

**2022 Semi-annual Report**  
**of**  
**Gotion High-tech Co., Ltd.**



**国轩高科**  
GOTION HIGH-TECH

**August, 2022**

## **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, 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 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 the "Risks faced by the Company and the response measures" in "Section III Discussion and Analysis of the Management" of this report. Please pay attention to the 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, the accounting principal and head of the Accounting Department (person in charge of accounting) of the Company.
- II. The 2022 semi-annual report 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 *China Securities Journal*, *Securities Times*, *Shanghai Securities News*, *Securities Daily* and *www.cninfo.com.cn* during the Reporting Period.
- IV. The 2022 semi-annual report disclosed to the SIX.
- V. Other reference documents.

The said reference documents are kept at the Securities Affairs Department of the Company.

## Definitions

Term	mean(s)	Definition
Company, Gotion High-tech, or Gotion	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
CSRC	mean(s)	China Securities Regulatory Commission
SZSE	mean(s)	Shenzhen Stock Exchange
SIX	mean(s)	Swiss Exchange
GDR	mean(s)	Global Depositary Receipts
Haitong Securities, the Sponsor	mean(s)	Haitong Securities Co., Ltd
SuyaJincheng, the Auditor, the Accounting Firm	mean(s)	Jiangsu Suyajincheng CPA LLP
Reporting Period	mean(s)	January 1, 2022 to June 30, 2022
Controlling Shareholder, 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.
Volkswagen Group, Volkswagen	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	mean(s)	Jiangsu Dongyuan Electric Appliance Group Co., Ltd.
Nanjing Gotion	mean(s)	Nanjing Gotion Battery Co., Ltd.
Qingdao Gotion	mean(s)	Qingdao Gotion Battery Co., Ltd.
Tangshan Gotion	mean(s)	Tangshan Gotion Battery Co., Ltd.
Lujiang Gotion	mean(s)	Gotion New Energy (Lujiang) Co., Ltd.
Gotion Material	mean(s)	Hefei Gotion Battery Material Co., Ltd.
Gotion Battery	mean(s)	Hefei Gotion Battery Co., Ltd.
Liuzhou Gotion	mean(s)	Liuzhou Gotion Battery Co., Ltd.
Tongcheng Gotion	mean(s)	Tongcheng Gotion New Energy Technology Co., Ltd
Yichun Gotion	mean(s)	Yichun Gotion Battery Co., Ltd
Yichun Lithium	mean(s)	Yichun Gotion Lithium Co., Ltd.
Nantong New Energy	mean(s)	Nantong Gotion New Energy Technology Co., Ltd.

US Gotion	mean(s)	GOTION, INC.
Gotion Germany		Gotion Germany Battery GmbH
JAC	mean(s)	Anhui Jianghuai Automobile Group Corp. Ltd.
Chery	mean(s)	Chery Automobile Co., Ltd
Geely	mean(s)	Zhejiang Geely New Energy Commercial Vehicles Group Co., Ltd.
SGMW	mean(s)	SAIC-GM-Wuling Automotive Co., Ltd
Huawei	mean(s)	Huawei Technologies Co., Ltd.

## Section II Company Overview and Major Financial Indicators

### I. Company profile

Stock abbreviation	Gotion High-tech	Stock Code	002074
Listed stock exchange	SZSE		
Chinese name	国轩高科股份有限公司		
Chinese name abbreviation (if any)	国轩高科		
Foreign 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	Securities Representative
Name	Pan Wang	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	panwang@gotion.com.cn	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

Registered address	No. 566 Huayuan Avenue, Baohe District, Hefei City, Anhui Province
Postal code	230051
Office address	No. 566 Huayuan Avenue, Baohe District, Hefei City, Anhui Province
Postal code	230051
Website	www.gotion.com.cn
Email	gxgk@gotion.com.cn
Date of querying the website designated for disclosure of temporary announcement (if any)	March 26, 2022

Index of querying the website designated for disclosure of temporary announcement (if any)	See the <i>Announcement on Change of Office Address</i> (Announcement No.: 2022-010) disclosed by the Company on www.cninfo.com.cn for details.
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## 2. Information disclosure and storage locations

Whether the information disclosure and storage locations have changed during the Reporting Period

Applicable  Not applicable

There is no change in the names of the newspapers selected by the Company for information disclosure, the websites designated by the CSRC that publishes the semi-annual report of the Company and the location where the semi-annual report is stored during the Reporting Period. For details, please refer to the 2021 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 make the retroactive adjustment or restatement for the accounting data of previous years

Yes  No

	Current period	Same period last year	Increase/decrease compared with the same period last year
Operating income (RMB)	8,637,866,501.32	3,551,231,166.10	143.24%
Net profit attributable to shareholders of the listed company (RMB)	64,623,004.70	48,171,502.02	34.15%
Net profit attributable to shareholders of the listed company after deducting non-recurring profits and losses (RMB)	-173,085,434.01	-113,189,024.86	-52.92%
Net cash flow from operating activities (RMB)	91,607,956.73	86,113,705.93	6.38%
Basic earnings per share (RMB/share)	0.04	0.04	0.00%
Diluted earnings per share (RMB/share)	0.04	0.04	0.00%
Weighted average return on equity	0.33%	0.44%	-0.11%
	By the end of this Reporting Period	By the end of last year	Increase/decrease as at the end of this Reporting Period compared

			with that at the end of last year
Total assets (RMB)	53,612,210,592.50	43,613,409,310.66	22.93%
Net assets attributable to the shareholders of the listed company (RMB)	18,755,043,188.63	18,777,723,053.75	-0.12%

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

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

Applicable  Not Applicable

During the Reporting Period, there is no difference in net profit and net assets disclosed in the financial reports under the both international and Chinese accounting standards.

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

Applicable  Not Applicable

During the Reporting Period, there is no difference in the net profit and net assets disclosed in the financial reports disclosed under both overseas and Chinese accounting standards.

## VI. Items and amounts of non-recurring gains and losses

Applicable  Not Applicable

Monetary Unit: RMB

Item	Amount	Remark
Profit and loss from disposal of non-current assets (including the offset part that has already been withdrawn for assets provision for impairment)	9,336,498.95	
Government subsidies included into current profit and loss (except the government subsidies that are closely related to the Company's normal business and continuously enjoyed in accordance with the government policies with fixed or quantitative amount per certain standards)	308,692,458.21	
In addition to the effective hedging business related to the normal business of the Company, the profit and loss from changes in fair value arising from held-for-trading financial assets and trading financial liabilities, as well as the investment income from the disposal of trading financial assets, trading financial liabilities and financial assets available for sale	-10,159,418.65	
Non-operating income and expenses other than the	1,703,410.44	

said items		
Others items of gains and losses complying with the definition for non-recurring gains and losses	13,772.07	
Less: impact amount of income tax	71,884,600.73	
Impact amount of minority equity (after tax)	-6,318.42	
Total	237,708,438.71	--

Details of others items of gains and losses complying with the definition for non-recurring gains and losses

Applicable  Not Applicable

The Company had no others items of gains and losses complying with the definition for non-recurring gains and losses.

Explanations of determining non-recurring profits and losses items listed in *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public - Non-recurring Profits and Losses* as recurring profits and losses items

Applicable  Not Applicable

There were no cases in which the Company determined non-recurring profits and losses items listed in *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public - Non-recurring Profits and Losses* as recurring profits and losses items.

## Section III Discussion and Analysis of the Management

### I. Primary business of the Company during the Reporting Period

With the gradual increase of the proportion of the Company's energy storage battery business, the Company's primary business is reclassified into three segments: power lithium battery, energy storage battery, and power transmission & distribution equipment. According to the *Guidelines for the Industrial Classification of Listed Companies* issued by CSRC, the Company is engaged in the industry of “Electrical Machinery and Equipment Manufacturing” under the category of “Manufacturing”. During the Reporting Period, there was no material change in the Company's primary business.

#### (I) Outline of primary business

##### 1. Business overview

##### (1) Power lithium battery

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

##### (2) Energy storage battery

The Company has a mature technical system in energy storage battery. Its main products include communication base station series power supply for container type energy storage system, 5KWH/10KWH household energy storage power supply, Yijiadian intelligent mobile energy storage charging pile, etc., providing customers with efficient, reliable and customized energy storage power system solutions in the fields of large-scale energy storage power station systems, small-scale household energy storage systems and standby power supplies. At present, the

Company actively cooperates with major domestic communication equipment enterprises and the State Grid, etc., and vigorously explores the energy storage market at home and abroad, focusing on the deployment of four major energy storage fields: power generation side, grid side, power side and user side. The products are widely used in new energy fields such as communication base stations, energy storage power stations, power batteries for ships, solar and wind hybrid generation system, mobile power, and two-wheelers.

### (3) Transmission & distribution equipment

The power transmission & distribution equipment, as the traditional business segment of the Company, mainly consists of high and low voltage switchgear, electrical digital equipment, smart equipment for distribution networks, variable voltage circuit breakers, integrated charging piles, on-board chargers and energy storage cabinets, etc. The products are widely used in thermal power, hydropower, nuclear power, wind power, rail transportation, metallurgy, chemical industry and other fields. In recent years, the Company has been actively promoting industrial transformation through innovative technologies and has expanded its business in the fields such as transmission and substation operation and maintenance services and EPC projects.

## 2. Business model

Through long-term development, the Company has established an independent and mature systems of R&D, procurement, production and sales.

### (1) Business model of power lithium battery business and energy storage business

In terms of R&D, the Company has insisted on independent R&D and innovation according to the development strategy requirements, introduced high-end technical talents, joined hands with Volkswagen for the international deployment, cooperated with colleges and universities, and built a high-standard, high-efficiency and high-quality R&D model with collaboration between multiple departments, both internally and externally. In terms of procurement, the Company has strictly evaluated and selected qualified suppliers, and established long-term and stable product supply channels and cooperative relationships with suppliers through joint ventures and agreements, while managing suppliers by category and continuous assessment to ensure the technical advancement, reliability and cost competitiveness of production raw materials and manufacturing equipment. In

terms of production, the Company has rationalized production plans according to the market and orders, and at the same time realized lean production through production management systems and production delivery systems to ensure timely and high-quality delivery in response to different customer needs. In terms of sales, the Company has established long-term strategic cooperative relationships with customers, and provided customers with corresponding products and complete after-sales service experience according to their procurement contracts and specific order requirements.

(2) Business model of power transmission & distribution business

For the power transmission & distribution business, the Company adopts the procurement model of tender before purchase and settlement according to the contract. Dongyuan Electric, a subsidiary of the Company, has adopted the marketing strategy of unified management, unified control, rational optimization and comprehensive use of market resources, and has mainly been in direct sales model. Dongyuan Electric sells power transmission and distribution products through a sales model focusing on project bidding.

During the Reporting Period, the Company had no significant changes in its business model.

3. Performance driver analysis

(1) Industrial policy continues to be actively oriented

In 2022, the state further clearly expressed its support for the accelerated development of new energy industry as a strategic emerging industry. The National Development and Reform Commission, the National Energy Administration and the Ministry of Industry and Information Technology have issued supporting policies to promote the high quality development of new energy industry, emphasizing strengthening scientific and technological innovation, promoting cost reduction, ensuring the safety of the supply chain, raising the level of internationalization, improving fiscal and financial policies, and vigorously promoting industrial upgrading and development. National policy incentives and orientation promote the rapid development of new energy vehicle industry, energy storage field, power equipment and other industries in which the Company is located, bringing unprecedented development opportunities to the Company.

(2) The Company's production capacity continues to expand

The Company has strong industrial replication and expansion ability, and can accelerate the

process of intelligent manufacturing of its own power battery through technological innovation, production automation and management standardization, etc., so as to achieve the scale effect of production capacity. During the Reporting Period, the Company had a number of projects put into production, resulting in accelerated production capacity. For example, Nanjing New Energy's Intelligent Manufacturing 20GWh Power Battery Project was officially put into production, Yichun Gotion's 10GWh Power Battery Project was completed and put into production, and Gotion Kehong's High-end Positive Material Project with an annual output of 200,000 tons was put into production. The smooth production of such projects will further enhance the level of industrialization and strongly support the reach of 100GWh production capacity by the end of the year.

(3) The pace of international strategy is steadily accelerated

In the first half of 2022, the Company expanded the layout of overseas production bases: Gottingen Factory in Europe opened smoothly, and the plan to build power battery and supporting industrial bases in overseas markets such as North America, Southeast Asia and South Asia is progressing steadily, built a new generation of power battery production line, and formed an integrated supporting system of international research, production, supply and marketing. In 2022, the Company achieved new breakthroughs in the international market, attracted a number of overseas high-quality customers, and established long-term strategic cooperation relationship with them, successfully providing supporting power lithium battery system for a number of overseas mainstream automobile enterprises.

(4) The layout of a whole industrial chain continues to be built

The Company continues to improve the whole industrial chain system, and has, from materials, manufacturing to products, and built a complete vertical industrial chain of lithium batteries to ensure the safety of the supply chain, realize cost control, and ensure the Company's cost competitiveness and product competitiveness. Faced with the growing demand of the new energy storage market, the company has strengthened its capacity to explore the energy storage market and cooperated with national power grids around the world to develop energy storage projects to achieve green and sustainable development. At the same time, the Company actively made overall arrangement for lithium battery recycling business, further reducing production cost, achieving product recycling and reuse, and providing a guarantee for the supply of raw materials.

(5) Advantages in technology R&D provides strong support

The Company holds high the banner of science and technology, adheres to that scientific and technological innovation is the foundation of existence and development, focuses on the R&D of and investment in power battery and energy storage battery, and is committed to a full range of engineering and technical research of power battery, such as material science, battery structure, product design, manufacturing engineering and testing, so as to build an energy science system based on material science and digital science. The Company has made significant achievements and phased progress in forward-looking technical researches such as iron lithium low-temperature electrolyte technology, R&D of thermal insulation materials, battery thermal runaway management and semi-solid battery technology. Meanwhile, with the deep cooperation with Volkswagen and other international well-known automobile enterprises, the Company's global R&D layout and the introduction of overseas senior R&D personnel have been further strengthened, and the share of lithium iron phosphate technology in the passenger vehicle field has been increasing, providing strong support for the Company's strategic development.

## **(II) Industry development status analysis and the Company's position in the industry**

### **1. Power lithium battery industry**

During the Reporting Period, the power lithium battery industry had a strong growth momentum in the world. According to the data released by CPCA, in the first half of 2022, the global cumulative sales of new energy passenger vehicles reached 4.21 million, a year-on-year increase of 57%. According to the data released by CAAM, in the first half of 2022, the sales of new energy vehicles in China was 2.46 million, a year-on-year increase of 123%, and the market penetration rate reached 21.6%. The CAAM predicts that the sales volume of new energy vehicles in China is expected to reach 5.5 million in 2022, with a year-on-year increase of more than 56%. According to the data released by SNE Research, the global power battery installed capacity reached 203.4GWH, a year-on-year increase of 76.8%. According to the data released by CAEV, the cumulative installed capacity of power batteries in China is 110GWH, with a cumulative year-on-year increase of 109.8%.

In the first half of 2022, according to the data released by SNE Research, the installed capacity of the Company's power batteries globally reached 5.8GWh, accounting for 2.9% of the market and ranking 8th in the world and 4th in China. In terms of installed capacity, the Company has achieved a new high in passenger vehicle customers by virtue of good cheap and beautiful products,

production capacity guarantee and continuous improvement of global delivery capacity. According to the data released by CBEA, the Company's global passenger vehicle loading volume in China was 228,000, accounting for 9.7% of the market and ranking among the top three in China. The global passenger vehicle installed capacity of the Company was more than 250,000, accounting for 5.9% of the market and ranking 5th in the world. With the sales growth of supporting enterprises, the installed capacity and the market share of the Company are expected to further increase, effectively boosting the popularity of electric vehicles and the arrival of the civilian era.

## 2. Energy storage battery industry

The state vigorously guides the development of energy storage, making energy storage become an indispensable element of the new power system. At present, more than 20 government departments have issued documents encouraging or requiring clean energy power plants to be equipped with energy storage systems (ESS). Driven by the policy support and the increasing distribution of clean power generation, the energy storage industry in several countries and regions has achieved significant growth. Looking forward to the future, China's energy storage market will enter the large-scale development stage from the initial commercialization stage, driven by policies such as the *"14th Five-Year Plan" for the Development of New energy Storage* in 2022. China is expected to become the largest market for energy storage batteries in 2026, accounting for about 34.3% of global installed energy storage capacity. The global energy storage battery installed capacity in China, the United States and Europe will account for more than 80% in 2026.

In the first half of 2022, with three product platforms: household energy storage, commercial energy storage and grid-level energy storage, the Company focused on four energy storage fields: power generation, power grid, user and backup power, TO continue to vigorously develop energy storage market at home and abroad. The Company's technology system is mature, and the industrial application of life-cycle anode lithium-ion compensation technology in the field of energy storage has been realized, extending the life of lithium ion batteries to 12,000 cycles, which far exceeds the market average. During the "14th Five-Year Plan" period, the Company continued to actively participate in the construction of energy storage projects on the power grid side, the new energy generation side and the user side, building the Company into a world-class energy storage battery and energy storage system solution supplier, solving the problem of new energy consumption at

home and abroad, and helping realize the “carbon peak and carbon neutral” goal as soon as possible.

### 3. Transmission & distribution equipment industry

After years of development, the power transmission & distribution and control equipment industry has gradually formed a diversified, three-dimensional and market-oriented development pattern. Technological innovation, products and services have been gradually applied to the fields such as 5G infrastructure, UHV, intercity high-speed railway, urban rail transit, big data center and AI. In the future, with the continuous deepening of urban electrification and the continuous promotion of power system reform in China, the intelligent digital, environment-friendly and energy-saving power Transmission & distribution and control equipment will embrace more development opportunities.

In the first half of 2022, the overall production and operation of Dongyuan Electric was good. It has strong influence in the domestic power transmission & distribution industry and a stable market share in East China.

## II. Analysis of core competence

### **(I) Focus on basic research, making the technology R&D level rank in the forefront of the industry**

The Company has set up eight R&D centers around the world, including Shanghai, Hefei, Tsukuba, Singapore, Silicon Valley, Cleveland, etc. At the same time, the Company has established four major testing and verification bases in China, and has established a good cooperative R&D mechanism with many well-known universities and institutions. In terms of lithium iron phosphate batteries, the technical level and cost performance of the Company's iron lithium products have always been in a leading position in the industry. The Company has battery cell mass production capacity with energy density of 210Wh/kg and finalized cell design with energy density of 230Wh/kg, which is the leading level of application technology of lithium iron phosphate in the world. In terms of PACK grouping, the Company has continuously broken through the upper limit of energy density of LEP battery system with the innovative design of battery pack structure, gave

full play to its dominant advantages in safety performance, cycle performance and economic performance, and fully entered the field of passenger vehicles. In terms of ternary batteries, the Company has achieved cell mass production loading with energy density of 302Wh/kg from the precursor technology to the mass production technology of ternary cathode materials and further to the large-scale technology of ternary batteries. The Company's 360Wh/kg high specific energy semi-solid state battery has passed the new national standard safety test, and has entered the industrialization stage. The first batch of batteries has been set for mass production by a high-end new energy vehicle enterprise. In terms of intellectual property, the Company had applied for 5,687 patents and authorized 3,835 patents in total by the end of June 2022, including 1,016 authorized patents for invention. The patents cover battery materials, cell structure design, cell processing technology and equipment, BMS, PACK, detection and evaluation, disassembly and recycling and energy storage. The intellectual properties cover the whole industry chain of batteries. The Company had published 255 research papers, 23 SCIs, 147 core publications and registered 109 software copyrights. The intellectual properties cover the whole life cycle of lithium batteries, and the R&D technology and patent results are at the leading level in the industry.

## **(II) Focus on win-win cooperation, continuously optimizing customer structure**

In the field of power batteries, the Company adheres to the customer-centered business philosophy. In terms of the models of existing customers, the Company's customers cover those in passenger vehicles, special vehicles and buses, and the proportion of passenger vehicles continues to rise. By the end of the Reporting Period, the Company had 26 passenger vehicle customers (including Chery Automobile, SGMW, JAC, Changan Automobile, Great Wall Motor, Leap Motor, etc.), 14 bus users (Ankai Coach, EBUSCO B.V., etc.), 27 special vehicle users (including Ruichi, Chery Commercial Vehicle, Geely Commercial Vehicle, Maxus, etc.), and had maintained a good strategic partnership for joint R&D of the next generation of power battery technology. With the Company's technological progress and product quality improvement, the Company has attracted a large number of high-quality overseas customers. The Company has set up a joint venture with TATA to jointly develop the Indian lithium battery market and continuously deepen the cooperation with Volkswagen Group, and signed a strategic cooperation agreement with VinFast and a famous listed vehicle company in the United States to explore the international market. In terms of energy

storage, the Company has deepened cooperation with State Grid, China Huaneng Group, SPIC, Wenergy Group and other enterprises to jointly explore the domestic energy storage market and innovate business models. At the same time, the Company has strived to develop key overseas energy storage markets, and established all-round strategic partnership with Invenergy, Jinko and other companies, laying a solid foundation for energy storage batteries to go overseas.

### **(III) Focus on integration, making the layout of the whole industrial chain tend to be perfected**

In order to ensure stable supply of raw materials, the Company has effectively extended, supplemented and strengthened the industrial chain in recent years, and established a forward-looking vertical layout of the whole industrial chain from the mineral resource end, material end to battery product end. During the Reporting Period, the Company continued to optimize the construction of the whole industrial chain system and accelerated the implementation of resource-end projects. The upstream material layout has covered lithium, cobalt, nickel, precursor, ternary materials, LFP materials, lithium titanate, cathode, copper foil, diaphragm, electrolyte, additives and other lithium production raw materials. At present, five major material bases have been formed, which are located in Lujiang, Feidong, Yichun, Wuhai, and Jujuy (under construction). Among them, Lujiang Base focuses on the development and production of lithium iron phosphate and ternary cathode materials, the materials of Feidong Base mainly cover the recovery and echelon utilization of the front-end raw materials and back end of batteries, Wuhai laid out the anode material project for lithium-ion batteries, and Yichun and Argentina laid out the front-end mineral and lithium carbonate projects. In addition, the Company has established long-term and stable cooperative relations with many mainstream material suppliers such as Tongling Nonferrous Metals Group and Wenergy Group. From resources, materials to end products, the Company has realized the integration of upstream and downstream of the industrial chain, thus realized the control of all links in the whole industrial chain, and obtained obvious competitive advantages in quality assurance and cost control.

