecast of future economic situation, the Company shall, weighted by the risk of default, calculate the probability weighted amount of the present value of the difference between the cash flow receivable under the contracts and the cash flow expected to be received, and recognize the expected credit loss.

##### (1) General treatment method

On each balance sheet date, the Company shall measure the expected credit losses of financial instruments at different stages separately. If the credit risk of a financial instrument does not increase significantly after initial recognition, it is in the first stage, and the Company shall measure the loss provisions according to the expected credit loss in the next 12 months. If the credit risk of a financial instrument has increased significantly but no credit impairment has occurred since the initial recognition, it is in the second stage and the Company shall measure the loss provisions according to the expected credit loss of the instrument in the whole duration. If the credit impairment of the financial instrument has occurred since the initial recognition, it is in the third stage, and the Company shall measure the loss provisions according to the expected credit loss of the instrument in the whole duration. For a financial instrument with lower credit risk on the balance sheet date (such as fixed deposits in commercial banks with high credit rating and financial instruments with an external credit rating above “investment grade”), the Company shall assume that its credit risk has not increased significantly since the initial recognition, and measure the loss provisions according to the expected credit losses in the next 12 months.

##### (2) Simplified treatment method

For accounts receivable, contract assets, lease receivables and notes receivable related to income, if they do not contain major financing elements or the financing elements in the contracts of no more than one year are not considered, the Company shall measure the loss provisions according to the expected credit loss throughout the entire duration.

For accounts receivable, contract assets and lease receivables under CAS No. 21 - Leases that contain a major financing element, the loss provisions shall always be measured in an amount equal to the expected credit loss throughout the entire duration.

#### 2. Criteria for evaluating whether credit risk has increased significantly since initial recognition

If the default probability of a financial asset in the expected duration determined on the balance sheet date is significantly higher than that in the expected duration determined on the initial recognition, it indicates that the credit risk of the financial asset increases significantly.

No matter how the Company evaluates whether the credit risk of a financial asset significantly increases, if the contract payment is overdue for more than 30 days (inclusive), it can be presumed that the credit risk of the financial asset increases significantly unless the Company can obtain reasonable and based information at a reasonable cost to prove that the credit risk does not increase significantly even if the payment is overdue for more than 30 days.

Except for special circumstances, the Company shall use the change of default risk in the next 12 months as a reasonable estimate of the change of default risk in the whole duration to determine whether the credit risk has increased significantly since the initial recognition.

### 3. Method and basis for determining portfolios for evaluating credit risk

The Company shall evaluate the credit risk of notes receivable, accounts receivable, contract assets and other receivables with the following characteristics separately, such as those in dispute over the opposite party or are involved in relevant litigation or arbitration, those where there is obvious indication showing that the debtor probably cannot fulfill the repayment obligation.

When it is impossible to evaluate the expected credit loss of a single financial asset at a reasonable cost, the Company shall classify the receivables into several portfolios according to the characteristics of credit risk and calculate the expected credit loss based on the portfolios. The basis for determining the portfolios is as follows:

Name of portfolio	Provision method
Portfolio of bank acceptance bill  Portfolio of commercial acceptance bill	For notes receivable, bank acceptance bills and commercial acceptance bills classified into a portfolio, the Company shall calculate expected credit losses by the exposure at default and the expected credit loss rate for the entire duration by reference to the historical credit loss experience and in combination with the current situation and the forecast of future economic conditions.
Accounts receivable portfolio 1  (Credit risk portfolio such as accounts receivable)  Accounts receivable portfolio 2  (Receivables from related parties within the consolidation scope)	For the accounts receivable classified into portfolio 1 and portfolio 2, the Company shall calculate expected credit losses by preparing a comparison table of the aging of accounts receivable and the expected credit loss rate for the entire duration by reference to the historical credit loss experience and in combination with the current situation and the forecast of future economic conditions.
Other receivables portfolio 1  (Portfolios of credit risks such as deposits, guarantees, advances for others, current accounts, etc.)  Other receivables portfolio 2  (Receivables from related parties within the consolidation scope and current accounts with government authorities due to export tax refunds, sales, etc.)	For the other receivables classified into Portfolio 1 and Portfolio 2, the Company calculates expected credit losses by the exposure at default and the expected credit loss rate within the next 12 months or for the entire duration by reference to the historical credit loss experience and in combination with the current situation and the forecast of future economic conditions.

The Company shall include the loss provisions made or reversed into the current profits and losses. For the debt instruments that are measured at fair value through other comprehensive income, the Company shall adjust other comprehensive income while recording the impairment loss or gain into the current profits and losses.

The Company makes no provision for bad debts for the portfolio of receivables from related parties within the consolidation scope. As for accounts receivable Portfolio 1, the comparison table of expected credit loss rates for the entire duration is as follows:

Aging	Expected credit loss rate of accounts receivable (%)
Not overdue	5.00
Less than 1 year overdue	10.00
1-2 years overdue	30.00
2-3 years overdue	50.00
3-4 years overdue	80.00
Over 4 years overdue	100.00

## 12. Notes receivable

See “11. Financial instruments” for details.

## 13. Accounts receivable

See “11. Financial instruments” for details.

## 14. Accounts receivable financing

See “11. Financial instruments” for details.

## 15. Other receivables

Determination method and accounting treatment for the expected credit loss of other receivables Other receivables

See “11. Financial instruments” for details.

## 16. Contract assets

Contract assets refer to the right of the Company to receive consideration for the goods it has transferred to its customers, and such right depends on factors other than the passage of time. The contract assets of the Company mainly include the assets that have been completed but not settled and quality warranty bonds. The contract assets and liabilities under the same contract shall be presented in net amount, and the contract assets and liabilities under different contracts shall not be used to offset against each other.

For the method for determination and accounting treatment of expected credit loss of contract assets, please refer to Note 11 (viii) “Impairment of financial assets”.

## 17. Inventories

### (i) Classification of inventories

Inventories of the Company are classified into raw materials, revolving materials (including packaging materials and low-value consumables), products in process, goods in stock (finished products), goods dispatched, etc.

#### **(ii) Method for measuring inventories dispatched**

Inventories dispatched shall be accounted for by the method of weighted average.

#### **(iii) Basis for determining and method for making provision for inventory depreciation**

On the balance sheet date, inventories are measured at the lower of their cost or net realizable value. When their net realizable value is lower than cost, a provision for inventory depreciation shall be made.

##### 1. Basis for determining net realizable values of inventories

(1) For any inventory directly used for sale, such as goods in stock (finished goods) and materials for sale, its net realizable value shall be determined by the amount of the estimated selling price of the inventory minus the estimated selling expenses and relevant taxes and fees during the normal production and operation process.

(2) For material inventories required to be processed, their net realizable values are recognized at the estimated selling prices of finished goods minus estimated costs until completion, estimated selling expenses and relevant taxes and surcharges in the normal production and operation process.

(3) For inventories held to perform sales contract or service contract, their net realizable values are calculated on the basis of contract price. If the quantities of inventories specified in sales contracts are less than the quantities held by the Company, the net realizable value of the excess portion of inventories shall be based on general selling prices.

(4) For materials held for the purpose of production, where the net realizable value of finished goods made of these materials is greater than the cost thereof, these materials shall remain measured at the cost; where the net realizable value of finished goods is less than the cost thereof which is indicated by the decrease of material price, these materials shall be measured at the net realizable value.

##### 2. Method for making provision for inventory depreciation

###### (1) Provision made on a single item basis

The Company generally makes provision for inventory depreciation based on the difference between the cost of a single inventory item and its net realizable value.

###### (2) Provision made by category

For inventories with large quantities and low unit prices, such as raw materials, revolving materials and products in progress, the provision for inventory depreciation shall be made by category. The Company determines the depreciation amount for such inventories by taking into account factors such as the storage status and aging of the inventories, their use in production and operation, their availability, and the estimated selling price.

(3) For the inventories related to the series of products manufactured and sold in the same area, and of which the final use or purpose is identical or similar thereto, and if it is difficult to measure them by separating them from other items, the provision for inventory depreciation shall be made on a combination basis.

#### **(iv) Inventory system**

The Company shall adopt a perpetual inventory system, and conduct a regular physical inventory.

**(v) Method for amortizing revolving materials**

## 1. Methods for amortizing low-value consumables

The Company shall amortize the low-value consumables using one-off write-off method.

## 2. Method for amortizing packaging materials

The Company shall amortize the packing materials using one-off write-off method.

**18. Assets held for sale****(i) Assets held for sale**

## 1. Scope of non-current assets or disposal groups held for sale

When the Company recovers its book value mainly through selling (including non-monetary asset exchange with commercial substance) but not continuously using a non-current asset or disposal group, such non-current asset or disposal group shall be classified into the category of assets held for sale.

A disposal group refers to a group of assets that are disposed of as a whole through sale or other means in a transaction, and liabilities that are transferred and directly related to those assets in the transaction.

## 2. Conditions for determining non-current assets or disposal groups held for sale

The Company shall classify the non-current assets or disposal groups meeting all the following conditions into the held-for-sale category:

(1) According to the general practice for selling such kind of asset or disposed asset portfolio in a similar transaction, the asset or portfolio can be immediately sold in the current state; and

(2) The sale of the asset or portfolio is very likely to happen, which means that the Company has made a resolution on a sale plan and obtained a confirmed purchase commitment, and it is estimated that the sale will be completed within one year. Where the sale can be done only upon the approval of relevant authorities or regulatory authorities of the Company as required by relevant regulations, the approval has been obtained.

## 3. Accounting treatment and presentation of non-current assets and disposal groups held for sale

Before the Company initially classifies the non-current assets or disposal groups into the category of assets held for sale, the book value of various assets and liabilities in non-current assets or disposal groups shall be measured in accordance with the relevant accounting standards.

When a non-current asset or disposal group held for sale is re-measured at the initial measurement or balance sheet date, if the book value thereof is higher than the net amount of the fair value less the sale cost, the book value shall be written down to the net amount of the fair value less the sale cost, and the write-down amount shall be recognized as the loss from asset impairment and included in the current profits and losses; meanwhile, the provision for impairment of assets held for sale shall be made. For the amount of losses from asset impairment recognized by the disposal groups held for sale, the book value of goodwill in disposal groups shall be firstly offset, and then according to the proportion of various non-current assets in disposal groups, the book value thereof shall be offset pro rata. Non-current assets held for sale shall not be subject to depreciation or amortization.

The non-current assets held for sale or the assets in the disposal group held for sale and the liabilities in the disposal group held for sale shall not offset each other, and shall be presented as current assets and current liabilities respectively.

Where the Company loses control over a subsidiary due to the sale of its investment in the subsidiary or other reasons, whether the Company retains part of equity investments after the sale, when the investment in the subsidiary to be sold satisfies the conditions for classifying as the assets held for sale, the investment in the subsidiary will be wholly divided into the category of the assets held for sale in individual financial statements of the parent company, and all assets and liabilities of the subsidiary will be classified into the category of assets and liabilities held for sale in the consolidated financial statements.

## **(ii) Discontinued operation**

Discontinued operations refer to the component meeting any of the following conditions that can be separately distinguished and that has been disposed of or classified as held for sale by the Company:

1. the component represents a separate major line of business or geographical area of operations;
2. This constituent part is part of an associated plan to dispose of an independent primary business or a separate principal operating area; or
3. the component is a subsidiary acquired exclusively for re-sale.

## **19. Long-term equity investments**

### **(i) Determination of initial costs of long-term equity investments**

1. For the long-term equity investments formed by business combination, their initial investment costs shall be determined following the accounting treatment method of business combination under common control and that not under common control under Notes V-6.

2. For long-term equity investments acquired through methods other than business combination, their investment costs shall be determined in accordance with the following ways:

(1) For long-term equity investments acquired by payment in cash, their initial investment cost shall be the purchase cost paid. Initial investment cost shall include expenses, taxes and other necessary expenses that are directly related to the acquisition of long-term equity investments.

(2) For long-term equity investments acquired through the issuance of equity securities (equity instruments), their initial investment cost shall be the fair value of the issued equity securities (equity instruments). If there is conclusive evidence that the fair value of a long-term equity investment obtained is more reliable than that of the equity security (equity instrument) issued, the initial investment cost shall be determined based on the fair value of the long-term equity investment invested by the investor. The expenses directly related to the issuance of equity securities (equity instruments), including handling charges and commissions, shall be offset by the issuance premium. If the premium is insufficient to offset, the surplus reserve and undistributed profit shall be offset in turn. The long-term equity investments obtained through the issuance of debt securities (debt instruments) shall be treated as if through the issuance of equity securities (equity instruments).

(3) For any long-term equity investment acquired by way of debt restructuring, the Company may take the fair value of the debt it waived and taxes and other costs directly attributable to such assets as the initial investment costs.

(4) For a long-term equity investment obtained through exchange of non-monetary assets, if the exchange of non-monetary assets has commercial substance, and the fair values of assets traded out and traded in can be measured reliably, the Company shall determine the initial investment cost of the long-term equity investment based on the fair values of the assets traded out, unless there is any conclusive evidence that the fair values of the assets traded in are more reliable. If the exchange of non-monetary assets does not meet the above criteria,

the Company shall recognize the book value of the assets traded out and relevant taxes and surcharges payable as the initial investment cost of the long-term equity investment traded in.

The expenses, taxes and other necessary expenses directly related to the acquisition of a long-term equity investment incurred by the Company shall be included in the initial investment cost of the long-term equity investment.

No matter how the Company obtains a long-term equity investment, the cash dividends or profits declared but not distributed included in the price or consideration paid shall be accounted for separately as dividends receivable and shall not constitute the cost of the long-term equity investment.

## **(ii) Method for subsequent measurement, and recognition of profit or loss, of long-term equity investments**

### **1. Long-term equity investment accounted for under the cost method**

(1) The Company shall measure long-term equity investments that can exercise control over the investee, that is, the investments in the subsidiaries, with the cost method.

(2) For a long-term equity investment calculated under the cost method, except for the cash dividends or profits declared but not yet paid included in the price or consideration actually paid at the time of acquisition of the investment, the Company shall recognize investment income according to the dividends or profits declared by the investee regardless of whether it is the net profit realized by the investee before and after the investment.

### **2. Long-term equity investments accounted for under the equity method**

(1) Equity method shall be adopted for the accounting of the joint ventures and associates that the Company has common control over or significant influence on the investees.

(2) For a long-term equity investment measured under the equity method, if its initial investment cost is higher than the Company's attributable share of the fair value of the investee's identifiable net assets, no adjustment shall be made to the initial costs of the long-term equity investment; if the initial investment cost is lower than the Company's attributable share of the fair value of the investee's identifiable net assets, the difference shall be recognized in current profits and losses and at the same time the adjustment will be made to the initial investment cost of the long-term equity investment.

(3) After a long-equity investment is acquired, the Company shall, according to the shares of net profit and loss and other comprehensive income realized by the investee which the Company shall enjoy or bear, recognize the profit and loss on the investment and other comprehensive income and adjust the book value of the long-term equity investment. When recognizing the share of net profit or loss of the investee that the Company shall enjoy, based on the fair value of identifiable net assets of the investee while acquiring the investment, the Company should confirm such share after adjusting the investee's net book profit. However, if the Company is unable to reasonably determine the fair value of the investee's identifiable assets at the time of obtaining the investment, or the difference between the fair value of the investee's identifiable assets at the time of investment and its book value is small, or the relevant information of the investee cannot be obtained due to other reasons, the Company shall directly calculate and recognize the investment profit and loss on the basis of the net book profit and loss of the investee. The Company shall, in the light of the cash dividends or profits that the investee declares to distribute, calculate the part it should share and reduce the book value of the long-term equity investment correspondingly. For other changes in owner's equity of the investee excluding net losses or profits, other comprehensive income, or profit distribution, the Company shall adjust the book value of the long-term equity investment and include it in owner's equity.

When the Company recognizes the investment income generated from the investment in joint ventures and associates, the gain and loss of internal transactions that are not realized arising among the Company, the associates, and joint ventures shall be offset at the part attributable to the Company and the investment income shall be recognized on that basis. Where the losses from internal transactions between the Company and the

investee fall into the scope of assets impairment loss, the full amount of such losses shall be recognized. The Company shall also offset the unrealized internal transaction profits and losses between the subsidiaries included in the consolidation scope and their associates and joint ventures according to the above principles, and recognize the investment profits and losses on this basis.

When the Company recognizes the losses of the investee that it should share, treatment shall be done in the following sequence: firstly, the book value of the long-term equity investment shall be reduced; secondly, where the book value is insufficient to cover the losses, the investment losses shall be recognized to the extent of book value of other long-term equity which forms net investment in the investee in substance and the book value of long term receivables shall be reduced; finally, after all the above treatments, if the Company is still responsible for any additional liabilities in accordance with the provisions stipulated in the investment contracts or agreements, estimated liabilities shall be recognized and included into the current investment loss according to the obligations estimated to undertake. If the investee achieves profit in subsequent periods, the Company shall, after deducting any unrecognized investment losses, reduce book value of estimated liabilities recognized, restore book values of other long-term equity which forms net investment in the investee in substance, and of long-term equity investment according to the reversed sequence described above, and recognize investment income at the same time.

### **(iii) Basis for determining a common control or significant influence over the investee**

#### 1. Basis for determining whether there is a common control over the investee

Common control refers to the control shared over an arrangement in accordance with the relevant stipulations, and the decision-making of related activities of the arrangement should not be made before the party sharing the control agrees to the same. The related activities of an arrangement usually include the sale and purchase of goods or services, the management of financial assets, the purchase and disposal of assets, research and development activities and financing activities. Joint venture refers to those joint arrangements under which the Company is just entitled to the net assets. Those joint arrangements under which the parties thereto are entitled to relevant assets and be responsible for relevant liabilities are joint operations rather than joint ventures.

#### 2. Basis for determining the significant influence over the investee

Significant influence refers to the power to participate in making decisions on the financial and operating policies of the investee, but not the power to control, or jointly control with other parties, the formulation of such policies. Where the Company can exercise significant influence over the investee, the investee is an associate of the Company.

## **20. Investment properties**

Measurement for investment properties

Not applicable

## **21. Fixed assets**

### **(1) Recognition Criterias**

Fixed assets refer to the tangible assets that are held for the production of goods, provision of labor services, leasing or management, and have a service life exceeding one fiscal year. Fixed assets are recognized when they simultaneously meet the following conditions:

1. it is probable that the economic benefits associated with the fixed asset are likely to flow into the Company; and
2. the cost of the fixed asset can be measured reliably.

**(2) Depreciation method**

Category	Depreciation method	Depreciation period (years)	Residual rate (%)	Annual depreciation rate (%)
Houses and buildings	Straight-line method	10—35	5%	2.71-9.50%
Machinery and equipment	Straight-line method	8—15	5%	6.33-11.88%
Transportation equipment	Straight-line method	5—8	5%	11.88-19.00%
Electronic equipment and Other	Straight-line method	3—8	5%	11.88-31.67%

1. The Company depreciates all fixed assets except for fully depreciated fixed assets and land which continue to be used.

2. The Company's fixed assets are depreciated from the month following the month in which they reach their intended use, using the average annual depreciation method. Depreciation rates and depreciation amounts are determined based on the categories of fixed assets, estimated useful lives and estimated net salvage rates, and are credited to the cost of the relevant assets or to profit or loss of the current period according to the usage, respectively.

3. When computing depreciation for fixed assets for which depreciation provision has been accrued, the Company shall re-compute and determine the depreciation rate and value based on the book value, estimated net residual value and the remaining service life of the fixed assets.

4. As of the balance sheet date, the Company shall review the estimated service life, estimated net residual value rate and depreciation method of fixed assets. In the event of any change, the change shall be dealt with as a change of accounting estimates.

5. Decoraion costs of fixed assets eligible for capitalization are depreciated separately using the average annual depreciation method over the shorter of the period of two decoraions and the remaining useful life of the fixed assets.

**22. Construction in progress****(i) Classification of construction in progress**

Construction in progress is measured on an individual basis.

**(ii) Criteria and timing for conversion of construction in progress into fixed assets**

The total expenditures incurred before construction in progress reaching the working condition for their intended use shall be taken as the entry value of the fixed assets. Self-operated projects are measured in accordance with costs of direct materials, direct labor and direct mechanical construction, etc.; the contracted projects are measured in accordance with the project price payable, etc. The borrowing costs that meet the capitalization conditions incurred before the project funded by borrowed money reaches the working conditions for its intended use shall be capitalized and included in the cost of construction in progress.

The fixed assets built by the Company, which have reached the working conditions for its intended use but for which the final accounts of the completed project have not been made, shall be transferred to fixed assets according to the estimated value of the project budget, construction costs or actual costs from the date when the fixed assets reach the working conditions for its intended use, and the depreciation for such fixed assets shall be accrued according to the Company's depreciation policies for fixed assets. Upon completion of the final

accounts, adjustment shall be made to the original temporary estimated value according to the actual cost. However, the original depreciation amount accrued will not be adjusted.

## **23. Borrowing costs**

### **(i) Scope of borrowing costs**

The Company's borrowing costs include the interest on borrowings, amortization of discounts or premiums on borrowings, ancillary expenses, and exchange balance on foreign currency borrowings.

### **(ii) Principle for recognizing borrowing costs**

The borrowing costs incurred to the Company and directly attributable to the acquisition and construction or production of assets eligible for capitalization shall be capitalized and included in relevant asset costs; other borrowing costs shall be recognized as costs according to the amount incurred and be included in the current profits and losses.

Assets eligible for capitalization include the fixed assets, investment properties, inventories and other assets which may reach their intended serviceable or marketable state only after long-time acquisition and construction or production activities.

### **(iii) Determination of the period of capitalization of borrowing costs**

#### **1. Determination of the time when borrowing costs begin to be capitalized**

The borrowing costs shall begin to be capitalized when the asset expenditures have occurred, borrowing costs have incurred, and the acquisition, construction or production activities necessary for the assets to reach the expected serviceable or marketable state have begun. The asset expenditures include those incurred by cash payment, the transfer of non-cash assets, or the undertaking of interest-bearing debts for acquiring and constructing or producing assets eligible for capitalization.

#### **2. Determination of the time when borrowing costs suspended to be capitalized**

If the acquisition, construction, or production of an asset eligible for capitalization is abnormally interrupted and the interruption exceeds 3 consecutive months, the capitalization of borrowing costs shall be suspended. The Company shall recognize the borrowing costs incurred during the interruption period as current profits and losses, and the borrowing costs resume to be capitalized until the acquisition, construction or production activities of the asset restart. If the interruption is the necessary procedure for the acquired, constructed, or produced assets eligible for capitalization to reach the intended serviceable or marketable state, the borrowing costs shall remain capitalized.

#### **3. Determination of the time when borrowing costs cease to be capitalized**

Capitalization of borrowing costs should be ceased when the acquired and constructed or produced assets eligible for capitalization have reached their intended serviceable or marketable state. The borrowing costs thereafter, when incurred, shall be recognized as current profits and losses based on the amount incurred.

If each part of the acquired, constructed, or produced asset eligible for capitalization is completed separately, each completed part may be used or sold externally during the continued construction of other parts, and the acquisition and construction or production activities which are necessary for such part to reach intended serviceable or marketable state have been substantially completed, the capitalization of the borrowing costs related thereto shall be ceased; if each part of the acquired, constructed, or produced asset is completed separately, but each completed part may be used or sold externally only after the entire construction is completed, the capitalization of the borrowing costs shall be ceased upon completion of the entire asset.

**(iv) Determination of the capitalized amount of borrowing costs**

## 1. Determination of the capitalized amount of interest on borrowings

Within the capitalization period, the capitalized amount of interest (including the amortization of discounts or premiums) in each accounting period shall be determined in accordance with the following provisions:

(1) As for special borrowings for the acquisition and construction or production of assets eligible for capitalization, the capitalized amount of interests shall be determined based on the interest expenses incurred during the current period minus the interest income earned on the unused special borrowings as a deposit in the bank or as a temporary investment.

(2) Where a general borrowing is used for the acquisition and construction or production of assets eligible for capitalization, the Company shall calculate and determine the capitalized amount of interests on the general borrowing by multiplying the weighted average asset expenditure of the part of the accumulative asset expenditures minus the general borrowing by the capitalization rate of the general borrowing used. The capitalization rate shall be calculated and determined in light of the weighted average interest rate of the general borrowing.

(3) As for borrowings with a discount or premium, the to-be-amortized discount or premium in each accounting period shall be determined by the effective interest rate method, and the interest for each period shall be adjusted.

(4) During the period of capitalization, the capitalized amount in each accounting period shall not exceed the amount of interest actually incurred on the relevant borrowings in the current period.

## 2. Determination of the capitalized amount of auxiliary borrowing costs

(1) For the ancillary borrowing costs incurred to a special borrowing, those incurred before an asset eligible for capitalization under acquisition reaches to the intended serviceable or marketable state shall be capitalized at the incurred amount upon occurrence, and shall be included in the costs of the asset eligible for capitalization. Those incurred after an asset eligible for capitalization under acquisition reaches to the intended serviceable or marketable state, it shall be included in the current profits and losses.

(2) Auxiliary costs incurred during general borrowings shall be recognized as expenses based on the amount incurred upon occurrence, and shall be included in the current profits and losses.

## 3. Determination of the capitalized amount of exchange differences

During the capitalization, the difference between the principal and interest of special borrowings in foreign currency shall be capitalized and included in the cost of assets eligible for capitalization.

**24. Intangible assets****(1) Service life and the basis for its determination, estimation, method of amortisation or review procedures****(i) Initial measurement of intangible assets**

## 1. Initial measurement of purchased intangible assets

The costs of an externally purchased intangible asset include the purchase price, relevant taxes and expenses paid, and other expenditures directly attributable to putting the asset into condition for its intended use. If the purchase price of an intangible asset is delayed beyond the normal credit conditions and it is of the financing nature, the cost of the intangible asset shall be determined on the basis of the present value of the

purchase price. The difference between the actual price and the present value of the purchase price shall be included in the current profits and losses within the credit period, except for those that should be capitalized.

## 2. Initial measurement of the self-developed intangible assets

The cost of self-developed intangible assets shall be determined according to the total expenditure incurred from the time the capitalization conditions are met to before the intended use is reached, and the expenditures that have been expensed in the previous period shall not be adjusted.

For intangible assets developed by the Company, the expenditures in the research phase shall be included in the current profits and losses when incurred; the expenditures in the development phase that do not meet the capitalization conditions shall be included in the current profits and losses when incurred and those that meet the capitalization conditions shall be recognized as an intangible asset. Where there is no way to distinguish the research expenditures from the development expenses, the R&D expenses incurred shall all be included in the current profits and losses.

### (ii) Subsequent measurement of intangible assets

When the Company acquires an intangible asset, it shall analyze and assess its service life. The Company divides the acquired intangible assets into intangible assets with limited service life and intangible assets with uncertain service life.

#### 1. Subsequent measurement of intangible assets with limited service life

The Company adopts the straight-line method to amortize the intangible asset with limited service life within its service life from the time it reaches its intended use, and no residual value will be reserved. The amortization amount of intangible assets is usually included in the current profits and losses; if the economic benefits contained in an intangible asset are realized through the products or other assets produced, the amortization amount shall be included in the cost of the related assets.

The categories, estimated service life, estimated net residual value rate and annual amortization rate of intangible assets are listed as follows:

Categories	Estimated service life (years)	Estimated net residual value ratio (%)	Annual amortization rate (%)
Land use rights	50		2.00
Non-patented technology	10		10.00
Computer software	2—10		10.00-50.00
Right of mining	Estimated mining life		
Patent	5-10		10.00-20.00

On the balance sheet date, the service life and amortization method of intangible assets with limited service life shall be reviewed.

#### 2. Subsequent measurement of intangible assets with uncertain service life

The Company does not amortize the intangible assets with uncertain service life during the holding period.

### (iii) Estimation of the service life of intangible assets

1. For an intangible asset derived from contractual rights or other statutory rights, its service life shall not exceed the period of the contractual rights or other statutory rights; if the contractual rights or other statutory rights are extended due to contract renewal when they expire and there is evidence to show that the Company does not need to pay a large amount of cost to renew the contract, the renewal period shall be included in the service life.

2. If the contract or law does not stipulate the service life, the Company shall consider all aspects of the Company's situation and determine the period during which the intangible asset can bring economic benefits to the Company through methods such as hiring relevant experts for demonstration or comparison with the situation in the same industry and referring to the Company's historical experience.

3. If it is still unable to reasonably determine the period during which the intangible asset can bring economic benefits to the Company through the above method, the intangible asset shall be regarded as an intangible asset with uncertain service life.

## **(2) Scope of consolidated R&D expenditure and related accounting treatment**

(i) Specific standards for dividing the research phase and development phase of the Company's internal R&D projects

### 1. Scope of consolidated R&D expenditure

It typically includes salary costs for R&D staff, direct input expenses, depreciation costs and long-term deferred expenses, design costs, equipment commissioning costs, amortisation of intangible assets, costs associated with commissioning external research and development, and other costs, including expensed R&D expenses and capitalised development expenditures.

### 2. Specific standards for dividing the research phase and development phase

Based on the Company's business model and the features of the R&D projects, the Company divides the R&D projects into the research phase and the development phase.

#### (1) Research phase

The research phase refers to the phase of original planned investigations and research activities in order to acquire and understand new scientific or technical knowledge. Expenditure at the research phase of internal R&D projects shall be included in the current profits and losses when incurred.

#### (2) Development phase

The development phase refers to the phase in which research results or other knowledge are applied to a certain plan or design to produce new or substantially improved materials, devices, products and other activities before commercial production or use.

Expenditure in the research phase of internal R&D projects shall be included in the current profits and losses when incurred.

### 3. Specific criteria and timing for capitalization of eligible expenditures at the development phase

Expenditure of an internal R&D project at development phase shall be capitalized only when: it is feasible technically to finish intangible assets for use or sale; it is intended to complete the intangible asset and use or sell the intangible asset; the methods for the intangible asset to generate economic benefits shall be proved, including being able to prove that there is a potential market for the products manufactured by applying the intangible asset or there is a potential market for the intangible assets themselves or the intangible assets will be used internally; it is able to complete the development of the intangible assets and able to use or sell the

intangible asset, with the support of sufficient technologies, financial resources and other resources; and the expenditure attributable to the development phase of the intangible asset can be reliably measured. Upon meeting the above conditions and passing the technical feasibility and economic feasibility analyses (generally, the B-sample trial production and validation satisfy the established requirements and sufficient technical and financial support is available), the Company's R&D projects will proceed to the development phase.

Capitalized expenditure at the development phase shall be presented on the balance sheet as development expenditure and transferred to intangible assets as of the date on which the project reaches its intended use.

## **25. Long-term asset impairment**

Long-term assets, such as long-term equity investment, investment properties, fixed assets, construction in progress and right-of-use assets that measured at cost, and intangible assets with limited service life, are tested for impairment if there is any indication that an asset may be impaired on the balance sheet date. If the result of the impairment test indicates that the recoverable amount of the asset is less than its book value, a provision for impairment and an impairment loss are recognized for the amount by which the asset's book value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less disposal costs and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognized on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs to is determined. An asset group is the smallest group of assets that is able to generate cash inflows independently.

The Company shall conduct an impairment test at least at the end of each year for goodwill and intangible assets with uncertain service life, regardless of whether there are indications of impairment.

When the Company conducts an asset impairment test, the book value of goodwill arising from the business combinations shall be amortized to relevant asset groups with a reasonable method since the acquisition date; or amortized to the relevant combination of asset groups if it is difficult to be amortized to relevant asset groups. The book value of goodwill shall be amortized to relevant asset groups or combinations of asset groups according to the proportion of the fair value of such asset groups or combinations of asset groups in the total fair value of relevant asset groups or combinations of asset groups. Where the fair value is difficult to be reliably measured, it shall be amortized according to proportion of the book value of each asset group or combination of asset group in the total book value of relevant asset groups or combinations of asset groups. When making an impairment test on the relevant asset groups or combination of asset groups containing goodwill, if any indication shows that the asset groups or combinations of asset groups related to the goodwill may be impaired, the Company shall first conduct an impairment test on the asset groups or combinations of asset groups not containing goodwill, calculate the recoverable amount and compare it with the relevant book value to recognize the corresponding impairment loss. Then, the Company shall conduct an impairment test on the asset groups or combinations of asset groups containing goodwill, and compare the book value of these asset groups or combinations of asset groups (including the book value of the goodwill apportioned thereto) with the recoverable amount. Where the recoverable amount of the relevant asset groups or combinations of asset groups is lower than the book value thereof, the Company shall recognize the impairment loss of the goodwill.

The impairment loss of goodwill shall be included in the current profits and losses when incurred and will not be reversed in the subsequent accounting periods.

## **26. Long-term deferred expenses**

### **1. Scope of long-term deferred expenses**

Long-term deferred expenses are various expenses already incurred, which shall be amortized over current and subsequent accounting periods with the amortization period of more than one year (exclusive), including the expenditures caused by the improvement of fixed assets acquired under operating lease, etc.

### **2. Initial measurement of long-term deferred expenses**

Long-term deferred expenses are initially measured in accordance with the actual expenditures incurred.

### 3. Amortization of long-term deferred expenses

Long-term deferred expenses are amortized by stages based on the benefit period by using the straight-line method.

## 27. Contract liabilities

Contract liabilities refer to the Company's obligations to transfer goods to customers in exchange for the consideration received or receivable from customers. If, before the Company transfers the goods to the customer, the customer has already paid the contract consideration or the Company has obtained the unconditional right of collecting the price for the goods, the Company shall present the received or receivable amount as the contract liabilities at the time when the customer makes the payment actually or when the payment is due, whichever is earlier. The contract assets and liabilities under the same contract shall be presented in net amount, and the contract assets and liabilities under different contracts shall not be used to offset against each other.

## 28. Employee compensation

### (1) Accounting treatment of short-term compensation

The term "short-term compensation" refers to employee compensation that is required to be fully paid within 12 months upon the expiry of the annual reporting period during which the services are provided by the employee, excluding the compensation for termination of labor relations with employees.

Short-term compensation specifically includes employee wages, bonuses, allowances and subsidies, cost of employee benefits, cost of social insurance such as medical insurance, work-related injury insurance and maternity insurance, housing provident fund, labor union operating costs and employee education costs, paid short-term absences, short-term profit-sharing plans, non-monetary benefits and other short-term compensation.

During the accounting period in which the employee provides services, the Company shall recognize the short-term compensation incurred as liabilities and shall include it in the current gains and losses or relevant asset costs.

### (2) Accounting treatment of post-employment benefits

Post-employment benefits - defined contribution plan. The defined contribution plan that the Company participates in is the basic endowment insurance, unemployment insurance, and corporate annuity paid for employees in accordance with relevant regulations. The amount payable by the Company on the balance sheet date in exchange for the service provided by the employees during the accounting period shall be recognized as employee compensation liabilities and shall be included in the current profits and losses or the cost of related assets.

### (3) Accounting treatment of dismissal benefits

Dismissal benefits refer to the compensation given by the Company to employees to terminate the labor relationship with the employees before the expiration of the labor contract or to encourage the employees to voluntarily accept the layoffs. The Company shall recognize the employee compensation liability incurred from dismissal benefits at the earlier of the following dates and include such liability in current profits and losses:

1. The date when the Company are unable to unilaterally revoke the dismissal benefits provided for the termination of labor relation or the proposal for layoffs, and

2. The date when the Company recognizes the cost or expense related to the restructuring involving payment of dismissal benefits.

#### **(4) Accounting treatment of other long-term employee benefits**

Other long-term employee benefits refer to all employee benefits other than short-term compensation, post-employment benefits and dismissal benefits. During the reporting period, the Company shall recognize the cost of employee compensation arising from other long-term employee benefits as the following components:

1. Service costs;
2. Net interests arising from net liabilities or net assets of other long-term employee benefits
3. Changes arising from re-measuring the net liabilities or net assets of other long-term employee benefits.

In order to simplify the relevant accounting treatment, the total net amount of the above items is included in the current profits and losses or the cost of related assets.

## **29. Provisions**

### **(i) Principle for recognizing provisions**

When the obligations related to contingent events, such as external guarantees, pending litigation or arbitration, product quality warranty, loss-making contracts, and restructuring, meet the following three conditions simultaneously, they shall be recognized as provisions:

1. The said obligation is a present obligation of the Company;
2. The fulfillment of said obligation is likely to cause economic benefits to flow out of the Company; and
3. The amount of the obligation can be measured reliably.

### **(ii) Method for measuring provisions**

The amount of provisions is measured in accordance with the best estimate of the expenditure required for the contingent event.

1. Where there is a continuous range of required expenditures and the probability of occurrence of various results in this range is the same, the best estimate shall be determined according to the median value in this range.

2. Under other circumstances, the best estimate shall be dealt with in the following cases:

(1) If a contingent event involves a single item, it shall be determined according to the amount that is most likely incurred.

(2) If a contingent event involves multiple items, it shall be determined according to the various possible results and related probabilities.

## **30. Share-based payment**

Share-based payment may be divided into equity-settled share-based payment and cash-settled share-based payment.

**(i) Accounting treatment on the grant date**

Except for the share-based payment for which the rights may be immediately exercised, the Company will not perform any accounting treatment on the grant date, regardless of whether the equity-settled share-based payment or the cash-settled share-based payment.

**(ii) Accounting treatment on each balance sheet date during the vesting period**

On each balance sheet date during the vesting period, the Company will include the services obtained from employees or other parties in the costs and expenses, and recognize owner's equity or liabilities at the same time.

For share-based payments with market conditions, as long as the employee meets all other non-market conditions, the services that have been obtained shall be recognized. If the performance conditions are non-market conditions, and after the vesting period is determined, if the follow-up information indicates that it is necessary to adjust the estimate of the information about the exercisable right, the previous estimate shall be revised.

For equity-settled share-based payment involving employees, it shall be included in costs and capital reserves (other capital reserves) according to the fair value of the equity instruments on the grant date, and the subsequent changes in fair value will not be recognized; for cash-settled share-based payment involving employees, it shall be re-measured according to the fair value of the equity instruments on each balance sheet date to determine the costs and expenses and employee compensation payable.

On each balance sheet date during the vesting period, the Company will make the best estimate based on the latest subsequent information such as the number of employees who may exercise their rights, and revise the number of equity instruments that are expected to be exercisable.

Based on the fair value of the above equity instruments and the number of equity instruments that are expected to be exercisable, calculate the cumulative amount of costs and expenses that should be recognized as of the current period, and subtract the cumulative amount that has been recognized in the previous period, the remaining amount shall be taken as the amount of costs and expenses that should be recognized in the current period.

**(iii) Accounting treatment after the vesting date**

For equity-settled share-based payments, no adjustments will be made to the recognized costs and expenses and the total owners' equity after the vesting date. The Company will recognize the share capital and share premium based on the exercise on the exercise date, and carry forward the capital reserve (other capital reserve) recognized during the vesting period.

For cash-settled share-based payments, the Company will no longer recognize the costs and expenses after the vesting date, and the changes in the fair value of liabilities (employee compensation payable) will be included in the current profits and losses (profit and loss from changes in fair value).

**(iv) Accounting treatment of share repurchase for employee option incentives**

Where the Company rewards its employees in the form of share repurchase, when repurchasing shares, the Company will treat the total expenditure of share repurchase as treasury shares and will perform at the same time the registration formalities for future reference. On each balance sheet date during the vesting period, the employee services obtained will be included in the cost and expenses based on the fair value of the equity instrument on the grant date, and the capital reserve (other capital reserve) will be increased simultaneously. When receiving the corresponding price for shares purchased by an employee upon exercising his right, the Company will write off the cost of the inventory shares delivered to the employee and the accumulated amount

of the capital reserve (other capital reserve) during the vesting period. Concurrently, the capital reserve (share premium) shall be increased by the difference thereof.

### **31. Revenues**

Accounting policies for revenue recognition and measurement disclosed by type of business

#### **(i) Revenue recognition principle and measurement method**

##### 1. Revenue recognition

The Company shall recognize the revenue after the Company fulfilled its performance obligations in the contract, that is, when the customer obtains control over the relevant goods. On the commencement date of the contract, the Company will evaluate the contract, identify each individual performance obligation thereunder, and determine whether each individual performance obligation is performed over a certain period of time or at a certain point of time, and then recognize income separately after performed each individual performance obligation.

##### 2. Revenue measurement

If the contract contains two or more performance obligations, the Company will allocate the transaction price to each individual performance obligation in accordance with the relative proportion of the stand-alone selling price of the goods or services under each individual performance obligation on the commencement date of the contract, and will measure the revenue in accordance with the transaction price allocated to each individual performance obligation. When determining the transaction price, the Company will consider the factors including the impact of variable consideration, significant financing components in the contract, non-cash consideration, and consideration payable to customers, and will assume that the goods will be transferred to the customer in accordance with the existing contract, and the contract will not be cancelled, renewed or changed.

#### **(ii) Specific revenue recognition policies**

##### 1. Sales of goods

A. Domestic sales: The control over the goods will be transferred to the customer when the Company sends out the goods and they are accepted by the customer, and accordingly, the sales revenue shall be recognized when the goods are sent out by the Company and accepted by the customer.

B. Overseas sales: The Company shall recognize the sales revenue when the goods have been sent out, the export declaration procedures have been completed and the customs declaration documents have been obtained.

##### 2. Technical services

Once the corresponding services have been completed in accordance with the terms of the technical service contract and confirmed by the customer, the Company will recognize the revenue upon receiving the price or the evidence that the price is collectable.

Different revenue recognition and measurement methods for the same type of business with different operating models

### **32. Contract costs**

Contract costs are classified as contract performance costs and contract acquisition costs.

The costs incurred by the Company for the performance of contracts are recorded as contract performance costs and recognized as an asset if the following conditions are met:

1. The cost is directly related to a current or expected contract;
2. This cost increases the resources that the Company will use to fulfill its performance obligations in the future; and
3. The cost is expected to be recoverable.

If the incremental cost incurred by the Company to obtain the contract is expected to be recovered, it shall be recorded as the contract acquisition cost and recognized as an asset.

Assets related to contract costs shall be amortised on the same basis as the recognition of revenue from the goods or services related to the asset; however, for contract acquisition costs that are not amortised over a period of more than one year, the Company recognizes them in the current profits and losses when incurred.

For assets related to contract costs, the Company will make an provision for impairment and recognize assets impairment losses for the excess of the book value over the difference between the following two items:

1. The remaining consideration expected to be received for the transfer of goods or services related to the assets;
2. The estimated costs to be incurred for the transfer of the related goods or services.

In case of a subsequent reversal of the provision for impairment of the above assets, the reversed book value shall not exceed the book value of the asset at the date of reversal under the assumption that no impairment provision had been made.

### **33. Government subsidies**

#### **(i) Types of government subsidies**

Government subsidies are monetary assets and non-monetary assets freely obtained by the Company from the government, which are classified into the government subsidies related to assets and the government subsidies related to income.

Government subsidies related to assets are government subsidies obtained by the Company for forming long-term assets by acquisition, construction or other manners.

Government subsidies related to income refer to those other than the government subsidies related to assets.

#### **(ii) Principles and timing for recognizing government subsidies**

Principles for recognizing a government subsidy

1. The Company can meet conditions attached to the government subsidy; and
2. The Company can receive the government subsidy.

A government subsidy can be recognized only when both of the conditions above are satisfied.

#### **(iii) Measurement of government subsidies**

1. If government subsidies are monetary assets, they are measured at the amount received or receivable.

2. If government subsidies are non-monetary assets, they are measured at fair value; if the fair value cannot be reliably measured, they are measured at nominal amount, which is RMB 1.

**(iv) Accounting treatment of government subsidies**

1. The government subsidies related to assets may be used to write down the book value of related assets or recognized as deferred income upon receipt. Those recognized as deferred income shall be included in profit or loss by stages over the service life of the related assets in a reasonable and systematic manner. Government subsidies measured at a nominal amount shall be recognized directly in the current profits and losses.

2. The government subsidies related to income shall be handled accordingly as follows:

(1) Those to be used as compensation for the expenses or losses of the Company in subsequent periods shall be recognized as deferred income upon receipt and included in the current profits and losses or used to offset related costs during the period in which the related costs or losses are recognized.

(2) Those to be used as compensation for relevant expenses or losses that the Company has already incurred shall be included directly in the current profits and losses or used to offset the related costs upon receipt.

3. For government subsidies containing both parts related to asset and income, if they can be distinguished, they are accounted for in different parts separately; if they are difficult to be distinguished, they are classified as government subsidies related to income as a whole.

4. The government subsidies related to the Company's daily operations shall be included in other income or be used to offset the related costs in accordance with the nature of the economic business. The government subsidies irrelevant to the Company's daily operations shall be included in the non-operating income and expenses. If the finance authority allocates interest subsidies to the Company directly, the Company will use the corresponding interest subsidies to offset the relevant borrowing costs.

5. Where the recognized government subsidies need to be returned, they shall be handled as follows:

(1) For those used to offset the book value of the relevant asset at the time of initial recognition, the book value of the asset shall be adjusted.

(2) For those involving relevant deferred income, the book value of the relevant deferred income shall be offset, and the excess shall be included in the current profits and losses.

(3) In other circumstances, it shall be directly included in the current profits and losses.

**34. Deferred tax assets/ liabilities**

The Company uses the balance sheet liability method to calculate income tax

**(i) Recognition of deferred tax assets/liabilities**

1. The Company shall determine the tax base of assets and liabilities when acquiring them. On the balance sheet date, the Company shall analyze and compare the book value of assets and liabilities and their tax base. If there is a temporary difference between the book value of assets and liabilities and their tax base, when the relevant temporary difference occurs in the current period and the conditions for recognition are satisfied, the Company shall recognize deferred tax liabilities or deferred tax assets for the taxable temporary differences or deductible temporary differences respectively.

2. Recognition basis for deferred tax assets

(1) Deferred tax assets shall be recognized for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. When determining the taxable income that is likely to be obtained in the future period, it includes the taxable income realized by normal production and business activities in the future period, and the taxable income increased due to the reversal of the taxable temporary difference during the reversal of the deductible temporary difference.

(2) For deductible losses and tax credits that can be reversed in the future period, deferred tax assets shall be recognized by the Company to the extent that it is probable that taxable profit will be available in the future to offset the deductible losses and tax credits.

(3) On the balance sheet date, the Company shall review the book value of the deferred tax assets. If it is probable that sufficient taxable income cannot be obtained in the future to offset the benefits of deferred tax assets, the book value of the deferred tax assets shall be written down; when sufficient taxable income is likely to be obtained, the amount that has been written down shall be reversed.

### 3. Basis for recognizing deferred tax liabilities

The Company shall recognize the taxable temporary difference that is due but not paid of the current period and the previous periods as deferred tax liabilities, but it does not include the temporary differences formed by the goodwill, non-business merger transactions that neither affects accounting profits nor taxable income.

#### (ii) Measurement of deferred tax assets/liabilities

1. On the balance sheet date, for deferred tax assets and deferred tax liabilities, the Company shall, in accordance with the tax law, measure them at the applicable tax rate during the period when the assets are expected to be recovered or the liabilities are expected to be paid off.

2. When the applicable tax rate changes, the Company shall re-measure the recognized deferred tax assets and deferred tax liabilities, and include their impact in the income tax expense for the current period of the tax rate change, except for the deferred tax assets and deferred tax liabilities arising from transactions or events directly recognized in the owner's equity.

3. When measuring the deferred tax assets and deferred tax liabilities, the Company will adopt the tax rate and tax base consistent with the expected method of recovering assets or paying off liabilities.

4. The Company will not discount the deferred tax assets and deferred tax liabilities.

## 35. Lease

### (1) Accounting treatment of the Company as lessee

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

#### 1. Accounting treatment of right-of-use assets

The right-of-use assets refer to the right of the Company as lessee to use the leased assets during the lease term.

#### (1) Initial measurement

On the commencement date of the lease, the Company makes the initial measurement of right-of-use assets at cost. The cost consists of the following four items: ① the initial measurement amount of the lease liabilities;

② the lease payments on or before the commencement date of the lease, net of the amount related to the lease incentives already enjoyed if any; ③ the initial direct costs incurred, i.e., the incremental costs incurred for the purpose of entering into the lease; and ④ costs expected to be incurred for the dismantling and removing of the leased assets, for reinstating the sites where the leased assets are located, or for reinstating the leased assets to the condition agreed upon under the lease, except for those costs incurred for the production of inventories.

## (2) Subsequent measurement

Subsequent to the commencement date of the lease, the Company adopts the cost model for subsequent measurement of right-of-use assets, i.e., right-of-use assets are measured at cost less any accumulated depreciation and impairment losses. Where the Company re-measures lease liabilities in accordance with the relevant accounting standards for leases, the book value of right-of-use assets shall be adjusted accordingly.

Depreciation on right-of-use assets shall be accrued from the commencement date of the lease. The depreciation of right-of-use assets shall commence in the month following the commencement date of the lease. The depreciation shall be included in the cost of the right-of-use assets or the current profits and losses, based on the usage of the right-of-use assets. In determining the depreciation method for right-of-use assets, the Company has opted to apply the straight-line method, which accrues depreciation on in line with the expected manner of consumption of the economic benefits associated with the right-of-use assets. In the event of impairment to the right-of-use assets, the Company shall proceed with subsequent depreciation based on the book value of the right-of-use assets after deducting the impairment loss.

## 2. Accounting treatment of lease liabilities

### (1) Initial measurement

The Company makes the initial measurement of the lease liabilities at the present value of the outstanding lease payments as at the commencement date of the lease.

Lease payments refer to payments that the Company makes to the lessor in connection with the right to use the leased asset during the lease term, including: ① fixed payments and substantially fixed payments, net of amounts related to lease incentives if any; ② variable lease payments depending on an index or ratio, which are determined at initial measurement on the basis of the index or ratio on the commencement date of the lease; ③ when the Company reasonably determines that it will exercise the purchase option, the exercise price of the purchase option; ④ where the lease term reflects that the Company will exercise the option to terminate the lease, the amount to be paid for the exercise of the termination option; and ⑤ the amount expected to be paid based on the residual value guaranteed by the Company.

In calculating the present value of lease payments, the Company utilises the implicit interest rate of the lease as the discount rate. In the event that the implicit interest rate cannot be determined, the incremental borrowing rate will be used as the discount rate. The incremental borrowing rate is the interest rate that the Company would have to pay to borrow funds under similar collateral terms for a similar period of time in a similar economic environment in order to obtain an asset with a value close to that of a right-of-use asset. The Company derives this incremental borrowing rate based on bank lending rates, with adjustments made to take into account relevant factors.

### (2) Subsequent measurement

Subsequent to the commencement date of the lease, the Company makes subsequent measurements of lease liabilities based on the following principles: ① increase the book amount of lease liabilities when interest on lease liabilities is recognized; ② decrease the book value of lease liabilities when lease payments are made; ③ re-measure the book value of lease liabilities when there is a change in the amount of lease payments as a result of revaluation or change in the lease.

In the event of any of the following occurring after the commencement date of the lease, the Company shall re-measure the book value of the lease liabilities based on the present value of the lease payments after the change and adjust the book value of the right-of-use assets accordingly. In the event that the book value of the right-of-use assets has been written down to zero, but the lease liabilities require further write-downs, the Company shall include the remaining amount in the current profits and losses.

- ① Changes in the amount of substantial fixed payments;
- ② Changes in the amount expected to be payable for the guaranteed residual value;
- ③ Changes in the index or ratio used to determine the amount of lease payments;
- ④ Changes in the evaluation results or actual exercise of purchase options, lease renewal options, or lease termination options.
- ⑤ Interest expenses for each period during the lease term are included in the current profits and losses, except for those that should be capitalized.

### 3. Determination basis and accounting treatment of short-term leases and low-value asset leases

A short-term lease is a lease with a term not exceeding 12 months at the commencement date of the lease. Leases that include an option to purchase are not included in short-term leases.

A low-value asset lease is a lease where the individual leased asset has a lower value when it is a new asset. If the leased asset is subleased or expected to be subleased, the original lease is not considered a low-value asset lease.

The Company streamlines the accounting treatment for short-term leases and low-value asset leases. The lease payments under short-term leases and low-value asset leases are included in the cost of the related assets or in current profits and losses, using the straight-line method or other systematic and reasonable methods, in each period during the lease term. Additionally, the Company does not recognize right-of-use assets and lease liabilities.

## **(2) Accounting treatment of the Company as lessor**

### 1. Classification criteria

The Company, as lessor, classifies leases into finance leases and operating leases at the commencement date of the lease.

A finance lease is a lease that transfers nearly all the risks and rewards incidental to ownership of the leased asset. Ownership may or may not be transferred ultimately.

An operating lease is a lease other than a finance lease.

### 2. Accounting treatment

#### (1) Finance leases

On the commencement date of the lease, the Company shall recognize the finance lease accounts receivable on the basis of the net investment in the lease (The sum of the unguaranteed residual value and the present value of the lease receipts not yet received on the lease commencement date, discounted at the implicit interest rate in the lease), and terminate the recognition of the finance leased assets. The Company shall calculate and recognize interest income in accordance with a fixed periodical interest rate during each period of

the lease term. Variable lease payment acquired by the Company which is not included in net investment shall be recorded into current profits and losses when incurred if it is associated with the future performance or use of assets.

In the event of changes in finance lease that satisfy the following conditions, the Company shall treat such change as a separate lease: ① The change results in the expansion of the lease scope through the increase of the right to use one or more leased assets; ② The increased consideration is equivalent to the price corresponding to the expanded part of the lease as adjusted according to the relevant provisions.

## (2) Operating leases

The assets held by the Company for operating leases are included in the relevant items on the balance sheet based on the nature of such assets. The Company shall capitalize and include the initial direct expenses relating to the operating leases to the cost of the leased assets, and include the same in the current profits and losses by stages according to the same recognition criteria used for rental income during the lease term. The Company shall recognize the lease income from the operating leases as rental income by using the straight-line basis during each period of the lease term. Among the assets for operating leases, the fixed assets shall be depreciated by the Company based on the depreciation policy for similar assets, while other leased assets shall be amortized by a systematic and reasonable method. Variable lease payment, relating to the operating leases and not included in lease income, acquired by the Company shall be included in the current income statement when incurred.

In the event of any change in the operating leases, the Company shall treat such change as a new lease from the effective date of such change, and advance receipts or receivables relating to the lease before such change shall be deemed as receipts relating to the new lease.

## 36. Other significant accounting policies and accounting estimates

### (i) Repurchase of shares

The Company manages repurchased shares as treasury shares until they are either cancelled or transferred. All costs associated with the repurchase of shares are accounted for as part of the cost of treasury shares. Any consideration and transaction costs paid in relation to share repurchases shall be charged against owners' equity, and no gain or loss shall be recognized on the repurchase, transfer or cancellation of the Company's shares.

The Company manages repurchased shares as treasury shares until they are either cancelled or transferred. All costs associated with the repurchase of shares are accounted for as part of the cost of treasury shares.

In the case of transfers of treasury shares, the difference between the amount actually received and the book value of the treasury shares is included in capital reserves. In the event that the capital reserves are insufficient to offset the difference, the difference is offset against the surplus reserves and undistributed profits. Upon cancellation of treasury shares, the nominal value of the shares and the number of shares cancelled are deducted from share capital. The difference between the book balance and the nominal value of the cancelled treasury shares is included in capital reserve. In the event that capital reserve is insufficient to offset the difference, surplus reserves and undistributed profits shall be offset.

## 37. 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) Adjustments to related items of financial statements at the beginning of the current year upon initial implementation of the new accounting standards since 2024**

Applicable Not applicable

**VI. Taxes****1. Major tax categories and rates**

Tax categories	Taxation basis	Tax rate
VAT	Amount of input tax deductible from output tax	13%, 6%
Urban maintenance and construction tax	Amount subject to turnover tax	7%, 5%
Corporate income tax	Amount of taxable income	15%, 25% or appropriate national or regional tax rate
Educational surcharges	Amount subject to turnover tax	3%
Local education surcharges	Amount subject to turnover tax	2%
Property taxes	Residual value of the property or rental income	1.2%、12%

Information about taxpayers applying different enterprise income tax rates:

Name of taxpayer	Rate of income tax
Jiangsu Dongyuan Electrical Group Co., Ltd	15%
Nantong Gotion New Energy Co., Ltd	15%
Hefei Gotion High-Tech Power Energy Co., Ltd	15%
Nanjing Gotion Battery Co., Ltd	15%
Nanjing Gotion New Energy Co., Ltd	15%
Shanghai Xuanyi New Energy Development Co., Ltd	15%
Hefei Gotion Battery Material Co., Ltd	15%
Qingdao Gotion Battery Co., Ltd	15%
Tangshan Gotion Battery Co., Ltd	15%
Hefei Gotion Battery Co., Ltd	15%
Tongcheng Gotion New Energy Co., Ltd	15%
Hefei Gotion Recycling Technology Co., Ltd	15%
Yichun Gotion Battery Co., Ltd	15%
Jiangxi Weihong Lithium Industry Co., Ltd	15%
Liuzhou Gotion Battery Co., Ltd	15%
Tianjin Hi-Tech New Energy Auto Institute Co., Ltd	15%
Tianjin Gotion New Energy Technology Co., Ltd	15%
Gotion High-Tech Co., Ltd	25%
Gotion New Energy (Lujiang) Co., Ltd	25%
Anhui Gotion New Energy Automobile Technology Co., Ltd.	25%
Shanghai Gotion New Energy (Hefei) Energy Storage Technology Co., Ltd	25%
Shanghai Gotion New Energy Co., Ltd	25%
Hefei Gotion Precision Coating Material Co., Ltd	25%
Hefei Jiachi Technology Co., Ltd	25%
GOTION INC.	Subject to local laws
Gotion High-Tech Japan Co., Ltd	Subject to local laws
GOTION SINGAPORE PTE. Ltd.	Subject to local laws
Hefei Gotion Kehong New Energy Technology Co., Ltd	25%
Beijing Xuanyi Gotion New Energy Co., Ltd	25%
Hefei Gotion Battery Technology Co., Ltd	25%
Beijing Xuanyi New Energy Technology Co., Ltd	25%
Gotion New Energy (Hong Kong) Co., Ltd	Subject to local laws
Tangshan Xuanteng Energy Storage Technology Co., Ltd	25%

PT. Gotion Indonesia Materials	Subject to local laws
PT Gotion Green Energy Solutions Indonesia	Subject to local laws
Indonesia Gotion Trading Co., Ltd.	Subject to local laws
Gotion Singapore Materials Holdings Co., Ltd.	Subject to local laws
PT Konawe Alam Energi (Indonesia)	Subject to local laws
PT Intan Perdana Puspa (Indonesia)	Subject to local laws
Gotion Argentina S.A.	Subject to local laws
333 South Spruce Co., Ltd. (USA)	Subject to local laws
New Energy Real Estate Holdings Co., Ltd. (USA)	Subject to local laws
Gotion Illinois New Energy Co., Ltd. (USA)	Subject to local laws
Singapore Technology Co., Ltd.	Subject to local laws
Gotion Luxembourg Technology	Subject to local laws
Gotion GmbH	Subject to local laws
Gotion Germany Battery GmbH	Subject to local laws
Shanghai Xuanmei Yuankong New Energy Co., Ltd.	25%
Jinzhai Gotion New Energy Co., Ltd.	25%
Chuzhou Gotion New Energy Power Co., Ltd.	25%
Hefei Zhengyi Testing Technology Co., Ltd	25%
Gotion (Yichun) New Materials Co., Ltd	25%
Tongcheng Gotion Battery Technology Co., Ltd	25%
Shanghai Xuanyi Oufei New Energy Development Co., Ltd	25%
Hefei Gotion Battery Technologies Co., Ltd	25%
Hefei Gotion New Energy Technology Co., Ltd	25%
GIB EnergyX Slovakia s.r.o.	Subject to local laws
Gotion Switzerland Battery AG	Subject to local laws
Nantong Asitong Electrical Apparatus Co. , LTD	25%
Jiangxi Gotion New Energy Co., Ltd	25%
Yichun Gotion Lithium Industry Co., Ltd	25%
Yifeng Gotion Lithium Industry Co., Ltd	25%
Fengxin Gotion Lithium Industry Co., Ltd	25%
Yichun Kefeng New Material Co., Ltd	25%
Yichun Guangxuan New Energy Vehicle Transportation Co., Ltd	25%
Jiangxi Huayou Mining Co., Ltd	25%
Jiangxi Hzone-li Technology Co., Ltd.	25%
Jiangxi Lixing Technology Collaborative Innovation Co., Ltd	25%
Yifeng Huali Mining Development Co., Ltd.	25%
Yichun Gotion Mining Co., Ltd	25%
Jiangsu Gotion New Energy Technology Co., Ltd	25%
Feidong Gotion Battery Material Co., Ltd	25%
Hefei Gotion New Material Technology Co., Ltd	25%
Neimenggu Gotion Zero Carbon Technology Co., Ltd	25%
Guoxuan High-Tech (HK) Limited	Subject to local laws
Hefei Gotion Runhui New Energy Technology Co.,Ltd	25%
Hefei Gotion Yuneng New Energy Technology Co.,Ltd	25%
Anhui Gotion New Energy Co., Ltd	Not officially in operation
Jiangxi Gotion New Energy Development Co., Ltd	Not officially in operation
HuaiBei Gotion Xiangfeng New Energy Co., Ltd	Not officially in operation
Tangshan Xuanteng International Trade Co.,Ltd	Not officially in operation
Weihai Gotion New Energy Technology Co., Ltd	Not officially in operation
Nanjing Gotion Battery Research Institute Co., Ltd	Not officially in operation
Gpower	Subject to local laws

## 2. Tax preference

### 1. Income tax incentives available during the reporting period

(1) On October 12, 2022, Jiangsu Dongyuan Electric Appliance Group Co., Ltd., a subsidiary of the Company, was recognized as a high-tech enterprise and obtained a Certificate of High-tech Enterprise numbered GR202232000699, valid for three years. Since January 1, 2022, Jiangsu Dongyuan Electric Appliance Group Co., Ltd. has been enjoying relevant national tax preference as a high-tech enterprise and paying the enterprise income tax at a preferential rate of 15% for three consecutive years in accordance with the Enterprise Income Tax Law of the People's Republic of China.