### **(IV) Focus on global layout, accelerating the pace of internationalization**

During the Reporting Period, the Company anchored two major markets in Europe and the

United States, while covering the Asia-Pacific market and deeply binding to global customers. In March this year, the Company officially became the battery supplier of Volkswagen Group in China and signed a fixed-point agreement. All cells purchased under the agreement are the next generation cell products of Volkswagen Group. The cell products adopt a unified design style and specifications, and are available to all new energy vehicles of Volkswagen Group. The two sides also had deeper complementary cooperation in technology, capital and industrialization. The internationalization strategy of the Company ushered in leapfrog development. In June this year, the Company successfully acquired the Bosch Gottingen factory in Germany and simultaneously started various transformation, marking the official launch of the Company's first new energy base to develop, manufacture and serve the European market. At the same time, on the basis of cooperation with a famous listed vehicle company in the United States and TATA, the Company had strategic cooperation with VinFast (Vietnam's largest automobile enterprise) to accelerate the process of entering the European, American and Southeast Asian markets. In order to meet the needs of overseas production capacity distribution, the Company had strategic cooperation with JEMSE to gradually promote the settlement of the Company's products and projects in Argentina, starting with the procurement of lithium and other mineral resources. In order to further broaden the international financing channels, ensure the construction of factories in Europe, and enhance the brand influence, the Company successfully issued GDR overseas and was listed on the Swiss Exchange, raising USD 685 million, further supporting the overseas strategic layout.

**(V) Focus on innovative development, establishing a solid foundation for scientific talent reserve**

As a national enterprise technology center, the Company owns a technology innovation team with years of deep engagement in lithium battery industry. Its core members include technology innovation and entrepreneurship talents under the Innovative Talents Promotion Plan, the technology entrepreneurship leading talents under the National "Ten Thousand Talents Plan", Anhui Province "115" industry innovation team, Anhui Province strategic emerging industry technology leading talents, Luzhou Talents, returned European and American doctors and overseas experts and other high-end talents, all of whom have high professional skills and rich business management experience. In recent years, the Company has further attracted many excellent talents by taking

advantage of the incentive mechanism, and retained talents by optimizing salary structure and assessment system, so as to provide sufficient space for talent development. At the same time, the Company pays attention to university-enterprise cooperation. The Company has in-depth cooperation with Chinese Academy of Sciences, University of Science and Technology of China, Tsinghua University, Hefei University of Technology and many other well-known universities and scientific research institutions in China, as well as Stanford University, Columbia University in the United States and Nanyang Technological University in Singapore, to promote industrial technology development. In the first half of 2022, the Company's core technical personnel team remained stable, and there was no major change in the business mode and profit model of the Company. Stable management team, differentiated competitive strategy and benign incentive mechanism jointly promoted the sustainable and steady development of the Company and made the Company continue to maintain a leading position in the power battery market.

### III. Analysis of primary business

#### Overview

See "I. Primary business of the Company during the Reporting Period".

#### Year-on-year changes of main financial data

Monetary Unit: RMB

	Current period	Same period last year	Increase/decrease compared with the same period last year	Reason for change
Operating income	8,637,866,501.32	3,551,231,166.10	143.24%	Mainly due to the increase in sales in the current period.
Operating costs	7,391,913,307.02	2,845,159,855.52	159.81%	Mainly due to the increase in operating income in the current period, resulting in the increase in operating costs.
Sales expenses	124,426,730.94	121,685,377.02	2.25%	Mainly due to the increase in sales scale, resulting in the increase in sales expenses

General and administrative expenses	573,472,847.77	230,192,293.12	149.13%	Mainly due to the increase of employee equity incentive expenses in the current period.
Financial expenses	195,883,903.67	172,962,271.11	13.25%	Mainly due to the increase in financing in the current period, resulting in the increase in expenses.
Income tax expense	-21,543,763.55	10,637,212.60	-302.53%	Mainly due to 100% deduction of the current R & D expenses.
R&D expenses	510,632,637.33	249,128,011.09	104.97%	Mainly due to the increase in the Company's investment in product R&D and technology improvement in the current period.
Net cash flow from operating activities	91,607,956.73	86,113,705.93	6.38%	Mainly due to the increase in sales receipts in the current period.
Net cash flow from investing activities	-6,288,245,637.29	-1,548,283,485.31	-306.14%	Mainly due to the increase in equipment investment such as purchase of fixed assets in the current period
Net cash flow from financing activities	6,135,636,737.78	937,222,014.59	554.66%	Mainly due to the increase of the Company's borrowings in the current period.
Net increase in cash and cash equivalents	27,260,832.63	-523,573,730.35	105.21%	Mainly due to the increase in financing in the current period

Major changes in the composition or source of the Company's profit during the Reporting Period

There is no major change in the composition or source of the Company's profit during the Reporting Period.

Composition of operating income

Monetary Unit: RMB

	Current period		Same period last year		Year-on-year increase/decrease
	Amount	Proportion to operating income	Amount	Proportion to operating income	
Total operating income	8,637,866,501.32	100%	3,551,231,166.10	100%	143.24%
By industry					
Power lithium battery	6,608,552,054.40	76.51%	3,089,132,073.50	86.99%	113.93%
Transmission & distribution equipment	323,300,788.20	3.74%	336,850,556.52	9.49%	-4.02%
Energy storage battery	1,278,550,818.98	14.80%			
Other business	427,462,839.74	4.95%	125,248,536.08	3.52%	241.29%
By products					
Power lithium battery	6,608,552,054.40	76.51%	3,089,132,073.50	86.99%	127.01%
Transmission & distribution equipment	323,300,788.20	3.74%	336,850,556.52	9.49%	-4.02%
Energy storage battery	1,278,550,818.98	14.80%			
Other business	427,462,839.74	4.95%	125,248,536.08	3.52%	241.29%
By region					
China mainland	7,866,028,790.45	91.06%	3,382,810,646.06	95.26%	132.53%
Overseas regions (including Hong Kong, Macao and Taiwan)	771,837,710.87	8.94%	168,420,520.04	4.74%	358.28%

Industries, products or regions making up over 10% of the Company's operating income or operating profit

√ Applicable □ Not applicable

Monetary Unit: RMB

	Operating income	Operating cost	Net profit rate	Increase/decrease in operating income compared with that in the same period last year	Increase/decrease in operating cost compared with that in the same period last year	Increase/decrease in net profit compared with that in the same period last year
By industry						
Power lithium battery	6,608,552,054.40	5,783,143,902.81	12.49%	113.93%	131.89%	-35.17%
Transmission & transformation	323,300,788.20	293,580,517.63	9.19%	-4.02%	-6.60%	37.50%

business						
Energy storage battery	1,278,550,818.98	1,147,627,215.12	10.24%			
Other business	427,462,839.74	167,561,671.47	60.80%	241.29%	354.13%	-13.81%
<b>By products</b>						
Power lithium battery products	6,608,552,054.40	5,783,143,902.81	12.49%	113.93%	131.89%	-35.17%
Transmission & distribution products	323,300,788.20	293,580,517.63	9.19%	-4.02%	-6.60%	37.50%
Energy storage battery	1,278,550,818.98	1,147,627,215.12	10.24%			
Other business	427,462,839.74	167,561,671.47	60.80%	241.29%	354.13%	-13.81%
<b>By region</b>						
China mainland	7,866,028,790.45	6,834,439,951.32	13.11%	132.53%	148.37%	-29.70%
Overseas regions (including Hong Kong, Macao and Taiwan)	771,837,710.87	557,473,355.70	27.77%	358.28%	496.45%	-37.60%

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 last period

Applicable  Not applicable

#### IV. Analysis of non-primary business

Applicable  Not applicable

#### V. Analysis of assets and liabilities

##### 1. Major changes in asset composition

Monetary Unit: RMB

	End of the current period		End of last year		Increase or decrease in proportion	Reason for major change
	Amount	Proportion in total assets	Amount	Proportion in total assets		
Cash and cash equivalents	11,641,781,610.81	21.71%	11,385,051,081.47	26.10%	-4.39%	Mainly due to the increase in financing in the current

						period.
Accounts receivable	8,171,781,577.60	15.24%	6,719,375,503.82	15.41%	-0.17%	Mainly due to the great market demand and the increase of sales scale in the current period.
Inventories	6,466,691,694.92	12.06%	4,488,468,539.81	10.29%	1.77%	Mainly due to the increase in sales scale and in stock in the current period.
Long-term equity investment	1,098,423,211.29	2.05%	1,033,479,231.47	2.37%	-0.32%	Mainly due to the increase of foreign investment in the current period.
Fixed assets	9,432,146,483.94	17.59%	8,761,582,173.91	20.09%	-2.50%	Mainly due to the increase in the transfer of construction in progress to fixed assets in the current period.
Construction in progress	6,565,424,992.92	12.25%	2,632,201,747.37	6.04%	6.21%	Mainly due to the increase of construction in progress in the current period.
Use right assets	136,318,676.54	0.25%	9,290,822.60	0.02%	0.23%	Mainly due to the increase of fixed assets under finance lease in the current period.
Short-term borrowings	6,558,162,346.70	12.23%	5,480,447,055.22	12.57%	-0.34%	Mainly due to the increase of short-term borrowings in the current period.
Contract liabilities	672,828,687.08	1.25%	561,210,694.49	1.29%	-0.04%	Mainly due to the increase in the amount of advances received in the current period.
Long-term borrowings	8,378,153,282.21	15.63%	4,377,862,351.03	10.04%	5.59%	Mainly due to the increase of long-term financing in the current period.
Lease liability	132,304,051.19	0.25%	6,199,901.96	0.01%	0.24%	Mainly due to the increase of fixed assets under finance lease in the current period.

## 2. Major overseas assets

Applicable  Not applicable

## 3. Assets and liabilities measured at fair value

Applicable  Not applicable

#### 4. Restriction of asset or rights as of the end of the Reporting Period

Item	Ending book value (RMB)	Reasons for restriction
Cash and cash equivalents	2,175,417,538.94	Security money and fixed-time deposit
Fixed assets	342,881,699.65	Finance lease
Intangible assets	493,587,737.25	Mortgaged
Fixed assets	822,356,313.96	Mortgaged
Receivables financing	113,025,385.00	Pledged for financing
Construction in progress	240,031,009.27	Mortgaged
Total	4,187,299,684.07/	

## VI. Analysis of investment status

### 1. Overall situation

Applicable  Not applicable

Investment amount during the Reporting Period (RMB)	Investment amount in the same period of last year (RMB)	Change ratio
6,326,972,927.16	1,787,111,137.61	254.03%

### 2. Major equity investment made during the Reporting Period

Applicable  Not applicable

Monetary Unit: RMB

Name of investee	Primary business	Investment mode	Investment amount	Shareholding ratio	Source of investment	Cooperation parties	Investment period	Product type	Progress as of the balance sheet date	Estimated earnings	Investment profit and loss in current period	Involvement in litigation or not	Date of disclosure (if any)	Place of disclosure (if any)
Yifeng County Hua Lithium Mining	Mineral mining	Acquisition	22,194,921.00	51.03%	Self-owned funds	Jiangxi Yongchen Lithium Indus	Long-term	Equity investment	Completed			No		

Development Co., Ltd.						try Technology Co., Ltd								
Yichun Kefeng New Material Co., Ltd	Industrial production	Acquisition	600,000,000.00	78.67%	Self-owned funds	Pingxiang Sanxin Investment Holding Co., Ltd	Long-term	Equity investment	Completed				Yes	
Jiangxi Weihong Lithium Co., Ltd	Industrial production	Acquisition	45,500,000.00	70.00%	Self-owned funds	Wang Yicen and other natural persons	Long-term	Equity investment	Completed				No	
Tata Parts Gotion Green Energy Application Co., Ltd	Industrial production	New establishment	6,977,566.60	40.00%	Self-owned funds	TATA AUTOCOMP SYSTEMS LTD	Long-term	Equity investment	Completed				No.	
Total	--	--	674,672,487.60	--	--	--	--	--	--	0.00	0.00	--	--	--

### 3. Major non-equity investment in progress during the Reporting Period

Applicable  Not applicable

**4. Investment in financial assets****(1) Investment in securities**

Applicable  Not applicable

The Company did not make any investment in securities during the Reporting Period.

**(2) Investment in derivatives**

Applicable  Not applicable

The Company did not make any investment in derivatives 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

Raising year	Raising method	Total 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
2017	Share allotment	353,460.5	3,394.97	362,955.65	2,706.8	166,081.57	46.99%	0	N/A	
2019	Convertible bonds	181,938.21	14,518.66	182,779.86	12,526.9	12,526.9	6.89%	0	N/A	
2021	Non-public	723,085.51	72,703.8	72,703.8	532,278.38	532,278.38	73.61%	650,381.71	The raised	

	offering of shares								funds not used are still deposit ed in the special account for raised funds and will continu e to be used for the investm ent projects of raised funds original ly commit ted to invest.	
Total	--	1,258,4 84.22	90,617. 43	618,439 .31	547,516 .4	712,516 .4	56.62%	650,381 .71	--	0
Description of the overall situation of use of raised funds										
<p>For the 2017 share allotment project, RMB 33,949,700 of raised funds was directly invested in the project during the Reporting Period; as of June 30, 2022, the Company has used the raised funds in an aggregate amount of RMB 3,629,556,500;</p> <p>For the 2019 convertible bonds project, RMB 145,186,600 of raised funds was directly invested in the project during the Reporting Period; as of June 30, 2022, the Company has used the raised funds in an aggregate amount of RMB 1,827,798,600;</p> <p>For the 2021 non-public offering of shares project, RMB 727,038,000 of raised funds was directly invested in the project during the Reporting Period; as of June 30, 2022, the Company has used the raised funds in an aggregate amount of RMB 727,038,000.</p>										

**(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 this 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										
High specific energy power lithium battery industrialization project with annual production capacity of 4Gwh	Yes	90,000	90,000	0	90,934.29	101.04%	Dec 1, 2019		N/A	No
Qingdao Gotion high specific energy power lithium battery industrialization project with annual production capacity of 2GWh	Yes	50,000	50,000	0	50,991.78	101.98%	Dec 1, 2019		N/A	No
Nanjing Gotion high specific energy power lithium battery industrialization with annual production capacity of 300 million Ah	Yes	50,000	50,000	0	51,096.47	102.19%	Dec 1, 2019		N/A	No
High nickel ternary cathode material with an annual production	Yes	50,000	50,000	0	50,939.36	101.88%	June 1, 2021		N/A	No

capacity of 10,000 tons and silicon-based cathode material with an annual production capacity of 5,000 ton										
New energy vehicle charging facilities and key components project with an annual production capacity of 210,000 units (sets)	Yes	30,000	28,699.04	0	28,699.04	100.00%	Dec 1, 2020		N/A	No
Power vehicles powertrain control system construction project with an annual production capacity of 200,000 sets	Yes	25,000	459.59	0	459.59				N/A	No
Construction project of General Engineering Research Institute	Yes	58,460.5	58,460.5	683.85	60,876.82	104.14%	June 1, 2021		N/A	No
Permanent supplements to working capital (after change of the share allotment project)	No		26,081.57	0	26,247.17				N/A	No
Permanent supplements to working capital (surplus raised fund)	No		2,706.8	2,711.12	2,711.12				N/A	No
Gotion Nanjing power battery	Yes	90,000	79,806.28	2,032.49	79,806.28	100.00%	Dec 1, 2020		N/A	No

system production line and supporting construction project with annual production capacity of 15GWh (Phase I 5GWh)										
lithium battery industrialization project with annual production capacity of 2GWH	Yes	56,938 .21	55,487 .41	0	55,487 .41	100.00 %	Dec 1, 2020		N/A	No
Supplemented working capital (convertible bond project)	Yes	35,000	35,000	0	35,000				N/A	No
Permanent supplements to working capital (surplus raised fund)	No		15,233 .7	15,197 .29	15,197 .29				N/A	No
Gotion Battery high specific energy power lithium battery industrialization project with annual production capacity of 16GWh	Yes	532,46 4.78	3,462. 56	3,462. 56	3,462. 56				N/A	No
Gotion Material's high nickel ternary cathode material project with an annual production capacity of 30,000 tons	No	100,00 0	100,00 0	5,776. 8	5,776. 8	5.78%	Dec 01, 2024		N/A	No
Supplements to working capital (non public offering project)	No	90,620 .73	90,620 .73	57,650	57,650				N/A	No

Volkswagen standard battery cell project with annual production capacity of 20GWH	No		532,278.38	5,814.44	5,814.44	1.09%	Sep 01, 2023		N/A	No
Subtotal of committed investment projects	--	1,258,484.22	1,265,589.76	90,617.43	618,439.3	--	--	0	--	--
Use of over-raised funds										
None									N/A	No
Total	--	1,258,484.22	1,265,589.76	90,617.43	618,439.3	--	--	0	--	--
Situation and reasons for failing to achieve the scheduled progress or expected earnings (by specific project)	None									
Description of major changes in the feasibility of the project	None									
Amount, purpose and use progress of over-raised funds	Not applicable									
Changes in the implementation place of projects invested with raised funds	Applicable									
	Happened in the Reporting Period									
	<p>1. The Company adjusted the "Hefei Gotion high specific energy power lithium battery industrialization project with annual production capacity of 600 million Ah" to "high specific energy lithium battery industrialization project with annual production capacity of 4Gwh", the implementing entity from Hefei Gotion High-tech Power Energy Co., Ltd. to Hefei Gotion Battery Co., Ltd., a wholly-owned subsidiary of Hefei Gotion, and the implementation location from Hefei Xinzhan High Tech Industrial Development Zone to Hefei Economic and Technological Development Zone.</p> <p>2. The Company changed the investment project "Gotion Battery high specific energy lithium battery industrialization project with annual production capacity of 16GWh" to "Volkswagen standard battery cell project with annual production capacity of 20GWh", the implementation entity from Gotion Battery, a wholly-owned subsidiary of the Company, to Hefei Gotion</p>									

	Battery Technology Co., Ltd (“Gotion Battery Technology”), another wholly-owned subsidiary of the Company, and the implementation location from Hefei Economic and Technological Development Zone to Hefei Xinzhan High Tech Industrial Development Zone.
Adjustment to the implementation mode of projects invested with raised funds	Not applicable
Preliminary investment and replacement of projects invested with raised funds	Applicable
	<p>Before the funds raised were put in place, as of December 18, 2017, the Company had invested a total of RMB 540.28 million in the investment projects of raised funds on the strength of self-raised funds. After the raised funds were put in place, by June 30, 2022, the Company replaced the self-raised funds of RMB 540.28 million which had been invested in the investment projects beforehand.</p> <p>Before the raised funds were put in place, as of December 23, 2019, the Company had invested a total of RMB 559,069,600 in the projects of raised funds on the strength of self-raised funds. After the raised funds were put in place, by June 30, 2022, the Company replaced the self-raised funds of RMB 559,069,600 which had been invested in the investment projects beforehand.</p>
Temporary supplement of working capital with idle raised funds	Applicable
	<p>On October 26, 2020, the Company convened the Eighth Meeting of the 8th Board of Directors, agreeing that the Company may temporarily supplement the working capital on the strength of some idle raised funds of no more than RMB 500 million in the special account for raising funds from the share allotment project and convertible bond project, and the period of use shall be within 12 months upon review and approval of the Board of Directors of the Company. As of October 27, 2021, the Company has returned all the above-mentioned idle raised funds used for temporary supplements of working capital to the respective special accounts for raised funds, and the period of use of such funds has not exceeded 12 months.</p>
Amount of the balance of raised funds in project implementation and its reasons	Applicable
	<p>During the implementation of the share allotment project and the convertible bonds, the Company, in strict accordance with relevant provisions on the use of raised funds, based on the project planning and the actual situation, and following the principle of economy, rationality and effectiveness, strengthened supervision and control of project costs by strict control of project management and rational allocation of resources while ensuring the project quality, thus effectively reduced the project construction cost and expenses. In order to improve the efficiency of the use of raised funds and reasonably reduce the financial expenses, the Company, according to the progress of its investment projects and on the premise of not affecting the progress of the investment projects, purchased bank financial products with some idle raised funds, which generated interest during the period of deposit in the bank. In the end, RMB 152.337 million of raised funds were saved (including the unpaid balance of the contracts and the interest income after deducting the handling fees, and the actual amount is subject to the balance of the special account on the day the funds are transferred out).</p>

Use and destination of raised funds not yet used	<p>Surplus funds raised in the share allotment project and convertible bonds were all used to permanently supplement the Company's working capital for the Company's daily business activities.</p> <p>The funds raised in the non-public offering that are not yet used were still deposited in the special account for raised funds and will continue to be used for the investment projects originally committed to invest and the changed investment projects.</p>
Problems or other situations in the use and disclosure of raised funds	<p>(1) The Company has explained in detail and disclosed the problems in the use and disclosure of raised funds before 2020 in the special report on the deposit and use of raised funds in the previous period.</p> <p>(2) In the first half of 2022, the Company deposited and used the raised funds strictly in line with the <i>Regulatory Guidelines for Listed Companies No.2 - Regulatory Requirements for the Management and Use of Raised Funds of Listed Companies</i>, and the <i>Self-Regulatory Guidelines for Listed Companies No. 1 - Standardized Operation of Listed Companies on the Main Board (Revised in 2022)</i> issued by the CSRC and the <i>Management System for Raised Funds</i> of the Company, and disclosed the relevant information in a timely, true, accurate and complete manner, and there is no violation in the management of the raised funds.</p>

### (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
High specific energy power lithium battery industrialization project with annual production capacity of 4Gwh	Hefei Gotion high specific energy power lithium battery industrialization project with annual production capacity of 600 million Ah	90,000	0	90,938.45	101.04%	Dec 1, 2019		N/A	No

Qingdao Gotion high specific energy power lithium battery industrialization project with annual production capacity of 2GWh	Qingdao Gotion high specific energy power lithium battery industrialization project with annual production capacity of 300 million Ah	50,000	0	50,991.78	101.98%	Dec , 2019		N/A	No
Permanent supplements to working capital	Power vehicles powertrain control system construction project with an annual production capacity of 200,000 sets	26,081.57	0	26,247.17				N/A	No
Volkswagen standard battery cell project with annual production capacity of 20GWh	Gotion Battery high specific energy lithium battery industrialization project with annual production capacity of 16GWh	532,278.38	5,814.44	5,814.44	1.09%	Sep, 2023		N/A	No
Permanent supplements to working capital (surplus raised fund)	The closed investment projects of 2017 share allotment and 2019 convertible bonds	15,233.7	15,197.28	15,197.28				N/A	No
Total	--	713,593.65	21,011.72	189,189.12	--	--	0	--	--
Explanation of reasons for changes, decision-making procedures and information disclosure (by specific project)		(1) As a leading power battery enterprise in China, the Company has been devoted to technological innovation in the area of power lithium batteries all along. Fueled by the successful industrialization of the Company's high nickel ternary cathode materials, the breakthrough of ternary battery technology, and the continuous enhancement of the performance of lithium iron phosphate batteries, as well as their successful application in the area of high-end passenger cars, customers raised more demand for the Company's high specific energy power lithium batteries. In the meanwhile, from 2017, particularly in the first half of 2018, the sales proportion of battery packs for passenger cars increased tremendously, taking on a booming							

demand for both ternary lithium batteries and lithium iron phosphate batteries for passenger cars. As a result, the designed production capacity and product structure of the original investment projects could no longer fully fulfill the market demand. Thus, with a view to satisfy the needs of customers and changes in market structure, facilitate the upgrading of the Company's production line from automation to intelligence, consolidate the Company's technological leading edge and give back to investors in a better way, the Company changed the implementation contents of the above-mentioned fund-raising projects. On July 9, 2018, the 17th Meeting of the 7th Board of Directors adopted the *Proposal on Changing the Implementation Contents of Some Projects Invested with Raised Funds*. The Board of Supervisors issued an opinion with express consent; independent directors issued an independent opinion with express consent; Guoyuan Securities Co., Ltd. issued a verification opinion without objection. On July 25, 2018, the 2nd extraordinary shareholders' meeting of the Company in 2018 deliberated and approved the above-mentioned *Proposal on Changing the Implementation Contents of Some Projects Invested with Raised Funds*.