(2) On November 3, 2021, Nantong Gotion New Energy Co., Ltd., a subsidiary of the Company, was recognized as a high-tech enterprise and obtained a Certificate of High-tech Enterprise numbered GR202132002831, valid for three years. Since January 1, 2021, Nantong Gotion New Energy Co., Ltd. has been enjoying relevant national tax preference as a high-tech enterprise and paying the enterprise income tax at a preferential rate of 15% for three consecutive years in accordance with the Enterprise Income Tax Law of the People's Republic of China.

(3) On November 30, 2023, Hefei Gotion High-Tech Power Energy Co., Ltd., a subsidiary of the Company, passed the reexamination of high-tech enterprise and obtained a Certificate of High-tech Enterprise numbered GR202334006271, valid for three years. Since January 1, 2023, Hefei Gotion High-Tech Power Energy Co., Ltd. has been enjoying relevant national tax preference as a high-tech enterprise and paying the enterprise income tax at a preferential rate of 15% for three consecutive years in accordance with the Enterprise Income Tax Law of the People's Republic of China.

(4) On December 12, 2022, Nanjing Gotion Battery Co., Ltd., a subsidiary of the Company, passed the reexamination of high-tech enterprise and obtained a Certificate of High-tech Enterprise numbered GR202232009581, valid for three years. Since January 1, 2022, Nanjing Gotion Battery Co., Ltd. has been enjoying relevant national tax preference as a high-tech enterprise and paying the enterprise income tax at a preferential rate of 15% for three consecutive years in accordance with the Enterprise Income Tax Law of the People's Republic of China.

(5) On November 30, 2021, Nanjing Gotion New Energy Co., Ltd., a subsidiary of the Company, passed the reexamination of high-tech enterprise and obtained a Certificate of High-tech Enterprise numbered GR202132010140, valid for three years. Since January 1, 2021, Nanjing Gotion New Energy Co., Ltd. has been enjoying relevant national tax preference as a high-tech enterprise and paying the enterprise income tax at a preferential rate of 15% for three consecutive years in accordance with the Enterprise Income Tax Law of the People's Republic of China.

(6) On December 7, 2023, Hefei Gotion Battery Material Co., Ltd., a subsidiary of the Company, was recognized as a high-tech enterprise and obtained a Certificate of High-tech Enterprise numbered GR202334006999, valid for three years. Since January 1, 2023, Hefei Gotion Battery Material Co., Ltd. has been enjoying relevant national tax preference as a high-tech enterprise and paying the enterprise income tax at a preferential rate of 15% for three consecutive years in accordance with the Enterprise Income Tax Law of the People's Republic of China.

(7) On November 9, 2023, Qingdao Gotion Battery Co., Ltd., a subsidiary of the Company, was recognized as a high-tech enterprise and obtained a Certificate of High-tech Enterprise numbered GR202337101611, valid for three years. Since January 1, 2023, Qingdao Gotion Battery Co., Ltd. has been enjoying relevant national tax preference as a high-tech enterprise and paying the enterprise income tax at a preferential rate of 15% for three consecutive years in accordance with the Enterprise Income Tax Law of the People's Republic of China.

(8) On November 22, 2022, Tangshan Gotion Battery Co., Ltd., a subsidiary of the Company, was recognized as a high-tech enterprise and obtained a Certificate of High-tech Enterprise numbered GR202213003074, valid for three years. Since January 1, 2022, Tangshan Gotion Battery Co., Ltd. has been enjoying relevant national tax preference as a high-tech enterprise and paying the enterprise income tax at a preferential rate of 15% for three consecutive years in accordance with the Enterprise Income Tax Law of the People's Republic of China.

(9) On November 22, 2023, Hefei Gotion Battery Co., Ltd., a subsidiary of the Company, was recognized as a high-tech enterprise and obtained a Certificate of High-tech Enterprise numbered GR202336001163, valid for three years. Since January 1, 2023, Hefei Gotion Battery Co., Ltd. has been enjoying relevant national tax preference as a high-tech enterprise and paying the enterprise income tax at a preferential rate of 15% for three consecutive years in accordance with the Enterprise Income Tax Law of the People's Republic of China.

(10) On November 18, 2021, Shanghai Xuanyi New Energy Development Co., Ltd., a subsidiary of the Company, was recognized as a high-tech enterprise and obtained a Certificate of High-tech Enterprise numbered GR202131003425, valid for three years. Since January 1, 2021, Shanghai Xuanyi New Energy Development Co., Ltd. has been enjoying relevant national tax preference as a high-tech enterprise and paying the enterprise income tax at a preferential rate of 15% for three consecutive years in accordance with the Enterprise Income Tax Law of the People's Republic of China.

(11) Liuzhou Gotion Battery Co., Ltd., one of its subsidiaries, can enjoy the preferential enterprise income tax policies as it is a market player in the sectors encouraged by Guangxi Zhuang Autonomous Region (“Manufacture of finished automobiles, manufacture of special purpose vehicles (not including ordinary trailers, dump trucks, tank trucks, vans and stake trucks), manufacture of key automotive parts and accessories”) in accordance with the Announcement on Extending the Deadline of the Preferential Enterprise Income Tax Policies for Companies Supporting Western Development issued by Ministry of Finance, State Taxation Administration, National Development and Reform Commission (No. 23 Announcement of Ministry of Finance in 2020). Specifically, it shall pay enterprise income tax at the rate of 15% from 2021 to 2030.

(12) On December 8, 2023, Tianjin Hi-Tech New Energy Auto Institute Co., Ltd, a subsidiary of the Company, was recognised as a high-tech enterprise and obtained a Certificate of High-tech Enterprise numbered GR202312001762, valid for three years. Since January 1, 2023, Tianjin Hi-Tech New Energy Auto Institute Co., Ltd has been enjoying the relevant national tax preference as a high-tech enterprise and paying the enterprise income tax at a preferential rate of 15% for three consecutive years in accordance with the Enterprise Income Tax Law of the People's Republic of China.

(13) On December 8, 2023, Tianjin Gotion New Energy Technology Co., Ltd, a subsidiary of the Company, was recognised as a high-tech enterprise and obtained a Certificate of High-tech Enterprise numbered GR202312001999, valid for three years. Since January 1, 2023, Tianjin Gotion New Energy Technology Co., Ltd has been enjoying the relevant national tax preference as a high-tech enterprise and paying the enterprise income tax at a preferential rate of 15% for three consecutive years in accordance with the Enterprise Income Tax Law of the People's Republic of China.

(14) On November 22, 2023, Yichun Gotion Battery Co., Ltd, a subsidiary of the Company, was recognised as a high-tech enterprise and obtained a Certificate of High-tech Enterprise numbered GR202336001163, valid for three years. Since January 1, 2023, Yichun Gotion Battery Co., Ltd has been enjoying the relevant national tax preference as a high-tech enterprise and paying the enterprise income tax at a preferential rate of 15% for three consecutive years in accordance with the Enterprise Income Tax Law of the People's Republic of China.

(15) On December 7, 2023, Tongcheng Gotion New Energy Co., Ltd, a subsidiary of the Company, was recognised as a high-tech enterprise and obtained a Certificate of High-tech Enterprise numbered GR202334006876, valid for three years. Since January 1, 2023, Tongcheng Gotion New Energy Co., Ltd has been enjoying the relevant national tax preference as a high-tech enterprise and paying the enterprise income tax at a preferential rate of 15% for three consecutive years in accordance with the Enterprise Income Tax Law of the People's Republic of China.

(16) On November 30, 2023, Hefei Gotion Recycling Technology Co., Ltd, a subsidiary of the Company, was recognised as a high-tech enterprise and obtained a Certificate of High-tech Enterprise numbered GR202334005122, valid for three years. Since January 1, 2023, Hefei Gotion Recycling Technology Co., Ltd has been enjoying the relevant national tax preference as a high-tech enterprise and paying the enterprise income tax at a preferential rate of 15% for three consecutive years in accordance with the Enterprise Income Tax Law of the People's Republic of China.

(17) On November 22, 2023, Jiangxi Weihong Lithium Industry Co., Ltd, a subsidiary of the Company, was recognised as a high-tech enterprise and obtained a Certificate of High-tech Enterprise numbered GR202336000264, valid for three years. Since January 1, 2023, Jiangxi Weihong Lithium Industry Co., Ltd has been enjoying the relevant national tax preference as a high-tech enterprise and paying the enterprise income tax at a preferential rate of 15% for three consecutive years in accordance with the Enterprise Income Tax Law of the People's Republic of China.

## 2. Other tax relief available during the reporting period

According to the *Announcement of the Ministry of Finance and the State Administration of Taxation regarding the Policy of Additional VAT Credit for Advanced Manufacturing Enterprises (Announcement No. 43 of 2023)*, advanced manufacturing enterprises are permitted to offset the VAT payable by adding 5% to the current creditable input tax amount between January 1, 2023 and December 31, 2027. Some of the Company's subsidiaries are among the list of advanced manufacturing enterprises defined by the competent authorities and are therefore entitled to the the said preferential tax policy during the reporting period.

## VII. Notes to items in the Consolidated Financial Statements

### 1. Cash and cash equivalents

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Cash on hand	109,566.87	155,682.62
Bank deposit	12,528,519,311.18	12,485,073,288.92
Other cash and cash equivalents	1,697,287,044.26	2,027,853,011.12
Total	14,225,915,922.31	14,513,081,982.66
Of which: Total amount of deposits in overseas banks	3,537,317,342.02	2,361,910,174.66

Other notes

Restricted cash and cash equivalents in the ending balance:

Item	Amount (RMB)
Bank deposit	1,422,776,753.18
Pledged for loans or bank acceptance bills	1,258,873,842.83
Judicial freezing	163,902,910.35
Other cash and cash equivalents	1,395,721,614.80
Deposit for bank acceptance bills	1,308,209,205.33
Deposit for other bills and others	87,512,409.47
Total	2,818,498,367.98

### 2. Held-for-trading financial assets

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Financial assets measured at fair value through profit or loss through profit or loss	3,470,873,172.44	4,707,054,011.26
Of which:		
Structural deposits	1,445,659,889.88	2,681,807,468.12
Short and medium-term wealth management products	1,153,795,222.51	1,145,126,435.39

Equity investment in listed companies	665,068,409.97	684,225,531.84
Equity of unlisted enterprises	173,433,372.76	162,931,486.76
Trust products – claims	32,374,597.55	32,374,597.55
Others	541,679.77	588,491.60
Of which:		
Total	3,470,873,172.44	4,707,054,011.26

Other notes:

### 3. Derivative financial assets

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Foreign currency swap	9,609,722.84	
Total	9,609,722.84	

Other notes:

### 4. Notes receivable

#### (1) Notes receivable presented by category

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Commercial acceptance bill	319,470,759.19	129,078,415.05
Total	319,470,759.19	129,078,415.05

#### (2) Disclosed by method for bad debt provisioning

Monetary Unit: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	%	Amount	Provision %		Amount	%	Amount	Provision %	
Of which:										
Notes receivable with provision for bad debt by portfolio	336,285,009.67	100.00%	16,814,250.48	5.00%	319,470,759.19	135,872,015.85	100.00%	6,793,600.80	5.00%	129,078,415.05
Of which:										
Commercial acceptance bill portfolio	336,285,009.67	100.00%	16,814,250.48	5.00%	319,470,759.19	135,872,015.85	100.00%	6,793,600.80	5.00%	129,078,415.05
Total	336,285,009.67	100.00%	16,814,250.48	5.00%	319,470,759.19	135,872,015.85	100.00%	6,793,600.80	5.00%	129,078,415.05

Provision for bad debt by portfolio: Commercial acceptance bill portfolio

Monetary Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debt	Provision %
Commercial acceptance bill portfolio	336,285,009.67	16,814,250.48	5.00%
Total	336,285,009.67	16,814,250.48	

Basis for determining the portfolio:

Provision for bad debt made under the general model of expected credit losses:

Applicable Not applicable

### (3) Provision for bad debt accrued, recovered or reversed in the current period

Provision for bad debt accrued in the current period:

Monetary Unit: RMB

Category	Beginning balance	Increase/decrease amount in the current period				Ending balance
		Accrued	Recovered or reversed	Written-off	Others	
Provision for bad debt on notes receivable	6,793,600.80	10,020,649.68				16,814,250.48
Total	6,793,600.80	10,020,649.68				16,814,250.48

Of which, the significant amounts of bad debt provision recovered or reversed in the current period:

Applicable Not applicable

### (4) Notes receivable endorsed or discounted by the Company at the end of the period and not yet due at the balance sheet date

Monetary Unit: RMB

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Commercial acceptance bill		160,460,100.07
Total		160,460,100.07

## 5. Accounts receivable

### (1) Disclosed by aging

Monetary Unit: RMB

Aging	Ending book balance	Beginning book balance
Within 1 year (inclusive)	15,213,711,344.20	12,240,029,783.27
1-2 years	2,369,309,125.90	1,196,230,074.63
2-3 years	971,729,894.62	448,746,355.11
Over 3 years	907,044,497.00	883,560,873.58
3-4 years	334,018,451.31	367,899,607.51
4-5 years	129,334,117.29	26,473,947.90
Over 5 years	443,691,928.40	489,187,318.17
Total	19,461,794,861.72	14,768,567,086.59

### (2) Disclosed by method for bad debt provisioning

Monetary Unit: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	%	Amount	Provision %		Amount	%	Amount	Provision %	
Accounts receivable with provision for bad debt on a single item basis	744,900,097.19	3.83%	624,273,636.42	83.81%	120,626,460.77	755,131,972.06	5.11%	633,060,195.57	83.83%	122,071,776.49
Of which:										
Accounts receivable with provision for bad debt by portfolio	18,716,894,764.53	96.17%	1,612,592,444.17	8.62%	17,104,302,320.36	14,013,435,114.53	94.89%	1,224,610,782.97	8.74%	12,788,824,331.56

Of which:										
Portfolio1	18,716,894,764.53	96.17%	1,612,592,444.17	8.62%	17,104,302,320.36	14,013,435,114.53	94.89%	1,224,610,782.97	8.74%	12,788,824,331.56
Total	19,461,794,861.72	100.00%	2,236,866,080.59	11.49%	17,224,928,781.13	14,768,567,086.59	100.00%	1,857,670,978.54	12.58%	12,910,896,108.05

Provision for bad debt on a single item basis:

Monetary Unit: RMB

Category	Beginning balance		Ending balance			
	Book balance	Provision for bad debt	Book balance	Provision for bad debt	Provision %	Reasons for provisioning
Customer No. 1	172,092,593.00	137,674,074.40	172,092,593.00	137,674,074.40	80.00%	Expected to be partially irrecoverable
Customer No. 2	103,814,398.37	72,670,078.86	103,814,398.37	72,670,078.86	70.00%	Expected to be partially irrecoverable
Customer No. 3	94,471,070.10	94,471,070.10	90,647,525.10	90,647,525.10	100.00%	Expected to be irrecoverable
Customer No. 4	82,864,337.80	58,005,036.46	82,864,337.80	58,005,036.46	70.00%	Expected to be partially irrecoverable
Customer No. 5	61,063,450.52	61,063,450.52	61,063,450.52	61,063,450.52	100.00%	Expected to be irrecoverable
Customer No. 6	56,017,737.12	39,212,415.98	56,017,737.12	39,212,415.98	70.00%	Expected to be partially irrecoverable
Customer No. 7	31,485,501.84	31,485,501.84	31,485,501.84	31,485,501.84	100.00%	Expected to be irrecoverable
Customer No. 8	31,874,992.66	31,874,992.66	30,263,096.80	30,263,096.80	100.00%	Expected to be irrecoverable
Others in total	121,447,890.65	106,603,574.75	116,651,456.64	103,252,456.46	97.00%	Expected to be partially irrecoverable
Total	755,131,972.06	633,060,195.57	744,900,097.19	624,273,636.42		

Provision for bad debts by portfolio: Portfolio 1

Monetary Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debt	Provision %
Accounts receivable with provision for bad debt by portfolio	18,716,894,764.53	1,612,592,444.17	8.62%
Total	18,716,894,764.53	1,612,592,444.17	

Basis for determining the portfolio:

Provision for bad debt made under the general model of expected credit losses:

Applicable Not applicable

### (3) Provision for bad debt accrued, recovered or reversed in the current period

Provision for bad debt accrued:

Monetary Unit: RMB

Category	Beginning balance	Increase/decrease amount in the current period				Ending balance
		Accrued	Recovered or reversed	Written-off	Others	
Provision for bad debt on accounts receivable	1,857,670,978.54	378,819,430.95		70,000.00	445,671.10	2,236,866,080.59
Total	1,857,670,978.54	378,819,430.95		70,000.00	445,671.10	2,236,866,080.59

[Remark]: Other changes are caused by fluctuation in exchange rate.

Of which, the significant amounts of bad debt provision recovered or reversed in the current period:

Monetary Unit: RMB

Entity	Amount recovered or reversed	Reasons for reversal	Recovery method	Basis for determining the initial provision percentage and its appropriateness
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**(4) Accounts receivable written off in the current period**

Monetary Unit: RMB

Item	Amount written off
Accounts receivable written off	70,000.00

Of which, significant write-offs of accounts receivable:

Monetary Unit: RMB

Entity	Nature of accounts receivable	Amount written off	Reasons for write-off	Write-off procedures performed	Amount arising from a related party transaction?
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Notes to write-off of accounts receivable:

**(5) Top 5 accounts receivable and contract assets in terms of the ending balance grouped by debtors**

Monetary Unit: RMB

Entity	Ending balance of accounts receivable	Ending balance of contract assets	Total ending balance of accounts receivable and contract assets	Proportion in the total ending balance of accounts receivable and contract assets (%)	Ending balance of provision for bad debts on accounts receivable and impairment of contract assets
Customer No. 1	972,717,306.13		972,717,306.13	5.00%	48,635,865.30
Customer No. 2	877,226,668.54		877,226,668.54	4.51%	48,049,572.18
Customer No. 3	873,639,465.97		873,639,465.97	4.49%	43,681,973.30
Customer No. 4	707,871,253.38		707,871,253.38	3.64%	35,393,562.67
Customer No. 5	660,382,764.34		660,382,764.34	3.39%	33,019,138.22
Total	4,091,837,458.36		4,091,837,458.36	21.03%	208,780,111.67

**6. Accounts receivable financing****(1) Accounts receivable financing by category**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Bank acceptance bills	705,850,302.71	482,376,009.97
Total	705,850,302.71	482,376,009.97

**(2) Accounts receivable financing endorsed or discounted by the Company at the end of the period and not yet due at the balance sheet date**

Monetary Unit: RMB

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance bills	3,869,686,572.06	
Total	3,869,686,572.06	

## 7. Other receivables

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Other receivables	542,143,983.18	499,878,057.48
Total	542,143,983.18	499,878,057.48

### (1) Other receivables

#### 1) Other receivables by nature of funds

Monetary Unit: RMB

Nature of funds	Ending book balance	Beginning book balance
Guarantees and deposits	134,303,029.96	96,036,584.20
Imprest and borrowings	13,786,848.69	9,354,291.87
Funds from disposal of long-term assets	108,462,747.90	105,918,877.18
Other funds to be collected	487,117,437.44	439,775,100.42
Less: Provision for bad debt	-201,526,080.81	-151,206,796.19
Total	542,143,983.18	499,878,057.48

#### 2) Disclosed by aging

Monetary Unit: RMB

Aging	Ending book balance	Beginning book balance
Within 1 year (inclusive)	311,038,331.08	224,690,155.83
1-2 years	103,444,810.15	295,261,583.21
2-3 years	260,223,067.54	59,825,215.57
Over 3 years	68,963,855.22	71,307,899.06
3-4 years	9,155,718.55	9,810,758.94
4-5 years	50,112,276.02	51,792,283.18
Over 5 years	9,695,860.65	9,704,856.94
Total	743,670,063.99	651,084,853.67

#### 3) Disclosed by method for bad debt provisioning

Applicable Not applicable

Monetary Unit: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	%	Amount	Provision %		Amount	%	Amount	Provision %	
Of which:										
Of which:										

Provision for bad debt made under the general model of expected credit losses:

Monetary Unit: RMB

Provision for bad debt	First stage	Second stage	Third stage	Total
	Expected credit losses	Expected credit loss for the entire duration (where no credit impairment has occurred)	Expected credit loss for the entire duration (where credit impairment has occurred)	

	over the next 12 months			
Balance as of January 1, 2024	55,724,296.70		95,482,499.49	151,206,796.19
Balance as of January 1, 2024 in the current period				
Amount accrued in the current period	50,417,255.69			50,417,255.69
Amount written off in the current period	71,257.71			71,257.71
Other changes	-26,713.36			-26,713.36
Balance as of June 30, 2024	106,043,581.32	0.00	95,482,499.49	201,526,080.81

Basis for classifying the stages and percentage of provision for bad debts

Changes in book balance with major changes in the amount of provision for losses in the current period

Applicable Not applicable

#### 4) Provision for bad debt accrued, recovered or reversed in the current period

Provision for bad debt accrued in the current period:

Monetary Unit: RMB

Category	Beginning balance	Increase/decrease amount in the current period				Ending balance
		Accrued	Recovered or reversed	Written-off	Others	
Provision for bad debt on other receivables	151,206,796.19	50,417,255.69		71,257.71	-26,713.36	201,526,080.81
Total	151,206,796.19	50,417,255.69		71,257.71	-26,713.36	201,526,080.81

[Remark]: Other changes are caused by fluctuation in exchange rate.

Of which, the significant amounts of bad debt provision recovered or reversed in the current period:

Monetary Unit: RMB

Entity	Amount recovered or reversed	Reasons for reversal	Recovery method	Basis for determining the initial provision percentage and its appropriateness

#### 5) Other receivables written off in the current period

Monetary Unit: RMB

Item	Amount written off
Other receivables written off	71,257.71

Of which, significant write-offs of other receivables:

Monetary Unit: RMB

Entity	Nature of other receivables	Amount written off	Reasons for write-off	Write-off procedures performed	Amount arising from a related party transaction?

Notes to write-off of accounts receivable:

No.

**6) Top 5 other receivables in terms of ending balance grouped by debtors**

Monetary Unit: RMB

Entity	Nature of funds	Ending balance	Aging	Proportion in the total ending balance of other receivables	Ending balance of provision for bad debts
Unit 1	Other funds to be collected	200,000,000.00	2-3 years	26.89%	60,000,000.00
Unit 2	Funds for purchase of assets	43,361,320.40	4-5 years	5.83%	34,689,056.32
Unit 3	Funds from disposal of long-term assets	41,880,000.00	2-3 years	5.63%	12,564,000.00
Unit 4	Others	38,871,900.69	2-3 years	5.23%	31,097,520.55
Unit 5	Funds from disposal of long-term assets	33,506,752.00	0-3 years	4.51%	5,516,461.65
Total		357,619,973.09		48.09%	143,867,038.52

**8. Advance to suppliers****(1) Advance to suppliers by aging**

Monetary Unit: RMB

Aging	Ending balance		Beginning balance	
	Amount	%	Amount	%
Within 1 year	221,833,476.17	80.50%	332,381,970.71	95.22%
1-2 years	48,350,635.94	17.55%	11,376,489.43	3.26%
2-3 years	3,876,085.20	1.41%	2,825,935.22	0.81%
Over 3 years	1,506,285.59	0.55%	2,492,021.17	0.71%
Total	275,566,482.90		349,076,416.53	

Reasons for delays in payment of advances to suppliers overdue for more than 1 year and of a significant amount:

No.

**(2) Top 5 advances to suppliers in terms of ending balance grouped by recipients**

Entity	Ending balance	Proportion in the total ending balance of advances to suppliers (%)
Recipient 1	74,179,782.46	26.92%
Recipient 2	28,061,775.00	10.18%
Recipient 3	19,103,357.30	6.93%
Recipient 4	10,415,670.53	3.78%
Recipient 5	8,970,442.26	3.26%
Total	140,731,027.55	51.07%

Other notes:

No.

**9. Inventories**

Whether the Company is subject to the disclosure requirements of the real estate industry

No.

**(1) Classification of inventories**

Monetary Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for inventory depreciation or for impairment of contract performance cost	Book value	Book balance	Provision for inventory depreciation or for impairment of contract performance cost	Book value
Raw materials	1,220,897,777.71	1,465,686.45	1,219,432,091.26	1,181,977,340.04	1,072,921.95	1,180,904,418.09
Goods in process	887,010,386.62	2,321,389.19	884,688,997.43	644,744,894.16	2,456,004.44	642,288,889.72
Inventory commodities	2,176,129,406.25	78,334,165.14	2,097,795,241.11	1,989,556,225.21	82,807,043.44	1,906,749,181.77
Revolving materials	816,106.90	0.00	816,106.90	1,041,732.29		1,041,732.29
Goods dispatched	1,283,351,879.20	116,982,913.44	1,166,368,965.76	2,123,768,657.13	176,058,672.42	1,947,709,984.71
Total	5,568,205,556.68	199,104,154.22	5,369,101,402.46	5,941,088,848.83	262,394,642.25	5,678,694,206.58

**(2) Provision for inventory depreciation or provision for impairment of contract performance cost Inventories**

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period		Decrease in the current period		Ending balance
		Accrued	Others	Reversed or written off	Others	
Raw materials	1,072,921.95	392,764.50				1,465,686.45
Goods in process	2,456,004.44			134,615.25		2,321,389.19
Inventory commodities	82,807,043.44	44,078,637.25		48,551,515.55		78,334,165.14
Revolving materials						0.00
Goods dispatched	176,058,672.42	55,848,350.08		114,924,109.06		116,982,913.44
Total	262,394,642.25	100,319,751.83	0.00	163,610,239.86	0.00	199,104,154.22

Provision for inventory depreciation by portfolio:

Monetary Unit: RMB

Portfolio	Ending			Beginning		
	Ending balance	Provision for inventory depreciation	Provision %	Beginning balance	Provision for inventory depreciation	Provision %

Criteria for provision for inventory depreciation by portfolio:

**10. Non-current assets maturing within one year**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Long-term receivables maturing within 1 year	71,012,201.10	69,311,028.19
Total	71,012,201.10	69,311,028.19

**(1) Debt investments maturing within one year**
Applicable Not applicable

**(2) Other debt investments maturing within one year**□Applicable Not applicable**11. Other current assets**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Deductible input tax	2,751,866,758.10	3,059,088,147.45
Prepaid taxes	12,734,661.93	29,820,047.32
Others	8,918,405.22	863,647.74
<b>Total</b>	<b>2,773,519,825.25</b>	<b>3,089,771,842.51</b>

Other notes:

**12. Other debt investments****(1) Details of other debt investments**

Monetary Unit: RMB

Item	Beginning balance	Accrued interest	Interest adjustment	Changes in fair value in current period	Ending balance	Cost	Accumulated changes in fair value	Accumulated impairment provision recognized in other comprehensive income	Remarks
GRU ENERGY convertible bonds	4,957,890.00				4,988,760.00	4,567,430.00			
<b>Total</b>	<b>4,957,890.00</b>				<b>4,988,760.00</b>	<b>4,567,430.00</b>			

**13. Other equity investments**

Monetary Unit: RMB

Project name	Beginning balance	Gains included in other comprehensive income in current period	Losses included in other comprehensive income in current period	Gains accumulated in other comprehensive income as at the end of the period	Losses accumulated in other comprehensive income as at the end of the period	Dividend income recognized in the current period	Ending balance	Reasons for designation as measured at fair value through other comprehensive income
Ningbo Meishan Free Trade Port Zone Gotion High-Tech New Energy Vehicle Industry Investment Centre (Limited Partnership)	2,069,701.03		-472,979.48		-9,904,397.48			
New Energy Vehicle Technology Innovation (Hefei) Equity Investment Partnership (Limited Partnership)	274,139,614.78			79,442,214.78			274,139,614.78	
Anhui Jintong New Energy Vehicle Phase I Fund Partnership (Limited Partnership)	129,374,203.37			19,004,935.28			129,374,203.37	
Hefei Guoke Xinneng Equity Investment Management Partnership	10,149,343.25			7,774,343.25			10,149,343.25	

(Limited Partnership)							
EV100plus Automobile Industry Research Institute (Hefei) Co., Ltd.	5,000,000.00					5,000,000.00	
Vinfast Auto PTE. Ltd.	889,232,985.00		-427,839,860.02		-615,186,875.02	591,905,088.00	
Anhui Jintong Zhihui New Energy Vehicle Investment Management Partnership (Limited Partnership)	1,303,839.25						
Tuhu.cn Corporation	214,067,143.41		-35,684,932.62		-39,989,623.33	178,382,210.79	
CHENQI TECHNOLOGY LIMITED						158,000,000.00	
Total	1,525,336,830.09		-463,997,772.12	106,221,493.31	-665,080,895.83	1,346,950,460.19	