(2) Since the implementation of Power vehicles powertrain control system construction project with an annual production capacity of 200,000 sets, the global economic environment and market environment have undergone enormous changes and the market of power lithium-ion batteries was expanded in a rapid manner. Owing to the gradual decline of subsidy policy and the maturity of lithium battery industry, it has turned into an inevitable trend for manufacturers of lithium-ion power batteries to continuously expand production scale, speed up technological progress and upgrade quality. On the one hand, with a view to enhance the Company's competitive edge, the Company was concentrated on the primary business of power batteries, devoted great efforts to R&D of batteries and core raw materials, reducing costs and improving efficiency. Simultaneously, the Company intended to introduce the strategic investor Volkswagen China by virtue of non-public offering of shares. As an internationally renowned automobile manufacturer, Volkswagen boasts distinct advantages in automobile R&D and manufacturing. Both sides will give full play to their respective advantages and realize their synergy in the area of new energy battery business with shares as a link. On the other hand, in a bid to avoid the risk of project investment, protect the interests of small and medium-sized investors and boost the use efficiency of raised funds, pursuant to the *Guidelines for Standardized Operation of Listed Companies of Shenzhen Stock Exchange* as well as other relevant regulations, the Company permanently supplemented the working capital with the above remaining raised funds for the production and operation activities associated with the Company's primary business. On December 24, 2020, the 9th Meeting of the 8th Board of Directors adopted the *Proposal on Terminating the Projects Invested with the Raised Funds and Permanently Supplementing Working Capital with the Remaining Raised Funds*. In the meanwhile, the Board of Supervisors issued an opinion with express consent; independent directors issued an independent opinion with express consent; Haitong Securities Co., Ltd. issued a verification opinion without objection. On February 8, 2021, the First Extraordinary General Meeting of Shareholders of the Company in 2020 reviewed and approved the above-mentioned

*Proposal on Terminating the Projects Invested with the Raised Funds and Permanently Supplementing Working Capital with the Remaining Raised Funds.*

(3) After reaching strategic cooperation agreements, the Company and Volkswagen have carried out cooperation in an all-round way. Up to now, the Company has received the letter on appointing the Company as the designated supplier of Volkswagen standard cells, including ternary and lithium iron phosphate standard cells, which will support the new energy models of the latest platform of Volkswagen and also the MEB platform. In 2021, driven by the rapid growth of new energy vehicles, China's power battery loading volume has accumulated 154.5GWh, a year-on-year increase of 142.8%, of which lithium iron phosphate accounts for more than 51%. In order to meet the fast-growing demand of new energy vehicles in the market, and taking into consideration of the Company's future strategic development plan, and in view of the fact the project implementation is relatively difficult since the land scale proposed for the original raised fund investment project can no longer meet the needs of the project construction, and construction cost, energy consumption expenditure, human cost, site maintenance and other expenses may increase if it is continued to be implemented as planned, therefore, the Company changed the use of the raised funds. To be specific, the Company changed the original investment project "Gotion Battery high specific energy lithium battery industrialization project with annual production capacity of 16GWh" to "Volkswagen standard battery cell project with annual production capacity of 20GWh", which is to be implemented by Gotion Battery Technology, the Company's wholly-owned subsidiary, in Hefei Xinzhan High Tech Industrial Development Zone. After the said changes, the project investment and construction will be accelerated, the use efficiency of the raised funds will be improved, and the market share of the Company's products will be further expanded. On April 27, 2022, the 16th meeting of the 8th Board of Directors adopted the *Proposal on Changing the Use of Raised Funds*. The Board of Supervisors issued an opinion with express consent; independent directors issued an independent opinion with express consent; Haitong Securities Co., Ltd. issued a verification opinion without objection. On May 23, 2022, the 2021 annual general meeting of the Company deliberated and approved the above-mentioned *Proposal on Changing the Use of Raised Funds*.

(4) As of March 31, 2022, the construction of the Company's share allotment and convertible bonds investment projects have been all completed. During the implementation of the projects, the Company, in strict accordance with relevant provisions on the use of raised funds, based on the project planning and the actual situation, and following the principle of economy, rationality and effectiveness, strengthened supervision and control of project costs by strict control of project management and rational allocation of resources while ensuring the project quality, thus effectively reduced the project construction cost and expenses. In order to improve the efficiency of the use of raised funds and reasonably reduce the financial expenses, the Company, according to the progress of its investment projects and on the premise of not affecting the progress of the investment projects, purchased bank financial products with some idle raised funds, which generated interest during the

	<p>period of deposit in the bank. In the end, RMB 152.337 million of raised funds were saved (including the unpaid balance of the contracts and the interest income after deducting the handling fees, and the actual amount is subject to the balance of the special account on the day the funds are transferred out). The Company intends to use such surplus funds to permanently supplement the Company's working capital for its daily business activities. On April 27, 2022, the 16th meeting of the 8th board of directors adopted the <i>Proposal on the Closing of the Projects Invested with Raised Funds and Permanently Supplementing Working Capital with the Surplus Raised Funds</i>. The Board of Supervisors issued an opinion with express consent; independent directors issued an independent opinion with express consent; Haitong Securities Co., Ltd. issued a verification opinion without objection. On May 23, 2022, the 2021 annual general meeting of the Company deliberated and approved the above-mentioned <i>Proposal on the Closing of the Projects Invested with Raised Funds and Permanently Supplementing Working Capital with the Surplus Raised Funds</i>.</p>
Situation and reasons for failing to achieve the scheduled progress or expected earnings (by specific project)	None
Major changes in the feasibility of the project after change	None

## VII. Sales of major assets and equity

### 1. Sales of major assets

Applicable  Not applicable

The Company did not sell any major assets during the Reporting Period.

### 2. Sales of major equity

Applicable  Not applicable

## VIII. Analysis of major holding or joint stock companies

Applicable  Not applicable

Major subsidiaries or joint stock companies with an impact of over 10% on the Company's net profit

Monetary Unit: RMB

Company's name	Company type	Primary business	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Hefei Gotion High-tech Power Energy	Subsidiary	Industrial production	1,000,000,000.00	31,308,039,024.81	8,183,857,616.92	7,603,630,647.57	307,296,712.48	283,981,509.74

Co., Ltd.								
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## Acquisition or disposal of subsidiaries during the Reporting Period

√Applicable Not applicable

Company's name	Way of acquisition or disposal of the subsidiary during the Reporting Period	Impact on the overall production, operation and performance
Anhui Fumo New Material Technology Co., Ltd	Cancellation	Optimized the Company's industrial layout and improved its operating efficiency.
Jiangxi Weihong Lithium Co., Ltd	Acquisition	Further strengthened the Company's competitive advantage, market development and service ability, and improved the Company's profitability and sustainable development ability.
Yichun Kefeng New Material Co., Ltd	Acquisition	Further strengthened the Company's competitive advantage, market development and service ability, and improved the Company's profitability and sustainable development ability.
Yifeng County Hua Lithium Mining Development Co., Ltd.	Acquisition	Further strengthened the Company's competitive advantage, market development and service ability, and improved the Company's profitability and sustainable development ability.
Gotion Germany Battery GmbH	New establishment	Further strengthened the Company's competitive advantage, market development and service ability, and improved the Company's profitability and sustainable development ability.
Tianjin Gotion New Energy Technology Co., Ltd	New establishment	Further strengthened the Company's competitive advantage, market development and service ability, and improved the Company's profitability and sustainable development ability.

Description of major holding or joint stock companies

**IX. Structured entities controlled by the Company** Applicable  Not applicable**X. Risks faced by the Company and response measures****(I) Future development prospect**

After 17 years' development, the Company has accumulated competitive resources and capabilities in technology

R&D, team building, integration of industrial chain, internationalization level and customer development. Adhering to the mission of “serving mankind with green energy” and the vision of “focusing on technology driven and becoming a leader in the global energy storage industry”, the Company will strive to achieve a production capacity of 300GWH in 2025 by means of expansion of production capacity based on a global layout, vertical integration of industrial chain, breakthrough of technology and quality bottlenecks, improvement of operation efficiency and management effectiveness, and building a global platform.

## **(II) Risks faced and response measures**

### **1. Continuous rise in raw materials prices and some materials in short supply**

In the context of the continuous prosperousness of the power lithium battery market, upstream materials, including lithium salt, electrolyte, copper foil, graphite, BMS and other key materials for power batteries will continue to be in short supply, and the price will continue to rise, which is bound to cause the increase in material cost and hinder the release of production capacity in the short term, and thus bring great supply chain pressure and cost pressure to battery manufacturers.

Response measures: The Company focused on cost control, made capacity planning and fix the contracts for main materials in advance to ensure material supply. In addition, the Company continuously and steadily made an arrangement with respect to the upstream raw materials in advance, made preparation for capacity expansion, and thus ensured the steady advance of its production and operation.

### **2. Further intensified market competition**

With the robust demand of the global power battery market and a highly prosperous industry, the industrial capacity at home and abroad also shows a trend of doubling, and the market competition will be more intense in the future.

Response measures: Being customer centered and market-oriented, and with benchmarking the international first-class enterprises, the Company has been improving its battery technology, improving its products quality, optimizing its products structure and cooperating with Volkswagen to develop high-quality batteries, so as to constantly strengthen its strength and further enhance its competitiveness in the global power battery industry.

### **3. High balance of accounts receivable**

Affected by the characteristics of the industry and its business model, the balance of accounts receivable of the Company as at the end of the Reporting Period was high. With such large amount of accounts receivable, if downstream customers fail to pay in time or the financial situation deteriorates, etc., the Company will face the risk of bad debt loss, which will have an adverse impact on capital turnover and profit level.

Response measures: The Company introduced a credit management mechanism to strengthen the prior control of receivables and the planning of subsequent recovery; meanwhile, it clarified the responsibilities and strengthened the assessment of account receivables.

### **4. Influence of global macroeconomic situation**

Both the slow global economic recovery and the instability of the supply chain system caused by COVID-19 and the obstruction of the progress of projects under construction will affect the expected operating income. In addition, the FED's entry into the interest-rate rise cycle and the intense global geopolitical risks have led to more complex risks faced by the Company.

Response measures: The Company coordinated the two aspects of COVID-19 prevention & control and production & operation to minimize the negative impact of the COVID-19. In addition, the Company continued to pay attention to the macroeconomic trend and market dynamics at home and abroad, and dealt with relevant risks in a timely and effective manner, continued to strengthen scientific and technological innovation to make it become the ballast stone for the Company to cope with changes and the source power for healthy development, continued to open up and cooperate with more excellent enterprises to cope with changes, overcome challenges,

create a new situation and achieve mutual benefit and win-win results.

## Section IV Corporate Governance

### I. Relevant information about the annual general meeting and extraordinary general meeting held during the Reporting Period

#### 1. Information about the general meeting during the Reporting Period

Sessions	Meeting type	Investor participation ratio	Convening date	Disclosure date	Disclosure place
2021 Annual General Meeting	Annual general meeting	36.35%	May 23, 2022	May 24, 2022	<i>Announcement of the Resolutions Adopted at the 2021 Annual General Meeting</i> (No. 2022-049) on www.cninfo.com.cn

#### 2. Shareholders holding preferred shares with voting rights resumed request to convene an extraordinary general meeting

Applicable  Not applicable

### II. Change in directors, supervisors and senior officers of the Company

Applicable  Not applicable

Name	Position	Type	Date	Reason
Hou Fei	Vice General Manager	Appointment and removal	April 27, 2022	Resigned due to personal work adjustment and still held a post in the Company after the resignation
Ma Guifu	Vice General Manager	Appointment and removal	April 27, 2022	Resigned due to personal work adjustment and still held a post in the Company after the resignation
An Dongliang	Vice General Manager	Appointment and removal	April 27, 2022	Resigned due to personal work adjustment and still held a post in the Company after the

				resignation
Pan Wang	Financial Director	Appointment and removal	April 27, 2022	Resigned due to the Company's introduction of strategic investors
Wang Qisui	Chairman of the Board of Supervisors	Appointment and removal	May 23, 2022	Changed from the position of Chairman of the Board of Supervisors to the Deputy General Manager of the Company due to job change
Wang Qisui	Vice General Manager	By engagement	May 23, 2022	Engagement
Sun Aiming	Vice General Manager	By engagement	April 27, 2022	Engagement
Li Chen	Vice General Manager	By engagement	April 27, 2022	Engagement
Zhang Yifei	Financial Director	By engagement	April 27, 2022	Engagement
Yang Dafa	Chairman of the Board of Supervisors	By election	May 23, 2022	By election of supervisors

### III. Profit distribution and the increase of share capital with reserve funds during the Reporting Period

Applicable  Not applicable

The Company did not plan to distribute semi-annual cash dividends or incentive shares, or increase share capital with reserve funds.

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

Applicable  Not applicable

#### 1. Equity incentive

##### (I) 2021 stock option incentive plan ("2021 Incentive Plan")

1. The Company held the 13th meeting of the 8th Board of Directors on August 26, 2021, deliberating and passing the *Proposal on the "Company's 2021 Stock Option Incentive Plan (Draft)" and its Summary*, the *Proposal on the "Administrative Measures for the Implementation and Assessment of the Company's 2021 Stock Option Incentive Plan"* 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.

2. The Company held the 13th meeting of the 8th Board of Directors on August 26, 2021, deliberating and passing the *Proposal on the "Company's 2021 Stock Option Incentive Plan (Draft)" and its Summary*, the *Proposal on the*

“Administrative Measures for the Implementation and Assessment of the Company’s 2021 Stock Option Incentive Plan” and the *Proposal on Examining the List of Incentive Objects under the Company’s 2021 Stock Option Incentive Plan*. The Board of Supervisors verified the list of incentive objects under the 2021 Incentive Plan and gave verification opinions.

3. The Company publicized the names and positions of the incentive objects under the 2021 Incentive Plan between September 1, 2021 and 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 Company’s 2021 Stock Option Incentive Plan* (Announcement No.: 2021-079).

4. The Company held the 3rd Extraordinary Shareholders’ Meeting of 2021 on September 15, 2021, deliberating and passing the *Proposal on the “Company’s 2021 Stock Option Incentive Plan (Draft)” and its Summary*, the *Proposal on the “Administrative Measures for the Implementation and Assessment of the Company’s 2021 Stock Option Incentive Plan”* 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).

5. The Company held the 14th meeting of the 8th Board of Directors and the 14th meeting of the 8th Session of the 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.

6. 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.

7. By the end of the Reporting Period, the restriction under the 2021 Incentive Plan was not released.

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

1. The Company held the 16th meeting of the 8th Board of Directors on April 27, 2022, deliberating and passing the *Proposal on the “Company’s 2022 Stock Option Incentive Plan (Draft)” and its Summary*, the *Proposal on the “Administrative Measures for the Implementation and Assessment of the Company’s 2022 Stock Option Incentive Plan”* 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 for the first time, accounting for 2.88% of the Company's total share capital of 1,664,707,835 shares on the date of publication of the draft 2022 Incentive Plan, and accounting for 80.00% of the total number of stock options to be granted in the 2022

Incentive Plan. The exercise price is 18.77 yuan / share. The incentive objects can be directors, senior officers and core technical (business) personnel of the Company. 12 million stock options would be reserved for grant, accounting for 0.72% of the Company's total share capital of 1,664,707,835 shares on the date of publication of the draft 2022 Incentive Plan and 20.00% of the total stock options to be granted in the 2022 Incentive Plan.

2. The Company held the 16th meeting of the 8th Board of Directors on April 27, 2022, deliberating and passing the *Proposal on the "Company's 2022 Stock Option Incentive Plan (Draft)" and its Summary*, the *Proposal on the "Administrative Measures for the Implementation and Assessment of the Company's 2022 Stock Option Incentive Plan"* and the *Proposal on Examining the List of First Batch of Incentive Objects under the Company's 2022 Stock Option Incentive Plan*. The Board of Supervisors verified the list of first batch of incentive objects under the 2022 Incentive Plan and gave verification opinions.

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

4. The Company held the Annual Shareholders' Meeting of 2021 on May 23, 2022, deliberating and passing the *Proposal on the "Company's 2022 Stock Option Incentive Plan (Draft)" and its Summary*, the *Proposal on the "Administrative Measures for the Implementation and Assessment of the Company's 2022 Stock Option Incentive Plan"* 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 2022 Stock Option Incentive Plan* (Announcement No.: 2022-050).

5. By the end of the Reporting Period, the option grant under the 2022 Incentive Plan has not completed yet.

## 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	Changes	Ratio to total share capital of the listed company	Source of funds for plan implementation
ESOP (Second Phase): the Company's directors (excluding independent directors),	288	7,570,800	During the Reporting Period, due to the resignation of some holders under the ESOP (Second Phase),	0.45%	Legal remuneration and self-raised funds of participants.

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			they were disqualified as holder and 267,120.00 shares held by them were recovered.		
ESOP (Third Phase): the Company's and its subsidiaries' 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	106	3,133,684	During the Reporting Period, due to the adjustment of holders under the ESOP (Third Phase), a total of 2,286,000.00 shares were re-granted to employees who were eligible to subscribe.	0.19%	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 stocks held at the beginning of the Reporting Period	Number of stocks held at the end of the Reporting Period	Ratio to the total share capital of the listed company
Steven Cai	Director	300,472	350,472	0.02%

Zhang Hongli	Director	60,094	110,094	0.01%
Wang Qisui	Deputy General Manager	30,047	120,047	0.01%
Wang Qiang	Deputy General Manager	150,236	150,236	0.01%
Zhang Wei	Deputy General Manager	123,194	173,194	0.01%
Li Chen	Deputy General Manager	0	50,000	0.00%
Sun Aiming	Deputy General Manager	0	50,000	0.00%
Yang Dafa	Chairman of the Board of Supervisors	9,014	29,014	0.00%
Wu Yibing	Supervisor	0	20,000	0.00%
Ma Guifu	Deputy General Manager (resigned during the Reporting Period)	120,189	150,189	0.01%
Hou Fei	Deputy General Manager (resigned during the Reporting Period)	73,916	173,916	0.01%
An Dongliang	Deputy General Manager (resigned during the Reporting Period)	120,189	140,189	0.01%

## 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

1. The Company held the 15th meeting of the 8th Board of Directors and the 15th meeting of the 8th session of the Board of Supervisors on November 26, 2021, deliberating and passing the *Proposal on the Achievement of Indicators for Performance Appraisal of 2020 under the Second Phase of the Company's Employee Stock Ownership Plan*. According to the *Audit Report* numbered Su Ya Shen [2021] No. 494 issued by SuyaJincheng, the Company achieved operating income of RMB 6,724,233,230.56 in 2020, and the indicators for performance appraisal of the Company in 2020 under the ESOP were not achieved. Since the indicators for performance appraisal of the second unlocking period under the ESOP were not achieved, the funds obtained from selling the underlying stocks corresponding to the period were vested in the Company. The Company would return the original capital contribution and 10% of the capital cost to the holders up to the amount of the funds. As of the end of the Reporting Period, the Company's shares corresponding to

the second unlocking period have not been sold.

2. On April 27, 2022, the Company held the 16th meeting of the 8th Board of Directors and the 16th meeting of the 8th Board of Supervisors, deliberating and passing the Proposal on Adjusting the Appraisal Contents of the Second Phase of the Company's ESOP. Since the performance appraisal indicators of the third unlocking period under the Second Phase of the ESOP can no longer match the Company's business situation in the current year, it is agreed to adjust the performance appraisal year and appraisal indicators of the third unlocking period of the second phase of the Company's ESOP (the "ESOP"). For details, see the *Announcement on Adjusting the Appraisal Contents of the Second Phase of the Company's Employee Stock Ownership Plan* (Announcement No.: 2022-031) disclosed by the Company on April 29, 2022.

### **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

Name of the Company or its subsidiary	Main pollutants and characteristic pollutants	Discharge method	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration	Pollutant discharge standards	Total discharge	Approved total discharge	Excessive discharge
Hefei Gotion High-Tech Power Energy Co., Ltd.	COD	Intermittent discharge	2	General sewage discharge outlet of Hefei Gotion (No.2 Factory); general sewage discharge outlet of Hefei Gotion (No.3 Factory)	60mg/L	Within the sewage discharge limits (indirect discharge) of newly-built enterprises as set forth in Table 2 of the Emission Standard of Pollutants for Battery Industry (GB30484-2013)	Hefei Gotion (No. 2 factory) 0.740t/a; Hefei Gotion (No. 3 factory) 1.500t/a	Hefei Gotion (No. 2 factory) 2.734t/a; Hefei Gotion (No. 3 factory) 3.184t/a	None
Hefei Gotion	Ammonia	Intermittent	2	General sewage	10mg/L	Within the	Hefei Gotion	Hefei Gotion	None

High-Tech Power Energy Co., Ltd.	nitrogen	discharge		discharge outlet of Hefei Gotion (No.2 Factory); general sewage discharge outlet of Hefei Gotion (No.3 Factory)		sewage discharge limits (indirect discharge) of newly-built enterprises as set forth in Table 2 of the Emission Standard of Pollutants for Battery Industry (GB30484-2013)	(No. 2 factory) 0.260t/a ; Hefei Gotion (No. 3 factory) 0.300t/a	(No. 2 factory) 0.452t/a; Hefei Gotion (No. 3 factory) 0.531t/a	
Hefei Gotion High-Tech Power Energy Co., Ltd.	Non-methane hydrocarbon	Organized discharge	2	Waste gas No.1 discharge outlet of Hefei Gotion (No.3 Factory); waste gas No.2 discharge outlet of Hefei Gotion (No.3 Factory)	20mg/m <sup>3</sup>	Level 2 standards set forth in Table 2 of the <i>Integrated Emission Standard of Air Pollutants</i> (GB16297-1996)	Waste gas No.1 discharge outlet of Hefei Gotion (No.3 Factory): 0.107t/a; waste gas No.2 discharge outlet of Hefei Gotion (No.3 Factory): 0.300t/a	Hefei Gotion (No. 3 factory) 13.828t/a	None
Nanjing Gotion	COD	Intermittent	1	Waste water	31mg/L	Within the	0.032t/a	0.972t/a	None

Battery Co., Ltd.		discharge		main outlet		sewage discharge limits (indirect discharge) of newly-built enterprises as set forth in Table 2 of the Emission Standard of Pollutants for Battery Industry (GB30484-2013)			
Nanjing Gotion Battery Co., Ltd.	Ammonia nitrogen	Intermittent discharge	1	Waste water main outlet	5.3mg/L	Within the sewage discharge limits (indirect discharge) of newly-built enterprises as set forth in Table 2 of the Emission Standard of Pollutant	0.002t/a	0.194t/a	None

						s for Battery Industry (GB30484-2013)			
Nanjing Gotion Battery Co., Ltd.	Total Nitrogen	Intermittent discharge	1	Waste water main outlet	24.4mg/L	Within the sewage discharge limits (indirect discharge) of newly-built enterprises as set forth in Table 2 of the Emission Standard of Pollutants for Battery Industry (GB30484-2013)	0.025t/a	0.259t/a	None
Tangshan Gotion Battery Co., Ltd.	Non-methane hydrocarbon	Organized discharge	2	Phase I waste gas discharge outlet; Phase II waste gas discharge outlet	2.12mg/m <sup>3</sup>	Within the air pollutants discharge limits of newly-built enterprises as set forth in	Phase I waste gas discharge outlet: 0.2t/a; Phase I waste gas discharge outlet: 0.2t/a;	3.1t/a	None

						Table 5 of the Emission Standard of Pollutants for Battery Industry (GB30484-2013)			
Tangshan Gotion Battery Co., Ltd.	COD	Intermittent discharge	1	Sewage main outlet	55mg/L	Within the sewage discharge limits (indirect discharge) of newly-built enterprises as set forth in Table 2 of the Emission Standard of Pollutants for Battery Industry (GB30484-2013)	0.766t/a	0.776t/a	None
Tangshan Gotion Battery Co., Ltd.	Ammonia nitrogen	Intermittent discharge	1	Sewage main outlet	2.63mg/L	Within the sewage discharge limits (indirect	0.038t/a	0.078t/a	None

						discharge) of newly-built enterprises as set forth in Table 2 of the Emission Standard of Pollutants for Battery Industry (GB30484-2013)			
Hefei Gotion Battery Co., Ltd.	COD	Continuous discharge	1	Sewage main outlet	75.4mg/L	Sewage discharge shall be within the sewage discharge limits (indirect discharge) of newly-built enterprises as set forth in Table 2 of the Emission Standard of Pollutant	0.530t/a	1.974t/a	None

						s for Battery Industry (GB30484-2013)			
Hefei Gotion Battery Co., Ltd.	Ammonia nitrogen	Continuous discharge	1	Sewage main outlet	3.2mg/L	Sewage discharge shall be within the sewage discharge limits (indirect discharge) of newly-built enterprises as set forth in Table 2 of the Emission Standard of Pollutants for Battery Industry (GB30484-2013)	0.021t/a	0.116t/a	None
Hefei Gotion Battery Co., Ltd.	Non-methane hydrocarbon	Organized discharge	2	Phase I waste gas discharge outlet	2.53mg/m <sup>3</sup>	Within the pollutant discharge limits of newly-built	0.156t/a	0.807t/a	None

						enterprises as set forth in Table 5 of the Emission Standard of Pollutants for Battery Industry (GB30484-2013)			
Nantong Aston Electric Appliance Manufacturing Co., Ltd.	Particulate matter	Organized discharge	2	1#2# plastic coating dust outlet	1.0mg/m <sup>3</sup>	Comprehensive Emission Standards for Air Pollution GB16297-1996	0.124t/a	12.432t/a	None
Nantong Aston Electric Appliance Manufacturing Co., Ltd.	Volatile organic compounds	Organized discharge	1	Spray painting waste gas outlet	0.643mg/m <sup>3</sup>	Emission standard for surface coating VOCs DB32/2862-2016	0.124t/a	1.241t/a	None
Nantong Aston Electric Appliance Manufacturing Co., Ltd.	COD	Continuous discharge	1	Sewage main outlet	500mg/m <sup>3</sup>	Comprehensive Sewage Discharge Standard (GB8978-1996) Water Quality	0.086t/a	0.086t/a	None

						Standard for Sewage Discharge into Urban Sewers (GB/T31 962-201 5)			
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#### Construction and operation of pollution prevention and control facilities

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 personnel, and are designed, constructed and put into production and use together with the main work at the same time.

During the Reporting Period, the pollution prevention and control facilities and systems of the Company have been functioning normally. The production wastewater and domestic sewage were treated and discharged to the standard; the production waste gas was treated and discharged to the standard by the corresponding waste 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; 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.

#### Environmental impact assessment of construction projects and other environmental protection administrative licenses

During the Reporting Period, all subsidiaries of the Company have carried out environmental impact assessment of construction projects in accordance with the requirements of relevant laws and regulations on environmental protection, and strictly implemented the “three simultaneous” system of environmental impact (construction projects and environmental protection facilities are designed, constructed and put into production and use simultaneously) at all stages of project construction and production, and obtained environmental impact assessment approval, “three simultaneous” environmental protection completion acceptance letter, discharge permit and other environmental protection administrative permits on time. The construction projects are all in compliance with the environmental impact assessment policies and environmental protection administrative licensing requirements, and there are no projects without permission.

#### 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.

#### Environmental self-monitoring plan

In accordance with the *Measures for Self-monitoring and Information Disclosure of State Key Monitoring Enterprises (Trial)* (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, formulate self-monitoring plans every year, conduct regular testing in strict accordance with the plan, and disclose monitoring information on the website of the Ministry of Environmental Protection.

#### 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 listed company	Rectification measures of the Company
Not applicable	Not applicable	No	No	Not applicable	Not applicable

#### Other environmental information that should be disclosed

The Company paid environmental protection and pollution discharge tax on time every quarter;

Measures taken to reduce carbon emissions during the Reporting Period and their effectiveness

Applicable  Not applicable

Lujiang Materials and Nanjing Gotion, subsidiaries of the Company, have reduced about 4000 tons of carbon dioxide emissions during the Reporting Period by using photovoltaic power generated by solar photovoltaic panels. All subsidiaries of the Company have reduced a total of 3627.08 tons of carbon dioxide emissions through energy saving and consumption reduction and lean improvement to reduce energy consumption during the Reporting Period.

#### Other environmental protection related information

During the Reporting Period, the subsidiary Hefei Gotion has carried out ISO14064 carbon emission verification. According to ISO14064-1 standard, carbon emission verification was carried out on plant 2 and plant 3 (including canteen and dormitory). The reporting boundary includes the direct greenhouse gas emissions and the indirect greenhouse gas emissions identified according to important indirect greenhouse gas emission guidelines.

The Company voluntarily joined Anhui Environmental Federation and became the vice chairman thereof. As one of the members of Anhui Environmental Federation, the Company will continue to unite all social organizations and all forces to jointly participate in and care for environmental protection, strengthen environmental supervision, 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) Consolidating the achievements of poverty alleviation to help rural revitalization**

2022 is a key year for effectively connecting the consolidation of the poverty alleviation achievements with the rural revitalization. Responding to the national call, the Party, league, trade unions and other institutions at all levels of the Company actively participated in poverty alleviation work, carried forward the spirit of charity, and fulfill the responsibilities of enterprises. The Rural Revitalization Strategy is a great strategy for the benefit of the country and the people, and is an inevitable requirement for the common prosperity of all the people. It is incumbent upon private enterprises to participate in the Rural Revitalization Strategy.

**1. Assistance to employees and vulnerable groups**

With its special assistance fund for employees in difficulty, the Company provided RMB 112,400 for 9 employees in difficulty during the Reporting Period. During the Spring Festival, the Party and Mass Work Department and the grass-roots trade union organizations of the Company provided RMB 280,000 to 140 families of employees in difficulty, of which Liuzhou Gotion provided RMB 34,000 to 17 employees in difficulty, Qingdao Gotion provided RMB 7,000 to the employees and their families in difficulty, and Dongyuan Electric provided RMB 82,000 to the employees in difficulty. In addition, in response to the government's activities for targeted support of Zhenba County, Shaanxi Province, RMB 50,000 was donated. Nanjing Gotion provided a total of RMB 21,000 of sympathy money and materials to 6 employees in difficulty. Gotion Materials helped five farmers in Xiaodun Village, Lujiang County, visited their home for many times and helped them apply for subsidies or preferential treatment according to the poverty alleviation policies.

**2. Employment and consumption assistance**

The Company has always given priority to local people's employment and employed many local old, weak, sick and disabled people to engage in the Company's cleaning, security, food and accommodation services. Qingdao Gotion, for example, employed poor, old, weak, sick and disabled villagers for all of the posts such as property management and security personnel, cleaning and canteen handyman. During the Reporting Period, Liuzhou Gotion recruited about 600 migrant workers, effectively alleviating the employment problem of surplus labor in Liudong New District and surrounding counties and districts of Liuzhou City. Qingdao Gotion helped Jiangshan New Village, Jiangshan Town, Laixi City to set up Qingdao Longge Times New Materials Co., Ltd., a village-run enterprise, which began to introduce directionally purchased PVC winding films of RMB 30,000 in May. Under the situation that local agricultural products were not marketable due to COVID-19 pandemic, Qingdao Gotion took the initiative to purchase more than RMB 1 million of products to help resolve farmers' sales difficulties.

**3. Social assistance**

During the Reporting Period, Qingdao Gotion donated more than 1100 pieces of clothes and 180 school bags to Tuowu Primary School in Mianning County, Sichuan Province. Nantong New Energy provided RMB 16,900 of consolation subsidies to needy households in surrounding villages. Liuzhou Gotion sent milk, rice, oil and other offerings to the elderly in gerocomium in Luorong Town and three elderly party members in Xiushui Village.

**4. Public welfare donation**

Since 2008, Dongyuan Electric has donated RMB 300,000 to Tongzhou District Charity Foundation every year. At the beginning of April, the Company donated two batches of fresh vegetables totaling 150 tons to Shanghai to fight against COVID-19, spending a total of RMB 980,000. On May 15, the National Disability Day, Tongcheng Gotion donated 100 electric mopeds to Tongcheng Disabled People's Federation, with a total value of RMB 400,000. Nanjing Gotion donated RMB 20,000 to the Charity Association of Liuhe District.

## **(II) COVID-19 prevention and control**

In the first half of 2022, the COVID-19 repeatedly broken out in many parts of the country. The Company adhered to overall planning and coordination, strengthened the implementation of responsibilities, paid close attention to all aspects of COVID-19 prevention and control, and thus fully protected the life, health and safety of employees and ensured the stable and orderly production of the Company.

In March this year, COVID-19 broke out in Laixi, Qingdao. Qingdao Gotion actively implemented the government's requirements and policies and took the initiative to act to guarantee the food and lodging of public security officers and policemen for COVID-19 prevention and control, set up the government resident nucleic acid detection stations, and organize the employees to donate more than RMB 30,000 for COVID-19 prevention and control. In April, more than 20 employees of Nantong Gotion took the initiative to be a first-line anti epidemic volunteer, and donated 10,000 medical surgical masks, 100 bottles of hand sanitizer and 100 bottles of disinfection alcohol to the local government.

## **(III) Follow-up social responsibility plan**

### **1. Support funds.**

The Company will make use of existing employee support funds to provide financial support to the families of needy employees, and help the needy employees to apply for the funds offered by the superior trade union, and provide aid to the extremely needy employees internally;

### **2. Help vulnerable groups or individuals.**

The Company plans to assist the construction of teaching facilities in Hope Primary School, Jinzhai County, and hold the activity of "Assisting 100 Students in Realizing Their Dreams of Going to School" in Jinzhai, Tongcheng and other places.

### **3. Help rural revitalization**

The Company plans to make targeted donations to Tongcheng Municipal Government every year for local rural infrastructure and education construction.

### **4. Community co-construction activities.**

The Company will carry out the "Chinese Dream · Labor Beauty" activities for local COVID-19 prevention and control personnel, fire rescue brigades, police stations and traffic police brigades in Xinzhan District and Baohe District. Dongyuan Electric will continue to promote the activity of "Urban and Rural Areas to Joint Hands for Civilized Construction" with the Villagers' Committee of Yujiaba Village, Shizong Town.

## 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 De Facto Controller, shareholders, related parties, acquirers and other commitment parties.**

Applicable  Not applicable

There is no commitment that has been completed during the Reporting Period or not completed by the end of the Reporting Period by the Company's De Facto Controller, shareholders, related parties, acquirers and other commitment parties.

### **II. The 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

The Company did not provide any illegal guarantee during the Reporting Period.

### **IV. Employment and dismissal of accounting firm**

Is the semi-annual report of the Company audited?

Yes  No

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

### **V. Explanations of the Board of Directors and Board of Supervisors on the "non-standard auditors' report" issued by the Accounting Firm for this Reporting Period**

Applicable  Not applicable

### **VI. Explanations of the Board of Directors on the "non-standard auditors' report" issued for the previous financial year**

Applicable  Not applicable

## VII. Bankruptcy and reorganization related matters

Applicable  Not applicable

No bankruptcy and reorganization related matter happened to the Company during the Reporting Period.

## VIII. Litigation related matters

Major litigation and arbitration related matters

Applicable  Not applicable

No major litigations and arbitration related matter happened to the Company during the Reporting Period.

Other litigation related matters

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 influence thereof	Enforcement of litigation (arbitration) judgments	Date of disclosure	Disclosure index
2019 case of Suixi Hengrui Electric Bus Co., Ltd. v. Hefei Gotion High-tech Power Energy Co., Ltd., Shenzhen Optimum Nano Battery Co., Ltd. and Shanghai Shenlong Bus Co., Ltd. regarding disputes over product quality	1,000	No	Judicial authentication to the battery has been completed, yet the plaintiff requested the authentication again. The court trial is pending.	Not trialed yet	Not trialed yet		
2019 case of Tongzhou General Construction Group Co., Ltd. and Anhui Textile Industry Design	4,002.39	Yes	Final judgement has been rendered.	(1) Tianjin Hengtian, the defendant, was ordered to pay the two plaintiffs the project amount of RMB 40,023,900 and the accrued interest; (2)	In enforcement		

Institute v. Tianjin High-tech New Energy Auto Institute Co., Ltd. regarding disputes over construction contract				within the scope of the project amount, the two plaintiffs shall enjoy the priority right to be paid for the price of the first phase of China Hengtian New Energy Vehicle R&D and Industrialization Base Project through discount or auction; (3) the case acceptance fee is RMB 290,446, of which RMB 48,526.24 shall be borne by the two plaintiffs and RMB 241,919.76 shall be borne by Tianjin Hengtian, the defendant. Preservation fee of RMB 5,000 shall be borne by the defendant Tianjin Hengtian.			
Case of Hefei Gotion High-Tech Power Energy Co., Ltd. v. Anhui Hanxing Energy Storage Technology Co., Ltd. regarding disputes over sales and purchase contract in 2020	2,063.21	No	Won the case and filed for enforcement	Hanxing Energy Storage was ordered to pay Hefei Gotion the amount of RMB 20,032,098 plus interest, and the acceptance and preservation fees totaling RMB 149,960 were borne by Hanxing Energy Storage.	In enforcement RMB4,399,900 enforced by the court has been transferred to our company, and the shareholder has been added as the person subject to enforcement		
Hefei Gotion High-Tech Power Energy Co., Ltd.	4,765.86	No	Prepare to apply for enforcement.	In the first instance, Jiangsu Zhongkun was ordered to pay RMB	Case not closed yet		

v. Jiangsu Zhongkun Automobile Co., Ltd. regarding disputes over sales and purchase contract in 2020				43,664,400 for the goods and liquidated damages for late payment. The second trial has been held and the original judgment is upheld.			
2020 case of Shanghai Gotion New Energy (Hefei) Energy Storage Technology Co., Ltd. applying for ruling on the dispute with Anhui Hanxing Energy Storage Technology Co., Ltd. over construction payment	2,213.6	No	Not trialed yet, in judicial authentication	Not trialed yet	Not trialed yet		
2021 case of Hefei Gotion High-Tech Power Energy Co., Ltd. v. Jiangxi Changhe Automobile Co., Ltd. regarding disputes over sales and purchase contract	16,129.19	No	Mediated	Upon mediation, Jiangxi Changhe will pay Hefei Gotion the principal amount of RMB 161,291,889.24 for goods, which will be paid in installments by November 2022.	At present, RMB 165,291,889.25 has been recovered, and the case has been closed.		
2021 case of Hefei Gotion High-Tech Power Energy Co., Ltd. v. Anhui Uppon Power Technology Company Limited regarding disputes	2,127.12	No	In the first instance and Uppon Power Technology filed a counterclaim, which is currently under appraisal	Not trialed yet	Not trialed yet		

over sales and purchase contract							
2021 case of Hefei Gotion High-Tech Power Energy Co., Ltd. v. Zhongtong Bus Holding Co., Ltd. regarding disputes over sales and purchase contract	7,437.04	No	Both parties reached a settlement and withdrew the lawsuit	The lawsuit was withdrawn.	RMB 45 million has been recovered.		
2021 case of Hefei Gotion High-Tech Power Energy Co., Ltd. v. Jiangsu Youyi Automobile Co., Ltd. regarding disputes over sales and purchase contract	571.86	No	Hefei Gotion won the case	Jiangsu Youyi Automobile Co., Ltd. was ordered to pay Hefei Gotion the remaining outstanding battery pack payment of RMB 3,777,640.	The case has been closed, and Jiangsu Youyi paid RMB 3,777,640 for the battery pack.		
2021 case of Shanghai Pudong Development Bank Co., Ltd. Tianjin Branch v. Tianjin High-tech New Energy Auto Institute Co, Ltd. and Beijing High-tech Xin-Neng New Energy Automotive Technology Co., Ltd. regarding disputes over financial loans	16,428.03	No	Judgement has been rendered and case has been closed	(1) Tianjin Hengtian, the defendant, was ordered to repay the plaintiff the loan principal of RMB16,427.46 and interest, compound interest and penalty interest; (2) Beijing High-tech Xin-Neng New Energy Automotive Technology Co., Ltd., the defendant, shall be jointly and severally liable for the above payment, and shall have the right to recover from the defendant Tianjin Hengtian after assuming the guarantee liability; (3) the plaintiff is entitled to receive	in enforcement		

				priority payment within the scope of the proceeds from cashing, auction or sale of the collaterals of Tianjin Hengtian in accordance with the relevant mortgage contract; (4) the case acceptance fee of RMB 863,202 and the preservation fee of RMB 5,000 shall be borne by the defendant.			
2015 Bankruptcy case of Zhejiang Zhengyu Electromechanical Co., Ltd.	1,908.25	No	Creditors' meeting has been held	The claim of RMB 19,082,477 has been recognized and RMB 4,333,630.53 has been recovered so far.	Case not closed yet		
2020 case of Hefei Gotion High-Tech Power Energy Co., Ltd. v. Hubei New Chufeng Automobile Co., Ltd. regarding disputes over sale and purchase contracts	16,443.99	No	Judgment was rendered in the first trial, and the case was settled by mediation in the second trial	The first trial has ruled that Hubei Xinchufeng should pay Hefei Gotion the goods amount of RMB 163,843,616.56 and liquidated damages for late payment.	The reorganization draft was passed and in the process of implementation.		
2021 Bankruptcy case of Hangzhou Yiwei Automobile Industry Co., Ltd.	5,886.43	No	First creditors' meeting has been held	(1) RMB100,000 in cash was recovered. (2) 3,591,655 shares of ST Zongtai were received in Hefei Gotion stock account.	Case closed		
2021 Bankruptcy case of Hunan Jiangnan Automobile Manufacturing Co., Ltd.	4,218.05	No	Second creditors' meeting has been held	(1) RMB100,000 in cash was recovered. (2) 3,591,655 shares of ST Zongtai were received in Hefei Gotion stock account.	Case closed		
2021 Bankruptcy	1,407.29	No	Bankruptcy filing	Claims of	Case not		

case of Chongqing Zhongtai Automobile Industry Co.			is in progress	RMB13,964,204.58 have been recognized.	closed yet		
Case of Tianjin High-tech New Energy Auto Institute Co., Ltd. filed bankruptcy reorganization of Hubei Xinchufeng Automobile Co., Ltd. in 2021	25,437.89	No	The draft reorganization plan has been adopted and in the process of implementation	The claim of Tianjin Hengtian of RMB254,378,927.42 has been recognized.	The reorganization draft was passed and in the process of implementation.		