## Derecognition in the current period

Monetary Unit: RMB

Project name	Accumulated gains transferred to retained earnings	Accumulated losses transferred to retained earnings	Reasons for derecognition
Anhui Jintong Zhihui New Energy Vehicle Investment Management Partnership (Limited Partnership)			Exit due to change in the scope of consolidation
Ningbo Meishan Free Trade Port Zone Gotion High-Tech New Energy Vehicle Industry Investment Centre (Limited Partnership)		9,904,397.48	Disposal

## Disclosure of investments in non-trading equity instruments by item in the current period

Monetary Unit: RMB

Project name	Dividend income recognized	Accumulated gains	Accumulated losses	Other comprehensive income transferred to retained earnings	Reasons for designation as measured at fair value through other comprehensive income	Reasons for transfer from other comprehensive income to retained earnings
Ningbo Meishan Free Trade Port Zone Gotion High-Tech New Energy Vehicle Industry Investment Centre (Limited Partnership)				-9,904,397.48		Disposal
New Energy Vehicle Technology Innovation (Hefei) Equity Investment Partnership (Limited Partnership)		79,442,214.78				
Anhui Jintong New Energy Vehicle Phase I Fund Partnership (Limited Partnership)		19,004,935.28				
Hefei Guoke Xinneng Equity Investment Management Partnership (Limited Partnership)		7,774,343.25				
EV100plus Automobile Industry Research Institute (Hefei) Co., Ltd.						
Vinfast Auto PTE. Ltd.			615,186,875.02			
Anhui Jintong Zhihui New Energy Vehicle Investment Management Partnership (Limited Partnership)						
Tuhu.cn Corporation			-39,989,623.33			
CHENQI TECHNOLOGY LIMITED						

Other notes:

## 14. Long-term equity investments

Monetary Unit: RMB

Investee	Beginning balance (Book value)	Beginning balance of impairment provision	Increase/decrease in current period								Ending balance (Book value)	Ending balance of impairment provision	
			Additional investment	Reduction of investment	Investment gains/losses recognized under the equity method	Other comprehensive income adjustment	Other changes in equity	Declared payment of cash dividends or profits	Provision for impairment	Others			
I. Joint ventures													
V-G High-Tech Energy Solutions Co., Ltd	373,003,731.11				-333,707.62						2,321,513.20	374,991,536.69	
Subtotal	373,003,731.11				-333,707.62						2,321,513.20	374,991,536.69	
II. Associates													
Hefei Senior New Energy Materials Co., Ltd.	195,750,152.66				53,791.42							195,803,944.08	
MCC Ramu New Energy Technology Co., Ltd.	400,023,064.89				6,613,960.20				23,898,992.00			382,738,033.09	
Jiangxi Ewinway New Materials Co., Ltd	131,529,431.04				-1,990,270.77							129,539,160.27	
Leadtang Technology Co., Ltd		2,752,931.70											2,752,931.70
Beijing Full-Service Oil & Gas Technology Co., Ltd.		34,217,439.93											34,217,439.93
North China Aluminum New Material Technology Co., Ltd.	117,438,944.44				19,933.30							117,458,877.74	
Tata Auto Comp Gotion Green Energy Solutions Private Limited	3,488,783.30	3,488,783.30										3,488,783.30	3,488,783.30
Shanghai Wuyang Ship		1,926,553.35											1,926,553.35

Technology Co., Ltd.												
Beijing Gotion Full-Service Photovoltaic Storage & Charging Technology Co., Ltd.		9,228,535.85										
Tongling Anxuanda New Energy Technology Co., Ltd.	31,214,526.04				-1,816,624.15						29,397,901.89	
NV Gotion Co., Ltd.	72,687,011.04				-745,928.59				1,490,455.33		73,431,537.78	
Shanghai Electric Gotion New Energy Technology Co., Ltd.	114,848,364.52				-46,601,435.79						68,246,928.73	
Anhui Anwa New Energy Technology Co., Ltd.	64,983,326.03				-1,133,295.74		98,156.35				63,948,186.64	
Zhongan Energy (Anhui) Co., Ltd.			154,000,000.00								154,000,000.00	
<b>Subtotal</b>	<b>1,131,963,603.96</b>	<b>51,614,244.13</b>	<b>154,000,000.00</b>		<b>-45,599,870.12</b>		<b>98,156.35</b>	<b>23,898,992.00</b>	<b>1,490,455.33</b>	<b>1,218,053,353.52</b>	<b>42,385,708.28</b>	
<b>Total</b>	<b>1,504,967,335.07</b>	<b>51,614,244.13</b>	<b>154,000,000.00</b>		<b>-45,933,577.74</b>		<b>98,156.35</b>	<b>23,898,992.00</b>	<b>3,811,968.53</b>	<b>1,593,044,890.21</b>	<b>42,385,708.28</b>	

Recoverable amount is determined as the net of fair value less disposal costs

Applicable Not applicable

Recoverable amount is determined as the present value of the expected future cash flows

Applicable Not applicable

Reasons for apparent inconsistency between the above information and information used for impairment tests in previous years or external information

Reasons for apparent inconsistency between the information used in the Company's impairment tests in previous years and the actual situation in the current year

Other notes

## 15. Other non-current financial assets

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Equity investment in unlisted enterprises	1,568,864,000.00	1,567,541,000.00
Total	1,568,864,000.00	1,567,541,000.00

Other notes:

## 16. Fixed assets

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Fixed assets	21,602,326,972.21	21,856,847,448.98
Total	21,602,326,972.21	21,856,847,448.98

### (1) Details of fixed assets

Monetary Unit: RMB

Item	Houses and buildings	Machinery and equipment	Transportation equipment	Electronic equipment and Other	Total
I. Original book value:					
1.Beginning balance	9,359,092,729.06	16,299,048,735.69	328,838,668.07	814,011,919.11	26,800,992,051.93
2.Increase in the current period	429,299,460.15	1,118,264,454.56	99,144,808.00	201,352,298.75	1,848,061,021.46
(1) Purchase	102,492,055.81	41,465,890.60	8,962,093.14	159,846,504.95	312,766,544.50
(2) Transfer from construction in progress	326,529,205.38	1,076,530,885.52	90,164,326.46	41,014,379.77	1,534,238,797.13
(3) Increase from business combinations					
Translation of statements in foreign currencies	278,198.96	267,678.44	18,388.40	491,414.03	1,055,679.83
3.Decrease in the current period	9,696,489.83	1,515,212,512.67	2,907,343.62	33,468,824.19	1,561,285,170.31
(1) Disposal or scrapping	6,716,109.77	25,776,895.18	2,816,963.06	22,042,178.01	57,352,146.02
(2) Transfer to technical reform		1,498,060,379.58			1,498,060,379.58
(3) Decrease from business combinations					
(4) Decrease from translation of statements in foreign currencies	2,980,380.06	2,393,231.08	90,380.56	408,653.01	5,872,644.71
4.Ending balance	9,778,695,699.38	15,902,100,677.58	425,076,132.45	981,895,393.67	27,087,767,903.08
II. Accumulated depreciation					0.00
1.Beginning balance	871,007,156.84	3,599,381,847.22	73,856,485.04	377,559,678.85	4,921,805,167.95

2.Increase in the current period	131,862,064.28	742,735,594.46	25,932,848.63	85,448,263.13	985,978,770.50
(1) Provision	131,804,425.49	742,395,242.89	25,917,884.79	85,382,811.29	985,500,364.46
(2) Increase from business combinations					
(3) Translation of statements in foreign currencies	57,638.80	340,351.57	14,963.83	65,451.84	478,406.04
3.Decrease in the current period	363,636.03	422,356,125.58	988,310.69	20,974,370.28	444,682,442.58
(1) Disposal or scrapping	235,472.71	6,139,524.32	983,739.23	17,088,632.80	24,447,369.06
(2) Transfer to technical reform		418,886,904.89			418,886,904.89
(3) Decrease from business combinations					
(4) Decrease from translation of statements in foreign currencies	128,163.32	1,114,645.82	4,571.46	100,788.03	1,348,168.63
4.Ending balance	1,002,505,585.09	3,919,761,316.10	98,801,022.98	442,033,571.70	5,463,101,495.87
III. Provision for impairment					
1.Beginning balance			22,339,435.00		22,339,435.00
2.Increase in the current period					
(1) Provision					
3.Decrease in the current period					
(1) Disposal or scrapping					
4.Ending balance			22,339,435.00		22,339,435.00
IV. Book value					
1.Ending book value	8,776,190,114.29	11,982,339,361.48	303,935,674.47	539,861,821.97	21,602,326,972.21
2.Beginning book value	8,488,085,572.22	12,699,666,888.47	232,642,748.03	436,452,240.26	21,856,847,448.98

**(2) Fixed assets leased out through operating leases**

Monetary Unit: RMB

Item	Ending book value
UCB SAMPLE LINE	128,846,972.75

**(3) Fixed assets for which certificate of property rights has not been obtained**

Monetary Unit: RMB

Item	Book value	Reasons for failure to obtain the certificate of property rights
Nanjing New Energy plant	348,741,240.00	In progress
Nanjing Gotion Phase II plant	115,671,421.00	In progress
Gotion High-Tech Baohua Headquarters Building	726,180,375.00	In progress
Hefei New Material plant	133,450,283.00	In progress
Inner Mongolia Gotion plant	150,150,739.00	In progress
Hefei Gotion supporting buildings A. B. C. D	54,975,010.00	In progress
Hefei Gotion Shanghai Pudong Property	69,730,730.00	In progress
Jiangsu New Energy plant	671,879,174.00	In progress
Kefeng plant	42,593,355.00	In progress
Yichun Battery Phase I plant	520,307,661.00	In progress
Jiangxi Weihong Lithium raw materials warehouse	20,387,772.00	In progress
Lujiang Kehong plant	333,334,107.00	In progress
Liuzhou Gotion Phase I plant	483,768,021.00	In progress
Tangshan Gotion plant Phase I, Phase II and Phase III	265,896,686.00	In progress
Tianjin Hengtian Phase I plant	164,384,497.00	In progress
Tongcheng Gotion Phase I plant	468,244,800.00	In progress
Tongcheng Gotion Phase II plant	249,306,547.00	In progress
Hefei Gotion Battery Technology Phase I plant	721,248,419.00	In progress

Indonesia Gotion office building	38,178,337.00	In progress
Gotion Phase II plant in Economic Development Zone	180,862,569.55	In progress

Other notes

#### (4) Impairment tests for fixed assets

Applicable Not applicable

### 17. Construction in progress

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Construction in progress	19,135,306,080.14	15,820,621,504.09
Total	19,135,306,080.14	15,820,621,504.09

#### (1) Details of construction in progress

Monetary Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Jiangsu Gotion New Energy intelligent manufacturing base and supporting project	874,182,261.25		874,182,261.25	1,893,159,588.61		1,893,159,588.61
Lujiang Kehong project of annual output of 200,000 tonnes of high-end cathode materials	934,440,997.01		934,440,997.01	896,239,123.26		896,239,123.26
Lujiang Material project of annual output of 30,000 tonnes of high-nickel ternary materials	591,362,820.86		591,362,820.86	431,087,528.01		431,087,528.01
Gotion EDZ project of 4GWh lithium iron phosphate soft pack battery and new energy battery production base	844,832,371.59		844,832,371.59	824,139,011.67		824,139,011.67
Hefei Gotion Battery Technology project of annual output of 20GWh mass standard battery cell	3,160,907,841.73		3,160,907,841.73	2,837,898,971.75		2,837,898,971.75
Hefei Gotion Battery Technology project of annual output of 20GWh power battery	1,614,560,714.27		1,614,560,714.27	1,385,493,936.92		1,385,493,936.92
Chuzhou Gotion project of high performance blade battery	727,138,279.48		727,138,279.48	568,113,426.70		568,113,426.70
Inner Mongolia Gotion construction project of annual output of 100,000 tonnes lithium battery anode material	766,131,612.35		766,131,612.35	660,284,106.99		660,284,106.99
Shanghai Xuanyi project of production base in Lot 1702, Waigang Town, Jiading District, Shanghai	1,440,160,489.30		1,440,160,489.30	1,335,214,755.09		1,335,214,755.09
Tongcheng New Energy project of annual output of 20GWh power battery	757,511,763.84		757,511,763.84	671,442,920.57		671,442,920.57
Yichun Battery construction project of 10GWh lithium battery and	343,085,122.92		343,085,122.92	293,323,924.18		293,323,924.18

pack production base						
US Gotion Real Estate Property project	1,151,059,611.27		1,151,059,611.27	1,046,750,803.71		1,046,750,803.71
Liuzhou Gotion's newly added power battery production base project with an annual output of 10GWh (Phase II)	982,118,582.90		982,118,582.90	374,460,780.01		374,460,780.01
Tangshan Gotion's new energy high-end manufacturing base project (Phase V)	741,367,611.80		741,367,611.80	383,964,456.94		383,964,456.94
Yifeng Li Carbonate Phase I and concentrator plant Phase I	944,308,224.82		944,308,224.82	668,464,169.27		668,464,169.27
Other projects	3,265,348,628.73	3,210,853.98	3,262,137,774.75	1,553,794,854.39	3,210,853.98	1,550,584,000.41
<b>Total</b>	<b>19,138,516,934.12</b>	<b>3,210,853.98</b>	<b>19,135,306,080.14</b>	<b>15,823,832,358.07</b>	<b>3,210,853.98</b>	<b>15,820,621,504.09</b>

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

Monetary Unit: RMB

Project	Budget	Beginning balance	Increase in the current period	Amount transferred to fixed assets in current period	Other decreases in the current period	Ending balance	Proportion of accumulated investment in budget	Project progress	Accumulated amount of interest capitalization	Of which: Amount of interest capitalization in the current period	Interest capitalization rate in the current period	Sources of funds
Jiangsu Gotion New Energy intelligent manufacturing base and supporting project		1,893,159,588.61	16,130,527.30	1,035,107,854.66		874,182,261.25			126,433,432.08	18,129,714.68	4.15%	Other
Lujiang Kehong project of annual output of 200,000 tonnes of high-end cathode materials		896,239,123.26	39,384,663.12	1,182,789.37		934,440,997.01			67,243,565.99	12,575,606.12	4.20%	Other
Lujiang Material project of annual output of 30,000 tonnes of high-nickel ternary materials		431,087,528.01	278,888,885.80	118,613,592.95		591,362,820.86			22,625,513.91	2,279,472.22	4.00%	Proceeds from fundraising and other
Gotion EDZ project of 4GWh lithium iron phosphate soft pack battery and new energy battery production base		824,139,011.67	34,535,218.13	13,841,858.21		844,832,371.59			56,099,509.85	-5,610,014.83	4.45%	Other
Hefei Gotion Battery Technology project of annual output of 20GWh mass standard battery cell		2,837,898,971.75	332,366,354.00	9,357,484.02		3,160,907,841.73						Proceeds from fundraising
Hefei Gotion Battery Technology project of annual output of 20GWh power battery		1,385,493,936.92	229,066,777.35			1,614,560,714.27			49,153,824.14	29,797,350.52	3.40%	Other

Chuzhou Gotion project of high performance blade battery		568,113,426.70	159,024,852.78			727,138,279.48			12,363,723.21	11,514,641.11	3.40%	Other
Inner Mongolia Gotion construction project of annual output of 100,000 tonnes lithium battery anode material		660,284,106.99	105,860,195.63	12,690.27		766,131,612.35			73,542,343.39	12,523,640.57	4.88%	Other
Shanghai Xuanyi project of production base in Lot 1702, Waigang Town, Jiading District, Shanghai		1,335,214,755.09	104,945,734.21			1,440,160,489.30			114,977,728.29	16,816,396.01	4.24%	Other
Tongcheng New Energy project of annual output of 20GWh power battery		671,442,920.57	339,291,197.24	253,222,353.97		757,511,763.84			57,807,036.86	12,506,500.78	3.79%	Other
Yichun Battery construction project of 10GWh lithium battery and pack production base		293,323,924.18	49,761,198.74			343,085,122.92			38,588,995.80		3.95%	Other
US Gotion Real Estate Property project		1,046,750,803.71	104,308,807.56			1,151,059,611.27			38,985,500.12	38,985,500.12	3.39%	Proceeds from fundraising and other
Liuzhou Gotion's newly added power battery production base project with an annual output of 10GWh (Phase II)		374,460,780.01	620,002,038.77	12,344,235.88		982,118,582.90			10,547,405.55	10,547,405.55	3.95%	Other
Tangshan Gotion's new energy high-end manufacturing base project (Phase V)		383,964,456.94	357,653,042.02	249,887.16		741,367,611.80			17,368,975.12	16,412,760.76	3.30%	Other
Yifeng Li		668,464,169.27	298,793,009.86	22,948,954.31		944,308,224.82			34,647,771.46	15,112,773.35	4.00%	Other

Carbonate Phase I and concentrator plant Phase I												
Total		14,270,037,503.68	3,070,012,502.51	1,466,881,700.80	0.00	15,873,168,305.39			720,385,325.77	191,591,746.96		

**(3) Impairment tests for construction in progress**□Applicable Not applicable**18. Right-of-use assets****(1) Details of right-of-use assets**

Monetary Unit: RMB

Item	Houses and buildings	Machinery and equipment	Total
I. Original book value			
1.Beginning balance	127,706,692.71	28,792,805.34	156,499,498.05
2.Increase in the current period	261,999.28		261,999.28
(1) New leases			
(2) Increase from business combinations			
(3) Translation of statements in foreign currencies	261,999.28		261,999.28
3.Decrease in the current period	141,630.77	5,653.32	147,284.09
(1) Disposal or scrapping			
(2) Decrease from business combinations			
(3) Translation of statements in foreign currencies	141,630.77	5,653.32	147,284.09
4.Ending balance	127,827,061.22	28,787,152.02	156,614,213.24
II. Accumulated depreciation			
1.Beginning balance	19,092,284.16	3,473,416.71	22,565,700.87
2.Increase in the current period	3,954,001.27	1,432,428.40	5,386,429.67
(1) Provision	3,875,959.80	1,432,428.40	5,308,388.20
(2) Translation of statements in foreign currencies	78,041.47		78,041.47
3.Decrease in the current period		4,457.59	4,457.59
(1) Disposal			
(2) Translation of statements in foreign currencies		4,457.59	4,457.59
4.Ending balance	23,046,285.43	4,901,387.52	27,947,672.95
III. Provision for impairment			
1.Beginning balance			
2.Increase in the current period			
(1) Provision			
3.Decrease in the current period			
(1) Disposal			
4.Ending balance			
IV. Book value			
1.Ending book value	104,780,775.79	23,885,764.50	128,666,540.29
2.Beginning book value	108,614,408.55	25,319,388.63	133,933,797.18

**(2) Impairment tests for right-of-use assets**□Applicable Not applicable

Other notes:

## 19. Intangible assets

### (1) Details of intangible assets

Monetary Unit: RMB

Item	Land use rights	Patents	Non-patented technologies	Mining rights	Software	Total
I. Original book value						
1.Beginning balance	2,367,104,691.61		2,024,476,237.24	724,955,733.97	112,118,288.19	5,228,654,951.01
2.Increase in the current period	8,719,398.09	0.00	188,059,087.69	17,927,452.19	10,137,235.09	224,843,173.06
(1) Purchased	8,650,296.64			17,927,452.19	10,136,553.62	36,714,302.45
(2) In-house developed			188,056,859.21			188,056,859.21
(3) Increase from business combinations						0.00
(4) Translation of statements in foreign currencies	69,101.45		2,228.48		681.47	72,011.40
3.Decrease in the current period	1,848,737.82	0.00	0.00	0.00	288,725.49	2,137,463.31
(1) Disposal						0.00
(2) Decrease from business combinations						0.00
(3) Other						0.00
(4) Translation of statements in foreign currencies	1,848,737.82				288,725.49	2,137,463.31
4.Ending balance	2,373,975,351.88	0.00	2,212,535,324.93	742,883,186.16	121,966,797.79	5,451,360,660.76
II. Accumulated amortization						0.00
1.Beginning balance	167,955,809.05		291,886,215.15	27,152,316.37	57,560,832.96	544,555,173.53
2.Increase in the current period	20,428,664.68	0.00	107,091,584.99	28,716,454.03	16,905,526.96	173,142,230.66
(1) Provision	20,426,990.15		107,029,333.22	28,716,454.03	16,905,526.96	173,078,304.36
(2) Increase from business combinations						0.00
(3) Translation of statements in foreign currencies	1,674.53		62,251.77			63,926.30
3.Decrease in the current period					63,029.67	63,029.67
(1) Disposal						0.00
(2) Decrease from business combinations						0.00
(3) Translation of statements in foreign currencies					63,029.67	63,029.67
4.Ending balance	188,384,473.73	0.00	398,977,800.14	55,868,770.40	74,403,330.25	717,634,374.52
III. Provision for impairment						0.00
1.Beginning balance						0.00
2.Increase in the current period						0.00
(1) Provision						0.00
						0.00
3.Decrease in the current period						0.00
(1) Disposal						0.00

						0.00
4.Ending balance						0.00
IV. Book value						0.00
1.Ending book value	2,185,590,878.15	0.00	1,813,557,524.79	687,014,415.76	47,563,467.54	4,733,726,286.24
2.Beginning book value	2,199,148,882.56		1,732,590,022.09	697,803,417.60	54,557,455.23	4,684,099,777.48

As at the end of the period, the proportion of intangible assets formed through in-house R&D to the balance of intangible assets: 3.45%

## (2) Land use rights for which certificate of property rights have not been obtained

Monetary Unit: RMB

Item	Book value	Reasons for failure to obtain the certificate of property rights
Land use rights of Fengxin Gotion Lithium	23,539,152.76	In progress
Land use rights of Yichun Gotion Battery	85,521,194.16	In progress

Other notes

## (3) Impairment tests for intangible assets

Applicable Not applicable

## 20. Goodwill

### (1) Original book value of goodwill

Monetary Unit: RMB

Investee or matters forming goodwill	Beginning balance	Increase in the current period		Decrease in the current period		Ending balance
		Business combination		Disposal		
Jiangsu Dongyuan Electrical Group Co., Ltd.	80,427,604.58					80,427,604.58
Tianjin Hi-Tech New Energy Auto Institute Co., Ltd.	67,496,148.69					67,496,148.69
Yifeng Huali Mining Development Co., Ltd.	684,568.29					684,568.29
Jiangxi Weihong Lithium Industry Co., Ltd.	809,254.33					809,254.33
Yichun Kefeng New Material Co., Ltd.	396,368,743.11					396,368,743.11
Gotion Argentina S.A.	441,170.30					441,170.30
Total	546,227,489.30					546,227,489.30

### (2) Impairment provision for goodwill

Monetary Unit: RMB

Investee or matters forming goodwill	Beginning balance	Increase in the current period		Decrease in the current period		Ending balance
		Provision		Disposal		
Tianjin Hi-Tech New Energy Auto Institute Co., Ltd.	47,247,304.09					47,247,304.09
Gotion Argentina S.A.	441,170.30					441,170.30
Total	47,688,474.39					47,688,474.39

**(3) Details of the asset group or combination of asset groups to which goodwill belongs**

Entity	Composition and basis of the asset group or combination of asset groups to which it belongs	Operating division to which it belongs and basis	Consistency with prior years
Jiangsu Dongyuan Electrical Group Co., Ltd	There have been no significant changes in its operating assets included in the consolidation since the acquisition date. These assets are classified as part of the goodwill asset group. The production operation is a standalone entity with the ability to generate independent cash flows.		Yes
Tianjin Hi-Tech New Energy Auto Institute Co., Ltd	There have been no significant changes in its operating assets since the acquisition date. These assets are classified as part of the goodwill asset group. The production operation is a standalone entity with the ability to generate independent cash flows.		Yes
Yifeng Huali Mining Development Co., Ltd.	There have been no significant changes in its operating assets since the acquisition date. These assets are classified as part of the goodwill asset group. The production operation is a standalone entity with the ability to generate independent cash flows.		Yes
Jiangxi Weihong Lithium Industry Co., Ltd	There have been no significant changes in its operating assets since the acquisition date. These assets are classified as part of the goodwill asset group. The production operation is a standalone entity with the ability to generate independent cash flows.		Yes
Yichun Kefeng New Material Co., Ltd	There have been no significant changes in its operating assets since the acquisition date. These assets are classified as part of the goodwill asset group. The production operation is a standalone entity with the ability to generate independent cash flows.		Yes
Gotion Argentina S.A.			

Changes in asset group or combination of asset groups

Group	Composition before the change	Composition after the change	Objective facts leading to the change and the basis
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Other notes

No.

**(4) Method for determining the recoverable amounts**

Recoverable amount is determined as the net of fair value less disposal costs

Applicable Not applicable

Recoverable amount is determined as the present value of the expected future cash flows

Applicable Not applicable

Reasons for apparent inconsistency between the above information and information used for impairment tests in previous years or external information

Reasons for apparent inconsistency between the information used in the Company's impairment tests in previous years and the actual situation in the current year

**(5) Completion of performance commitments and corresponding impairment on goodwill**

There existed performance commitments when goodwill was formed and the reporting period or the previous period was within the performance commitment period

Applicable Not applicable

Other notes

**21. Long-term deferred expenses**

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Amortization in the current period	Other decreases	Ending balance
Major repairs and renovation of buildings	67,555,998.58	8,504,581.10	11,448,506.08		64,612,073.60
Landscaping projects	15,084,536.41	2,349,695.78	2,213,355.05		15,220,877.14
Equipment renovation	20,768,832.32	7,393,603.60	6,093,594.52		22,068,841.40
Total	103,409,367.31	18,247,880.48	19,755,455.65		101,901,792.14

Other notes

**22. Deferred tax assets/Deferred tax liabilities****(1) Deferred tax assets before offset**

Monetary Unit: RMB

Item	Ending balance		Beginning balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for assets impairment	201,227,843.86	30,467,027.95	264,518,331.89	41,213,020.51
Provision for bad debt	2,538,217,549.48	388,644,701.72	2,104,604,921.43	325,729,840.75
Provisions	568,911,269.12	85,336,690.33	497,014,118.95	74,552,117.83
Deferred income	754,966,755.30	153,539,390.80	164,795,747.17	28,544,535.62
Unrealized gains/losses on internal transactions	130,786,973.06	21,018,643.65	194,276,167.66	35,562,725.77
Deductible losses	2,939,658,422.05	620,448,550.80	2,254,846,053.91	444,157,076.97
Stock options	217,615,053.62	40,844,970.34	295,954,065.58	51,286,878.05
Losses from changes in fair value of held-for-trading financial assets	113,018,775.35	16,952,816.30	61,747,822.65	9,262,173.40
Differences arising from differences in revenue recognition between tax law and accounting standards & Other	258,770,528.61	58,072,380.75	194,257,988.44	43,279,283.49
Total	7,723,173,170.45	1,415,325,172.64	6,032,015,217.68	1,053,587,652.39

**(2) Deferred tax liabilities before offset**

Monetary Unit: RMB

Item	Ending balance		Beginning balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Asset valuation appreciation arising from the business combination not under common control	408,811,178.97	88,212,265.33	420,061,182.37	97,191,873.41
Installment collection differences			5,142,696.19	771,404.43
Depreciation differences of fixed assets	593,254,965.04	96,829,144.07	626,350,469.14	104,754,423.58
Changes in fair value of financial assets held for trading	43,573,192.63	8,393,048.86	104,023,086.38	24,306,700.20
Investment income from the conversion of long-term equity investments measured by equity method to trading financial assets	142,103,199.17	21,315,479.88	142,103,199.17	21,315,479.88
Differences arising from differences in revenue recognition between tax law and accounting standards & Other	61,499,719.42	14,590,680.76	94,217,673.88	24,636,866.34
Total	1,249,242,255.23	229,340,618.90	1,391,898,307.13	272,976,747.84

**(3) Deferred tax assets/liabilities presented by net amount after offset**

Monetary Unit: RMB

Item	Offset amount of deferred tax assets and liabilities at the end of the period	Ending balance of deferred tax assets or liabilities after offset	Amount of deferred tax assets and liabilities mutually-offset beginning of the period	Open amount of deferred tax assets or liabilities after offsetting
Deferred tax assets		1,415,325,172.64		1,053,587,652.39
Deferred tax liabilities		229,340,618.90		272,976,747.84

**(4) Details of unrecognized deferred tax assets**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Deductible losses	621,462,342.36	538,415,285.75
Provision for bad debts of accounts receivable	37,742,435.60	31,820,027.30
Provision for inventory depreciation	1,416,060.36	1,416,060.36
Long-term equity investments provision for impairment	42,385,708.28	51,614,244.13
Fixed assets provision for impairment	22,339,435.00	22,339,435.00
Construction in progress provision for impairment	3,210,853.98	3,210,853.98
Deferred income	3,871,167.36	75,154,500.66
Provisions	656,842.95	652,792.08
Stock options	4,630,853.32	1,722,060.31
Losses from changes in fair value of held-for-trading financial assets	9,475,576.30	9,475,576.30
Bad debt provision written off	119,498,355.69	119,498,355.69
Total	866,689,631.20	855,319,191.56

**(5) The deductible losses of unrecognized deferred tax assets will expire in the following years**

Monetary Unit: RMB

Year	Ending Amount	Beginning Amount	Remarks
2024		4,284,804.18	
2025	60,806,264.23	60,806,264.23	
2026	133,354,991.35	133,354,991.35	
2027	125,504,379.40	125,504,379.40	
2028	170,201,379.04	170,201,379.04	
2029 and subsequent years	131,595,328.34	44,263,467.55	
Total	621,462,342.36	538,415,285.75	

Other notes

**23. Other non-current assets**

Monetary Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Advance payment for engineering and equipment	548,444,037.71		548,444,037.71	1,226,411,453.39		1,226,411,453.39
Expenditure on exploration rights	432,551,324.95		432,551,324.95	434,951,088.28		434,951,088.28
Advance payment for equity investment	100,000,000.00		100,000,000.00	258,000,000.00		258,000,000.00
Advance payment for land and houses	8,654,120.00		8,654,120.00	60,696,555.21		60,696,555.21
Net assets of benefit plan	31,325,995.45		31,325,995.45	26,312,768.29		26,312,768.29
The unsecured arising from the financial leasing of self-owned	7,712,070.72		7,712,070.72	6,845,319.74		6,845,319.74

products					
Total	1,128,687,548.83		1,128,687,548.83	2,013,217,184.91	2,013,217,184.91

Other notes:

## 24. Assets with restrictions on ownership or right to use

Monetary Unit: RMB

Item	Ending				Beginning			
	Book balance	Book value	Type of restriction	Details of restriction	Book balance	Book value	Type of restriction	Details of restriction
Cash and cash equivalents	2,818,498,367.98	2,818,498,367.98	Pledge, freezing	Of which RMB 1,395,721,614.80 is deposit, RMB 1,258,873,842.83 is pledged for financing, and RMB 163,902,910.35 is subject to judicial freezing	3,184,876,423.35	3,184,876,423.35	Pledge, freezing	Of which RMB 2,009,756,839.71 is for security deposit, RMB 1,012,510,500.00 is pledged for financing, and RMB 162,609,083.64 is subject to judicial freezing
Notes receivable	160,460,100.07	152,437,095.07	Transferred but not derecognized in its entirety	Endorsed, unmaturred, not derecognized	51,178,205.30	48,619,295.04	Transferred but not derecognized in its entirety	Endorsed, unmaturred, not derecognized
Fixed assets	1,130,478,586.50	902,056,385.08	Mortgage	Mortgage for financing	1,974,442,897.75	1,577,334,986.61	Mortgage	Mortgage for financing
Intangible assets	738,412,478.11	666,174,776.03	Mortgage	Mortgage for financing	769,538,867.20	691,788,371.87	Mortgage	Mortgage for financing
Accounts receivable financing					41,895,942.58	41,895,942.58	Mortgage	Pledge for financing
Held-for-trading financial assets					272,943,397.26	272,943,397.26	Pledge	Pledge for financing
Fixed assets	3,105,169,648.22	1,591,061,090.94	Mortgage	Property rights for financing	2,580,507,584.06	1,397,667,519.75	Mortgage	Property rights for financing
right-of-use assets	27,130,584.06	23,694,043.41	Mortgage	Property rights for financing	27,130,584.06	24,553,178.57	Mortgage	Property rights for financing
Construction in progress	1,604,361,492.88	1,604,361,492.88	Mortgage	Mortgage for financing	1,588,095,939.38	1,588,095,939.38	Mortgage	Mortgage for financing
Construction in progress	727,087,598.29	727,087,598.29	Mortgage	Mortgage for financing	215,038,453.28	215,038,453.28	Mortgage	Property rights for financing
Subsidiaries' equity				Pledge for fianancial [see Remark]				Pledge for fianancial [Remark]
Total	10,311,598,856.11	8,485,370,849.68			10,705,648,294.22	9,042,813,507.69		

Other notes:

Jiangxi Gotion New Energy Technology Co., Ltd., a subsidiary of the Company, used the 184.4262 million equity held by it in its subsidiary Yichun Kefeng New Materials Co., Ltd. as collateral for loans; Yichun Gotion Lithium Industry Co., Ltd. a subsidiary of the Company, used the 45.5 million equity held by it in its subsidiary Jiangxi Weihong Lithium Industry Co., Ltd., as collateral for loans.

## 25. Short-term borrowings

### (1) Classification of short-term borrowings

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Pledge borrowings	912,000,000.00	720,000,000.00
Mortgaged borrowing	212,100,357.09	272,538,992.15
Guaranteed borrowing	16,564,695,080.02	15,017,988,800.00
Credit borrowings	50,000,000.00	6,123,098.28
Add: interest outstanding on short-term borrowings	28,042,442.12	41,807,782.94
Factoring borrowings	48,500,000.00	178,500,000.00

Total	17,815,337,879.23	16,236,958,673.37
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Notes on short-term borrowings:

## 26. Notes payable

Monetary Unit: RMB

Type	Ending balance	Beginning balance
Commercial acceptance bills	1,765,592,207.27	829,149,309.52
Bank acceptance bills	5,088,435,748.68	5,298,578,387.85
Total	6,854,027,955.95	6,127,727,697.37

The total amount of notes payable that become due but unpaid yet at the end of the current period: RMB 0.00

Reasons for non-payment when due:

## 27. Accounts payable

### (1) List of accounts payable

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Payable for goods	9,375,507,350.64	7,705,516,017.85
Payable for construction and equipment	5,753,276,308.58	5,701,748,598.24
Total	15,128,783,659.22	13,407,264,616.09

## 28. Other payables

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Dividends payable	22,162,146.61	2,033,891.80
Other payables	973,076,603.24	936,010,160.19
Total	995,238,749.85	938,044,051.99

### (1) Dividends payable

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Cash dividends	22,162,146.61	2,033,891.80
Total	22,162,146.61	2,033,891.80

Other notes, including significant dividends payable that have been outstanding for more than one year and reasons for non-payment:

### (2) Other payables

#### 1) Other payables by nature of funds

Monetary Unit: RMB

Item	Ending balance	Beginning balance
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Repurchase obligation and outstanding payment under ESOP	11,888,548.14	22,964,323.31
Unpaid expenses	248,086,928.83	242,950,453.07
Receivables and payables	87,201,673.29	45,800,640.94
Amount of repurchase of minority shares of the company	85,454,044.64	63,291,055.57
Margin	104,433,983.50	104,694,901.23
Borrowings from non-financial institutions	402,023,675.24	421,004,268.62
Other	33,987,749.60	35,304,517.45
<b>Total</b>	<b>973,076,603.24</b>	<b>936,010,160.19</b>

## 29. Contract liabilities

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Advance receipts for goods	194,476,711.63	1,025,880,130.88
<b>Total</b>	<b>194,476,711.63</b>	<b>1,025,880,130.88</b>

Significant contract liabilities aged more than 1 year

Monetary Unit: RMB

Item	Ending balance	Reasons for non-repayment or carryover
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Amount and reasons for significant changes in book value during the reporting period

Monetary Unit: RMB

Item	Amount of change	Reasons for change
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## 30. Employee compensation payable

### (1) List of employee compensation payable

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
I. Short-term employee compensation	451,699,566.88	1,588,882,399.52	1,825,392,985.62	215,188,980.78
II. Post-employment benefits - defined contribution plan	4,987,228.10	112,087,491.31	113,383,240.24	3,691,479.17
III. Dismissal Benefit		4,671,433.90	4,671,433.90	
<b>Total</b>	<b>456,686,794.98</b>	<b>1,705,641,324.73</b>	<b>1,943,447,659.76</b>	<b>218,880,459.95</b>

### (2) Details of short-term employee compensation

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
1. Salary, bonus, allowance and subsidy	446,663,846.85	1,388,280,369.52	1,623,573,201.53	211,371,014.84
2. Employee welfare fee		99,414,590.23	99,414,590.23	
3. Social insurance	2,414,385.74	55,266,288.12	55,742,112.59	1,938,561.27
Incl.: Medical insurance	1,934,461.41	49,380,622.29	49,796,771.74	1,518,311.96

Industrial injury insurance	197,509.24	4,290,670.44	4,283,424.57	204,755.11
Maternity insurance	282,415.09	1,594,995.39	1,661,916.28	215,494.20
4. Housing provident funds	2,201,447.50	38,733,859.49	39,085,262.88	1,850,044.11
5. Trade union funds and employee education funds	419,886.79	7,187,292.16	7,577,818.39	29,360.56
8. Other				
Total	451,699,566.88	1,588,882,399.52	1,825,392,985.62	215,188,980.78

### (3) Details of defined contribution plan

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
1. Basic endowment insurance	4,800,079.37	108,471,925.10	109,739,276.56	3,532,727.91
2. Unemployment insurance	187,148.73	3,615,566.21	3,643,963.68	158,751.26
Total	4,987,228.10	112,087,491.31	113,383,240.24	3,691,479.17

Other notes

### 31. Taxes and surcharges payable

Monetary Unit: RMB

Item	Ending balance	Beginning balance
VAT	152,232,027.53	80,545,763.33
Corporate income tax	333,234,978.80	132,914,014.22
Personal income tax	3,238,338.14	5,448,426.26
Urban maintenance and construction tax	1,339,812.51	698,625.69
Educational surcharge and local education surcharge	1,708,677.69	890,965.06
Property taxes	28,663,443.48	23,185,333.84
Urban land use tax	7,889,279.76	11,761,823.39
Other	15,255,622.37	32,067,222.81
Total	543,562,180.28	287,512,174.60

Other notes

### 32. Non-current liabilities maturing within one year

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Long-term borrowings maturing within 1 year	5,571,483,237.05	4,046,164,710.94
Bonds payable maturing within 1 year	100,000,000.00	100,000,000.00
Long-term payables maturing within 1 year	840,660,113.21	1,115,132,118.08
Lease liabilities maturing within 1 year	80,473,276.27	87,904,229.06
Interest on long-term borrowings maturing within 1 year	37,893,765.35	26,724,559.68
Interest on bonds payable maturing within 1 year	1,192,592.59	1,600,000.00
Total	6,631,702,984.47	5,377,525,617.76

Other notes:

**33. Other current liabilities**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Short-term bonds payable	405,763,600.50	400,085,037.37
Unrealised internal sales profit corresponding to commitment to repurchase inventories	4,464,531.65	4,464,531.65
Deductible output tax	29,171,895.61	101,473,539.49
Accounts payable not derecognized (portion paid using commercial notes not yet due) and others	502,546,500.07	1,002,404,069.06
<b>Total</b>	<b>941,946,527.83</b>	<b>1,508,427,177.57</b>

Increase/decrease in short-term bonds payable:

Monetary Unit: RMB

Bond	Face value	Coupon rate	Issue date	Duration	Issue amount	Beginning balance	Amount issued in the current period	Interest accrued at face value	Premium or discount amortization	Repayment in current period	Ending balance	Breach or not
Yangtze River Delta Advanced Manufacturing Enterprises 2023 No.1 Pooled Short Term Financing Note	400,000,000.00	2.98%	Dec 25, 2023	270days	398,979,597.90	400,085,037.37		5,098,256.63	580,306.50		405,763,600.50	No
Total												

Other notes:

### 34. Long-term borrowings

#### (1) Classification of long-term borrowings

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Pledge borrowings	174,800,000.00	194,850,000.00
Mortgaged borrowing	7,452,617,723.98	6,146,099,199.76
Guaranteed borrowing	16,711,622,664.38	15,691,730,115.83
Credit borrowings	118,350,000.00	118,900,000.00
Pledge borrowings	90,900,000.00	54,430,000.00
Add: Outstanding interest on longterm borrowings		
Less: Long-term borrowings maturing within 1 year	-5,571,483,237.05	-4,046,164,710.94
Total	18,976,807,151.31	18,159,844,604.65

Notes on classification of long-term borrowings:

Other notes, including interest rate ranges:

### 35. Bonds payable

#### (1) Bonds payable

Monetary Unit: RMB

Item	Ending balance	Beginning balance
22 Green (Sci-Tech) Bond 1	247,855,104.20	296,796,432.95

Total	247,855,104.20	296,796,432.95
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**(2) Increase/decrease in bonds payable (excluding other financial instruments such as preferred shares, perpetual bonds, etc., which are classified as financial liabilities)**

Monetary Unit: RMB

Bond	Face value	Coupon rate	Issue date	Duration	Issue amount	Beginning balance	Amount issued in the current period	Interest accrued at face value	Premium or discount amortization	Repayment in current period	Interest repaid in the current period	Reclassified to non-current liabilities maturing within 1 year	Ending balance	Breach or not
22 Green (Sci-Tech) Bond 1	500,000,000.00	4.00%	Nov. 25, 2022	3 years	500,000,000.00	296,796,432.95		7,918,518.51	1,058,671.26	50,000,000.00	8,088,888.89	101,192,592.59	247,855,104.20	No
Total					500,000,000.00	296,796,432.95		7,918,518.51	1,058,671.26	50,000,000.00	8,088,888.89	101,192,592.59	247,855,104.20	

**36. Lease liabilities**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Lease liabilities- Lease payments	320,223,806.58	371,329,171.91
Less: Lease liabilities- Unrecognized financing costs	-45,913,684.33	-54,326,928.91
Less: Lease liabilities maturing within 1 year	-80,473,276.27	-87,904,229.06
<b>Total</b>	<b>193,836,845.98</b>	<b>229,098,013.94</b>

Other notes:

**37. Long-term payables**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Long-term payables	2,554,739,238.96	2,226,062,224.05
Special payables	8,139,161.82	8,348,969.63
<b>Total</b>	<b>2,562,878,400.78</b>	<b>2,234,411,193.68</b>

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

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Payable for acquisition of assets	2,897,266,201.62	2,440,708,260.00
Payable for repurchase of equity	498,133,150.55	900,486,082.13
Less: Long-term payables maturing within 1 year	-840,660,113.21	-1,115,132,118.08
<b>Total</b>	<b>2,554,739,238.96</b>	<b>2,226,062,224.05</b>

Other notes:

**(2) Special payables**

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Reasons for formation
(Overseas companies) Provision for employees' work-related injuries or separation compensation, etc.	8,348,969.63		209,807.81	8,139,161.82	
<b>Total</b>	<b>8,348,969.63</b>		<b>209,807.81</b>	<b>8,139,161.82</b>	

Other notes:

**38. Provisions**

Monetary Unit: RMB

Item	Ending balance	Beginning balance	Reasons for formation
Product quality warranty	569,568,112.07	497,666,911.03	Projected warranty costs
<b>Total</b>	<b>569,568,112.07</b>	<b>497,666,911.03</b>	

Other notes, including key assumptions related to key provisions and estimations:

### 39. Deferred income

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Reasons for formation
Government subsidies	239,950,247.83	543,371,331.69	24,483,656.86	758,837,922.66	Related to assets/income
Total	239,950,247.83	543,371,331.69	24,483,656.86	758,837,922.66	

Other notes:

### 40. Share capital

Monetary Unit: RMB

	Beginning balance	Increase or decrease (+, -)					Ending balance
		New issue	Bonus issue	Converted from capital reserves	Other	Subtotal	
Total shares	1,785,186,832.00	6,130,686.00				6,130,686.00	1,791,317,518.00

Other notes:

On August 28, 2023, the *Proposal on the Achievement of the Exercise Conditions for the First Exercise Period of the First Grant of the 2022 Stock Option Incentive Plan* was deliberated and approved at the 3rd meeting of the 9th Board of Directors and the 3rd meeting of the 9th Board of Supervisors, respectively. The exercise conditions for the first exercise period of the Company's 2022 stock option incentive plan has been achieved. The number of incentive recipients eligible for exercise is 1,571, and the number of stock options exercisable is 17,396,000 with an exercise price of RMB18.67 per share (effective from 21 June 2024, the exercise price was adjusted to RMB18.57 per share). As of June 30, 2024, 6,130,686 shares were exercised independently in the current period, of which RMB 6,130,686.00 were included in the share capital after deducting the registration fee for exercising the rights, and RMB 108,248,028.23 was included in capital reserves (capital premium) after deducting the handling charges. The total number of shares of the Company changed to 1,791,317,518 shares.

### 41. Capital reserves

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Capital premium (Stock premium)	18,529,913,059.46	136,513,533.54	0.00	18,666,426,593.00
Other Capital reserves	506,815,614.98	114,419,046.37	28,265,505.31	592,969,156.04
Total	19,036,728,674.44	250,932,579.91	28,265,505.31	19,259,395,749.04

Other notes, including increase/decrease in the current period and reasons for the changes:

(1) Capital premium:

Increase in the current period: ① See Note 40. Share capital; ② Transfer of RMB28,265,505.31 for the write-off of other capital reserves due to unlocked equity under ESOP Phase III.

(2) Other capital reserves:

Increase in the current period: ① Receipt of capital contributions from other shareholders by an associate, Anhui Anwa New Energy Technology Co., Ltd., resulting in an increase of RMB98,156.35 in the Company's

share of the identifiable net assets; ②The change of Gotion (Yichun) New Materials Co., Ltd from a controlling subsidiary to a wholly-owned subsidiary, resulting in an increase of RMB2,125,969.75 in the Company's share of the identifiable net assets; ③ Recognition of stock option expenses (attributable to the parent company's owners' equity) totalling RMB 112,194,920.27 corresponding to the Stock Option Incentive Plan 2021/2022 and the ESOP Phase III.

Decrease in the current period: Transfer of RMB28,265,505.31 for the write-off of other capital reserves due to unlocked equity under ESOP Phase III.

#### 42. Treasury shares

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Resulting from share repurchases	257,702,092.65	281,217,220.99		538,919,313.64
Resulting from share incentive plans	24,996,272.08		11,070,653.50	13,925,618.58
Subsidiary's shareholding in the parent company	59,000,000.00			59,000,000.00
<b>Total</b>	<b>341,698,364.73</b>	<b>281,217,220.99</b>	<b>11,070,653.50</b>	<b>611,844,932.22</b>

Other notes, including increase/decrease in the current period and reasons for the changes:

① Increase in the current period: During the reporting period, the Company repurchased 14,390,929 shares by way of centralised bidding through a securities account dedicated for repurchases, accounting for 0.80% of its total share capital at present, with the highest transaction price at RMB21.18 per share and the lowest transaction price at RMB17.11 per share, and the amount paid being RMB281,217,220.99 (inclusive of transaction costs).

② Decrease in the current period: The unlocking conditions were met for the second batch of the ESOP (Phase III), resulting in the offsetting of RMB 11,070,653.50 for the repurchase of treasury shares.

#### 43. Other comprehensive income

Monetary Unit: RMB

Item	Beginning balance	Amount incurred in the current period						Ending balance
		Amount incurred in the current period	Less: Prior-period other comprehensive income transferred to the current profits and losses	Less: Prior-period other comprehensive income transferred to the current retained earnings	Less: Income tax expenses	Attributable to parent company after tax	Attributed to minority equity after tax	
I. Other comprehensive income that will not be reclassified to profit or loss	-79,671,864.48	-492,340,007.60		-9,904,397.48		-482,435,610.12		-562,107,474.60
Of which: Changes from re-measurement of defined benefit plan	15,189,765.92	-28,342,235.48				-28,342,235.48		-13,152,469.56
Other comprehensive income that cannot be transferred to profit or losses under equity method				-9,904,397.48		9,904,397.48		9,904,397.48
Changes in fair value of other equity investments	-94,861,630.40	-463,997,772.12				-463,997,772.12		-558,859,402.52
II. Other comprehensive income that will be reclassified into profit or loss	-7,732,936.66	27,949,757.50				27,949,757.50	-2,767,602.97	20,216,820.84
Of which: Other comprehensive income that can be transferred to profit or losses under equity method	-294,238.76							-294,238.76
Translation differences from financial statements in foreign currencies	-7,438,697.90	27,949,757.50				27,949,757.50	-2,767,602.97	20,511,059.60
Other comprehensive income in total	-87,404,801.14	-464,390,250.10		-9,904,397.48		-454,485,852.62	-2,767,602.97	-541,890,653.76

Other notes, including adjustments to the initial recognition amount of hedged item due to the transfer of the effective portion of the cash flow hedge gain or loss:

**44. Special reserves**

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Safety production fee	1,271,151.96	2,537,748.53	2,031,201.66	1,777,698.83
Total	1,271,151.96	2,537,748.53	2,031,201.66	1,777,698.83

Other notes, including increase/decrease in the current period and reasons for the changes:

**45. Surplus reserves**

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Statutory surplus reserves	199,754,672.38			199,754,672.38
Total	199,754,672.38			199,754,672.38

Notes on surplus reserves, including increase/decrease in the current period and reasons for the changes:

**46. Undistributed profit**

Monetary Unit: RMB

Item	Current Period	Prior Period
Undistributed profit at the end of last period before adjustment	4,473,001,832.26	3,546,316,521.53
Undistributed profit at the beginning of the period after adjustment	4,473,001,832.26	3,546,316,521.53
Add: Net profit attributable to the parent company in the current period	271,142,494.62	938,726,847.76
Less: Appropriation of statutory surplus reserves		11,703,196.00
Dividends payable on ordinary shares	176,940,041.41	
Add: Transfer-in from disposal of other equity investments	-9,904,397.48	-338,341.03
Ending undistributed profit	4,557,299,887.99	4,473,001,832.26

Details of the adjustment of the undistributed profit at the beginning of the period:

- 1) The undistributed profit affected by the retroactive adjustment in accordance with *Accounting Standards for Business Enterprises* and its related new regulations at the beginning of the period is RMB 0.00.
- 2). The undistributed profit affected by the change of accounting policy at the beginning of the period is RMB 0.00.
- 3). The undistributed profit affected by the correction of major accounting errors at the beginning of the period is RMB 0.00.
- 4). The undistributed profit affected by the change of combination scope caused by the common control at the beginning of the period is RMB 0.00.
- 5). The undistributed profit affected by other adjustments at the beginning of the period is RMB 0.00.

**47. Operating income and operating costs**

Monetary Unit: RMB

Item	Amount incurred in the current period		Amount incurred in the prior period	
	Income	Cost	Income	Cost
Primary business	16,334,082,924.51	13,645,246,982.97	15,037,240,153.04	12,836,288,600.34
Other business	459,789,736.14	157,734,735.36	201,574,868.54	63,313,217.03
Total	16,793,872,660.65	13,802,981,718.33	15,238,815,021.58	12,899,601,817.37

Other notes

#### 48. Taxes and surcharges

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Urban maintenance and construction tax	4,695,734.81	2,706,852.82
Education surcharge	3,645,395.30	2,342,571.98
Property tax	46,085,868.95	29,344,481.63
Land use tax	19,546,726.01	17,621,830.38
Stamp duty	15,789,126.13	18,743,084.94
Other	25,032,047.36	14,848,358.35
Total	114,794,898.56	85,607,180.10

Other notes:

#### 49. G&A expenses

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Employee compensation	328,548,263.33	348,696,754.70
Depreciation and amortization	171,287,570.54	93,275,471.60
Stock option expenses	64,244,308.09	178,374,425.90
Office operating expenses	178,454,488.70	177,860,551.20
Total	742,534,630.66	798,207,203.40

Other notes

#### 50. Selling expenses

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Warranty and after-sales service costs	231,087,609.44	215,192,433.11
Employee compensation	90,531,486.17	70,408,479.48
Operating expenses of sales department	71,397,396.26	41,200,827.59
Total	393,016,491.87	326,801,740.18

Other notes:

#### 51. R&D expenses

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
R&D materials and power expenses	254,670,537.64	245,867,294.50
Employee compensation	404,575,568.01	361,885,138.40

Stock option expenses	49,419,128.18	95,470,732.00
Testing and trial production & Others	194,295,444.10	201,220,627.46
<b>Total</b>	<b>902,960,677.93</b>	<b>904,443,792.36</b>

Other notes

## 52. Financial expenses

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Interest expenses	644,120,153.54	497,235,691.83
Less: Interest income	238,691,467.71	139,543,763.18
Net income and expenses on interest	405,428,685.83	357,691,928.65
Foreign exchange losses	13,398,263.17	-22,468,440.10
Less: Foreign exchange gains	90,494,232.10	373,084,270.44
Net foreign exchange losses	-77,095,968.93	-395,552,710.54
Handling charges by banks	45,098,500.57	27,200,082.77
<b>Total</b>	<b>373,431,217.48</b>	<b>-10,660,699.12</b>

Other notes

## 53. Other income

Monetary Unit: RMB

Source of other income	Amount incurred in the current period	Amount incurred in the prior period
Direct receipt of government subsidies	234,739,949.74	71,717,426.11
Additional VAT deductions	78,823,794.13	
Deferred income amortization	21,340,865.16	15,777,809.73
<b>Total</b>	<b>334,904,609.03</b>	<b>87,495,235.84</b>

## 54. Gains from changes in fair values

Monetary Unit: RMB

Source of gains from changes in fair values	Amount incurred in the current period	Amount incurred in the prior period
Held-for-trading financial assets	-21,382,422.87	132,767,406.45
Derivative financial assets	9,609,722.84	
<b>Total</b>	<b>-11,772,700.03</b>	<b>132,767,406.45</b>

Other notes:

## 55. Investment income

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Income from long-term equity investments under the equity method	-45,933,577.74	54,439,537.74
Investment income from held-for-trading financial assets during the holding period	42,081,996.09	21,398,944.29
Other investment income	6,662,671.12	2,176,165.80
<b>Total</b>	<b>2,811,089.47</b>	<b>78,014,647.83</b>

Other notes

**56. Credit impairment losses**

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Provision for bad debts on notes receivable	-10,020,649.68	8,487,000.00
Provision for bad debts on accounts receivable	-378,819,430.95	-244,964,502.34
Provision for bad debts on other receivables	-50,417,255.69	4,788,298.25
Total	-439,257,336.32	-231,689,204.09

Other notes

**57. Assets impairment losses**

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
I. Inventory depreciation and impairment on contract performance costs	-100,319,751.83	-85,959,501.25
Total	-100,319,751.83	-85,959,501.25

Other notes:

**58. Assets disposal income**

Monetary Unit: RMB

Source of assets disposal income	Amount incurred in the current period	Amount incurred in the prior period
Gains/losses from disposal of fixed assets	3,040,583.44	6,031,053.65

**59. Non-operating income**

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period	Amounts included in non-recurring gains and losses in the current period
Government subsidies		33,500.00	
Revenue from fines and confiscations	6,971,351.89	4,926,826.76	6,971,351.89
Other	2,602,354.28	3,172,017.79	2,602,354.28
Total	9,573,706.17	8,132,344.55	9,573,706.17

Other notes:

**60. Non-operating expenses**

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period	Amounts included in non-recurring gains and losses in the current period
External donation	1,508,774.01	570,000.00	1,508,774.01
Losses from disposal of non-current assets Disposal	494,878.92	322,021.18	494,878.92
Of which: Losses from disposal of fixed assets	494,878.92	322,021.18	494,878.92

Expenditure on compensation and fines	8,735,995.59		8,735,995.59
Other	605,550.28	20,020,001.31	605,550.28
Total	11,345,198.80	20,912,022.49	11,345,198.80

Other notes:

## 61. Income tax expenses

### (1) Income tax expenses

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Current income tax expenses	345,529,529.79	37,575,832.94
Deferred income tax expenses	-406,241,630.75	-69,829,792.52
Total	-60,712,100.96	-32,253,959.58

### (2) Adjustments to accounting profit and income tax expenses

Monetary Unit: RMB

Item	Amount incurred in the current period
Total profit	251,788,026.95
Income tax expenses at statutory/applicable tax rates	62,947,006.74
Impact of different tax rates applicable to subsidiaries	-9,139,905.38
Impact of non-deductible costs, expenses and losses	20,107,540.47
Impact of deductible temporary differences or deductible losses on deferred tax assets not recognised in the current period	2,274,087.93
Impact of additional deduction for R&D expenses	-136,900,830.72
Income tax expenses	-60,712,100.96

Other notes

## 62. Other comprehensive income

See Note 43 for details.