## XII. Punishment and rectification

Applicable  Not applicable

## X. Credit status of the Company, its Controlling Shareholder and De Facto Controller

Applicable  Not applicable

After inquiring the major credit information system including the Securities and Futures Market Dishonest Record Inquiry Platform of the China Securities Regulatory Commission, the Information Notification System of the State Administration for Industry and Commerce, of the State Administration of Taxation, Information Bulletin of Information on Major Taxation Offence Cases and the Supreme People's Court's Inquiry Platform of the Information about the Dishonest Persons Subject to Enforcement, it is determined that the Company, its Controlling Shareholder and De Facto Controller have no illegal or dishonest behavior during the Reporting Period.

## 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	Price of related party transaction	Amount of related party	Proportion in amount of similar	Approved transaction quota	Is the approved limit exceeded	Settlement method of related	Available market price for	Date of disclosure	Disclosure index

		action	ction	d party transactions	action	transaction (RMB '0,000)	ar transactions	(RMB '0,000)		party transactions	similar transactions		
Anhui Tongguan Copper Foil Group Co., Ltd. and its subsidiaries	The Company indirectly holds 3.50% of its equity, and Li Chen, son of the Company's De Facto Controller, is its director	Purchase	Copper foil	Market pricing	Market price	13,785.43	25.55%	31,000	No	Currency	13,785.43	April 29, 2022	Announcement on Estimated Daily Related Party Transactions in FY2022 (No. 2022-023) on the cninfo website
Hefei Senior New Energy Materials Co., Ltd.	The Company indirectly holds 27.69% of	Purchase	Ceramic diaphragm	Market pricing	Market price	7,868.03	23.82%	18,000	No	Currency	7,868.03	April 29, 2022	Announcement on Estimated Daily

	its equity												<i>y Relat ed Part y Tran sacti ons in FY2 022 (No. 2022 -023 ) on the cninf o webs ite</i>
Anhui Gotion Xianglu Technology Co., Ltd.	A company under the control by the De Facto Controller of the Company	Purchase	Battery cases	Market pricing	Market price	6,388.02	34.60%	36,200	No	Currency	6,388.02	April 22, 2022	<i>Anno unce ment on Esti mate d Dail y Relat ed Part y Tran sacti ons in FY2 022 (No. 2022 -023 ) on</i>

													the cninf o webs ite
MCC Ramu New Energy Techn ology Co., Ltd.	The Com pany indir ectly holds 30.00 % of its equit y, the Com pany’s Deput y Gene ral Mana ger Wan g Qian g serve s as its direct ors.	Purc hase	Terna ry precu rsors	Mark et prici ng	Mark et price	15,48 5.04	85.74 %	32,00 0	No	Curre ncy	15,48 5.04	April 29, 2022	<i>Anno unce ment on Esti mate d Dail y Relat ed Part y Tran sacti ons in FY2 022 (No. 2022 -023 ) on the cninf o webs ite</i>
Anhui Gotion Feidon g New Energy Techn ology Co., Ltd.	A comp any contr olled by the contr ollin	Purc hase	Electr olyte	Mark et prici ng	Mark et price	16,75 3.3	17.93 %	100,0 00	No	Curre ncy	16,75 3.3	April 29, 202 2	<i>Anno unce ment on Esti mate d Dail y</i>

and its subsidiaries	g share holder												<i>Related Party Transactions in FY2022 (No. 2022-023) on the cninfo website</i>
Shanghai Electric Gotion New Energy Technology Co., Ltd and its subsidiaries	The Company holds 45.40% of its equity	Purchase	Battery pack and graphite	Market pricing	Market price	6,037.89	59.47%	10,000	No	Currency	6,037.89	April 29, 2022	<i>Announcement on Estimated Daily Related Party Transactions in FY2022 (No. 2022-023) on the</i>

													cninf o webs ite
Shang hai Electri c Gotion New Energy Techn ology Co., Ltd and its subsidi aries	The Com pany holds 45.40 % of its equit y	Sales	Batter y cell and carbo n coate d alumi num foil	Mark et prici ng	Mark et price	4,215 .35	1.69 %	20,00 0	No	Curre ncy	4,215 .35	April 29, 202 2	<i>Anno unce ment on Esti mate d Dail y Relat ed Part y Tran sacti ons in FY2 022 (No. 2022 -023 ) on the cninf o webs ite</i>
Innova tive (Suzho u) New Energy Techn ology Co., Ltd	Volks wage n Chin a, the Com pany' s large st share	Sales	Modu les	Mark et prici ng	Mark et price	4,851	19.92 %	30,00 0	No	Curre ncy	4,851	April 29, 202 2	<i>Anno unce ment on Esti mate d Dail y Relat ed</i>

	holder, holds 50% of its shares												<i>Party Transactions in FY2022 (No. 2022-023) on the cninfo website</i>
Anhui Minsheng Property Management Co., Ltd	A company under the control by the De Facto Controller of the Company	Accepting labor services	Property management fee	Market pricing	Market price	294.35	37.43%	3,000	No	Currency	9.88	April 29, 2022	<i>Announcement on Estimated Daily Related Party Transactions in FY2022 (No. 2022-023) on the cninfo</i>

													webs ite
Hefei Dongyu Commercial Management Co., Ltd.	A company under the control by the De Factor Controller of the Company	Accepting labor services	Canteen fee	Market pricing	Market price	973.2 5	43.42 %	6,000	No	Currency	973.2 5	April 29, 2022	<i>Announcement on Estimated Daily Related Party Transactions in FY2022 (No. 2022-023) on the cninfo website</i>
Total				--	--	76,65 1.66	--	286,2 00	--	--	--	--	--
Details of large sales return				None									
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				Not applicable									
Reasons for large difference between the transaction price and the market reference price				Not applicable									

(if applicable)	
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## 2. Related party transactions related to the acquisition or sale of assets or equity

Applicable  Not applicable

The Company did not conduct 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 foreign investment

Applicable  Not applicable

The Company did not conduct any related party transactions related to joint foreign investment during the Reporting Period.

## 4. Related creditor's rights and debts

Applicable  Not applicable

The Company did not incur any related creditor's rights and debts during the Reporting Period.

## 5. Transactions with related financial companies

Applicable  Not applicable

There were no deposits, loans, credit facilities or other financial business between the Company and related financial companies.

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

Applicable  Not Applicable

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

## 7. Other major related party transactions

Applicable  Not applicable

On April 27, 2022, the Company held the 16th meeting of the 8th Board of Directors and the 16th meeting of the 8th Board of Supervisors respectively, at which the *Proposal on Capital Increase and Related Transaction of the Participating Company MCC New Energy* was deliberated and adopted. In order to further strengthen the competitive advantage of the industrial chain, ensure the safety of upstream supply and reduce the cost of raw materials, Hefei Gotion, a wholly-owned subsidiary of the Company, and China Metallurgical Group Corporation ("MCC Group"), BYD Co., Ltd. ("BYD") and Tangshan Caofeidian Development Investment Group Co., Ltd. ("Caofeidian Development") jointly increased their subscribed capital of the participating company MCC Ramu New Energy Technology Co., Ltd. ("MCC New Energy") by using their own funds. The total increased capital was RMB 699.55 million, including RMB 209.865 million from Hefei Gotion, RMB 356.7705 million from MCC Group, RMB 69.955 million from BYD and RMB 62.9595 million from Caofeidian Development. After the capital increase was completed, the registered capital of MCC New Energy was increased from RMB 936.84 million to RMB 1636.39 million, and the equity ratio of each shareholder of MCC New Energy will remain unchanged. For details, please refer to the *Announcement on Capital Increase and Related*

*Transaction of MCC New Energy* (Announcement No.: 2022-030) disclosed by the Company on www.cninfo.com.cn on April 29, 2022.

Queries information on the disclosure of the temporary report on major related transactions

Name of temporary announcement	Date on which temporary announcements are disclosed	Website on which temporary announcements are disclosed
Announcement on Capital Increase and Related Transaction of MCC New Energy	April 29, 2022	www.cninfo.com.cn

## XII Major contracts and 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

Details of lease matters

In 2019, Hefei Gotion carried out sale and leaseback financial leasing business regarding some equipment assets with Haitong Unitrust International Leasing Co., Ltd. ("Haitong Unitrust") with a total financing amount of RMB 200 million. In 2020, Gotion Material carried out sale and leaseback financial leasing business regarding some equipment assets with Cinda Financial Leasing Co., Ltd. ("Cinda Financial"), with a total financing amount of RMB 300 million. In the first half of 2022, Inner Mongolia Gotion Zero Carbon Technology Co., Ltd. ("Inner Mongolia Gotion"), a holding subsidiary of the Company, and Huishang Bank Financial Leasing Co., Ltd. ("Huishang Bank") carried out direct leasing business regarding some machinery equipment, with a total financing amount of RMB 500 million.

As of the end of the Reporting Period, the financial leasing business between Hefei Gotion and Haitong Unitrust has been completed, and Hefei Gotion has purchased the corresponding equipment assets as agreed in the contracts and paid the rent on time during the lease period, and that between Gotion Material and Cinda Financial and that between Inner Mongolia Gotion and Huishang Bank are still under performance.

Leasing matters that brought profit or loss to the Company to more than 10% of the Company's total profit during the Reporting Period

Applicable  Not applicable

There was no leasing matter that brought profit or loss to the Company to more than 10% of the Company's total profit during the

Reporting Period.

**2. Major guarantee**

√ Applicable □ Not applicable

Monetary Unit: RMB '0,000

Guarantee provided by the Company and its subsidiaries (excluding guarantees provided to its subsidiaries)										
Name of guaranteed entity	Disclosure date of relevant announcement on guarantee amount	Guarantee amount	Actual date of occurrence	Actual guarantee amount	Guarantee category	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Performance completed or not	Related party guarantee or not
Shanghai Electric Gotion New Energy Technology Co., Ltd.	April 29, 2022	9,114	Nov 22, 2018	7,784.09	Joint and several liability guarantee	None	Mr. Li Zhen, Chairman of the Company, provided a counter-guarantee of the same amount for this guarantee	8 years	No	Yes
Shanghai Electric Gotion New Energy Technology Co., Ltd.	April 29, 2022	29,400	May 9, 2020	28,640.75	Joint and several liability guarantee	None	Shanghai Electric Gotion New Energy Technology (Nantong) Co., Ltd. provides a counter-guarantee of the same amount for this guarantee	10 years	No	Yes
MCC Ramu New Energy Technology Co., Ltd.	April 29, 2022	30,000	January 31, 2019	9,000	Joint and several liability guarantee	None	Mr. Li Zhen, Chairman of the Company, provided a counter-guarantee of the same amount for this guarantee	6 years	No	Yes
Hefei	April 29,	8,000	May 24,	8,000	Joint	None	Hefei Xinyuan	0.58 year	Yes	Yes

Xingyuan New Energy Materials Co., Ltd.	2022		2021		and several liability guarantee		provides a counter-guarantee of the same amount for this guarantee			
MCC Ramu New Energy Technology Co., Ltd.	April 29, 2022	18,000	January 5, 2022	9,000	Joint and several liability guarantee	None	None	8.25 years	No	Yes
Hefei Xingyuan New Energy Materials Co., Ltd.	April 29, 2022	15,200	January 20, 2022	200	Joint and several liability guarantee	Land, plant and construction in progress	Hefei Xinyuan provides a counter-guarantee of the same amount for this guarantee	4 years	No	Yes
Hefei Xingyuan New Energy Materials Co., Ltd.	April 29, 2022	15,200	March 25, 2022	1,600	Joint and several liability guarantee	Land, plant and construction in progress	Hefei Xinyuan provides a counter-guarantee of the same amount for this guarantee	4 years	No	Yes
Hefei Xingyuan New Energy Materials Co., Ltd.	April 29, 2022	4,174	January 14, 2022	2,000	Joint and several liability guarantee	None	Hefei Xinyuan provides a counter-guarantee of the same amount for this guarantee	4 years	No	Yes
Hefei Xingyuan New Energy Materials Co., Ltd.	April 29, 2022	8,000	January 10, 2022	8,000	Joint and several liability guarantee	None	Hefei Xinyuan provides a counter-guarantee of the same amount for this guarantee	Two years after the expiration of the performance period of	No	Yes

								all debts of the debtor		
Hefei Xingyuan New Energy Materials Co., Ltd.	April 29, 2022	2,200	June 23, 2022	1,800	Joint and several liability guarantee	None	Hefei Xinyuan provides a counter-guarantee of the same amount for this guarantee	4 years	No	Yes
Hefei Xingyuan New Energy Materials Co., Ltd.	April 29, 2022	2,200	May 31, 2022	77	Joint and several liability guarantee	None	Hefei Xinyuan provides a counter-guarantee of the same amount for this guarantee	3.5 years	No	Yes
Total approved amount of external guarantee during the Reporting Period (A1)		47,574		Total actual amount of external guarantee during the Reporting Period (A2)		76,101.84				
Total approved amount of external guarantee at the end of the Reporting Period (A3)		116,088		Total actual amount of external guarantee balance at the end of the Reporting Period (A4)		68,101.84				
Guarantees provide by the Company to its subsidiaries										
Name of guaranteed entity	Disclosure date of relevant announcement on guarantee amount	Guarantee amount	Actual date of occurrence	Actual guarantee amount	Guarantee category	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Performance completed or not	Related party guarantee or not
Hefei Gotion High-Tech Power Energy	April 29, 2022	140,000	October 14, 2020	4,000	Joint and several liability guarantee	None	None	5 years	No	No

Co., Ltd.										
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	140,000	December 30, 2020	4,000	Joint and several liability guarantee	None	None	5 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	140,000	January 4, 2021	5,000	Joint and several liability guarantee	None	None	5 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	140,000	January 4, 2021	9,450	Joint and several liability guarantee	None	None	5 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	140,000	February 9, 2021	10,000	Joint and several liability guarantee	None	None	5 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	140,000	March 19, 2021	20,000	Joint and several liability guarantee	None	None	5 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	140,000	June 18, 2021	4,750	Joint and several liability guarantee	None	None	5 years	No	No

Co., Ltd.										
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	140,000	June 29, 2021	5,000	Joint and several liability guarantee	None	None	5 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	140,000	March 23, 2022	10,000	Joint and several liability guarantee	None	None	5 years	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	140,000	March 24, 2022	15,000	Joint and several liability guarantee	None	None	5 years	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	140,000	June 24, 2022	3,000	Joint and several liability guarantee	None	None	5 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	140,000	June 30, 2017	9,500	Joint and several liability guarantee	Construction in progress and land use right of Hefei Gotion	None	5 years	Yes	No
Hefei Gotion High-Tech Power Energy	April 29, 2022	140,000	March 24, 2020	10,000	Joint and several liability guarantee	None	None	2 years	Yes	No

Co., Ltd.										
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	140,000	July 1, 2020	3,000	Joint and several liability guarantee	None	None	2 years	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	120,000	June 9, 2020	9,000	Joint and several liability guarantee	None	None	6 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	120,000	June 16, 2020	15,000	Joint and several liability guarantee	None	None	6 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	120,000	September 29, 2021	7,500	Joint and several liability guarantee	None	None	6 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	120,000	May 11, 2022	17,000	Joint and several liability guarantee	None	None	4 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	120,000	May 16, 2022	3,000	Joint and several liability guarantee	None	None	4 years	No	No

Co., Ltd.										
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	120,000	April 15, 2022	4,500	Joint and several liability guarantee	None	None	6 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	120,000	June 24, 2022	10,000	Joint and several liability guarantee	None	None	4 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	120,000	June 30, 2022	4,000	Joint and several liability guarantee	None	None	6 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	120,000	April 19, 2022	8,000	Joint and several liability guarantee	None	None	3.5 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	120,000	April 26, 2022	9,760	Joint and several liability guarantee	None	None	3.5 years	No	No
Hefei Gotion High-Tech Power Energy	April 29, 2022	120,000	April 27, 2022	10,240	Joint and several liability guarantee	None	None	3.75 years	No	No

Co., Ltd.										
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	120,000	May 14, 2021	20,000	Joint and several liability guarantee	None	None	1 year	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	120,000	June 22, 2021	10,000	Joint and several liability guarantee	None	None	1 year	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	120,000	May 26, 2021	18,750	Joint and several liability guarantee	None	None	0.75 year	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	120,000	September 30, 2021	5,600	Joint and several liability guarantee	None	None	0.5 year	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	193,000	June 30, 2020	20,000	Joint and several liability guarantee	None	None	5 years	No	No
Hefei Gotion High-Tech Power Energy	April 29, 2022	193,000	December 14, 2020	5,000	Joint and several liability guarantee	None	None	5 years	No	No

Co., Ltd.										
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	193,000	July 1, 2021	9,500	Joint and several liability guarantee	None	None	4 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	193,000	August 24, 2021	10,000	Joint and several liability guarantee	None	None	3 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	193,000	November 25, 2021	10,000	Joint and several liability guarantee	None	None	3 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	193,000	January 1, 2022	10,000	Joint and several liability guarantee	None	None	3 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	193,000	February 1, 2022	20,000	Joint and several liability guarantee	None	None	3 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	193,000	April 20, 2022	10,000	Joint and several liability guarantee	None	None	3 years	No	No

Co., Ltd.										
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	193,000	June 24, 2022	10,000	Joint and several liability guarantee	None	None	3 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	193,000	April 30, 2022	9,000	Joint and several liability guarantee	None	None	8 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	193,000	April 14, 2021	10,000	Joint and several liability guarantee	None	None	1 year	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	193,000	May 31, 2021	4,000	Joint and several liability guarantee	None	None	1 year	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	79,000	September 1, 2020	19,200	Joint and several liability guarantee	None	None	5 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	79,000	December 1, 2021	13,000	Joint and several liability guarantee	None	None	3 years	No	No

Co., Ltd.										
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	79,000	January 20, 2022	27,600	Joint and several liability guarantee	None	None	3 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	79,000	September 29, 2021	9,000	Joint and several liability guarantee	None	None	3 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	79,000	October 21, 2021	1,400	Joint and several liability guarantee	None	None	3 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	79,000	February 23, 2022	4,000	Joint and several liability guarantee	None	None	3 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	79,000	January 13, 2022	500	Joint and several liability guarantee	None	None	2.5 years	No	No
Hefei Gotion High-Tech Power Energy	April 29, 2022	79,000	March 23, 2022	3,000	Joint and several liability guarantee	None	None	2.5 years	No	No

Co., Ltd.										
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	79,000	June 28, 2022	500	Joint and several liability guarantee	None	None	2.5 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	79,000	April 30, 2021	27,600	Joint and several liability guarantee	None	None	1 year	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	79,000	September 29, 2021	3,000	Joint and several liability guarantee	None	None	0.5 year	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	79,000	December 28, 2021	500	Joint and several liability guarantee	None	None	0.5 year	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	79,000	April 30, 2020	15,000	Joint and several liability guarantee	None	None	6 years	No	No
Hefei Gotion High-Tech Power Energy	April 29, 2022	79,000	March 26, 2021	22,000	Joint and several liability guarantee	None	None	6 years	No	No

Co., Ltd.										
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	79,000	November 29, 2021	20,000	Joint and several liability guarantee	None	None	7 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	79,000	May 25, 2022	7,000	Joint and several liability guarantee	None	None	6 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	100,000	October 23, 2020	8,000	Joint and several liability guarantee	None	None	6 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	100,000	December 28, 2021	10,000	Joint and several liability guarantee	None	None	4 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	100,000	May 18, 2022	10,000	Joint and several liability guarantee	None	None	4 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	100,000	June 29, 2022	6,000	Joint and several liability guarantee	None	None	4 years	No	No

Co., Ltd.										
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	100,000	January 18, 2022	4,500	Joint and several liability guarantee	None	None	4 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	100,000	June 17, 2022	3,600	Joint and several liability guarantee	None	None	4 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	100,000	January 13, 2022	8,040	Joint and several liability guarantee	None	None	3.5 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	100,000	January 13, 2022	6,960	Joint and several liability guarantee	None	None	3.75 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	100,000	December 27, 2021	8,670	Joint and several liability guarantee	None	None	3.5 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	100,000	January 28, 2022	9,000	Joint and several liability guarantee	None	None	3.5 years	No	No

Co., Ltd.										
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	100,000	February 28, 2022	6,600	Joint and several liability guarantee	None	None	3.5 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	100,000	March 25, 2022	6,000	Joint and several liability guarantee	None	None	3.5 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	100,000	April 28, 2022	9,000	Joint and several liability guarantee	None	None	3.5 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	100,000	March 19, 2021	3,600	Joint and several liability guarantee	None	None	1 year	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	100,000	May 17, 2021	4,500	Joint and several liability guarantee	None	None	1 year	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	100,000	April 19, 2021	10,500	Joint and several liability guarantee	None	None	0.75 year	Yes	No

Co., Ltd.										
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	100,000	August 24, 2021	7,700	Joint and several liability guarantee	None	None	0.5 year	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	100,000	October 27, 2021	6,000	Joint and several liability guarantee	None	None	0.5 year	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	30,000	November 20, 2020	9,700	Joint and several liability guarantee	None	None	5 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	30,000	May 18, 2022	3,150	Joint and several liability guarantee	None	None	2.5 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	30,000	November 12, 2021	4,900	Joint and several liability guarantee	None	None	2.75 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	30,000	March 17, 2022	7,000	Joint and several liability guarantee	None	None	2.5 years	No	No

Co., Ltd.										
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	30,000	June 10, 2022	4,900	Joint and several liability guarantee	None	None	2.7 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	30,000	November 12, 2021	3,150	Joint and several liability guarantee	None	None	0.5 year	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	30,000	September 3, 2021	7,000	Joint and several liability guarantee	None	None	0.5 year	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	30,000	September 9, 2021	4,900	Joint and several liability guarantee	None	None	0.75 year	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	20,000	December 15, 2021	9,900	Joint and several liability guarantee	None	None	5 years	No	No
Hefei Gotion High-Tech Power Energy	April 29, 2022	20,000	December 21, 2021	9,800	Joint and several liability guarantee	None	None	2.7 years	No	No