## 63. Notes to items in the Cash Flow Statement

### (1) Cash relating to operating activities

Other cash receipts relating to operating activities

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Government subsidies	778,111,281.43	83,323,226.11
Guarantees and deposits	20,839,082.09	129,864,237.06
Current accounts & Others	148,327,294.20	96,632,260.97
Total	947,277,657.72	309,819,724.14

Notes on other cash receipts relating to operating activities:

Other cash payments relating to operating activities

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
R&D expenses	83,314,155.16	67,591,429.93
Utilities and office expenses	451,930,063.10	386,765,434.32
Warranty and after-sales service costs	17,499,466.83	27,526,416.06
Logistics and transport costs	66,425,151.12	69,611,318.27
Travelling expenses	53,068,194.13	25,606,781.89
Business hospitality and publicity	24,928,372.66	29,550,564.56
Guarantees and deposits	78,380,813.47	94,579,280.00
Intermediary service fees	47,146,696.45	35,021,617.33
Current accounts & Others	281,025,820.47	154,587,816.74
<b>Total</b>	<b>1,103,718,733.39</b>	<b>890,840,659.10</b>

Notes on other cash payments relating to operating activities:

## (2) Cash relating to investing activities

Other cash receipts relating to investing activities:

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period

Significant cash receipts relating to investing activities

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
		0.00

Notes on other cash receipts relating to investing activities:

Other cash payments relating to investing activities

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Other	9,603,337.66	7,619,053.20
<b>Total</b>	<b>9,603,337.66</b>	<b>7,619,053.20</b>

Significant cash payments relating to financing activities

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period

Notes on other cash payments relating to investing activities:

## (3) Cash relating to financing activities

Other cash receipts relating to financing activities:

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Borrowings from non-financial institutions		412,082,877.77
ESOP funds		
Finance lease	500,000,000.00	300,000,000.00
Security deposits for bill instruments and guarantee letters		110,174,449.07
Share sales under ESOP	160,799,737.31	
Advance receipts for equity	342,086,400.00	
<b>Total</b>	<b>1,002,886,137.31</b>	<b>822,257,326.84</b>

Notes on other cash receipts relating to financing activities:

Other cash payments relating to financing activities

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Finance lease payments	279,888,800.24	367,004,915.60
Payment for repurchase of equity	281,217,220.99	101,000,000.00
Current accounts		216,740,037.28
Security deposits for bill instruments and guarantee letters	281,042,739.28	223,000,000.00
Repayment to non-financial institutions		74,200,000.00
Private placement costs	18,815,639.76	41,100,617.37
Acquisition of minority equity	3,027,947.33	
Funds distribution under ESOP	88,414,455.26	
<b>Total</b>	<b>952,406,802.86</b>	<b>1,023,045,570.25</b>

Notes on other cash payments relating to financing activities:

Changes in liabilities arising from financing activities

 Applicable  Not applicable

## 64. Supplementary information to the Cash Flow Statement

### (1) Supplementary information

Monetary Unit: RMB

Supplementary information	Current-period amount	Prior-period amount
1. Net profit adjusted to cash flows from operating activities:		
Net profit	312,500,127.91	240,947,907.36
Add: provision for impairment of assets	539,577,088.15	317,648,705.34
Depreciation of fixed assets, depletion of oil and gas assets and depreciation of productive biological assets	985,500,364.46	789,752,446.20
Depreciation of use right assets	5,308,388.20	1,463,631.93
Amortization of intangible assets	173,078,304.36	80,833,709.35
Amortization of long-term unamortized expenses	19,755,455.65	15,173,117.99
Losses on disposal of fixed assets, intangible assets and other long-	-3,040,583.44	-6,031,053.65

term assets (“-” for gains)		
Loss on scrapping of fixed assets (“-” for gains)	494,878.92	
Losses on changes in fair value (“-” for gains)	11,772,700.03	-132,767,406.45
Financial expenses (“-” for gains)	567,024,184.61	101,682,981.29
Investment loss (“-” for gains)	-2,811,089.47	-78,014,647.83
Decrease in deferred tax assets (“-” for increase)	-361,737,520.25	-107,206,430.52
Increase in deferred tax liabilities (“-” for decrease)	-43,636,128.94	45,587,411.06
Decrease in inventory (“-” for increase)	309,592,804.12	1,231,202,453.16
Decrease in operational receivables (“-” for increase)	-3,860,160,862.97	-5,891,604,555.51
Increase in operational payables (“-” for increase)	1,715,952,669.29	3,556,323,786.49
Other	-189,048,924.32	
Net cash flow generated by operating activities	180,121,856.31	164,992,056.21
2. Significant investing and financing activities that do not involve in cash receipts and payments:		
Conversion of debt into capital		
Convertible corporate bonds maturing within one year		
Fixed assets under finance lease		
3. Net changes in cash and cash equivalents:		
Ending balance of cash	11,407,417,554.33	13,612,586,538.82
Less: beginning balance of cash	11,328,205,559.31	11,242,032,512.47
Add: Ending balance of cash equivalents		
Less: beginning balance of cash equivalents		
Net increase in cash and cash equivalents	79,211,995.02	2,370,554,026.35

## (2) Composition of cash and cash equivalents

Monetary Unit: RMB

Item	Ending balance	Beginning balance
I. Cash	11,407,417,554.33	11,328,205,559.31
Of which: Cash on hand	109,566.87	155,682.62
Bank deposit readily available for payment	11,105,742,558.00	11,309,953,705.28
Other cash and cash equivalents readily available for payment	301,565,429.46	18,096,171.41
III. Ending balance of cash and cash equivalents	11,407,417,554.33	11,328,205,559.31

## 65. Notes to items in the Statement of Changes in Owners’ Equity

For “Others” adjusted to the balance at the end of the previous year, state the project name, adjusted amount and other matters:

## 66. Foreign currency monetary items

### (1) Foreign currency monetary items

Monetary Unit: RMB

Item	Ending balance in foreign currencies	Exchange rates	Ending balance converted to RMB
Cash and cash equivalents			8,305,525,969.42
Of which: USD	1,134,526,128.16	7.1268	8,085,540,810.18
EUR	9,128,423.52	7.6617	69,939,242.52
HKD	154,144.64	0.9127	140,684.73
JPY	2,282,804,809.56	0.0447	102,128,121.57
SGD	517,950.68	5.2790	2,734,261.64
ARS	513,079,411.91	0.0078	4,013,846.71
IDR	75,135,615,978.60	0.0004	33,081,902.07
CHF	1,000,000.00	7.9471	7,947,100.00
Accounts receivable			4,610,423,282.19
Of which: USD	631,577,753.68	7.1268	4,501,128,334.93
EUR	12,066,315.65	7.6617	92,448,490.62
HKD			
JPY	32,371,809.34	0.0447	1,448,250.01
SGD	194.76	5.2790	1,028.14
IDR	34,970,071,784.35	0.0004	15,397,178.49
Long-term borrowings			562,779,415.29
Of which: USD	78,750,000.00	7.1268	561,235,500.00
EUR			
HKD			
JPY	34,510,154.51	0.0447	1,543,915.29
Other receivables			142,498,028.07
Of which: USD	8,455,297.46	7.1268	60,259,213.93
JPY	329,927,801.27	0.0447	14,760,309.97
EUR	2,695,529.96	7.6617	20,652,341.89
ARS	2,284,226,245.85	0.0078	17,869,619.77
IDR	65,766,099,339.63	0.0004	28,956,542.51
Short-term borrowings			1,018,905,037.54
Of which: USD	61,290,000.00	7.1268	436,801,572.00
ARS	787,837.35	0.0078	6,163.29
HKD	637,680,000.00	0.9127	581,997,782.40
IDR	226,029,482.00	0.0004	99,519.85
Accounts payable			14,788,147.95
Of which: USD	1,478,473.60	7.1268	10,536,785.66
JPY	4,529,702.25	0.0447	202,649.82
EUR	428,315.84	7.6617	3,281,627.47
ARS	888,283.70	0.0078	6,949.09
SGD	111,616.44	5.2790	589,223.19
IDR	388,176,969.44	0.0004	170,912.72
Other payables			413,500,697.47
Of which: USD	1,120,013.32	7.1268	7,982,110.93
JPY	804,935,844.49	0.0447	36,011,219.81
EUR	1,074,317.16	7.6617	8,231,095.79
ARS	43,872,385,531.28	0.0078	343,215,935.46
IDR	41,018,633,949.56	0.0004	18,060,335.48

Other notes:

## VIII. R&D expenses

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
R&D materials expenses	350,658,211.76	348,535,810.94

Employee compensation	585,148,536.17	533,472,954.94
Stock option expenses	49,419,128.18	95,470,732.00
Testing and trial production & Others	233,740,626.03	226,534,274.94
<b>Total</b>	<b>1,218,966,502.14</b>	<b>1,204,013,772.82</b>
Of which: Expensed R&D expenses	902,960,677.93	904,443,792.36
Capitalised R&D expenses	316,005,824.21	299,569,980.46

## 1. R&D expenses items eligible for capitalisation

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period			Decrease in the current period			Ending balance
		Internal development expenditure	Other		Recognized as intangible assets	Transfer to the current profits and losses		
DX-004	61,281,430.09	25,258,644.58			86,540,074.67			
CP-004	47,061,845.30	10,094,886.23						57,156,731.53
QT-001	50,005,311.88	17,375,188.92			67,380,500.80			
CP-005	29,634,359.28	9,489,267.81						39,123,627.09
DX-006	20,263,485.13	19,065,767.32						39,329,252.45
DX-005	50,604,357.47	10,206,568.28						60,810,925.75
DX-007		14,620,356.17						14,620,356.17
DX-008		15,849,696.05						15,849,696.05
DX-009		18,529,883.22						18,529,883.22
DX-010		20,097,780.36						20,097,780.36
CP-008		18,789,365.32						18,789,365.32
CP-006	54,176,752.88	1,261,711.70						55,438,464.58
CP-009	18,060,489.09	10,534,675.60						28,595,164.69
CP-010		12,373,390.77						12,373,390.77
DX-012		15,847,569.45						15,847,569.45
QT-007	16,011,042.77	2,206,720.23						18,217,763.00
Other	49,276,167.80	105,727,926.76			34,136,283.74	11,323,574.56		109,544,236.26
<b>Total</b>	<b>396,375,241.69</b>	<b>327,329,398.77</b>			<b>188,056,859.21</b>	<b>11,323,574.56</b>		<b>524,324,206.69</b>

### Significant capitalized R&D expenses items

Item	R&D progress	Expected completion date	How to generate economic benefits	Time point of commencing capitalization	Specific basis for commencing capitalization
CP-004	In G5 mass production approval milestone; budget implementation rate at 76%	September 30, 2024	Customer orders	January 01, 2023	Completed B-sample certification and met the design freeze requirements;  having sufficient technical and financial support for the R&D of the project
CP-005	In G5 mass production approval milestone; budget implementation rate at 86%	December 31, 2024	Customer orders	July 01, 2023	Completed testing and certification and achieved design freeze;  having sufficient technical and financial support for the R&D of the project
DX-006	1. Currently in G3 design freeze milestone; 2. Fill the the Company's gap in the supply of electric cells for B-grade cars/C-	December 31, 2024	Energy cells for customer A; power cells for customer B	October 01, 2023	Passed verification of energy density, safety performance, and cycling performance

	grade cars/coupes to meet the strategic transition to the B-grade car market;  3. Budget implementation rate at 71%				and met the design freeze requirements;  having sufficient technical and financial support for the R&D of the project
DX-005	1. Currently in G4 approval milestone; 2. Completed the small test validation, and plan to mass production in September; 3. Budget implementation rate at 89%.	December 31, 2024	Matching the relevant models of Geely, Chery and other customers based on cost advantages to achieve revenue generation from new products	January 01, 2023	Passed B-sample validation and achieved design freeze;  having sufficient technical and financial support for the R&D of the project
DX-007	1. Currently in G4 accreditation milestone; 2. Completed B sample trial production and validation, the current weight and energy density of the cell meets the customer's short-term electrical performance requirements 3. Budget implementation rate at 86%	August 31, 2024	PHEV lithium iron 4C cell, with cost advantages over ternary batteries, matching Chery, Geely and other customers to achieve batch delivery revenue	January 01, 2024	Passed B-sample validation and achieved design freeze;  having sufficient technical and financial support for the R&D of the project
DX-010	1. Currently in G3 design freeze milestone; 2. Completed B sample development and testing, B sample meets the design specs in terms of capacity, voltage platform, energy density and so on; 3. Budget implementation rate at 44%	October 31, 2024	Supporting the market of power exchange products for heavy-duty trucks and developing high energy density and long-cycle battery cells for commercial vehicles to make up for Gotion's battery cell layout in heavy-duty trucks.	April 01, 2024	Passed B-sample validation and achieved design freeze;  having sufficient technical and financial support for the R&D of the project
DX-008	1. Currently in G3 design freeze milestone; 2. Completed the development and testing of the B-sample cell, which complies with all high-risk safety requirements under the new national standards, and the performance of structural components such as insulation, sealing, overcurrent, and safety meets the requirements of the DV validation list; 3. Budget implementation rate at 47%	October 31, 2024	To meet the demand of energy storage market, develop 72-size high-energy-density electric cells to match the large storage of 5MWh products, and seize the domestic and international energy storage market.	April 01, 2024	Passed B-sample validation and achieved design freeze;  having sufficient technical and financial support for the R&D of the project
DX-009	1. Currently in G3 design freeze milestone; 2. Completed B-sample development and testing, and is ready for launch of the solution; 3. Budget implementation rate at 46%	December 31, 2024	To meet the JAC customer's operating vehicle market demand, batch delivery to realize revenue	April 01, 2024	Passed B-sample validation and achieved design freeze;  having sufficient technical and financial support for the R&D of the project
CP-008	1. Currently in G4 approval milestone; 2. Completed B-sample development and DV testing, electrical performance class testing; 3. Budget implementation rate at 52%	September 30, 2024	To meet customer orders and target the domestic market for rental operating vehicles	March 01, 2024	Passed B-sample validation and achieved design freeze;  having sufficient technical and financial support for the R&D of the project
QT-007	1. Currently in G4 accreditation milestone; 2. Develop BMS with thermal runaway warning function; 3. Budget implementation rate at 70%	October 31, 2024	Add BMS warning to improve security	October 01, 2022	Passed B-sample validation and met design freeze requirements;
CP-006	1. Currently in G5 mass production	July 31, 2024	Customer orders	October 01, 2022	Passed verification of energy density, safety

	approval milestone; 2. Meet customer's requirements of 41.9kWh for the mid-range SUV market; 3. Budget implementation rate at 99%				performance, and cycling performance and met the design freeze requirements
CP-009	1.Currently in G3 design freeze milestone; 2. Meet the customer's requirement of 300KM range for pure electric A-class car market; 3. Budget implementation rate at 92%	July 31, 2024	Customer orders	October 01, 2022	Completed product validation and achieved design freeze
CP-010	1. Currently in G5 mass production approval milestone; 2. Meet customer's requirements; 3. Budget implementation rate at 82%	October 31, 2024	Customer orders	January 01, 2024	Passed verification of energy density, safety performance, and cycling performance and met the design freeze requirements
DX-012	1.Currently in G3 design freeze milestone; 2. R&D of 310wh/kg cylindrical cell; 3. Budget implementation rate at 91%	January 31, 2025	Customer orders	January 01, 2024	Passed verification of energy density, safety performance, and cycling performance and met the design freeze requirements

Development expenditure provision for impairment

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Impairment tests
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## IX. Changes in consolidation scope

### 1. Disposal of subsidiaries

Whether there were any transactions or events during the current period which have resulted in the loss of control of subsidiaries:

Yes  No

Subsidiary	Disposal price at the point of loss of control	Disposed proportion at the point of loss of control	Disposal method at the point of loss of control	Time point of loss of control	Basis for determining the time point	Difference between disposal price and the Company's share of the subsidiary's net assets that corresponds to the disposal investment, (as shown in the consolidated financial statements)	Percentage of residual equity as at the date of loss of control	Book value of the residual equity as at the date of loss of control  (as shown in the consolidated financial statements)	Fair value of the residual equity as at the date of loss of control  (as shown in the consolidated financial statements)	Gains or losses arising from the remeasurement of the residual equity at fair value	Method of determining the fair value of the residual equity at the date of loss of control and key assumptions  (as shown in the consolidated financial statements)	Amount of other comprehensive income related to equity investments in the subsidiary transferred to investment gains and losses or retained earnings
Hefei Xuanyi Private Equity Fund Management Co., Ltd.	14,222,900.00	100.00%	Sale	March 26, 2024	Completed asset delivery procedures and share change registration formalities	417,043.09						

Other notes:

In March 2024, Hefei Gotion High-Tech Power Energy Co., Ltd, a subsidiary of the Company, entered into an Equity Transfer Agreement with Hefei Xinzhitong Asset Management Partnership (Limited) and Xie Jing, pursuant to which Hefei Gotion High-Tech Power Energy Co., Ltd sold 100% equity of Hefei Xuanyi Private Fund Management Co. Ltd. to Hefei Xinzhitong Asset Management Partnership (Limited) and Xie Jing. As of June 30, 2024, the parties have completed the corresponding procedures for the delivery of assets and the business registration for such changes.

Whether there was any step-by-step disposal of investment in subsidiaries through multiple transactions, resulting in the loss of control in the current period

Yes No

## 2. Change in consolidation scope for other reasons

Specify the changes in the consolidation scope due to other reasons (such as establishment of new subsidiaries and liquidation of subsidiaries) and other related information

New Company	Incorporation date	Registered capital (RMB10,000)	Remarks
Anhui Gotion New Energy Co., Ltd	2024.1	10,000.00	100% owned by the Company
Jiangxi Gotion New Energy Development Co., Ltd	2024.3	1,000.00	100% owned by Anhui Gotion New Energy Co., Ltd, a subsidiary of the Company
Huaibei Gotion Xiangfeng New Energy Co., Ltd	2024.1	100.00	80% owned by Anhui Gotion New Energy Co., Ltd, a subsidiary of the Company
Shanghai Xuanyi Oufei New Energy Development Co., Ltd	2024.1	100,000.00	100% owned by Hefei Gotion High-Tech Power Energy Co., Ltd, a subsidiary of the Company
Hefei Gotion New Energy Technology Co., Ltd	2024.1	5,000.00	100% owned by Hefei Gotion High-Tech Power Energy Co., Ltd, a subsidiary of the Company
GIB EnergyX Slovakia s.r.o.	2024.1	3.83	80% owned by Gotion GmbH, a subsidiary of the Company
Gotion Switzerland Battery AG	2024.1	794.71	100% owned by Shanghai Gotion New Energy Co., Ltd, a subsidiary of the Company
Gpower	2024.1	4.47	100% owned by Gotion High-Tech Japan Co., Ltd, a subsidiary of the Company

## X. Equity in other entities

### 1. Equity in subsidiaries

#### (1) Composition of the enterprise group

Monetary Unit: RMB

Subsidiaries	Registered capital	Principal place of business	Registration place	Business nature	Shareholding		Acquisition method
					Direct	Indirect	
Jiangsu Dongyuan Electrical Group Co., Ltd	550,000,000.00	Nantong, Jiangsu Province	Nantong, Jiangsu Province	Industrial production	99.82%	0.18%	Direct investment

Nantong Asitong Electrical Apparatus Co., LTD	53,459,788.86	Nantong, Jiangsu Province	Nantong, Jiangsu Province	Industrial production		100.00%	Direct investment
Nantong Gotion New Energy Co., Ltd	573,600,000.00	Nantong, Jiangsu Province	Nantong, Jiangsu Province	Industrial production		100.00%	Direct investment
Hefei Gotion High-Tech Power Energy Co., Ltd	10,000,000,000.00	Hefei, Anhui Province	Hefei, Anhui Province	Industrial production	100.00%		Counter purchase
Nanjing Gotion Battery Co., Ltd	500,000,000.00	Nanjing, Jiangsu Province	Nanjing, Jiangsu Province	Industrial production		100.00%	Counter purchase
Nanjing Gotion New Energy Co., Ltd	1,200,000,000.00	Nanjing, Jiangsu Province	Nanjing, Jiangsu Province	Industrial production		100.00%	Direct investment
Anhui Gotion New Energy Automobile Technology Co., Ltd.	200,000,000.00	Hefei, Anhui Province	Hefei, Anhui Province	Industrial production		100.00%	Counter purchase
Shanghai Xuanyi New Energy Development Co., Ltd	1,500,000,000.00	Shanghai	Shanghai	R&D		100.00%	Counter purchase
Hefei Gotion Battery Material Co., Ltd	1,155,147,058.00	Hefei, Anhui Province	Hefei, Anhui Province	Industrial production		95.23%	Counter purchase
Gotion New Energy (Lujiang) Co., Ltd	1,000,000,000.00	Hefei, Anhui Province	Hefei, Anhui Province	Industrial production		100.00%	Direct investment
Hefei Gotion Kehong New Energy Technology Co., Ltd	1,000,000,000.00	Hefei, Anhui Province	Hefei, Anhui Province	Industrial production		90.00%	Direct investment
Hefei Gotion Precision Coating Material Co., Ltd	50,000,000.00	Hefei, Anhui Province	Hefei, Anhui Province	Industrial production		100.00%	Direct investment
Hefei Jiachi Technology Co., Ltd	100,000,000.00	Hefei, Anhui Province	Hefei, Anhui Province	Industrial production		90.00%	Direct investment
Shanghai Gotion New Energy Co., Ltd	200,000,000.00	Shanghai	Shanghai	R&D		100.00%	Direct investment
Shanghai Gotion New Energy (Hefei) Energy Storage Technology Co., Ltd	20,000,000.00	Hefei, Anhui Province	Hefei, Anhui Province	Industrial production		100.00%	Direct investment
Qingdao Gotion Battery Co., Ltd	500,000,000.00	Qingdao, Shandong Province	Qingdao, Shandong Province	Industrial production		100.00%	Direct investment
Tangshan Gotion Battery Co., Ltd	1,000,000,000.00	Tangshan, Hebei Province	Tangshan, Hebei Province	Industrial production		100.00%	Direct investment
Hefei Gotion Battery Co., Ltd	1,000,000,000.00	Hefei, Anhui Province	Hefei, Anhui Province	Industrial production		100.00%	Direct investment
Liuzhou Gotion Battery Co., Ltd	474,032,848.00	Liuzhou, Guangxi Province	Liuzhou, Guangxi Province	Industrial production		55.96%	Direct investment
Tongcheng Gotion New Energy Co., Ltd	2,000,000,000.00	Anqing, Anhui Province	Anqing, Anhui Province	Industrial production		100.00%	Direct investment
Jiangsu Gotion New Energy Technology Co., Ltd	1,800,000,000.00	Nanjing, Jiangsu Province	Nanjing, Jiangsu Province	Industrial production	100.00%		Direct investment
Feidong Gotion Battery Material Co., Ltd	800,000,000.00	Hefei, Anhui Province	Hefei, Anhui Province	Industrial production	100.00%		Direct investment
Hefei Gotion Recycling Technology Co., Ltd	50,000,000.00	Hefei, Anhui Province	Hefei, Anhui Province	Service		100.00%	Direct investment
Hefei Gotion New Material Technology Co., Ltd	50,000,000.00	Hefei, Anhui Province	Hefei, Anhui Province	R&D		100.00%	Direct investment
Neimenggu Gotion Zero Carbon Technology Co., Ltd	100,000,000.00	Wuhai, Inner Mongolia	Wuhai, Inner Mongolia	Industrial production		100.00%	Direct investment
Beijing Xuanyi Gotion New Energy Co., Ltd	2,000,000.00	Fengtai, Beijing	Fengtai, Beijing	R&D		100.00%	Direct investment
Hefei Gotion Battery Technology Co., Ltd	1,000,000,000.00	Hefei, Anhui Province	Hefei, Anhui Province	Industrial production		100.00%	Direct investment

Hefei Gotion Battery Technologies Co., Ltd	500,000,000.00	Hefei, Anhui Province	Hefei, Anhui Province	Industrial production		100.00%	Direct investment
Tianjin Hi-Tech New Energy Auto Institute Co., Ltd	82,191,780.00	Binhai, Tianjin	Binhai, Tianjin	Industrial production		63.50%	Business combinations not under the common control
Tianjin Gotion New Energy Technology Co., Ltd	50,000,000.00	Binhai, Tianjin	Binhai, Tianjin	Industrial production		100.00%	Direct investment
Nanjing Gotion Battery Research Institute Co., Ltd	10,000,000.00	Nanjing, Jiangsu Province	Nanjing, Jiangsu Province	R&D		100.00%	Direct investment
Jiangxi Gotion New Energy Co., Ltd	500,000,000.00	Yichun, Jiangxi Province	Yichun, Jiangxi Province	Industrial production	100.00%		Direct investment
Yichun Gotion Battery Co., Ltd	2,000,000,000.00	Yichun, Jiangxi Province	Yichun, Jiangxi Province	Industrial production		100.00%	Direct investment
Yichun Gotion Lithium Industry Co., Ltd	285,000,000.00	Yichun, Jiangxi Province	Yichun, Jiangxi Province	Mineral processing		42.32%	Direct investment
Fengxin Gotion Lithium Industry Co., Ltd	50,000,000.00	Yichun, Jiangxi Province	Yichun, Jiangxi Province	Mineral processing		42.32%	Direct investment
Yifeng Gotion Lithium Industry Co., Ltd	600,000,000.00	Yichun, Jiangxi Province	Yichun, Jiangxi Province	Mineral processing		42.32%	Direct investment
Jiangxi Weihong Lithium Industry Co., Ltd	145,000,000.00	Yichun, Jiangxi Province	Yichun, Jiangxi Province	Mineral processing		42.32%	Business combinations not under the common control
Yichun Kefeng New Material Co., Ltd	234,426,200.00	Yichun, Jiangxi Province	Yichun, Jiangxi Province	Mineral processing		78.67%	Business combinations not under the common control
Jiangxi Hzone-li Technology Co., Ltd.	54,364,028.00	Yichun, Jiangxi Province	Yichun, Jiangxi Province	Mineral processing		48.21%	Business combinations not under the common control
Jiangxi Lixing Technology Collaborative Innovation Co., Ltd	80,000,000.00	Yichun, Jiangxi Province	Yichun, Jiangxi Province	Industrial production		47.25%	Business combinations not under the common control
Yichun Gotion Mining Co., Ltd	300,000,000.00	Yichun, Jiangxi Province	Yichun, Jiangxi Province	Mineral mining		51.00%	Direct investment
Yifeng Huali Mining Development Co., Ltd.	16,540,000.00	Yichun, Jiangxi Province	Yichun, Jiangxi Province	Mineral mining		26.01%	Business combinations not under the common control
Gotion (Yichun) New Materials Co., Ltd	106,902,000.00 <sup>1</sup>	Yichun, Jiangxi Province	Yichun, Jiangxi Province	Industrial production		100.00%	Direct investment
Hefei Gotion Runhui New Energy Technology Co.,Ltd	50,000,000.00	Hefei, Anhui Province	Hefei, Anhui Province	Industrial production		90.00%	Direct investment
Hefei Gotion Yuneng New Energy Technology Co.,Ltd	50,000,000.00	Hefei, Anhui Province	Hefei, Anhui Province	Industrial production		90.00%	Direct investment
Tongcheng Gotion Battery Technology Co., Ltd	2,000,000,000.00	Anqing, Anhui Province	Anqing, Anhui Province	Industrial production		100.00%	Direct investment
Tangshan Xuanteng International Trade Co.,Ltd	30,000,000.00	Tangshan, Hebei Province	Tangshan, Hebei Province	Wholesale		100.00%	Direct investment
Jinzhai Gotion New Energy Co., Ltd.	100,000,000.00	Liuan, Anhui Province	Liuan, Anhui Province	Industrial production		100.00%	Direct investment

Chuzhou Gotion New Energy Power Co., Ltd.	1,000,000,000.00	Chuzhou, Anhui Province	Chuzhou, Anhui Province	Industrial production		100.00%	Direct investment
Hefei Zhengyi Testing Technology Co., Ltd	1,000,000.00	Hefei, Anhui Province	Hefei, Anhui Province	Technical services		100.00%	Direct investment
Shanghai Xuanmei Yuankong New Energy Co., Ltd.	600,000,000.00	Shanghai	Shanghai	Industrial production		100.00%	Direct investment
Weihai Gotion New Energy Technology Co., Ltd	200,000,000.00	Weihai, Shangdong Province	Weihai, Shangdong Province	Industrial production		100.00%	Direct investment
Yichun Guangxuan New Energy Vehicle Transportation Co., Ltd	10,000,000.00	Yichun, Jiangxi Province	Yichun, Jiangxi Province	Transportation		21.59%	Direct investment
Jiangxi Huayou Mining Co., Ltd	8,571,400.00	Yichun, Jiangxi Province	Yichun, Jiangxi Province	Mineral mining		27.51%	Business combinations not under the common control
Beijing Xuanyi New Energy Technology Co., Ltd	1,200,000,000.00	Fengtai, Beijing	Fengtai, Beijing	Industrial production		100.00%	Direct investment
Tangshan Xuanteng Energy Storage Technology Co., Ltd	100,000,000.00	Tangshan, Hebei Province	Tangshan, Hebei Province	Industrial production		100.00%	Direct investment
GOTION INC.	0.00	USA	California, USA	Industrial production		100.00%	Counter purchase
Gotion High-Tech Japan Co., Ltd	447,380.00 <sup>2</sup>	Japan	Ibaraki, Japan	R&D		100.00%	Direct investment
GOTION SINGAPORE PTE. Ltd.	71,011,033.35 <sup>3</sup>	Singapore	Singapore	R&D		59.05%	Direct investment
PT. Gotion Indonesia Materials	184,800,000.00 <sup>4</sup>	Indonesia	Indonesia	Mineral mining		32.48%	Direct investment
PT Gotion Green Energy Solutions Indonesia	42,760,800.00 <sup>5</sup>	Indonesia	Indonesia	Industrial production		55.95%	Direct investment
Guoxuan High-Tech (HK) Limited	9,126,800.00 <sup>6</sup>	Hong Kong, China	Hong Kong, China	R&D	100.00%		Direct investment
Gotion GmbH	191,542.50 <sup>7</sup>	Germany	Germany	Industrial production		100.00%	Direct investment
Gotion Germany Battery GmbH	191,542.50 <sup>8</sup>	Germany	Germany	Industrial production		100.00%	Business combinations not under the common control
Indonesia Gotion Trading Co., Ltd.	4,400,000.00 <sup>9</sup>	Indonesia	Indonesia	Trading		31.83%	Direct investment
Gotion Singapore Materials Holdings Co., Ltd.	5,279.00 <sup>10</sup>	Singapore	Singapore	Trading		32.48%	Direct investment
PT Konawe Alam Energi (Indonesia)	53,042,000.00 <sup>11</sup>	Indonesia	Indonesia	Trading		22.73%	Business combinations not under the common control
PT Intan Perdana Puspa (Indonesia)	46,200,000.00 <sup>12</sup>	Indonesia	Indonesia	Mineral mining		22.73%	Business combinations not under the common control
Gotion New Energy (Hong Kong) Co., Ltd	9,126.80 <sup>13</sup>	Hong Kong, China	Hong Kong, China	Trading		100.00%	Direct investment
Gotion Argentina S.A.	0.00	Argentina	Argentina	Trading		95.00%	Business combinations not under the common control
333 South Spruce Co., Ltd. (USA)	0.00	USA	USA	Service		100.00%	Direct investment
New Energy Real Estate Holdings Co., Ltd. (USA)	0.00	USA	USA	Service		100.00%	Direct investment
Gotion Illinois New Energy Co., Ltd. (USA)	0.00	USA	USA	Industrial production		100.00%	Direct investment
Singapore Technology Co., Ltd.	712.68 <sup>14</sup>	Singapore	Singapore	Industrial production		100.00%	Direct investment
Gotion Luxembourg Technology	91,940.40 <sup>15</sup>	Singapore	Singapore	Industrial production		100.00%	Direct investment

Shanghai Xuanyi Oufei New Energy Development Co., Ltd	1,000,000,000.00	Shanghai	Shanghai	Trading		100.00%	Direct investment
Hefei Gotion New Energy Technology Co., Ltd	50,000,000.00	Hefei, Anhui Province	Hefei, Anhui Province	Industrial production		100.00%	Direct investment
GIB EnergyX Slovakia s.r.o.	38,308.50 <sup>16</sup>	Slovakia	Slovakia	Industrial production		80.00%	Direct investment
Gotion Switzerland Battery AG	7,947,100.00 <sup>17</sup>	Zurich, Switzerland	Zurich, Switzerland	R&D		100.00%	Direct investment
Anhui Gotion New Energy Co., Ltd	100,000,000.00	Hefei, Anhui Province	Hefei, Anhui Province	Industrial production	100.00%		Direct investment
Jiangxi Gotion New Energy Development Co., Ltd	10,000,000.00	Huaibei, Anhui Province	Huaibei, Anhui Province	R&D		100.00%	Direct investment
Huaibei Gotion Xiangfeng New Energy Co., Ltd	1,000,000.00	Bozhou, Anhui Province	Bozhou, Anhui Province	R&D		80.00%	Direct investment
Gpower	44,738.00 <sup>18</sup>	Tsukuba, Japan	Tsukuba, Japan	Trading		100.00%	Direct investment

## Notes:

1 Gotion (Yichun) New Materials Co., Ltd has a registered capital of USD 15 million, or RMB 106,902,000 at the exchange rate applicable at the end of the period;

2 Gotion High-Tech Japan Co., Ltd has a registered capital of JPY10 million, or RMB447,380 at the exchange rate applicable at the end of the period;

3 GOTION SINGAPORE PTE. Ltd. has a registered capital of SGD 13,451,607, or RMB 71,011,033.35 at the exchange rate applicable at the end of the period;

4 PT. Gotion Indonesia Materials has a registered capital of IDR 420 billion, or RMB 184,840,000 at the exchange rate applicable at the end of the period;

5 PT Gotion Green Energy Solutions Indonesia has a registered capital of USD 6 million, or RMB 42,760,800 at the exchange rate applicable at the end of the period;

6 Guoxuan High-Tech (HK) Limited has a registered capital of HKD10 million, or RMB9,126,800 at the exchange rate applicable at the end of the period;

7 Gotion GmbH has a registered capital of EUR 250K, or RMB191,542.50 at the exchange rate applicable at the end of the period;

8 Gotion Germany Battery GmbH has a registered capital of EUR 250K, or RMB 191,542.50 at the exchange rate applicable at the end of the period;

9 Indonesia Gotion Trading Co., Ltd. has a registered capital of IDR 10 billion, or RMB 4,400,000 at the exchange rate applicable at the end of the period;

10 Gotion Singapore Materials Holdings Co., Ltd. has a registered capital of SGD 1,000, or RMB 5,279 at the exchange rate applicable at the end of the period;

11 PT Konawe Alam Energi (Indonesia) has a registered capital of IDR 120.55 billion, or RMB 53,042,000 at the exchange rate applicable at the end of the period;

12 PT Intan Perdana Puspa (Indonesia) has a registered capital of IDR 105 billion, or RMB 46,200,000 at the exchange rate applicable at the end of the period;

13 Gotion New Energy (Hong Kong) Co., Ltd has a registered capital of HKD10K, or RMB 9,126.80 at the exchange rate applicable at the end of the period;

14 Singapore Technology Co., Ltd. has a registered capital of US100, or RMB 712.68 at the exchange rate applicable at the end of the period;

15 Gotion Luxembourg Technology has a registered capital of EUR12K, or RMB 91,940.40 at the exchange rate applicable at the end of the period;

16 GIB EnergyX Slovakia s.r.o. has a registered capital of EUR 5000, or RMB 38,308.50 at the exchange rate applicable at the end of the period;

17 Gotion Switzerland Battery AG has a registered capital of CHF 1 million, or RMB 7,947,100 at the exchange rate applicable at the end of the period;

18 Gpower has a registered capital of JPN 1 million, or RMB 44,738.00 at the exchange rate applicable at the end of the period.

Explanation of the shareholding proportion in subsidiaries different from the voting proportion:

None.

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

None.

Basis for controlling the important structured entities included in the consolidation scope:

None.

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

Other notes:

## (2) Major non-wholly owned subsidiaries

Monetary Unit: RMB

Subsidiary	Shareholding proportion of minority shareholders	Gain or loss attributable to minority shareholders in the current period	Dividends declared and distributed to minority shareholders in the current period	Balance of minority interest at the end of the period
Liuzhou Gotion Battery Co., Ltd	44.04%	13,642,219.37		535,772,043.66
Hefei Gotion Battery Material Co., Ltd	4.77%	-1,326,280.51		116,673,659.10

Explanation of the shareholding proportion of minority shareholder in subsidiaries different from the voting proportion:

None.

Other notes:

None.

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

Monetary Unit: RMB

Subsidiary	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
Liuzhou Gotion Battery Co., Ltd	4,888,749,804.99	3,160,380,761.02	8,049,130,566.01	4,670,868,726.23	1,861,786,931.91	6,532,655,658.14	4,074,275,647.67	2,792,544,822.80	6,866,820,470.47	3,904,827,117.64	1,776,063,320.93	5,680,890,438.57
Hefei Gotion Battery Material Co., Ltd	4,534,082,528.54	1,670,768,012.09	6,204,850,540.63	2,846,394,497.03	914,516,808.11	3,760,911,305.14	4,783,624,237.42	1,431,206,985.61	6,214,831,223.03	2,597,514,733.36	1,145,595,928.07	3,743,110,661.43

Monetary Unit: RMB

Subsidiary	Amount incurred in the current period				Amount incurred in the prior period			
	Operating income	Net profit	Total comprehensive income	Cash flows generated from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows generated from operating activities
Liuzhou Gotion Battery Co., Ltd	2,147,646,219.43	30,974,773.23	30,544,875.97		2,682,069,596.04	20,645,428.84	19,890,562.85	
Hefei Gotion Battery Material Co., Ltd	874,340,370.73	-27,781,326.11	-27,781,326.11		2,847,072,391.96	-33,491,624.47	-33,491,624.47	

Other notes:

None.

## 2. Equity in joint arranges or associates

### (1) Major joint ventures and associates

Joint ventures of associates	Principal place of business	Registration place	Business nature	Shareholding		treatment method for investment in joint ventures or associates
				Direct	Indirect	
Hefei Senior New Energy Materials Co., Ltd.	Lujiang, Anhui Province	Lujiang, Anhui Province	Industrial production		27.69%	Equity method
MCC Ramu New Energy Technology Co., Ltd.	Tangshan, Hebei Province	Tangshan, Hebei Province	Industrial production		30.00%	Equity method
Beijing Full-Service Oil & Gas Technology Co., Ltd.	Beijing	Beijing	Industrial production		40.00%	Equity method
Jiangxi Ewinway New Materials Co., Ltd	Yichun, Jiangxi Province	Yichun, Jiangxi Province	Industrial production		22.00%	Equity method
North China Aluminum New Material Technology Co., Ltd.	Baoding, Hebei Province	Baoding, Hebei Province	Industrial production		10.00%	Equity method
Leadtang Technology Co., Ltd	Taiwan	Taiwan	Industrial production		20.00%	Equity method
Shanghai Wuyang Ship Technology Co., Ltd.	Shanghai	Shanghai	Industrial production		17.24%	Equity method
Shanghai Electric Gotion New Energy Technology Co., Ltd.	Shanghai	Shanghai	Industrial production	45.40%		Equity method
Anhui Anwa New Energy Technology Co., Ltd.	Wuhu, Anhui Province	Wuhu, Anhui Province	Industrial production	6.07%		Equity method
V-G High-Tech Energy Solutions	Ha Tinh, Vietnam	Ha Tinh, Vietnam	Industrial production		51.00%	Equity method
Tata Auto Comp Gotion Green Energy Solutions Private Limited	Pune, India	Pune, India	Industrial production		40.00%	Equity method
Tongling Anxuanda New Energy Technology Co., Ltd	Tongling, Anhui Province	Tongling, Anhui Province	Industrial production		35.00%	Equity method
NV Gotion Co.,	Bangkok,	Bangkok,	Industrial		49.00%	Equity method

Ltd.	Thailand	Thailand	production			
Zhongan Energy (Anhui) Co., Ltd.	Hefei, Anhui Province	Hefei, Anhui Province	Industrial production	19.25%		Equity method

Explanation of difference between shareholding in joint ventures or associates and voting rights:

None.

Basis for holding less than 20% of the voting rights but with significant influence, or holding 20% or more of the voting rights but without significant influence:

None.

## XI. Government subsidies

### 1. Government subsidies recognized at the end of the reporting period based on amounts receivable

Applicable Not applicable

Reasons for not receiving the projected amount of government subsidies at the expected point in time

Applicable Not applicable

### 2. Liabilities items involving government subsidies

Applicable Not applicable

Monetary Unit: RMB

Accounting item	Beginning balance	New subsidies in the current period	Included in non-operating income in the current period	Transfer to other income	Other changes in the current period	Ending balance	Related to assets/income
Deferred income	239,950,247.83	543,371,331.69		21,340,865.16	3,142,791.70	758,837,922.66	Related to assets/income

### 3. Government subsidies included in the current profits and losses

Applicable Not applicable

Monetary Unit: RMB

Accounting item	Amount incurred in the current period	Amount incurred in the prior period
Other income	234,739,949.74	71,717,426.11
Non-operating income		33,500.00
Total	234,739,949.74	71,750,926.11

Other notes:

## XII. Risks relating to financial instruments

### 1. Types of risks arising from financial instruments

The Company's risks associated with financial instruments arise from the various types of financial assets and financial liabilities recognized in the Company's operations, including credit risk, liquidity risk and market risk.

The management objectives and policies for the various types of risks associated with financial instruments are under the responsibility of the Company's management. The management is responsible for day-to-day risk management through functional departments. The Company's internal audit department monitors the implementation of the Company's policies and procedures for risk management on a daily basis and reports relevant findings to the Company's Audit Committee in a timely manner.

The overall risk management objective of the Company is to establish risk management policies that minimize the risks associated with various types of financial instruments, without unduly affecting the Company's competitiveness and resilience.

(i) Credit risk

Credit risk is the risk that one party to a financial instrument fails to meet its obligations, resulting in financial loss to the other party. The Company's credit risk mainly arises from notes receivable, accounts receivable, other receivables, long-term receivables, etc. The credit risk of these financial assets arises from the default of counterparties, and the maximum exposure amounts to the book value of these instruments.

The Company's cash and cash equivalents are mainly deposited in commercial banks and other financial institutions, which the Company believes have high credit standing and asset positions and thus are subject to low credit risk.

For notes receivable, accounts receivable, other receivables and long-term receivables, the Company sets up relevant policies to control credit risk exposures. The Company evaluates customers' credit qualifications and sets credit periods accordingly based on the customers' financial status, the possibility of obtaining security from third parties, credit history and other factors, such as current market conditions. The Company regularly monitors the credit history of the customers and will apply written payment reminders, reducing the credit period or canceling the credit period to customers with poor credit history in order to ensure that the Company's overall credit risk is under control.

(ii) Liquidity risk

Liquidity risk refers to the risk of shortage of funds when an enterprise performs its obligations to settle in the form of delivery of cash or other financial assets. The Company is responsible for the overall cash management of its subsidiaries within the Company, including short-term investment of cash surpluses and fund raising to meet projected cash needs. It is the Company's policy to regularly monitor short-term and long-term liquidity requirements and compliance with borrowing agreements to ensure to maintain adequate cash reserves and marketable securities readily available for liquidation.

(iii) Market risk

(1) Foreign exchange risk

Foreign exchange risk is the risk arising from fluctuations in exchange rates. The Company's exchange rate risk mainly arises from the foreign currency assets and liabilities held by the Company and its subsidiaries that are not denominated in the local currency of account. The Company's export business is mainly settled in U.S. dollars, so fluctuations in the RMB exchange rate will have certain impact on the Company's operating results. The Company reduces foreign exchange risk by such ways as stepping up efforts to collect foreign exchange receivables and speed up foreign exchange settlement, and strengthening analysis of exchange rate fluctuations; at the same time, the Company is exposed to exchange rate risk related to borrowings denominated in U.S. Dollars. Except for the Company's subsidiaries established overseas that are settled in U.S. dollars, Euro, Japanese yen, Singapore dollars or other foreign currencies, the Company's other major operations are settled in RMB.

(2) Interest rate risk

The Company's interest rate risk arises mainly from long-term interest-bearing debt such as long-term bank borrowings and bonds payable. Financial liabilities with floating interest rates expose the Company to cash flow interest rate risk, while financial liabilities with fixed interest rates expose the Company to fair value interest rate risk. The Company determines the relative proportion of fixed-rate and floating-rate contracts based on the prevailing market conditions.

The Company's finance department continuously monitors the level of interest rates in the Group. An increase in interest rates could increase the cost of new interest-bearing debt and interest expense on the Company's outstanding interest-bearing debt at floating rates and have a relatively major adverse impact on the Company's financial results, and the management will make timely adjustments based on the latest market conditions.

## 2. Financial assets

### (1) Classification by transfer method

Applicable Not applicable

### (2) Financial assets derecognized as a result of a transfer

Applicable Not applicable

### (3) Transfer of financial assets that remain involved in the asset

Applicable Not applicable

Other notes

## XIII. Disclosure of fair value

### 1. Ending fair value of the assets and liabilities measured at fair value

Monetary Unit: RMB

Item	Ending fair value			
	The first level of fair value measurement	The second level of fair value measurement	The third level of fair value measurement	Total
I. Continuous fair value measurement	--	--	--	--
(i) Held-for-trading financial assets	665,068,409.97	0.00	2,805,804,762.47	3,470,873,172.44
1. Financial assets measured at fair value through profit or loss	665,068,409.97	0.00	2,772,888,485.15	3,437,956,895.12
(1) Debt instrument investment			1,153,795,222.51	1,153,795,222.51
(2) Equity instrument investment	665,068,409.97		173,433,372.76	838,501,782.73
(3) Structured deposits			1,445,659,889.88	1,445,659,889.88
2. Financial assets that are designated to be measured at fair value through profit or loss in this period	0.00	0.00	32,916,277.32	32,916,277.32
(1) Debt instrument investment			32,916,277.32	32,916,277.32
(2) Equity instrument investment				0.00
(ii) Other debt			4,988,760.00	4,988,760.00

investments				
(iii)Other equity investments	770,287,298.79		576,663,161.40	1,346,950,460.19
(vi) Derivative financial instruments		9,609,722.84		9,609,722.84
(vii)Accounts receivable financing			705,850,302.71	705,850,302.71
(viii)Other non-current financial assets			1,568,864,000.00	1,568,864,000.00
Total assets measured at fair value on a continuous basis	1,435,355,708.76	9,609,722.84	5,662,170,986.58	7,107,136,418.18
II. Non-continuous fair value measurement	--	--	--	--

## 2. Basis for determining the market price for the items subject to the first level of continuous and non-continuous fair value measurement

Item	Fair value	Active market quotation			
		Main market (most favorable market)	Transaction price	Historical trading volume	Data source
Continuous fair value measurement					
Held-for-trading financial assets:	665,068,409.97				
Zotye Automobile Co.,Ltd.	7,387,788.06	Domestic A-share market			cninfo
Anhui Tongguan Copper Foil Group Co., Ltd.	208,911,916.80	Domestic A Share Market			cninfo
Jinko SOLAR Co., Ltd.	3,550.00	Domestic A-share market			cninfo
Seres Group Co., Ltd.	359,361,242.88	Domestic A-share market			cninfo
Shenzhen Manst Technology Co., Ltd.	19,884,375.00	Domestic A-share market			cninfo
Jiujiang Telford Technology Co., Ltd.	36,900,000.00	Domestic A-share market			cninfo
Wuhan Yifei Laser Co., Ltd.	32,619,537.23	Onshore A-share Market			cninfo
Other equity investments:	770,287,298.79				
Vinfast Auto PTE. Ltd.	591,905,088.00	Overseas U.S. Stock Market			Eastmoney.com
Tuhu.cn Corporation	178,382,210.79	Overseas Hong Kong Stock Market			Eastmoney.com
Total amount of assets measured at fair value on a continuous basis	1,435,355,708.76				

## 3. Qualitative and quantitative information on the valuation techniques and important parameters used in continuous and non-continuous second-level fair value measurement items

None.

## 4. Qualitative and quantitative information on the valuation techniques and important parameters used in continuous and non-continuous third-level fair value measurement items

Structured deposits predict future cash flows with an expected rate of return, and the non-observable estimated value is the expected rate of return. Other debt investments, other equity investments and accounts receivable financing shall be determined according to best estimates.

## XIV. Related parties and related-party transactions

### 1. Information about the parent company of the Company

Parent company name	Registration place	Business nature	Registered capital	Percentage of the Company's equities held by the parent company	Proportion of voting right of the parent company in the Company
Nanjing Gotion Holding Group Co., Ltd.	Nanjing, Jiangsu	Commercial wholesale, retail	RMB 19.83 million	9.53%	9.53%

Information of the parent company of the Company

Li Zhen and Li Chen, the person acting in concert, directly hold 103,276,150 shares and 28,472,398 shares of the Company respectively, and control 170,751,887 shares of the Company through Nanjing Gotion Holding Group Co., Ltd. Li Zhen and the persons acting in concert hold 302,500,435 shares of the Company, accounting for 16.89% of the total shares of the Company. Therefore, Li Zhen is the De Facto Controller of the Company.

The ultimate controller of the Company is Li Zhen.

Other notes:

Volkswagen (China) Investment Co., Ltd. directly holds 440,630,983 shares of Gotion High-Tech, accounting for 24.60% of the total shares of Gotion High-Tech. According to the Shareholders Agreement between Volkswagen China and Zhuhai Gotion Trading Co., Ltd., Li Zhen, Li Chen with regard to Gotion High-Tech Co., Ltd. dated May 28, 2020, Volkswagen China undertakes that for a period of 36 months or such longer period as Volkswagen China may determine at its sole discretion from the date of registration of the relevant shares of the Company in connection with the non-public offering and share transfer under the name of Volkswagen China, it will irrevocably waive the voting rights of some of its shares in the Company so that the voting rights of Volkswagen China are at least 5% lower than the voting rights of the Founding Shareholders (Gotion Holding, Li Zhen and Li Chen together being the Founding Shareholders).

### 2. Information on subsidiaries of the Company

Please refer to Note X. 2 for the details of the subsidiaries of the Company.

### 3. Information on joint ventures and associates of the Company

Please refer to Note X. 3 for the details of major joint ventures and associates of the Company.

Information about other joint ventures or associates that have related transactions with the Company in the current period, or have balance resulting from related transactions with the Company in the previous period is as follows:

Joint ventures or associates	Relationship with the Company
Leadtang Technology Co., Ltd	The Company holds its 20.00% equity
Beijing Full-Service Oil & Gas Technology Co., Ltd.	The Company holds its 40.00% equity
Beijing Gotion Full-Service Photovoltaic Storage & Charging Technology Co., Ltd.	The Company holds its 5.00% equity
Hefei Senior New Energy Materials Co., Ltd.	The Company holds its 27.69% equity
North China Aluminum New Material Technology Co., Ltd.	The Company holds its 10.00% equity
Jiangxi Ewinway New Materials Co., Ltd	The Company holds its 22.00% equity
Shanghai Electric Gotion New Energy Technology Co., Ltd.	The Company holds its 45.40% equity
Shanghai Wuyang Ship Technology Co., Ltd.	The Company holds its 17.24% equity
MCC Ramu New Energy Technology Co., Ltd.	The Company holds its 30.00% equity
Anhui Anwa New Energy Technology Co., Ltd.	The Company holds its 6.07% equity
V-G High-Tech Energy Solutions	The Company holds its 51.00% equity
Tata Auto Comp Gotion Green Energy Solutions Private Limited	The Company holds its 40.00% equity
Tongling Anxuanda New Energy Technology Co., Ltd	The Company holds its 35.00% equity
NV Gotion Co., Ltd.	The Company holds its 49.00% equity

Zhongan Energy (Anhui) Co., Ltd.	The Company holds its 19.25% equity
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Other notes

#### 4. Other related parties

Other related parties	Relationship with the Company
NascentInvestment.LLC	A company controlled by Li Chen, the son of the De Facto Controller
Volkswagen AG	The controlling shareholder of Volkswagen (China) Investment Co., Ltd.
PowerCo SE	Subsidiary controlled by Volkswagen AG
Volkswagen (China) Investment Co., Ltd.	The largest shareholder of the Company
Innovative (Suzhou) New Energy Technology Co., Ltd.	Volkswagen (China) Investment Co., Ltd.Joint ventures
Volkswagen Automatic Transmission(Tianjin)Co.,Ltd.	Company controlled by Volkswagen (China)
Volkswagen (Anhui) Parts Co., Ltd	Company controlled by Volkswagen (China)
Volkswagen Automatic Transmission(Dalian)Co.,Ltd.	Company controlled by Volkswagen (China)
Volkswagen FAW Platform Parts Co., Ltd.	Company controlled by Volkswagen (China)
Nanjing Gotion Holding Group Co., Ltd.	One of the Company's controlling shareholders, a company controlled by the actual controller
Hefei Deli New Material Technology Co., Ltd.	Company controlled by the actual controller
Anhui Chiyu New Material Technology Co., Ltd.	Company controlled by the actual controller
Anhui Gotion Feidong New Energy Technology Co., Ltd.	Company controlled by the actual controller
Hefei Qianrui Technology Co., Ltd.	Company controlled by the actual controller
Hefei Yuanyuan Technology Co., Ltd.	Company controlled by the actual controller
Hebei Xinxuan Transportation Co., Ltd.	Company controlled by the actual controller
Hebei Xinxuan Transportation Co., Ltd. Xinji Branch	Company controlled by the actual controller
Huangshan Dadao New Energy Bus Co., Ltd.	Company controlled by the actual controller
Jingde Dadao New Energy Bus Co., Ltd.	Company controlled by the actual controller
Lixin Electric Bus Co., Ltd.	Company controlled by the actual controller
Linli Xindaoda Public Transport Co., Ltd.	Company controlled by the actual controller
Taihe Dadao New Energy Bus Co., Ltd.	Company controlled by the actual controller
Tunchang Xinhai New Energy Bus Co., Ltd.	Company controlled by the actual controller
Wengchang Dadao New Energy Bus Co., Ltd.	Company controlled by the actual controller
Wucheng Dadao New Energy Bus Co., Ltd.	Company controlled by the actual controller
Yingshang Dadao New Energy Bus Co., Ltd.	Company controlled by the actual controller
Chuzhou Guozhi New Energy Technology Co., Ltd.	Company controlled by the actual controller
Nanjing Shengshi Precision Industry Co., Ltd.	Company controlled by the actual controller
Anhui Gotion Xianglv Technology Co., Ltd.	Company controlled by the actual controller
Anhui Minsheng Property Management Co., Ltd.	Company controlled by the actual controller
Anhui Tangchi Film and Television Culture Industry Co., Ltd.	Company controlled by the actual controller
Hefei Dongyu Commercial Management Co., Ltd.	Company controlled by the actual controller
Hefei Gotion Hotel Operation and Management Co., Ltd.	Company controlled by the actual controller
Anhui Jincheng Energy Storage Technology Co., Ltd.	Company controlled by the actual controller
Hefei Tiansheng Lithium Technology Co., Ltd.	Company controlled by the actual controller
Shanghai Gotion Digital Energy Technology Co., Ltd.	Company controlled by the actual controller
Bengbu Jinshi Technology Co., Ltd.	Company controlled by the actual controller
Hefei Aolai New Energy Vehicle Sales Co.	Company controlled by the actual controller
Hefei Donghuan Real Estate Co., Ltd.	Company controlled by the actual controller
Hefei Zhuyin Catering Management Co., Ltd.	Company controlled by the actual controller
Anhui Gotion New Energy Investment Co., Ltd.	Company controlled by the actual controller
Shanghai Electric Gotion New Energy Technology (Nantong) Co., Ltd.	An associate, a subsidiary of Shanghai Electronic Gotion
Shanghai Electric Gotion New Energy Technology (Suzhou) Co., Ltd.	An associate, a subsidiary of Shanghai Electronic Gotion

Other notes

## 5. Related-party transactions

### (1) Related party transactions for the purchase and sale of goods and the provision and receiving of services

Purchase of goods/ receiving of labor services

Monetary Unit: RMB

Related party	Transaction	Amount incurred in the current period	Transaction limit approved	Exceed the trading limit or not	Amount incurred in the prior period
Anhui Gotion Xianglv Technology Co., Ltd.	Battery cases, battery case covers, etc.	241,393,716.50	1,000,000,000.00	No	116,092,913.82
Anhui Minsheng Property Management Co., Ltd.	Property services	33,295,444.73			30,361,608.10
Anhui Tangchi Film and Television Culture Industry Co., Ltd.	Accommodation & catering fee, etc.	26,732.00			72,051.70
Shanghai Electric Gotion New Energy Technology (Suzhou) Co., Ltd.	Module assembly				1,648,481.42
Hefei Senior New Energy Materials Co., Ltd.	Separator	179,575,733.68			133,268,642.84
MCC Ramu New Energy Technology Co., Ltd.	Ternary precursor	36,129,497.50	500,000,000.00	No	85,748,048.73
Hefei Qianrui Technology Co., Ltd.	Electrolyte, dimethyl carbonate	217,718,360.56	500,000,000.00	No	195,708,832.33
North China Aluminum New Material Technology Co., Ltd.	Aluminium foil	2,088,379.03			25,344,231.49
Shanghai Electric Gotion New Energy Technology (Nantong) Co., Ltd.	Battery cell, etc.	197,225,010.14			355,067,285.94
Hefei Dongyu Commercial Management Co., Ltd.	Conference accommodation, canteen, catering, etc.	22,524,924.16			12,038,447.76
Hebei Xinxuan Transportation Co., Ltd.	Receiving labour services	30,513.27			1,247,603.40
Anhui Chiyu New Material Technology Co., Ltd.	Battery case and accessories	128,026,844.40	350,000,000.00	No	66,102,780.24
Hefei Tiansheng Lithium Technology Co., Ltd.	Lithium carbonate and carbon processing fees				18,240,180.79
Hefei Yuanyuan Technology Co., Ltd.	Carbon coated aluminium foil, etc.	219,344,366.81	900,000,000.00	No	51,683,916.64
Shanghai Gotion Digital Energy Technology Co., Ltd.	Energy storage assembly	354,382,389.36	800,000,000.00	No	0.00
Tongling Anxuanda New Energy Technology Co., Ltd.	Iron phosphate	13,571,971.74			0.00
NV Gotion Co., Ltd.	Module assembly, battery case, etc.	240,659.37			0.00
Jiangxi Ewinway New Materials Co., Ltd.	Lithium hydroxide	25,115,044.00			51,256,686.80
Linli Xindaoda Public Transport Co., Ltd.	Receiving labour services	6,867.26			13,226.55
Anhui Jincheng Energy Storage Technology Co., Ltd.	Electricity fee, accommodation fee, cafeteria fee, etc.	28,974,508.24			11,767,584.58
Bengbu Jinshi Technology Co., Ltd.	Raw materials such as soft rows, hard rows, pole pieces, etc.	39,503,825.41	200,000,000.00	No	0.00
Chuzhou Guozhi New Energy Technology Co., Ltd.	Electricity fee	13,233,109.39			0.00
Hefei Zhuyin Catering	Catering fee	2,694.00			0.00

Management Co., Ltd.					
Jingde Dadao New Energy Bus Co., Ltd.	Receiving labour services	15,115.05			0.00
Lixin Electric Bus Co., Ltd.	Receiving labour services	7,026.55			0.00
Nanjing Shengshi Precision Industry Co., Ltd.	Raw materials such as cell shells and covers	562,301,958.98	1,200,000,000.00	No	0.00
Shanghai Electric Gotion New Energy Technology Co., Ltd.	Battery cell assembly, etc.	27,976,938.29			0.00
Taihe Dadao New Energy Bus Co., Ltd.	Receiving labour services	18,672.56			0.00
Yingshang Dadao New Energy Bus Co., Ltd.	Receiving labour services	66,300.89			12,090.27

## Sale of goods/provision of services

Monetary Unit: RMB

Related party	Transaction	Amount incurred in the current period	Amount incurred in the prior period
Shanghai Electric Gotion New Energy Technology (Suzhou) Co., Ltd.	Power storage battery system assembly, battery cell assembly, etc.	50,515,828.34	114,130,664.75
Shanghai Electric Gotion New Energy Technology (Nantong) Co., Ltd.	Energy storage, battery cells and processing fees, etc.	33,907,969.56	80,074,271.41
Shanghai Electric Gotion New Energy Technology Co., Ltd.	Battery cells and battery packs, control cabinets, etc.	4,483,714.02	63,885,329.16
Volkswagen Automatic Transmission(Tianjin)Co.,Ltd.	Battery cells	0.00	21,580,076.81
Innovative (Suzhou) New Energy Technology Co., Ltd.	Module	16,063,702.08	31,039,358.89
Anhui Gotion Xianglv Technology Co., Ltd.	Battery cells, modules, etc.	870,663.19	0.00
Volkswagen AG	Battery cells, development fees, etc.	34,341,066.86	108,327,184.66
Shanghai Gotion Digital Energy Technology Co., Ltd.	Energy storage and battery cells, etc.	70,377,323.12	516,656,331.70
NV Gotion Co., Ltd.	Battery cells and accessories, etc.	133,217,365.51	0.00
PowerCo SE	Development fee, battery cell, etc.	35,277,974.20	0.00
Tata Auto Comp Gotion Green Energy Solutions Private Limited	Battery cells and accessories, etc.	1,002,282,033.07	165,195,055.70
Nanjing Shengshi Precision Industry Co., Ltd.	Switchgear	1,907,624.76	0.00
Anhui Chiyu New Material Technology Co., Ltd.	Asset disposal	83,044.82	0.00
Volkswagen (Anhui) Parts Co., Ltd	Battery cell, etc.	2,883,034.60	19,731,967.40
Volkswagen Automatic Transmission(Dalian)Co.,Ltd.	Battery cell, etc.	13,355,380.00	0.00
Hefei Qianrui Technology Co., Ltd.	Asset disposal and labour costs	375,924.15	0.00
Hefei Yuanyuan Technology Co., Ltd.	Electricity	4,453,892.42	0.00

Explanation of related party transactions in purchasing and selling goods, providing and receiving labor services

**(2) Related party leases**

The Company acting as lessor:

Monetary Unit: RMB

Lessee	Type of leased asset	Lease income recognized in the current period	Lease income recognized in the pror period
PowerCo SE	Production line	57,152,739.00	

The Company acting as lessee:

Monetary Unit: RMB

Lessor	Type of leased asset	Rental expense on short-term leases and leases of low-value assets with simplified treatment (if applicable)		Variable lease payments not included in the measurement of the lease liability (if applicable)		Rental paid		Interest expense on lease liabilities assumed		Increase in use right assets	
		Amount incurred in the current period	Amount incurred in the prior period	Amount incurred in the current period	Amount incurred in the prior period	Amount incurred in the current period	Amount incurred in the prior period	Amount incurred in the current period	Amount incurred in the prior period	Amount incurred in the current period	Amount incurred in the prior period
NascentInvestment LLC	Housing					9,528,531.60	299,220.71				
Anhui Jincheng Energy Storage Technology Co., Ltd.	Equipment and plant building, etc.					2,637,877.11					
Anhui Gotion New Energy Investment Co., Ltd.	Plant building					18,462,385.32					
Chuzhou Guozhi New Energy Technology Co., Ltd.	Plant building					11,021,944.97					