Co., Ltd.										
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	24,000	December 30, 2021	13,800	Joint and several liability guarantee	None	None	5 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	24,000	January 21, 2022	10,000	Joint and several liability guarantee	None	None	5 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	70,000	September 30, 2021	20,000	Joint and several liability guarantee	None	None	3 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	70,000	January 19, 2022	10,000	Joint and several liability guarantee	None	None	3 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	70,000	December 29, 2021	5,040	Joint and several liability guarantee	None	None	2.5 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	70,000	December 29, 2021	4,959.5	Joint and several liability guarantee	None	None	2.7 years	No	No

Co., Ltd.										
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	70,000	June 20, 2022	9,999.5	Joint and several liability guarantee	None	None	2.5 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	70,000	September 29, 2021	9,999.5	Joint and several liability guarantee	None	None	0.7 year	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	30,000	July 29, 2021	30,000	Joint and several liability guarantee	None	None	3 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	30,000	August 27, 2021	10,000	Joint and several liability guarantee	None	None	3 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	30,000	September 23, 2021	10,000	Joint and several liability guarantee	None	None	3 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	30,000	September 18, 2021	9,000	Joint and several liability guarantee	None	None	3 years	No	No

Co., Ltd.										
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	30,000	March 23, 2022	10,000	Joint and several liability guarantee	None	None	3 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	30,000	March 31, 2021	10,000	Joint and several liability guarantee	None	None	1 year	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	37,500	January 29, 2022	5,000	Joint and several liability guarantee	None	None	5 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	37,500	October 9, 2021	16,800	Joint and several liability guarantee	None	None	2.75 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	37,500	June 29, 2022	900	Joint and several liability guarantee	None	None	3 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	37,500	February 18, 2022	7,000	Joint and several liability guarantee	None	None	2.5 years	No	No

Co., Ltd.										
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	37,500	February 24, 2022	1,800	Joint and several liability guarantee	None	None	1 year	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	37,500	April 21, 2022	4,970	Joint and several liability guarantee	None	None	2.5 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	37,500	April 26, 2021	14,000	Joint and several liability guarantee	None	None	0.75 year	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	37,500	July 8, 2021	4,970	Joint and several liability guarantee	None	None	0.75 year	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	37,500	June 29, 2021	891	Joint and several liability guarantee	None	None	1 year	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	42,000	May 19, 2022	4,480	Joint and several liability guarantee	None	None	2.5 years	No	No

Co., Ltd.										
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	42,000	August 4, 2021	5,250	Joint and several liability guarantee	None	None	0.75 year	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	42,000	November 5, 2021	4,500	Joint and several liability guarantee	None	None	0.5 year	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	20,000	November 19, 2021	5,299	Joint and several liability guarantee	None	None	2.75 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	20,000	March 14, 2022	10,000	Joint and several liability guarantee	None	None	3 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	20,000	March 29, 2022	4,900	Joint and several liability guarantee	None	None	2.5 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	20,000	May 27, 2022	300	Joint and several liability guarantee	None	None	3 years	No	No

Co., Ltd.										
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	20,000	June 29, 2021	4,900	Joint and several liability guarantee	None	None	0.75 year	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	20,000	August 27, 2021	9,800	Joint and several liability guarantee	None	None	0.5 year	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	28,000	October 15, 2021	7,000	Joint and several liability guarantee	None	None	2.75 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	28,000	February 17, 2022	14,000	Joint and several liability guarantee	None	None	2.75 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	28,000	April 2, 2022	7,000	Joint and several liability guarantee	None	None	2.75 years	No	No
Hefei Gotion High-Tech Power Energy	April 29, 2022	28,000	September 23, 2021	7,000	Joint and several liability guarantee	None	None	0.5 year	Yes	No

Co., Ltd.										
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	43,000	April 14, 2022	4,900	Joint and several liability guarantee	None	None	2.5 year	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	43,000	January 26, 2022	14,000	Joint and several liability guarantee	None	None	2.5 year	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	43,000	September 27, 2021	4,900	Joint and several liability guarantee	None	None	0.5 year	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	43,000	July 28, 2021	14,000	Joint and several liability guarantee	None	None	0.5 year	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	10,000	December 22, 2021	9,975	Joint and several liability guarantee	None	None	0.5 year	Yes	No
Hefei Gotion High-Tech Power Energy	April 29, 2022	40,000	May 27, 2022	5,600	Joint and several liability guarantee	None	None	3 years	No	No

Co., Ltd.										
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	40,000	March 30, 2022	9,800	Joint and several liability guarantee	None	None	3 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	40,000	October 28, 2021	5,600	Joint and several liability guarantee	None	None	0.5 year	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	30,000	April 29, 2022	6,000	Joint and several liability guarantee	None	None	4 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	30,000	June 28, 2022	3,975	Joint and several liability guarantee	None	None	3.5 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	30,000	December 13, 2021	3,990	Joint and several liability guarantee	None	None	0.5 year	Yes	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	40,000	November 23, 2021	10,000	Joint and several liability guarantee	None	None	3 years	No	No

Co., Ltd.										
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	40,000	November 24, 2021	10,000	Joint and several liability guarantee	None	None	3 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	40,000	January 7, 2022	7,712.71	Joint and several liability guarantee	None	None	2.75 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	40,000	January 18, 2022	7,700	Joint and several liability guarantee	None	None	2.75 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	40,000	February 23, 2022	4,500	Joint and several liability guarantee	None	None	3 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	11,000	February 7, 2022	10,000	Joint and several liability guarantee	None	None	2.6 years	No	No
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	11,000	March 25, 2022	1,000	Joint and several liability guarantee	None	None	2.5 years	No	No

Co., Ltd.										
Hefei Gotion High-Tech Power Energy Co., Ltd.	April 29, 2022	20,000	June 2, 2022	5,000	Joint and several liability guarantee	None	None	4 years	No	No
Qingdao Gotion Battery Co., Ltd	April 29, 2022	53,000	September 15, 2021	10,000	Joint and several liability guarantee	None	None	4 years	No	No
Qingdao Gotion Battery Co., Ltd	April 29, 2022	53,000	January 13, 2022	9,000	Joint and several liability guarantee	None	None	4 years	No	No
Qingdao Gotion Battery Co., Ltd	April 29, 2022	53,000	January 29, 2022	6,000	Joint and several liability guarantee	None	None	4 years	No	No
Qingdao Gotion Battery Co., Ltd	April 29, 2022	53,000	January 26, 2022	10,000	Joint and several liability guarantee	None	None	4 years	No	No
Qingdao Gotion Battery Co., Ltd	April 29, 2022	53,000	March 3, 2022	15,000	Joint and several liability guarantee	None	None	4 years	No	No
Qingdao Gotion Battery Co., Ltd	April 29, 2022	53,000	January 8, 2021	9,000	Joint and several liability	None	None	1 year	Yes	No

					guarantee					
Qingdao Gotion Battery Co., Ltd	April 29, 2022	53,000	February 1, 2021	6,000	Joint and several liability guarantee	None	None	1 year	Yes	No
Qingdao Gotion Battery Co., Ltd	April 29, 2022	53,000	March 1, 2021	15,000	Joint and several liability guarantee	None	None	1 year	Yes	No
Qingdao Gotion Battery Co., Ltd	April 29, 2022	40,500	April 19, 2022	10,000	Joint and several liability guarantee	None	None	4 years	No	No
Qingdao Gotion Battery Co., Ltd	April 29, 2022	40,500	April 22, 2022	10,000	Joint and several liability guarantee	None	None	4 years	No	No
Qingdao Gotion Battery Co., Ltd	April 29, 2022	40,500	April 26, 2022	10,000	Joint and several liability guarantee	None	None	4 years	No	No
Qingdao Gotion Battery Co., Ltd	April 29, 2022	40,500	January 27, 2021	10,000	Joint and several liability guarantee	None	None	1 year	Yes	No
Qingdao Gotion Battery Co., Ltd	April 29, 2022	40,500	February 8, 2021	10,000	Joint and several liability	None	None	1 year	Yes	No

					guarantee					
Qingdao Gotion Battery Co., Ltd	April 29, 2022	40,500	March 3, 2021	10,000	Joint and several liability guarantee	None	None	1 year	Yes	No
Qingdao Gotion Battery Co., Ltd	April 29, 2022	18,000	June 28, 2022	10,000	Joint and several liability guarantee	None	None	4 years	No	No
Nanjing Gotion Battery Co., Ltd.	April 29, 2022	4,900	October 29, 2021	4,900	Joint and several liability guarantee	None	None	3 years	No	No
Nanjing Gotion Battery Co., Ltd.	April 29, 2022	15,000	November 26, 2021	7,000	Joint and several liability guarantee	None	None	3 years	No	No
Nanjing Gotion Battery Co., Ltd.	April 29, 2022	15,000	March 25, 2022	3,000	Joint and several liability guarantee	None	None	3 years	No	No
Nanjing Gotion Battery Co., Ltd.	April 29, 2022	13,500	November 10, 2021	5,000	Joint and several liability guarantee	None	None	4 years	No	No
Nanjing Gotion Battery Co., Ltd.	April 29, 2022	13,500	March 30, 2021	5,000	Joint and several liability	None	None	1 year	Yes	No

					guarantee					
Nanjing Gotion Battery Co., Ltd.	April 29, 2022	15,000	December 8, 2021	10,000	Joint and several liability guarantee	None	None	3 years	No	No
Nanjing Gotion Battery Co., Ltd.	April 29, 2022	15,000	October 22, 2021	4,983.3	Joint and several liability guarantee	None	None	2.75 years	No	No
Nanjing Gotion Battery Co., Ltd.	April 29, 2022	10,000	January 4, 2022	10,000	Joint and several liability guarantee	None	None	3 years	No	No
Nanjing Gotion Battery Co., Ltd.	April 29, 2022	12,000	March 18, 2022	8,000	Joint and several liability guarantee	None	None	3 years	No	No
Nanjing Gotion Battery Co., Ltd.	April 29, 2022	10,000	April 6, 2022	2,000	Joint and several liability guarantee	None	None	4 years	No	No
Nanjing Gotion Battery Co., Ltd.	April 29, 2022	10,000	June 24, 2022	5,000	Joint and several liability guarantee	None	None	4 years	No	No
Nanjing Gotion Battery Co., Ltd.	April 29, 2022	10,000	March 1, 2021	2,000	Joint and several liability	None	None	1 year	Yes	No

					guarantee					
Nanjing Gotion Battery Co., Ltd.	April 29, 2022	10,000	April 20, 2021	3,000	Joint and several liability guarantee	None	None	1 year	Yes	No
Nanjing Gotion Battery Co., Ltd.	April 29, 2022	10,000	June 30, 2021	5,000	Joint and several liability guarantee	None	None	1 year	Yes	No
Nanjing Gotion New Energy Co., Ltd.	April 29, 2022	50,000	September 2, 2020	13,020	Joint and several liability guarantee	Part of the equipment assets and construction land use rights of Nanjing New Energy	None	7.5 years	No	No
Nanjing Gotion New Energy Co., Ltd.	April 29, 2022	50,000	September 18, 2020	7,378	Joint and several liability guarantee	Part of the equipment assets and construction land use rights of Nanjing New Energy	None	7.5 years	No	No
Nanjing Gotion New Energy	April 29, 2022	50,000	September 7, 2020	1,302	Joint and several liability	Part of the equipment assets	None	7.5 years	No	No

Co., Ltd.					guarantee	and construction land use rights of Nanjing New Energy				
Nanjing Gotion New Energy Co., Ltd.	April 29, 2022	5,000	December 8, 2021	5,000	Joint and several liability guarantee	None	None	3 years	No	No
Nanjing Gotion New Energy Co., Ltd.	April 29, 2022	7,000	April 29, 2022	7,000	Joint and several liability guarantee	None	None	3 years	No	No
Nanjing Gotion New Energy Co., Ltd.	April 29, 2022	10,000	June 17, 2022	10,000	Joint and several liability guarantee	None	None	3 years	No	No
Gotion New Energy (Lujiang) Co., Ltd.	April 29, 2022	20,000	August 13, 2021	20,000	Joint and several liability guarantee	None	None	3 years	No	No
Gotion New Energy (Lujiang) Co., Ltd.	April 29, 2022	30,000	June 29, 2021	24,000	Joint and several liability guarantee	None	None	7 years	No	No
Gotion New Energy (Lujiang) Co., Ltd.	April 29, 2022	30,000	March 30, 2022	3,500	Joint and several liability	None	None	5.5 years	No	No

) Co., Ltd.					guarantee					
Gotion New Energy (Lujiang) Co., Ltd.	April 29, 2022	5,000	June 27, 2022	2,500	Joint and several liability guarantee	None	None	3 years	No	No
Gotion New Energy (Lujiang) Co., Ltd.	April 29, 2022	5,000	November 26, 2021	4,998.5	Joint and several liability guarantee	None	None	0.5 year	Yes	No
Gotion New Energy (Lujiang) Co., Ltd.	April 29, 2022	15,000	March 31, 2022	15,000	Joint and several liability guarantee	None	None	6 years	No	No
Gotion New Energy (Lujiang) Co., Ltd.	April 29, 2022	5,000	May 27, 2022	3,032.9	Joint and several liability guarantee	None	None	2.5 years	No	No
Gotion New Energy (Lujiang) Co., Ltd.	April 29, 2022	5,000	May 27, 2022	1,965.6	Joint and several liability guarantee	None	None	2.75 years	No	No
Tangshan Gotion Battery Co., Ltd	April 29, 2022	20,250	July 27, 2021	10,000	Joint and several liability guarantee	None	None	4 years	No	No
Tangshan Gotion Battery Co., Ltd	April 29, 2022	20,250	July 7, 2021	5,000	Joint and several liability	None	None	4 years	No	No

					guarantee					
Hefei Gotion Battery Co., Ltd	April 29, 2022	49,950	December 19, 2020	32,250	Joint and several liability guarantee	None	None	9 years	No	No
Hefei Gotion Battery Co., Ltd	April 29, 2022	20,000	August 28, 2020	9,600	Joint and several liability guarantee	None	None	5 years	No	No
Hefei Gotion Battery Co., Ltd	April 29, 2022	55,000	February 18, 2022	53,923	Joint and several liability guarantee	None	None	8 years	No	No
Shanghai Xuanyi New Energy Development Co., Ltd	April 29, 2022	138,590	December 31, 2019	65,220.12	Joint and several liability guarantee	Part of land use right of Shanghai Xuanyi	None	14 years	No	No
Liuzhou Gotion Battery Co., Ltd.	April 29, 2022	27,980	March 30, 2022	2,798	Joint and several liability guarantee	None	None	3 years	No	No
Liuzhou Gotion Battery Co., Ltd.	April 29, 2022	27,980	June 17, 2022	3,917.2	Joint and several liability guarantee	None	None	3 years	No	No
Liuzhou Gotion Battery	April 29, 2022	27,980	June 23, 2021	4,666.6	Joint and several	None	None	1 year	Yes	No

Co., Ltd.					liability guarantee					
Liuzhou Gotion Battery Co., Ltd.	April 29, 2022	5,596	March 30, 2022	5,596	Joint and several liability guarantee	None	None	6 years	No	No
Liuzhou Gotion Battery Co., Ltd.	April 29, 2022	11,192	May 24, 2022	5,596	Joint and several liability guarantee	None	None	3 years	No	No
Liuzhou Gotion Battery Co., Ltd.	April 29, 2022	11,192	February 1, 2021	6,667	Joint and several liability guarantee	None	None	1 year	Yes	No
Liuzhou Gotion Battery Co., Ltd	April 29, 2022	13,990	June 29, 2022	4,476.8	Joint and several liability guarantee	None	None	3 years	No	No
Liuzhou Gotion Battery Co., Ltd	April 29, 2022	13,990	June 28, 2021	10,000	Joint and several liability guarantee	None	None	1 year	Yes	No
Liuzhou Gotion Battery Co., Ltd	April 29, 2022	73,337	September 14, 2021	73,337	Joint and several liability guarantee	None	None	9 years	No	No
Liuzhou Gotion Battery	April 29, 2022	8,394	November 25, 2021	1,430.74	Joint and several	None	None	0.5 year	Yes	No

Co., Ltd					liability guarantee					
Hefei Gotion Battery Material Co., Ltd	April 29, 2022	30,000	May 8, 2020	6,301.02	Joint and several liability guarantee	Some equipment assets of Gotion Battery Material	None	5.5 years	No	No
Hefei Gotion Battery Material Co., Ltd	April 29, 2022	26,000	March 28, 2022	26,000	Joint and several liability guarantee	None	None	6 years	No	No
Hefei Gotion Battery Material Co., Ltd	April 29, 2022	46,800	March 28, 2022	35,000	Joint and several liability guarantee	Some land use right of Gotion Battery Material	None	11 years	No	No
Hefei Gotion Battery Material Co., Ltd	April 29, 2022	10,000	April 29, 2022	10,000	Joint and several liability guarantee	None	None	6 years	No	No
Hefei Gotion Battery Material Co., Ltd	April 29, 2022	5,000	June 20, 2022	5,000	Joint and several liability guarantee	None	None	3 years	No	No
Hefei Gotion Battery Material Co., Ltd	April 29, 2022	20,000	April 25, 2022	5,600	Joint and several liability guarantee	None	None	3.5 years	No	No
Hefei Gotion	April 29, 2022	20,000	May 23, 2022	5,600	Joint and	None	None	3.5 years	No	No

Battery Material Co., Ltd					several liability guarantee					
Hefei Gotion Battery Material Co., Ltd	April 29, 2022	20,000	June 21, 2022	8,750	Joint and several liability guarantee	None	None	3.5 years	No	No
Hefei Gotion Battery Material Co., Ltd	April 29, 2022	20,000	September 28, 2021	4,900	Joint and several liability guarantee	None	None	0.5 year	Yes	No
Hefei Gotion Battery Material Co., Ltd	April 29, 2022	8,334	June 29, 2022	4,900	Joint and several liability guarantee	None	None	2.5 years	No	No
Tongcheng Gotion New Energy Co., Ltd.	April 29, 2022	200,000	March 24, 2022	80,800	Joint and several liability guarantee	None	None	9.5 years	No	No
Hefei Gotion Kehong New Energy Technology Co., Ltd	April 29, 2022	250,000	April 29, 2022	39,039.16	Joint and several liability guarantee	Land use right of Gotion Kehong	None	11 years	No	No
Yichun Gotion Battery Co., Ltd	April 29, 2022	240,000	January 20, 2022	81,061.69	Joint and several liability guarantee	Some equipment assets and land use right of	None	11 years	No	No

						Yichun Gotion Battery				
Yichun Gotion Battery Co., Ltd	April 29, 2022	30,000	June 30, 2022	7,000	Joint and several liability guarante e	None	None	4 years	No	No
Jiangxi Weihong Lithium Co., Ltd	April 29, 2022	5,000	January 30, 2022	5,000	Joint and several liability guarante e	None	None	3 years	No	No
Yichun Gotion Lithium Co., Ltd	April 29, 2022	2,700	June 14, 2022	2,700	Joint and several liability guarante e	None	None	5 years	No	No
Yichun Gotion Lithium Co., Ltd	April 29, 2022	12,000	June 20, 2022	4,000	Joint and several liability guarante e	None	None	4 years	No	No
Yichun Gotion Lithium Co., Ltd	April 29, 2022	12,000	June 23, 2022	8,000	Joint and several liability guarante e	None	None	4 years	No	No
Yichun Gotion Mining Co., Ltd	April 29, 2022	10,200	May 12, 2022	10,200	Joint and several liability guarante e	None	None	3 years	No	No
Yichun Kefeng New	April 29, 2022	10,000	June 29, 2022	8,000	Joint and several	None	None	4 years	No	No

Material Co., Ltd					liability guarantee					
Hefei Gotion Battery New Material Co., Ltd	April 29, 2022	46,500	June 27, 2022	18,532.4	Joint and several liability guarantee	Land use right of Hefei Gotion Battery New Material Co., Ltd	None	11 years	No	No
Inner Mongolia Gotion Zero Carbon Technology Co., Ltd	April 29, 2022	80,000	June 9, 2022	32,265.22	Joint and several liability guarantee	Land use right of Inner Mongolia Gotion Zero Carbon Technology Co., Ltd	None	8 years	No	No
Inner Mongolia Gotion Zero Carbon Technology Co., Ltd	April 29, 2022	50,000	April 6, 2022	14,317.23	Joint and several liability guarantee	None	None	8.5 years	No	No
Jiangsu Dongyuan Electric Appliance Group Co., Ltd.	April 29, 2022	7,200	July 21, 2021	3,000	Joint and several liability guarantee	None	None	3 years	No	No
Jiangsu Dongyuan Electric Appliance	April 29, 2022	7,200	July 31, 2021	3,000	Joint and several liability guarantee	None	None	3 years	No	No

ce Group Co., Ltd.					e					
Jiangsu Dongyu an Electric Applian ce Group Co., Ltd.	April 29, 2022	4,050	June 1, 2022	3,000	Joint and several liability guarante e	None	None	3 years	No	No
Jiangsu Dongyu an Electric Applian ce Group Co., Ltd.	April 29, 2022	15,000	August 20, 2021	2,000	Joint and several liability guarante e	None	None	1 year	Yes	No
Jiangsu Dongyu an Electric Applian ce Group Co., Ltd.	April 29, 2022	15,000	August 24, 2021	2,000	Joint and several liability guarante e	None	None	1 year	Yes	No
Jiangsu Dongyu an Electric Applian ce Group Co., Ltd.	April 29, 2022	15,000	Februar y 16, 2022	2,000	Joint and several liability guarante e	None	None	3 years	No	No
Jiangsu Dongyu an Electric Applian ce Group	April 29, 2022	15,000	Februar y 18, 2022	2,000	Joint and several liability guarante e	None	None	3 years	No	No

Co., Ltd.										
Jiangsu Dongyu an Electric Appliance Group Co., Ltd.	April 29, 2022	15,000	August 19, 2021	1,000	Joint and several liability guarantee	None	None	1 year	Yes	No
Jiangsu Dongyu an Electric Appliance Group Co., Ltd.	April 29, 2022	15,000	January 24, 2022	1,000	Joint and several liability guarantee	None	None	3 years	No	No
Jiangsu Dongyu an Electric Appliance Group Co., Ltd.	April 29, 2022	2,000	June 9, 2021	2,000	Joint and several liability guarantee	None	None	1 year	Yes	No
Jiangsu Dongyu an Electric Appliance Group Co., Ltd.	April 29, 2022	2,000	June 17, 2022	2,000	Joint and several liability guarantee	None	None	3 years	No	No
Jiangsu Dongyu an Electric Appliance Group Co., Ltd.	April 29, 2022	7,000	September 9, 2021	2,000	Joint and several liability guarantee	None	None	2 years	No	No
Jiangsu	April 29,	7,000	October	2,000	Joint	None	None	2 years	No	No