Notes on related party lease

**(3) Related-party guarantee**

The Company acting as the guarantee provider

Monetary Unit: RMB

Guaranteed party	Guarantee amount	Starting date of guarantee	Maturity date of guarantee	Whether the guarantee has been performed fully
Hefei Gotion High-Tech Power Energy Co., Ltd and its subsidiaries	10,455,978,252.08	From September 02, 2020 to December 28, 2023	From January 04, 2024 to June 28, 2024	Yes
Hefei Gotion High-Tech Power Energy Co., Ltd and its subsidiaries	35,325,194,011.56	From December 31, 2019 to June 26, 2024	From November 20, 2024 to January 21, 2034	No
Feidong Gotion Battery Material Co., Ltd and its subsidiaries	110,000,000.00	From March 31, 2023 to August 01, 2023	From March 30, 2024 to May 01, 2024	Yes
Feidong Gotion Battery Material Co., Ltd and its subsidiaries	1,136,294,691.91	From April 02, 2022 to March 19, 2024	From October 10, 2027 to June 27, 2033	No
Jiangsu Dongyuan Electrical Group Co., Ltd and its subsidiaries	265,000,000.00	From January 10, 2023 to November 28, 2023	From January 09, 2024 to June 29, 2024	Yes
Jiangsu Dongyuan Electrical Group Co., Ltd and its subsidiaries	649,000,000.00	From July 18, 2023 to June 28, 2024	From January 15, 2027 to December 20, 2028	No
Jiangsu Gotion New Energy Technology Co., Ltd	2,389,422,314.50	From September 28, 2022 to May 22, 2024	From October 25, 2027 to September 20, 2033	No
Jiangxi Gotion New Energy Co., Ltd and its subsidiaries	300,000,000.00	June 20, 2023	June 18, 2024	Yes
Jiangxi Gotion New Energy Co., Ltd and its subsidiaries	2,967,387,065.67	From January 21, 2022 to June 20, 2024	From June 16, 2025 to August 24, 2034	No
MCC Ramu New Energy Technology Co., Ltd.	113,250,000.00	January 05, 2022	April 22, 2024	Yes
Shanghai Electric Gotion New Energy Technology Co., Ltd.	297,899,900.00	From November 22, 2018 to May 09, 2020	From November 22, 2026 to May 09, 2030	No
Hefei Senior New Energy Materials Co., Ltd.	93,145,100.00	From January 14, 2022 to July 05, 2022	From January 14, 2028 to July 05, 2031	No

The Company acting as the guaranteed party

Monetary Unit: RMB

Guarantee provider	Guarantee amount	Starting date of guarantee	Maturity date of guarantee	Whether the guarantee has been performed fully
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Guangxi Liuzhou Dongcheng Investment and Development Group Co., Ltd.	571,968,801.67	September 14, 2021	January 01, 2033	No
Guangxi Liuzhou Dongcheng Investment Development Group Co., Ltd.	21,090,000.00	March 31, 2023	March 29, 2024	Yes
Li Zhen	41,090,900.00	September 10, 2019	November 22, 2026	No
Shanghai Electric Gotion New Energy Technology (Nantong) Co., Ltd.	256,809,000.00	May 09, 2020	May 09, 2030	No
Hefei Senior New Energy Materials Co., Ltd.	93,145,100.00	From January 14, 2022 to July 05, 2022	From January 14, 2028 to July 05, 2031	No

Notes on related-party guarantees

## 6. Receivables and payables of related parties

### (1) Receivables

Monetary Unit: RMB

Project name	Related party	Ending balance		Beginning balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Accounts receivable	Shanghai Electric Gotion New Energy Technology (Suzhou) Co., Ltd.	126,923,651.26	7,165,711.87	114,909,929.40	5,745,496.48
Accounts receivable	Hebei Xinxuan Transportation Co., Ltd. Xintai Branch	1,200,000.00	600,000.00	1,200,000.00	600,000.00
Accounts receivable	Huangshan Dadao New Energy Bus Co., Ltd.	280,000.00	280,000.00	280,000.00	280,000.00
Accounts receivable	Jingde Dadao New Energy Bus Co., Ltd.	182,500.00	146,000.00	182,500.00	146,000.00
Accounts receivable	Lixin Electric Bus Co., Ltd.	600,000.00	300,000.00	600,000.00	300,000.00
Accounts receivable	Shanghai Electric Gotion New Energy Technology Co., Ltd.	270,874,008.46	20,424,275.81	284,663,566.93	14,386,025.39
Accounts receivable	Taihe Dadao New Energy Bus Co., Ltd.	5,250,000.00	2,775,000.00	5,250,000.00	2,775,000.00
Accounts receivable	Tunchang Xinhai New Energy Bus Co., Ltd.	140,122.00	140,122.00	140,122.00	140,122.00
Accounts receivable	Wengchang Dadao New Energy Bus Co., Ltd.	49,980.00	24,990.00	49,980.00	24,990.00
Accounts receivable	Yingshang Dadao New Energy Bus Co., Ltd.	3,420,000.00	1,920,000.00	3,420,000.00	1,920,000.00
Accounts receivable	Innovative (Suzhou) New Energy Technology Co., Ltd.	32,948,057.33	2,837,871.41	15,946,544.87	797,327.24

Accounts receivable	Shanghai Wuyang Ship Technology Co., Ltd.	2,352,152.00	2,352,152.00	2,352,152.00	456,813.60
Accounts receivable	Shanghai Gotion Digital Energy Technology Co., Ltd.	59,644,592.88	2,982,229.64	234,633,263.44	11,731,663.17
Accounts receivable	NV Gotion Co., Ltd.	133,398,997.81	6,669,949.89	9,018,450.92	450,922.54
Accounts receivable	Tata Auto Comp Gotion Green Energy Solutions Private Limited	873,639,465.97	43,681,973.30	208,589,167.29	10,429,458.37
Accounts receivable	Volkswagen (Anhui) Parts Co., Ltd	8,314,906.26	415,745.31	5,936,301.46	296,815.07
Accounts receivable	Volkswagen (China) Investment Co., Ltd.			24,278,146.45	1,213,907.32
Accounts receivable	Volkswagen Automatic Transmission(Dalian)Co.,Ltd.	921,718.40	46,085.92	20,238,887.60	1,011,944.38
Accounts receivable	Hefei Deli New Material Technology Co., Ltd.	10,000,024.32	500,001.22	10,000,024.32	500,001.22
Accounts receivable	Shanghai Electric Gotion New Energy Technology (Nantong) Co., Ltd.			30,481,482.63	1,524,074.13
Accounts receivable	PowerCo SE	12,492,974.65	624,648.73	45,050,399.20	2,252,519.96
Accounts receivable	Volkswagen AG	12,269,877.99	613,493.90		
Advance to suppliers	Shanghai Electric Gotion New Energy Technology Co., Ltd.	1,453,560.74		197,775.41	
Other receivables	Beijing Full-Service Oil & Gas Technology Co., Ltd.	4,447,880.00	4,447,880.00	4,447,880.00	4,447,880.00
Other receivables	Hefei Deli New Material Technology Co., Ltd.	1,199,200.00	59,960.00	4,163,761.06	208,188.05
Other receivables	Hefei Qianrui Technology Co., Ltd	406,687.05	20,334.35		
Other receivables	Anhui Chiyu New Material Technology Co., Ltd.	93,840.64	4,692.03		

**(2) Payables**

Monetary Unit: RMB

Project name	Related party	Ending book balance	Beginning book balance
Accounts payable	Anhui Minsheng Property	3,120,673.08	1,235,475.00

	Management Co., Ltd.		
Accounts payable	Beijing Full-Service Oil & Gas Technology Co., Ltd.	23,332.00	23,332.00
Accounts payable	Hefei Senior New Energy Materials Co., Ltd.	249,648,744.90	142,072,312.81
Accounts payable	Shanghai Dajiang Network Technology Co.,Ltd.	727,200.00	808,000.00
Accounts payable	Anhui Gotion Xianglv Technology Co., Ltd.	130,960,913.80	212,257,494.69
Accounts payable	North China Aluminum New Material Technology Co., Ltd.	1,501,181.25	153,180.32
Accounts payable	MCC Ramu New Energy Technology Co., Ltd.	23,167,960.01	38,769,534.09
Accounts payable	Shanghai Electric Gotion New Energy Technology (Nantong) Co., Ltd.	58,060,788.22	
Accounts payable	Anhui Chiyu New Material Technology Co., Ltd.	135,675,116.62	42,036,213.56
Accounts payable	Hefei Qianrui Technology Co., Ltd.	257,628,184.87	181,616,746.45
Accounts payable	Hefei Tiansheng Lithium Technology Co., Ltd.	18,803,387.26	17,053,628.86
Accounts payable	Jiangxi Ewinway New Materials Co., Ltd		6,033,404.20
Accounts payable	Anhui Jincheng Energy Storage Technology Co., Ltd.	15,062,496.18	20,330,957.74
Accounts payable	Tongling Anxuanda New Energy Technology Co., Ltd	15,252,006.06	
Accounts payable	Bengbu Jinshi Technology Co., Ltd.	24,775,510.75	18,527,518.01
Accounts payable	Hefei Dongyu Commercial Management Co., Ltd.	204,666.80	601,958.70
Accounts payable	Hefei Yuanyuan Technology Co., Ltd.	224,498,891.17	86,277,622.85
Accounts payable	Nanjing Shengshi Precision Industry Co., Ltd.	482,212,937.82	132,912,595.56
Receipts in advance	Beijing Gotion Full-Service Photovoltaic Storage & Charging Technology Co., Ltd.	543,506.39	543,506.39
Receipts in advance	Leadtang Technology Co., Ltd	2,818,690.96	2,344,559.16
Receipts in advance	Volkswagen AG		23,000,631.10
Receipts in advance	Anhui Gotion Xianglv Technology Co., Ltd.		738,788.97
Receipts in advance	Nanjing Shengshi Precision Industry Co., Ltd.	1,364,941.59	
Other payables	Anhui Gotion New Energy Investment Co., Ltd.	37,505,211.32	19,042,826.00
Other payables	Anhui Minsheng Property Management Co., Ltd.	19,539,666.66	13,600,612.23
Other payables	Hefei Dongyu Commercial Management Co., Ltd.	8,553,547.01	5,423,798.92
Other payables	Anhui Gotion Feidong New Energy Technology Co., Ltd.	1,856,858.24	1,856,858.24
Other payables	Nanjing Gotion Holding Group Co., Ltd.	1,800,000.00	1,800,000.00
Other payables	Anhui Jincheng Energy Storage Technology Co., Ltd.	20,353,113.95	39,930,824.55
Other payables	Volkswagen AG	302.73	302.73
Other payables	Chuzhou Guozhi New Energy Technology Co., Ltd.	6,878,299.55	88,630.98
Other payables	Hefei Donghuan Real Estate Co., Ltd.		4,600.00

Other payables	Hebei Xinxuan Transportation Co., Ltd.	140,000.00
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## XV. Share-based payment

### 1. Overall information

Applicable Not applicable

Monetary Unit: RMB

Recipients	Grant		Exercise		Unlock		Expire	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Managerial			1,745,863.00	32,577,803.58	613,705.00	7,794,053.50		
Sales			361,868.00	6,752,456.88	42,000.00	533,400.00		
R&D			3,557,848.00	66,369,557.15	216,000.00	2,743,200.00		
Manufacturing			465,107.00	8,678,896.62		0.00		
Total	0.00	0.00	6,130,686.00	114,378,714.23	871,705.00	11,070,653.50	0.00	0.00

Stock options or other equity instruments issued and outstanding as at the end of the period

Applicable Not applicable

Recipients	Stock options		Other equity instruments	
	Range of exercise prices	Remaining contractual term	Range of exercise prices	Remaining contractual term
Managerial	RMB 18.57-39.1	17-25 months	RMB 12.70	7 months
Sales	RMB 18.57-39.1	17-25 months	RMB 12.70	7 months
R&D	RMB 18.57-39.1	17-25 months	RMB 12.70	7 months
Manufacturing	RMB 18.57-39.1	17-25 months	RMB 12.70	7 months

Other notes

### 2. Equity-settled share-based payment

Applicable Not applicable

Monetary Unit: RMB

Methods of determining the fair value of equity instruments at the grant date	Black-Scholes model
Key parameters for fair value of equity instruments at grant date	Closing price of the stock on the date of grant, exercise price, annualized volatility, annualised risk-free interest rate, maturity period, etc.
Basis for determining the number of exercisable equity instruments	Number of expected effective exercisable rights eligible at the balance sheet date
Reasons for significant differences between current and previous period estimates	None
Cumulative amount of share-based payments settled in equity included in capital reserves	1,339,039,703.37
Total expense recognized for equity-settled share-based payments in the period	113,663,436.27

Other notes

### 3. Cash-settled share-based payments

Applicable Not applicable

### 4. Share-based payment expense in the current period

Applicable Not applicable

Monetary Unit: RMB

Recipients	Expenses for equity-settled share-based payments	Expenses for cash-settled share-based payments
R&D staff	49,419,128.18	
Sales, managerial and manufacturing staff	64,244,308.09	
Total	113,663,436.27	

Other notes

### 5. Amendment and termination of share-based payment

① On June 21 2024, the Company held the 8th meeting of the 9th Board of Directors and the 8th meeting of the 9th Board of Supervisors, at which the *Proposal on Adjustment of the Exercise Price under the Stock Option Incentive Plan 2022* was deliberated and approved. In view of the completion of the implementation of the Company's 2023 annual equity distribution plan, the Board of Directors adjusted the exercise price of stock options under the Incentive Plan from RMB18.67 per share to RMB18.57 per share in accordance with the Stock Option Incentive Plan 2022 and the authorisation granted by the 2021 Annual General Meeting of the Company.

② On June 21 2024, the Company held the 8th meeting of the 9th Board of Directors and the 8th meeting of the 9th Board of Supervisors, at which the *Proposal on Adjustment of the Exercise Price under the Stock Option Incentive Plan 2022* was deliberated and approved. In view of the completion of the implementation of the Company's 2023 annual equity distribution plan, the Board of Directors adjusted the exercise price of stock options under the Incentive Plan from RMB39.20 per share to RMB39.10 per share in accordance with the Stock Option Incentive Plan 2021 and the authorisation granted by the third extraordinary general meeting of shareholders in 2021.

## XVI. Commitments and contingencies

### 1. Significant commitments

Significant commitments existing as at the balance sheet date

(1) In August 2013, Hefei Gotion transferred all the 80% equity of Shanghai Huayue to external parties. After the equity transfer, Shanghai Huayue's business scope was changed. In order to divest Shanghai Huayue's original battery business, according to the equity transfer agreement, Hefei Gotion undertook to repurchase 10 groups of battery packs held by Shanghai Huayue at a price of RMB 10,000,000 (inclusive of tax). However, as the 10 groups of battery packs have been leased to Shanghai Songjiang Public Transportation Co., Ltd. for 8 years, the rights and obligations of the lease agreement will be assumed by Hefei Gotion. As at the date of this report, the Company has not yet performed the corresponding repurchase obligation;

(2) In October 2015, Hefei City Construction Investment Holding Company Limited invested in Gotion Materials with cash and cash equivalents of RMB500 million. The investment shall be used by Gotion Materials to construct a production base of 10,000-tonne phosphate-based cathode materials. The investment period shall be 10 years, and the average annualised investment income rate during the investment period shall be 1.29%. Gotion Materials shall repurchase the equity upon the expiry of the investment period in accordance with the agreed repurchase plan.

(3) In February 2016, Hefei City Construction Investment Holding Company Limited invested in Hefei Gotion with cash and cash equivalents of RMB179.10 million for Hefei Gotion to construct a production base for 600 million ampere hours of lithium battery. The investment period is 11 years and the average annualised investment income rate during the investment period is 1.29%. Upon the expiry of the investment term, Hefei Gotion shall repurchase the equity in accordance with the agreed repurchase plan.

(4) In April 2023, Anhui Hefei City Circular Economy Demonstration Park Construction Investment Co., Ltd. agreed to invest in Feidong Gotion Battery Material Co., Ltd. (Feidong Gotion) with cash and cash equivalents of RMB 300 million, of which RMB 100 million was contributed on May 4, 2023 and RMB 200 million contributed on May 16, 2023. The investment is for Feidong Gotion to construct a production base for power battery supporting materials. It is agreed that Gotion High-Tech Co., Ltd should repurchase the equity at a fixed annualised rate of return of 5.58% by no later than January 29, 2027, in accordance with an agreed repurchase plan.

Other than the above, as at June 30, 2024, the Company has no other material commitments that require disclosure.

## **XVII. Other significant matters**

### **1. Others**

1. In January 2022, Feidong Gotion Battery Material Co., Ltd (Feidong Gotion) and Zhejiang Yongtai Science & Technology Co. Ltd (ZJYT) entered into the Material Purchase Agreement (No. QR&YT 20220117-01) for lithium hexafluorophosphate (LiPF<sub>6</sub>) and vinylidene carbonate (VC). The contract term is until June 30 2023. In the same month, Feidong Gotion paid a deposit of RMB200 million to ZJYT under the contract. Upon expiry of the contract, ZJYT failed to return the said deposit on the ground that Feidong Gotion had breached the contract. On November 17, 2023, Feidong Gotion filed a lawsuit and an application for property preservation with Hefei Intermediate People's Court of Anhui Province, freezing the funds in the bank account belonging to ZJYT in the amount of RMB202,539,167.00. On December 18, 2023, on the basis of the corresponding matters of the same contract as mentioned above, ZJYT filed a lawsuit against Feidong Gotion and Hefei Qianrui Technology Co. (Hefei Qianrui, a related party of the Company) as co-defendant with Taizhou Intermediate People's Court of Zhejiang Province, requesting Feidong Gotion and Hefei Qianrui to make payments for goods and losses totalling RMB 311,183.00 after deducting RMB 200 million as security deposit. Given that the aforesaid cases have not yet commenced trial, the impact of the cases on the Company's profit in the current period or profit thereafter is uncertain, and it is not possible to ascertain the final actual impact as of the date of disclosure of the financial report.

2. On April 16, 2021, a fire broke out in No. 14 courtyard of Ximachangsi, Dahongmen, Yongwai, South 4th Ring Road, Fengtai District, Beijing when Beijing Gotion Full-Service Optical Storage Technology Co., Ltd. was constructing and commissioning an energy storage power station. The fire resulted in certain casualties and property losses. Subsequently, Beijing Jimei Home Furnishing Market Co., Ltd. filed a lawsuit with the Beijing No. 2 Intermediate People's Court for damage to its properties against Hefei Gotion, Beijing Jingfeng Guowei Comprehensive Energy Co., Ltd., Beijing Full-Service Oil & Gas Technology Co. Ltd., Beijing Jingfeng Electric Engineering Co., Ltd. and Beijing Pinggao Qingda Technology Development Co., Ltd. On November 21, 2022, the court made a civil ruling No. (2022) Jing 02 Min Chu 26, which decided to implement freezing and preservation measures on the property of the said defendants with a limit of RMB146,339,504.45. Starting from August 29, 2023 to the end of the reporting period, RMB141,357,668.26 has been frozen in Hefei Gotion's bank account, and the freezing period is tentatively up to January 14, 2025. Given that the aforesaid cases have not yet commenced trial, the impact of the cases on the Company's profit in the current period or profit thereafter is uncertain, and it is not possible to ascertain the final actual impact as of the date of disclosure of the financial report.

Except for the above, as at June 30, 2024, the Company has no other significant matters that require disclosure.

**XVIII. Notes to major items in the financial statements of the parent company****1. Accounts receivable****(1) Disclosed by aging**

Monetary Unit: RMB

Aging	Ending book balance	Beginning book balance
Within 1 year (inclusive)	624,000.00	0.00
Total	624,000.00	0.00

**(2) Disclosed by method for bad debt provisioning**

Monetary Unit: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	%	Amount	Provision %		Amount	%	Amount	Provision %	
Of which:										
Accounts receivable with provision for bad debts reserve based on portfolio	624,000.00	100.00%			624,000.00					
Of which:										
Portfolio 1										
Portfolio2	624,000.00	100.00%			624,000.00					
Total	624,000.00	100.00%			624,000.00	0.00				0.00

Provision for bad debts by portfolio: Portfolio 1

Monetary Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debt	Provision %

Basis for determining the portfolio:

Provision for bad debts by portfolio: Portfolio 2

Monetary Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debt	Provision %
Portfolio 2	624,000.00		0.00%
Total	624,000.00		

Basis for determining the portfolio:

Provision for bad debt made under the general model of expected credit losses:

Applicable Not applicable

**(3) Top 5 accounts receivable and contract assets in terms of the ending balance grouped by debtors**

Monetary Unit: RMB

Entity	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Proportion in the total ending balance of accounts receivable and contract assets	Ending balance of provision for bad debts on accounts receivable and impairment of contract assets
Account 1	624,000.00		624,000.00	100.00%	
Total	624,000.00		624,000.00	100.00%	

**2. Other receivables**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Dividends receivable	230,000,000.00	230,000,000.00
Other receivables	807,323,527.95	1,259,764,873.56
Total	1,037,323,527.95	1,489,764,873.56

**(1) Dividends receivable****1) Classification of dividends receivable**

Monetary Unit: RMB

Project/Investee	Ending balance	Beginning balance
Hefei Gotion High-Tech Power Energy Co., Ltd	230,000,000.00	230,000,000.00
Total	230,000,000.00	230,000,000.00

**(2) Other receivables****1) Other receivables by nature of funds**

Monetary Unit: RMB

Nature of funds	Ending book balance	Beginning book balance
Current accounts	806,644,288.59	1,259,365,594.58
Security deposits	724,789.00	724,789.00
Other	577,975.42	222,494.38
Total	807,947,053.01	1,260,312,877.96

**2) Disclosed by aging**

Monetary Unit: RMB

Aging	Ending book balance	Beginning book balance
Within 1 year (inclusive)	75,010,160.23	174,873,992.57
1-2 years	732,413,728.78	1,084,915,721.39
Over 3 years	523,164.00	523,164.00
Over 5 years	523,164.00	523,164.00
Total	807,947,053.01	1,260,312,877.96

## 3) Disclosed by method for bad debt provisioning

Monetary Unit: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	%	Amount	Provision %		Amount	%	Amount	Provision %	
Of which:										
Other receivables with provision for bad debts reserve based on portfolio	807,947,053.01		623,525.06	24.76%	807,323,527.95	1,260,312,877.96		548,004.40	55.47%	1,259,764,873.56
Of which:										
Portfolio 1	2,518,760.20	0.31%	623,525.06	24.76%	1,895,235.14	987,879.16	0.08%	548,004.40	55.47%	439,874.76
Portfolio 2	805,428,292.81	99.69%			805,428,292.81	1,259,324,998.80	99.92%			1,259,324,998.80
Total	807,947,053.01	100.00%	623,525.06	0.08%	807,323,527.95	1,260,312,877.96	100.00%	548,004.40	0.04%	1,259,764,873.56

Provision for bad debts by portfolio: Portfolio 1

Monetary Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debt	Provision %
Portfolio 1	2,518,760.20	623,525.06	24.76%
Total	2,518,760.20	623,525.06	

Basis for determining the portfolio:

Provision for bad debts by portfolio: Portfolio 2

Monetary Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debt	Provision %
Portfolio 2	805,428,292.81		
Total	805,428,292.81		

Basis for determining the portfolio:

Provision for bad debt made under the general model of expected credit losses:

Monetary Unit: RMB

Provision for bad debt	First stage	Second stage	Third stage	Total
	Expected credit losses over the next 12 months	Expected credit loss for the entire duration (where no credit impairment has occurred)	Expected credit loss for the entire duration (where credit impairment has occurred)	
Balance as of January 1, 2024	548,004.40			548,004.40
Balance as of January 1, 2024 in the current period				
Amount accrued in the current period	75,520.66			75,520.66
Balance as of June 30, 2024	623,525.06			623,525.06

Basis for classifying the stages and percentage of provision for bad debts

Changes in book balance with major changes in the amount of provision for losses in the current period

Applicable Not applicable

**4) Provision for bad debt accrued, recovered or reversed in the current period**

Provision for bad debt accrued in the current period:

Monetary Unit: RMB

Category	Beginning balance	Increase/decrease amount in the current period				Ending balance
		Accrued	Recovered or reversed	Written-off	Others	
Provision for bad debt on other receivables	548,004.40	75,520.66				623,525.06
Total	548,004.40	75,520.66				623,525.06

Of which, the significant amounts of bad debt provision recovered or reversed in the current period:

Monetary Unit: RMB

Entity	Amount recovered or reversed	Reasons for reversal	Recovery method	Basis for determining the initial provision percentage and its appropriateness

**5) Top 5 others receivable in terms of the ending balance grouped by debtors**

Monetary Unit: RMB

Entity	Nature of funds	Ending balance	Aging	Proportion in the total ending balance of other receivables	Ending balance of provision for bad debts
Debtor 1	Current account	749,454,288.00	Within 1 year. 1-2 years	92.83%	
Debtor 2	Current account	22,055,264.73	Within 1 year	2.73%	
Debtor 3	Current account	6,537,103.81	Within 1 year	0.81%	
Debtor 4	Current account	6,001,759.79	Within 1 year	0.74%	
Debtor 5	Current account	5,033,532.92	Within 1 year	0.62%	
Total		789,081,949.25		97.73%	

**3. Long-term equity investments**

Monetary Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	21,359,804,309.00		21,359,804,309.00	21,359,804,309.00		21,359,804,309.00
Investment in joint ventures and associates	286,195,115.37		286,195,115.37	179,831,690.55		179,831,690.55
Total	21,645,999,424.37		21,645,999,424.37	21,539,635,999.55		21,539,635,999.55

**(1) Investment in subsidiaries**

Monetary Unit: RMB

Investee	Beginning balance (Book value)	Beginning balance of impairment provision	Increase/decrease in the current period				Ending balance (Book value)	Ending balance of impairment provision
			Additional investment	Reduction of investment	Provision for impairment	Others		
Hefei Gotion High-Tech Power Energy Co., Ltd.	17,469,339,249.84						17,469,339,249.84	
Jiangsu Dongyuan Electrical Group	839,960,277.53						839,960,277.53	

Co., Ltd									
Jiangxi Gotion New Energy Co., Ltd	521,757,734.40							521,757,734.40	
Jiangsu Gotion New Energy Technology Co., Ltd	2,005,078,563.87							2,005,078,563.87	
Feidong Gotion Battery Material Co., Ltd	523,668,483.36							523,668,483.36	
Total	21,359,804,309.00							21,359,804,309.00	

## (2) Investment in joint ventures and associates

Monetary Unit: RMB

Investee	Beginning balance (Book value)	Beginning balance of impairment provision	Increase/decrease in the current period							Ending balance (Book value)	Ending balance of impairment provision	
			Additional investment	Reduction of investment	Investment gains/losses recognized under the equity method	Other comprehensive income adjustment	Other changes in equity	Declared payment of cash dividends or profits	Provision for impairment			Other
I. Joint ventures												
II. Associates												
Shanghai Electric Gotion New Energy Technology Co., Ltd.	114,848,364.52				-46,601,435.79						68,246,928.73	
Anhui Anwa New Energy Technology Co., Ltd.	64,983,326.03				-1,133,295.74			98,156.35			63,948,186.64	
Zhongan Energy (Anhui) Co., Ltd.			154,000,000.00								154,000,000.00	
Subtotal	179,831,690.55		154,000,000.00		-47,734,731.53			98,156.35			286,195,115.37	
Total	179,831,690.55		154,000,000.00		-47,734,731.53			98,156.35			286,195,115.37	

Recoverable amount is determined as the net of fair value less disposal costs

Applicable  Not applicable

Recoverable amount is determined as the present value of the expected future cash flows

Applicable  Not applicable

Reasons for apparent inconsistency between the above information and information used for impairment tests in previous years or external information

Reasons for apparent inconsistency between the information used in the Company's impairment tests in previous years and the actual situation in the current year

## 4. Operating income and operating costs

Monetary Unit: RMB

Item	Amount incurred in the current period		Amount incurred in the prior period	
	Income	Cost	Income	Cost
Primary business			4,814,149.72	
Other business	5,777,540.36	5,541,331.93	6,603.77	4,402.80
Total	5,777,540.36	5,541,331.93	4,820,753.49	4,402.80

Other notes

## 5. Investment income

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Income from long-term equity investments under the equity method	-47,734,731.53	-11,144,393.78
Investment income from held-for-trading financial assets during the holding period	638,430.56	
Other investment income		
Total	-47,096,300.97	-11,144,393.78

## XIX. Supplementary information

### 1. Statement of non-recurring gains and losses for the current period

Applicable Not applicable

Monetary Unit: RMB

Item	Amount	Notes
Disposal of non-current assets	3,040,583.44	
Government subsidies included in current profits and losses (except for government subsidies that are closely related to the Company's normal business operations, in compliance with national policies and in accordance with defined criteria, and have a continuous impact on the Company's profits and losses)	265,641,872.90	
Gains and losses from changes in fair value of financial assets and liabilities held by non-financial enterprises and gains and losses from the disposal of financial assets and liabilities, except for effective hedging business related to the Company's normal business operations.	14,011,433.36	
Other non-operating income and expenses other than those listed above	-1,771,492.63	
Other profit or loss that meets the definition of non-recurring gains or losses item	8,786,559.15	
Less: Impact of income tax	61,219,682.02	
Impact on minority equity (after tax)	6,408,018.45	
Total	222,081,255.75	--

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

Applicable Not applicable

There were no other profit/loss items of the Company that meet the definition of non-recurring gains and losses.

Note for the definition of non-recurring non-recurring gains and losses set out in the *No. 1 Explanatory Announcement on Information Disclosure for Companies Issuance Their Securities to the Public - Non-recurring gains and losses*, as recurring profits/losses.

Applicable Not applicable

### 2. Return on net assets and earnings per share

Profit during the reporting period	Weighted average return on net assets	Earnings per share	
		Basic earnings per share (RMB/Share)	Diluted earnings per share(RMB/Share)
Net profit attributable to ordinary shareholders of the Company	1.10%	0.15	0.15
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring gains and losses	0.20%	0.03	0.03

**3. Differences in accounting data under Chinese domestic and foreign accounting standards**

**(1) Differences in net profits and net assets in the financial reports disclosed pursuant to international accounting standards and Chinese accounting standards at the same time**

Applicable Not applicable

**(2) Differences in net profits and net assets in the financial reports disclosed pursuant to foreign accounting standards and Chinese accounting standards at the same time**

Applicable Not applicable

**(3) Reasons for differences in accounting data under domestic and foreign accounting standards, and, in the case of a reconciliation of differences in data audited by an external auditor, specify the name of the external auditor**