Dongyu an Electric Applian ce Group Co., Ltd.	2022		22, 2021		and several liability guarante e					
Jiangsu Dongyu an Electric Applian ce Group Co., Ltd.	April 29, 2022	4,500	January 21, 2021	3,100	Joint and several liability guarante e	None	None	1 year	Yes	No
Jiangsu Dongyu an Electric Applian ce Group Co., Ltd.	April 29, 2022	4,500	Februar y 2, 2021	1,400	Joint and several liability guarante e	None	None	1 year	Yes	No
Jiangsu Dongyu an Electric Applian ce Group Co., Ltd.	April 29, 2022	4,500	Decemb er 23, 2021	3,100	Joint and several liability guarante e	None	None	1 year	Yes	No
Jiangsu Dongyu an Electric Applian ce Group Co., Ltd.	April 29, 2022	4,500	June 12, 2022	1,000	Joint and several liability guarante e	None	None	3 years	No	No
Jiangsu Dongyu an	April 29, 2022	4,500	June 27, 2022	3,500	Joint and several	None	None	3 years	No	No

Electric Appliance Group Co., Ltd.					liability guarantee					
Jiangsu Dongyuan Electric Appliance Group Co., Ltd.	April 29, 2022	5,000	January 17, 2022	5,000	Joint and several liability guarantee	None	None	3 years	No	No
Jiangsu Dongyuan Electric Appliance Group Co., Ltd.	April 29, 2022	5,000	January 28, 2022	5,000	Joint and several liability guarantee	None	None	2 years	No	No
Nantong Gotion New Energy Technology Co., Ltd.	April 29, 2022	4,000	June 30, 2021	4,000	Joint and several liability guarantee	None	None	1 year	Yes	No
Nantong Gotion New Energy Technology Co., Ltd.	April 29, 2022	6,000	June 29, 2022	6,000	Joint and several liability guarantee	None	None	3 years	No	No
Nantong Gotion New Energy Technology Co., Ltd.	April 29, 2022	1,000	July 27, 2021	1,000	Joint and several liability guarantee	None	None	3 years	No	No

Nantong Aston Electric Appliance Manufacturing Co., Ltd.	April 29, 2022	2,900	June 11, 2021	2,900	Joint and several liability guarantee	None	None	1 year	Yes	No
Nantong Aston Electric Appliance Manufacturing Co., Ltd.	April 29, 2022	2,900	June 17, 2022	2,900	Joint and several liability guarantee	None	None	3 years	No	No
Nantong Aston Electric Appliance Manufacturing Co., Ltd.	April 29, 2022	1,000	January 4, 2022	1,000	Joint and several liability guarantee	None	None	3 years	No	No
Total approved amount of guarantee to subsidiaries during the Reporting Period (B1)		2,534,732		Total actual amount of guarantee to subsidiaries during the Reporting Period (B2)		1,134,858.41				
Total approved amount of guarantee to subsidiaries at the end of the Reporting Period (B3)		3,328,363		Total actual balance of guarantee to subsidiaries at the end of the Reporting Period (B4)		1,937,051.95				
Guarantee provided by a subsidiary to another subsidiary										
Name of guaranteed entity	Disclosure date of relevant announcement on guarantee	Guarantee amount	Actual date of occurrence	Actual guarantee amount	Guarantee category	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Performance completed or not	Related party guarantee or not

	amount									
Nanjing Gotion Battery Co., Ltd.	April 29, 2022	10,000	March 1, 2021	2,000	Joint and several liability guarantee	None	None	1 year	Yes	No
Nanjing Gotion Battery Co., Ltd.	April 29, 2022	10,000	April 20, 2021	3,000	Joint and several liability guarantee	None	None	1 year	Yes	No
Nanjing Gotion Battery Co., Ltd.	April 29, 2022	10,000	June 30, 2021	5,000	Joint and several liability guarantee	None	None	1 year	Yes	No
Total approved amount of guarantee to subsidiaries during the Reporting Period (C1)		0		Total actual amount of guarantee to subsidiaries during the Reporting Period (C2)				0		
Total approved amount of guarantee to subsidiaries at the end of the Reporting Period (C3)		0		Total actual balance of guarantee to subsidiaries at the end of the Reporting Period (C4)				10,000		
Total guarantee amounts of the Company (i.e., total of the above three items)										
Total approved amount of guarantee during the Reporting Period (A1+B1+C1)		2,582,306		Total actual amount of guarantee during the Reporting Period (A2+B2+C2)				1,210,960.25		
Total approved amount of guarantee at the end of the Reporting Period (A3+B3+C3)		3,444,451		Total actual balance of guarantee at the end of the Reporting Period (A4+B4+C4)				2,005,153.79		
Proportion of the total actual amount of				106.91%						

guarantee (i.e., A4+B4+C4) to the Company's net assets	
In which:	
Balance of guarantees provided to shareholders, De Facto Controllers and their related parties (D)	0
Description of any guarantee which is unexpired, but the guarantee liability has occurred or joint and several liability may occur as evidenced during the Reporting Period.	Not applicable
Description of any guarantee provided in violation of the prescribed procedures (if any)	Not applicable

Description of the use of composite guarantees

### 3. Entrusted wealth management

Applicable  Not applicable

The Company did not entrust others for wealth management during the Reporting Period.

### 4. Other major contacts

Applicable  Not applicable

The Company had no other major contacts during the Reporting Period.

## XIII Description of other major events

Applicable  Not applicable

1. The Company planned to issue GDR overseas and have them listed on the SIX. On March 17, 2022, the Company disclosed the *Suggestive Announcement on Planning for Overseas Issuance of GDRs* (Announcement No.: 2022-008) on <http://www.cninfo.com.cn>. On April 27, 2022, the Company held the 16th meeting of the 8th Board of Directors, at which the *Proposal on the Company's Planning for Overseas Issuance of GDRs and Listing on the Swiss Exchange* was deliberated and adopted. On May 5, 2022 and May 23, 2022, the Company held the 17th meeting of the 8th Board of Directors and the 2021 annual general meeting of shareholders respectively, at which the *Proposal on the Company's Planning for Issuance of GDRs and Listing on the Swiss Exchange* and other relevant proposals were deliberated and adopted. For details, please refer to relevant announcements disclosed by the Company on <http://www.cninfo.com.cn> on April 29, 2022, May 6, 2022 and May 24, 2022 respectively. As of the disclosure date hereof, the GDRs issued by the Company has been listed on the Swiss Exchange on July 28, 2022, Zurich time. For details, see the Announcement on Issuing GDRs and Listing on Swiss Exchange (Announcement No.: 2022-076) disclosed by the Company on <http://www.cninfo.com.cn> on July 29, 2022.

2. The Company held the 17th meeting of the 8th Board of Directors on May 5, 2022, at which the *Proposal on Amending the Articles of Association of the Company* was deliberated and adopted, as a result of which the registered capital of the Company was changed from RMB 1,280,544,489 to RMB 1,664,707,835, total number of shares of the Company was changed from 1,280,544,489 shares to 1,664,707,835 shares. Please refer to the *Announcement on Amending the Articles of Association and Other Relevant Rules of the Company* (Announcement No.: 2020-040) disclosed by the Company on <http://www.cninfo.com.cn> on May 6, 2022.

3. The Company signed the *Memorandum of Understanding on Lithium Mine Business Cooperation in Argentina* with Jujuy Energía y Minería Sociedad del Estado ("JEMSE") online, under which both parties are to actively discuss the feasibility and cooperation mode of lithium mine strategic cooperation in Provincia Jujuy, Argentina, and reach a consensus on potential cooperation. Relevant cooperation matters will be further clarified in the final agreement to be signed by the Company and JEMSE. For details, see the *Announcement on Signing the Memorandum of Understanding* (Announcement No.: 2022-046) disclosed by the Company on <http://www.cninfo.com.cn> on May 10, 2022.

#### **XIV Major events of the Company's subsidiaries**

Applicable  Not applicable

## Section VII Change of Shares and Information of Shareholders

### I. Changes of shares

Unit: Share

	Prior to the change		Increase and 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	542,664,941	32.60%	0	0	0	-2,139,333	-2,139,333	540,525,608	32.47%
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	542,664,941	32.60%	0	0	0	-2,139,333	-2,139,333	540,525,608	32.47%
Including: shares held by domestic legal persons	440,630,983	26.47%	0	0	0	0	0	440,630,983	26.47%
Shares held by domestic natural persons	102,033,958	6.13%	0	0	0	-2,139,333	-2,139,333	99,894,625	6.00%
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	1,122,042,894	67.40%	0	0	0	2,139,333	2,139,333	1,124,182,227	67.53%
1. RMB ordinary shares	1,122,042,894	67.40%	0	0	0	2,139,333	2,139,333	1,124,182,227	67.53%
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	0	0.00%	0	0	0	0	0	0	0.00%

subjects									
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total number of shares	1,664,707,835	100.00%	0	0	0	0	0	1,664,707,835	100.00%

Reasons for shares change

Applicable  Not applicable

Approval of shares change

Applicable  Not applicable

Ownership transfer with respect to the shares change

Applicable  Not applicable

Implementation progress of shares repurchase

Applicable  Not applicable

On May 5, 2022, the Company held the 17th meeting of the 8th Board of Directors and the 17th meeting of the 8th Board of Supervisors, at which the *Proposal on Share Repurchase Plan of the Company* was deliberated and adopted to use its self-owned funds to repurchase part of the Company's RMB ordinary A shares through centralized price bidding (this "Repurchase") for the later implementation of employee stock ownership plans or equity incentive plans. The total amount to be used for this Repurchase will be not less than RMB 200 million (inclusive) and not more than RMB 40 million (inclusive), the price of the repurchased shares will be not more than RMB 45.00/share, and the share repurchase will be implemented within 6 months from the date when the Board of Directors deliberates and approves the Share Repurchase Plan. In order to ensure the smooth implementation of this Repurchase, the Board of Directors of the Company authorized the management of the Company to handle matters related to the Repurchase within the scope of laws and administrative regulations. For details, see the *Announcement on Share Repurchase Plan of the Company* (Announcement No.: 2022-039) disclosed on <http://www.cninfo.com.cn>, the *Securities Times*, the *China Securities News*, the *Shanghai Securities News* and the *Securities Daily* on May 6, 2022.

On May 10, 2022, the Company disclosed the *Repurchase Report* (Announcement No.: 2022-044) and the *Announcement on Initial Repurchase of Shares and Repurchase Progress* (Announcement No.: 2022-045) on <http://www.cninfo.com.cn>, the *Securities Times*, the *China Securities News*, the *Shanghai Securities News* and the *Securities Daily*. As of May 6, 2022, the Company has opened a special account for share repurchase with Shenzhen Branch of China Securities Depository and Clearing Co., Ltd., and has repurchased 1,154,410 shares of the Company through centralized price bidding, which is the first time of repurchase and accounts for 0.07% of the Company's current total share capital. The highest transaction price was RMB 27.292 / share, the lowest transaction price was RMB 26.947 / share, and the transaction amount is RMB 31,303,860.20 (excluding transaction costs).

On June 18, 2022, the Company disclosed the *Announcement on Adjusting the Upper Limit of Share Repurchase Price After the Implementation of Interests Distribution in 2021* (Announcement No.: 2022-057) on <http://www.cninfo.com.cn>, the *Securities Times*, the *China Securities News*, the *Shanghai Securities News* and the *Securities Daily*. As the Company's 2021 interest distribution plan has been implemented on June 17, 2022, the company has adjusted the upper limit of share repurchase price from no more than RMB 45 / share to no more than RMB 44.90 / share. The adjusted upper limit of share repurchase price took effect from June 17, 2022 (ex-dividend-date).

By the end of the Reporting Period, the Company had repurchased 2,198,910 shares through centralized price bidding through the special securities account for repurchase, accounting for 0.1321% of the Company's current total share capital. The highest transaction price was RMB 35.350 / share, the lowest transaction price was RMB 26.947 / share, and the total transaction amount was RMB 64,831,173.20 (excluding transaction costs).

Implementation progress of reducing the repurchased shares by way of centralized price bidding

Applicable  Not applicable

Impact of the shares change 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

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 restricted for sale at the beginning of period	Number of shares with sales restriction released in this period	Number of shares with sales restriction newly imposed in this period	Number of shares subject to sales restriction in the end of period	Reasons of sales restriction	Date of sales restriction released
Li Zhen	101,133,141	23,676,029	0	77,457,112	Locked-up shares of senior officers	Subject to 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
Hou Fei	217,500	0	72,500	290,000	Locked-up shares of senior officers	October 28, 2022
Ma Guifu	174,330	0	58,110	232,440	Locked-up shares of senior officers	October 28, 2022
An Dongliang	155,362	0	51,788	207,150	Locked-up shares of senior officers	October 28, 2022
Zhang Hongli	105,450	0	0	105,450	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
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
Li Chen	0	0	21,354,298	21,354,298	Locked-up shares of senior officers	Subject to relevant laws and regulations of the CSRC and the SZSE
Volkswagen (China) Investment Co., Ltd.	440,630,983	0	0	440,630,983	The Company made a private placement of 384,163,346 shares to strategic investor, Volkswagen China; the shares subscribed by Volkswagen China shall not be transferred within 36 months from the date of listing. Volkswagen China acquired a total of 56,467,637 unrestricted outstanding shares from Mr. Li Zhen and GOTION Holdings.	The lock-up for IPO restricted stocks will be lifted on December 14, 2024; and the lock-up for the committed restricted stocks will be lifted on May 29, 2023.

					Volkswagen China undertook that it would not transfer the shares obtained through the share transfer within 18 months from completion of the transaction.	
Total	542,664,941	23,676,029	21,536,696	540,525,608	--	--

## 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		114,477		Total number of shareholders holding preferred shares with resumed voting rights at the end of the Reporting Period (if any) (refer to Note VIII)		0		
Shareholding status of shareholders holding above 5% shares or top 10 shareholders								
Names of shareholder	Nature of shareholder	Shareholding ratio	Number of shares held at the end of Reporting Period	Increase and decrease during the Reporting Period	Number of shares subject to sales restriction	Number of shares not subject to sales restriction	Pledge, mark or freezing	
							Share status	Number
Volkswagen (China) Investment Co., Ltd.	Domestic non-state-owned legal person	26.47 %	440,630,983	0	440,630,983	0		
Nanjing Gotion Holding Group	Domestic non-state-owned	10.26 %	170,751,887	0	0	170,751,887	Pledge	84,620,000

Co., Ltd.	ed legal person							
HongKong Securities Clearing Co., Ltd.	Overseas legal person	6.30%	104,957,445	46,264,368	0	104,957,445		
Li Zhen	Domestic natural person	6.20%	103,276,150	0	77,457,112	25,819,038		
Li Chen	Domestic natural person	1.71%	28,472,398	0	21,354,298	7,118,100		
Foshan Electric Lighting Co., Ltd.	Domestic non-state-owned legal person	1.03%	17,133,791	-182,584	0	17,133,791		
Industrial and Commercial Bank of China Limited - Qianhai Kaiyuan New Economy Flexible Allocation Hybrid Securities Investment Fund	Others	0.85%	14,220,636	14,220,636	0	14,220,636		
China Construction Bank Corporation - Qianhai Kaiyuan Public Utility Industry Equity Securities Investment Fund	Others	0.49%	8,208,834	8,208,834	0	8,208,834		
Gotion High-tech Co., Ltd. – Second Phase of ESOP	Others	0.45%	7,570,800	0	0	7,570,800		

Agricultural Bank of China Limited - Guotai Intelligent Automobile Stock Securities Investment Fund	Others	0.37%	6,115,206	6,115,206	0	6,115,206		
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)	Upon approval by China Securities Regulatory Commission (“CSRC”) by issuing the Approval Reply of Non-public Offering of Shares by Gotion High-tech Co., Ltd. (Zheng Jian Xu Ke [2021] No.1421), the Company made a non-public offering of 384,163,346 shares to Volkswagen China, a strategic investor. After the completion of this offering, Volkswagen China will become the largest shareholder of the Company.							
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. 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 Holdings Group Co., Ltd., LI Zhen and LI Chen collectively referred to as the Founder Shareholders).							
Special notes on the existence of repurchase accounts among the top 10 shareholders	Not applicable							
Shareholding status of top 10 shareholders holding shares not subject to sales restriction								
Name of shareholders	Number of shares not subject to sales restriction held 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					

HongKong Securities Clearing Co., Ltd.	104,957,445	RMB ordinary shares	104,957,445
Li Chen	25,819,038	RMB ordinary shares	25,819,038
Foshan Electric Lighting Co., Ltd.	17,133,791	RMB ordinary shares	17,133,791
Industrial and Commercial Bank of China Limited - Qianhai Kaiyuan New Economy Flexible Allocation Hybrid Securities Investment Fund	14,220,636	RMB ordinary shares	14,220,636
China Construction Bank Corporation - Qianhai Kaiyuan Public Utility Industry Equity Securities Investment Fund	8,208,834	RMB ordinary shares	8,208,834
Gotion High-tech Co., Ltd. – Second Phase of ESOP	7,570,800	RMB ordinary shares	7,570,800
Li Chen	7,118,100	RMB ordinary shares	7,118,100
Agricultural Bank of China Limited - Guotai Intelligent Automobile Stock Securities Investment Fund	6,115,206	RMB ordinary shares	6,115,206
Industrial and Commercial Bank of China Ltd. – Hui Tianfu China New Energy Automobile Industry Index-Based Initial Securities Investment Fund (LOF)	5,612,943	RMB ordinary shares	5,612,943
Explanations on the related relationship or concerted actions among the top 10 shareholders holding outstanding shares not subject to sales restriction, and that between the top 10 shareholders holding outstanding	<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 Zhuhai Gotion; and Li Chen is the son of Li Zhen).</p> <p>2. 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</p>		

shares not subject to sales restriction and the top 10 shareholders	whether there are any persons acting in concert as stipulated in the <i>Measures for the Administration of the Takeover of Listed Companies</i> .
Explanation on the top 10 shareholders holding ordinary shares who participate in securities margin trading (if any) (refer to Note IV)	The shareholder Gotion Holding holds 15,750,000 shares of the Company through the credit securities account.

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	Post	Office-holding status	Number of shares held at the beginning of the period	Number of shares increased in the current period	Number of shares reduced in the current period	Number of shares held at the end of the period	Number of restricted shares granted at the beginning of the period	Number of restricted shares granted in the current period	Number of restricted shares granted at the end of the period
Li Zhen	Chairman & General Manager	In office	103,276,150	0	0	103,276,150	0	0	0
Frank Engel	Director	In office	0	0	0	0	0	0	0
Steven Cai	Director & Deputy General Manager	In office	0	0	0	0	0	0	0
Zhang Hongli	Director	In office	140,600	0	0	140,600	0	0	0
Andrea Nahmer	Director	In office	0	0	0	0	0	0	0
Sun Zhe	Independent director	In office	0	0	0	0	0	0	0
Zhou Yi	Independent director	In office	0	0	0	0	0	0	0
Qiu Xinpeng	Independent	In office	0	0	0	0	0	0	0

	director								
Wang Feng	Independent director	In office	0	0	0	0	0	0	0
Yang Dafa	Chairman of the Board of Supervisors	In office	0	0	0	0	0	0	0
Li Yan	Supervisor	In office	0	0	0	0	0	0	0
Wu Yibing	Supervisor	In office	26,000	0	0	26,000	0	0	0
Wang Qiang	Vice General Manager	In office	292,900	0	0	292,900	0	0	0
Sun Aiming	Vice General Manager	In office	0	0	0	0	0	0	0
Wang Qisui	Vice General Manager	In office	12,000	0	0	12,000	0	0	0
Li Chen	Vice General Manager	In office	28,472,398	0	0	28,472,398	0	0	0
Zhang Yifei	Financial Director	In office	0	0	0	0	0	0	0
Zhang Wei	Vice General Manager	In office	0	0	0	0	0	0	0
Pan Wang	Deputy General Manager & Secretary of the Board of Directors	In office	0	0	0	0	0	0	0
Ma Guifu	Vice General Manager	Off-office	232,440	0	0	232,440	0	0	0
Hou Fei	Vice General Manager	Off-office	290,000	0	0	290,000	0	0	0
An Donglian	Vice General Manager	Off-office	207,150	0	0	207,150	0	0	0
Total	--	--	132,949,638.00	0	0	132,949,638.00	0	0	0

## V. Change of the Controlling Shareholder or De Facto Controller during the Reporting Period

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 De Facto Controller during the Reporting Period:

Applicable  Not applicable

The De Facto Controller of the Company did not change during the Reporting Period.

## **Section VIII Preferred Shares**

Applicable  Not applicable

The Company has no preferred shares during the Reporting Period.

## Section IX Bonds

Applicable  Not applicable

### I. Enterprise bonds

Applicable  Not applicable

#### 1. Basic information of the enterprise bonds

Monetary Unit: RMB '0,000

Bond name	Bond abbreviation	Bond code	Issue date	Value date	Due date	Bond balance	Interest rate	Way of repaying principal and interest	Trading place
Green Bonds (Phase I) of Gotion High-tech Co., Ltd. of 2018	18 Gotion Green Bonds 01	1880001	April 12, 2018	April 13, 2018	April 13, 2023	500,000,000.00	6.5%	The interest shall be paid once a year and the principal shall be repaid when due. The interest for the last year shall be paid together with the principal.	Interbank bond market
Investor suitability arrangements (if any)	Domestic qualified institutional investors who have accounts opened with the China Government Securities Depository Trust & Clearing Co. Ltd. (CDC)								
Applicable transaction mechanism	Inter-bank bond market: Bond transactions shall go through three steps, i.e., independent quotation, formatting price inquiry and deal confirmed								
Are there any risks for terminating listing and trading and the response measures	None.								

Overdue bonds

Applicable  Not applicable

**2. Trigger and enforcement of issuer's or investor's option terms and investor protection terms**

Applicable  Not applicable

**3. Adjustment of credit rating during the Reporting Period**

Applicable  Not applicable

**4. Implementation and changes of guarantee, debt repayment plan and other debt repayment guarantee measures during the Reporting Period and their impact on the rights and interests of bond investors**

Applicable  Not applicable

During the reporting period, there was no change in the guarantee, debt repayment plan and debt security plans for “18 Gotion Green Bonds 01”, and the Company paid the interest of the bonds and cashed the principal of the bonds to bondholders in strict accordance with the principal and interest payment arrangement agreed in the prospectus.

**II. Corporate bonds**

Applicable  Not applicable

The Company has no corporate bonds during the Reporting Period.

**III. Non-financial enterprise debt financing instruments**

Applicable  Not applicable

The Company has no non-financial enterprise debt financing instruments during the Reporting Period.

**IV. Convertible corporate bonds**

Applicable  Not applicable

The Company has no convertible corporate bonds during the Reporting Period.

**V. Loss within the scope of consolidated statements in the Reporting Period exceeding 10% of the net assets as at the end of the previous year**

Applicable  Not applicable

**VI. Main accounting data and financial indicators of the Company as at the end of the Reporting Period**

Monetary Unit: RMB '0,000

Item	As at the end of the current reporting period	As at the end of the last year	Increase/decrease as at the end of the current reporting period compared with that as at the end of the last year
Current ratio	1.20	1.38	-13.04%
Asset liability ratio	63.30%	55.58%	7.72%
Quick ratio	0.93	1.14	-18.42%
	The current reporting period	The same period last year	Increase/decrease in the current reporting period compared with that in the same period last year
Net profit after deducting non-recurring profit and loss	-17,308.54	-11,318.9	-52.92%
EBITDA total debt ratio	2.65%	5.00%	-2.35%
Interest coverage ratio	1.24	1.38	-10.14%
Cash interest coverage ratio	0.90	1.15	-21.74%
EBITDA interest coverage ratio	3.81	3.93	-3.05%
Loan repayment rate	100.00%	100.00%	0.00%
Interest coverage	100.00%	100.00%	0.00%

## Section X Financial Report

### I. Auditors' report

Is the semi-annual report of the Company audited?

Yes No

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

### II. Financial statements

The monetary unit in the notes to the financial statements is RMB.

#### 1. Consolidated Balance Sheet

Prepared by: Gotion High-tech Co., Ltd

Monetary Unit: RMB

Item	June 30, 2022	January 1, 2022
Current assets:		
Cash and cash equivalents	11,641,781,610.81	11,385,051,081.47
Balances with clearing companies		
Loans to banks and other financial institutions		
Financial assets held for trading	23,228,873.93	53,385,792.58
Derivative financial assets		
Notes receivable	4,001,400.00	164,024,116.21
Accounts receivable	8,171,781,577.60	6,719,375,503.82
Financing funds receivables	337,800,291.06	1,148,162,359.10
Advances to suppliers	585,561,714.70	229,538,072.36
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	263,870,637.52	265,294,413.85
Including: interest receivable		

Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	6,466,691,694.92	4,488,468,539.81
Contract assets		
Assets held for sale		
Non-current assets maturing within one year	126,672,370.16	126,672,370.16
Other current assets	1,083,796,811.55	700,468,221.26
Total current assets	28,705,186,982.25	25,280,440,470.62
Non-current assets:		
Disbursement of loans and advances		
Creditor's right investment		
Other creditor's right investments	4,697,980.00	4,462,990.00
Long-term receivables	35,441,193.31	24,674,913.95
Long-term equity investment	1,098,423,211.29	1,033,479,231.47
Other equity instrument investment	981,039,166.39	1,021,466,991.08
Other non-current financial assets		
Investment properties		
Fixed assets	9,432,146,483.94	8,761,582,173.91
Construction in progress	6,565,424,992.92	2,632,201,747.37
Productive biological assets		
Oil and gas assets		
Use right assets	136,318,676.54	9,290,822.60
Intangible assets	2,344,369,713.66	1,895,304,240.67
Development expenditure	749,644,567.05	390,906,347.20
Goodwill	551,900,120.04	147,923,753.27
Long-term deferred expenses	95,518,783.66	18,706,261.34
Deferred income tax assets	624,525,368.65	544,306,120.67
Other non-current assets	2,287,573,352.80	1,848,663,246.51
Total non-current assets	24,907,023,610.25	18,332,968,840.04
Total assets	53,612,210,592.50	43,613,409,310.66

Current liabilities:		
Short-term borrowings	6,558,162,346.70	5,480,447,055.22
Borrowings from central bank		
Loans from banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	7,149,605,152.30	4,829,299,206.05
Accounts payable	6,555,264,833.85	5,405,708,511.50
Advances from customers		
Contract liabilities	672,828,687.08	561,210,694.49
Financial assets sold under repurchase agreements		
Absorption of deposits and interbank deposits		
Receiving from vicariously traded securities		
Receiving from vicariously sold securities		
Employee compensation payable	133,834,909.06	188,875,199.41
Taxes and surcharges payable	42,765,861.73	219,497,413.74
Other payables	914,419,025.56	284,341,882.46
Including: interest payable		14,784,265.56
Dividends payable	2,033,891.80	2,033,891.80
Handling charge and commission payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities maturing within one year	1,727,406,501.58	1,238,829,643.16
Other current liabilities	89,771,491.90	74,057,094.63
Total current liabilities	23,844,058,809.76	18,282,266,700.66
Non-current liabilities:		
Reserves for insurance contracts		
Long-term borrowings	8,378,153,282.21	4,377,862,351.03

Bonds payable	503,231,410.33	498,699,420.14
Including: preferred shares		
Perpetual bonds		
Lease liabilities	132,304,051.19	6,199,901.96
Long-term payables	589,800,000.00	589,800,000.00
Long-term employee compensation payable		
Estimated liabilities	273,180,628.06	275,879,048.79
Deferred income	164,404,236.49	162,139,298.34
Deferred income tax liabilities	53,092,894.76	46,161,808.33
Other non-current liabilities		
Total non-current liabilities	10,094,166,503.04	5,956,741,828.59
Total liabilities	33,938,225,312.80	24,239,008,529.25
Owner's equity:		
Share capital	1,664,707,835.00	1,664,707,835.00
Other equity instruments		
Including: preferred shares		
Perpetual bonds		
Capital reserves	13,383,827,140.43	13,194,367,010.80
Less: treasury shares	223,863,953.80	139,123,513.00
Other comprehensive income	467,188,319.03	495,912,480.89
Special reserves	3,172,279.38	
Surplus reserves	178,338,303.05	178,338,303.05
General risk reserve		
Undistributed profit	3,281,673,265.54	3,383,520,937.01
Total equity attributable to owners of the parent company	18,755,043,188.63	18,777,723,053.75
Minority equity	918,942,091.07	596,677,727.66
Total owners' equity	19,673,985,279.70	19,374,400,781.41
Total liabilities and owner's equity	53,612,210,592.50	43,613,409,310.66

Legal Representative: Li Zhen

Accounting Principal: Zhang Fei

Head of the Accounting Dept.: Zhao Hua

## 2. Balance Sheet of the Parent Company

Monetary Unit: RMB

Item	June 30, 2022	January 1, 2022
Current assets:		
Cash and cash equivalents	218,504,072.69	7,301,850,480.87
Financial assets held for trading		
Derivative financial assets		
Notes receivable		
Accounts receivable	11,459.00	134,733.00
Financing funds receivables		
Advances to suppliers		
Other receivables	6,777,468,329.84	612,291,984.03
Including: interest receivable		
Dividends receivable	159,147,455.03	326,769,081.20
Inventories		
Contract assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	327,659.01	9,119,363.06
Total current assets	6,996,311,520.54	7,923,396,560.96
Non-current assets:		
Creditor's right investment		
Other creditor's right investments		
Long-term receivables		
Long-term equity investment	11,049,690,079.28	10,453,433,361.90
Other equity instrument investment		
Other non-current financial assets		
Investment properties		
Fixed assets		
Construction in progress		
Productive biological assets		
Oil and gas assets		
Use right assets		

Intangible assets		
Development expenses		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	66,597,358.10	57,192,083.54
Other non-current assets		
Total non-current assets	11,116,287,437.38	10,510,625,445.44
Total assets	18,112,598,957.92	18,434,022,006.40
Current liabilities:		
Short-term borrowings		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable		
Advances from customers		
Contract liabilities		
Employee compensation payable	1,799,460.25	5,556,804.04
Taxes and surcharges payable	24,880.00	
Other payables	495,016,201.93	535,174,286.27
Including: interest payable		0.00
Dividends payable	2,033,891.80	2,033,891.80
Liabilities held for sale		
Non-current liabilities maturing within one year		20,412,500.00
Other current liabilities		
Total current liabilities	496,840,542.18	561,143,590.31
Non-current liabilities:		
Long-term borrowings		
Bonds payable	503,231,410.33	498,699,420.14
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee		

compensation payable		
Estimated liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	503,231,410.33	498,699,420.14
Total liabilities	1,000,071,952.51	1,059,843,010.45
Owner's equity:		
Share capital	1,664,707,835.00	1,664,707,835.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	15,577,253,663.26	15,530,081,961.02
Less: treasury shares	164,863,953.80	80,123,513.00
Other comprehensive income		
Special reserves		
Surplus reserves	85,225,126.33	85,225,126.33
Undistributed profit	-49,795,665.38	174,287,586.60
Total owners' equity	17,112,527,005.41	17,374,178,995.95
Total liabilities and owner's equity	18,112,598,957.92	18,434,022,006.40

### 3. Consolidated Income Statement

Monetary Unit: RMB

Item	First half of year 2022	Second half of year 2021
I. Total operating income	8,637,866,501.32	3,551,231,166.10
Including: operating income	8,637,866,501.32	3,551,231,166.10
Interest income		
Premiums earned		
Income from handling charges and commissions		
II. Total operating cost	8,853,389,570.27	3,643,316,787.63
Including: operating cost	7,391,913,307.02	2,845,159,855.52
Interest expenditure		
Handling charge and commission expenses		

Surrender value		
Net amount of compensation payout		
Withdrawal of insurance liability reserve		
Policy dividend payment		
Reinsurance costs		
Other taxes and surtaxes	57,060,143.54	24,188,979.77
Selling expenses	124,426,730.94	121,685,377.02
General and administrative expenses	573,472,847.77	230,192,293.12
R&D expenditures	510,632,637.33	249,128,011.09
Finance costs	195,883,903.67	172,962,271.11
Including: interest expense	224,771,205.04	185,229,531.26
Interest income	72,006,508.26	26,844,561.19
Plus: other income	308,706,230.28	170,870,718.93
Investment income ("-" for losses)	29,588,497.67	28,073,021.30
Including: income from investment in associates and joint ventures	29,585,718.23	5,527,681.57
Income from de-recognition of financial assets measured at amortized cost		
Foreign exchange gains ("-" for losses)		
Income from net exposure hedging ("-" for losses)		
Gains from the changes in fair value ("-" for losses)	-10,159,418.65	
Losses from credit impairment ("-" for losses)	-28,994,706.83	-6,782,042.74
Losses from asset impairment ("-" for losses)	-39,671,354.52	-52,967,491.38
Income from disposal of assets ("-" for losses)	9,491,424.53	10,911,656.24
III. Operating profits ("-" for losses)	53,437,603.53	58,020,240.82

Plus: non-operating income	8,138,037.66	8,817,242.92
Less: non-operating expense	5,621,194.32	1,182,533.96
IV. Total profits ("-" for total losses)	55,954,446.87	65,654,949.78
Less: income tax expense	-21,543,763.55	10,637,212.60
V. Net profit ("-" for net losses)	77,498,210.42	55,017,737.18
(I) Classified by operating sustainability		
1. Net profit from continued operation ("-" for net losses)	77,498,210.42	55,017,737.18
2. Net profit from discontinued operation ("-" for net losses)		
(II) Classified by ownership		
1. Net profit attributable to the owner of the parent company	64,623,004.70	48,171,502.02
2. Minority interest income	12,875,205.72	6,846,235.16
VI. Other comprehensive income, net of tax	-28,724,161.86	87,981,533.59
Other comprehensive income, net of tax attributable to owners of the parent company	-28,724,161.86	87,981,533.59
(I) Other comprehensive income that cannot be reclassified into profit or loss	-23,721,661.35	78,818,621.59
1. Changes in re-measurement of the defined benefit plan		
2. Other comprehensive income that cannot be transferred to profits or losses under the equity method		
3. Changes in fair value of other equity instruments investment	-23,721,661.35	78,818,621.59
4. Changes in the fair value of the company's own credit risk		
5. Others		
(II) Other comprehensive income that will be reclassified into profit or loss	-5,002,500.51	9,162,912.00

1. Other comprehensive income that can be transferred to profits or losses under the equity method		
2. Changes in the fair value of investment in other creditor's rights		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of investment in other creditor's rights		
5. Cash flow hedging reserves		
6. Translation differences of financial statements denominated in foreign currency	-5,002,500.51	9,162,912.00
7. Others		
Other comprehensive income, net of tax attributable to minority shareholders		
VII. Total comprehensive income	48,774,048.56	142,999,270.77
Total comprehensive income attributable to owners of the parent company	35,898,842.84	136,153,035.61
Total comprehensive income attributable to minority shareholders	12,875,205.72	6,846,235.16
VIII. Earnings per share:		
(I) Basic earnings per share	0.04	0.04
(II) Diluted earnings per share	0.04	0.04

In case of business combination under the common control during the current period, net profit of the combinee recognized before the combination was RMB 0 , and net profit of the combinee recognized in the prior period was RMB 0 .

Legal Representative: Li Zhen

Accounting Principal: Zhang Yifei

Head of the Accounting Dept.: Zhao Hua

#### 4. Income Statement of the Parent Company

Monetary Unit: RMB

Item	First half of year 2022	Second half of year 2021
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I. Operating income	0.00	0.00
Less: operating cost	0.00	0.00
Taxes and surcharges	146,163.22	933.64
Selling expenses		
General and administrative expenses	55,226,697.04	15,255,108.38
R&D expenditures		
Financial expenses	-9,445,501.47	-631,177.66
Including: interest expense		2,003.00
Interest income	9,631,875.35	633,180.66
Plus: other income	200,000.00	
Investment income ("-" for losses)	-20,958,282.62	-10,899,577.16
Including: income from investment in associates and joint ventures	-20,958,282.62	-10,899,577.16
Income from de-recognition of financial assets measured at amortized cost ("-" for losses)		
Income from net exposure hedging ("-" for losses)		
Gains from the changes in fair value ("-" for losses)		
Losses from credit impairment ("-" for losses)	-344,249.48	-651,216.76
Losses from asset impairment ("-" for losses)		
Income from disposal of assets ("-" for losses)		
II. Operating profits ("-" for losses)	-67,029,890.89	-26,175,658.28
Plus: non-operating income	12,175.48	465.00
Less: non-operating expense	134.96	30,000.00
III. Total profits ("-" for total losses)	-67,017,850.37	-26,205,193.28
Less: income tax expense	-9,405,274.56	
IV. Net profit ("-" for net losses)	-57,612,575.81	-26,205,193.28

(I) Net profit from continued operation ("-" for net losses)	-57,612,575.81	-26,205,193.28
(II) Net profit from discontinued operation ("-" for net losses)		
V. Net amount of other comprehensive income after tax		
(I) Other comprehensive income that cannot be reclassified into profit or loss		
1. Changes in re-measurement of the defined benefit plan		
2. Other comprehensive income that cannot be transferred to profits or losses under the equity method		
3. Changes in fair value of other equity instruments investment		
4. Changes in the fair value of the company's own credit risk		
5. Others		
(II) Other comprehensive income that will be reclassified into profit or loss		
1. Other comprehensive income that can be transferred to profits or losses under the equity method		
2. Changes in the fair value of investment in other creditor's rights		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of investment in other creditor's rights		
5. Cash flow hedging		

reserves		
6. Translation differences of financial statements denominated in foreign currency		
7. Others		
VI. Total comprehensive income	-57,612,575.81	-26,205,193.28
VII. Earnings per share:		
(I) Basic earnings per share	-0.03	-0.02
(II) Diluted earnings per share	-0.03	-0.02

## 5. Consolidated Statement of Cash Flows

Monetary Unit: RMB

Item	First half of year 2022	Second half of year 2021
I. Cash flows from operating activities:		
Cash received from sales of goods and provision of services	5,038,585,029.23	2,050,711,098.19
Net increase in deposits from customers and due from banks and other financial institutions		
Net increase in borrowings from central bank		
Net increase in loans from other financial institutions		
Cash received from insurance premium under original insurance contract		
Net cash received from reinsurance business		
Net increase in deposits and investments from policyholders		
Cash received from interests, handling charges and commissions		
Net increase in loans from banks and other financial institutions		
Net capital increase in repurchase business		

Net cash received from vicariously traded securities		
Refunds of taxes and surcharges	399,107,656.53	17,479,586.82
Cash received from other operating activities	580,219,445.02	394,517,861.67
Sub-total of cash inflows from operating activities	6,017,912,130.78	2,462,708,546.68
Cash paid for goods purchased and services received	3,888,060,029.01	1,402,706,266.29
Net increase in loans and advances to customers		
Net increase in deposits in central bank and other banks and financial institutions		
Cash paid for original insurance contract claims		
Net increase in loans to banks and other financial institutions		
Cash paid for interests, handling charges and commissions		
Cash paid for policy dividends		
Cash paid to and on behalf of employees	981,817,682.52	529,449,991.34
Cash paid for taxes and surcharges	333,938,737.14	164,926,155.76
Other cash paid related to operating activities	722,487,725.38	279,512,427.36
Sub-total of cash outflows from operating activities	5,926,304,174.05	2,376,594,840.75
Net cash flows from operating activities	91,607,956.73	86,113,705.93
II. Cash flows from investing activities		
Cash received from disposal of investments		400,000,000.00
Cash received from returns on investments	16,706,163.34	22,676,846.58
Net cash received from disposal of fixed assets, intangible assets and	20,221,126.53	68,750.00

other long-term assets		
Net cash received from disposal of subsidiaries and other business units	1,800,000.00	
Cash received from other investing activities		278,954,468.85
Sub-total of cash inflows from investing activities	38,727,289.87	701,700,065.43
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	5,592,091,142.95	1,785,483,550.74
Cash paid for investments	201,021,934.12	464,500,000.00
Net increase in pledge loans		
Net cash paid for the acquisition of subsidiaries and other business entities	488,059,905.50	
Cash paid for other investing activities	45,799,944.59	
Sub-total of cash outflows from investing activities	6,326,972,927.16	2,249,983,550.74
Net cash flows from investing activities	-6,288,245,637.29	-1,548,283,485.31
III. Cash flows from financing activities:		
Cash received from investors	229,200,000.00	79,000,000.00
Including: cash received by subsidiaries from investments by minority shareholders		
Cash received from borrowings	9,273,441,697.11	3,840,189,780.75
Cash received from other financing activities	238,338,173.12	351,247,701.38
Sub-total of cash inflows from financing activities	9,740,979,870.23	4,270,437,482.13
Cash paid for debts repayments	2,769,639,930.67	2,422,404,510.22
Cash paid for distribution of dividends and profits or payment of interests	486,097,091.48	218,348,922.38
Including: dividends and profits paid to minority shareholders by		

subsidiaries		
Cash paid for other financing activities	349,606,110.30	692,462,034.94
Sub-total of cash outflows from financing activities	3,605,343,132.45	3,333,215,467.54
Net cash flows from financing activities	6,135,636,737.78	937,222,014.59
IV. Effect of fluctuation in exchange rate on cash and cash equivalents	88,261,775.41	1,374,034.44
V. Net increase in cash and cash equivalents	27,260,832.63	-523,573,730.35
Plus: beginning balance of cash and cash equivalents	9,439,103,239.24	2,437,055,743.03
VI. Ending balance of cash and cash equivalents	9,466,364,071.87	1,913,482,012.68

## 6. Statement of Cash Flows of the Parent Company

Monetary Unit: RMB

Item	First half of year 2022	Second half of year 2021
I. Cash flows from operating activities:		
Cash received from sales of goods and provision of services	6,315,285.39	4,401,268.94
Refunds of taxes and surcharges	9,644,845.42	
Cash received from other operating activities	11,800,474.09	705,048.76
Sub-total of cash inflows from operating activities	27,760,604.90	5,106,317.70
Cash paid for goods purchased and services received		
Cash paid to and on behalf of employees	2,121,968.27	1,242,074.80
Cash paid for taxes and surcharges	40,512.67	346,653.18
Cash paid for other operating activities	11,880,411.40	7,300,091.62
Sub-total of cash outflows from operating activities	14,042,892.34	8,888,819.60

Net cash flows from operating activities	13,717,712.56	-3,782,501.90
II. Cash flows from investing activities		
Cash received from disposal of investments		
Cash received from returns on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other business units		
Cash received from other investing activities		
Sub-total of cash inflows from investing activities		
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		27,000,000.00
Cash paid for investments	796,677,146.23	88,000,000.00
Net cash paid for the acquisition of subsidiaries and other business entities		
Cash paid for other investing activities		
Sub-total of cash outflows from investing activities	796,677,146.23	115,000,000.00
Net cash flows from investing activities	-796,677,146.23	-115,000,000.00
III. Cash flows from financing activities:		
Cash received from investors		
Cash received from borrowings		
Cash received from other financing activities	1,170,765,587.26	668,050,000.00
Sub-total of cash inflows from financing activities	1,170,765,587.26	668,050,000.00

Cash paid for debts repayments		500,000,000.00
Cash paid for distribution of dividends and profits or payment of interests	198,970,676.17	53,047,945.21
Cash paid for other financing activities	7,477,340,309.32	146,264,921.79
Sub-total of cash outflows from financing activities	7,676,310,985.49	699,312,867.00
Net cash flows from financing activities	-6,505,545,398.23	-31,262,867.00
IV. Effect of fluctuation in exchange rate on cash and cash equivalents		
V. Net increase in cash and cash equivalents	-7,288,504,831.90	-150,045,368.90
Plus: beginning balance of cash and cash equivalents	7,301,833,532.46	160,835,450.44
VI. Ending balance of cash and cash equivalents	13,328,700.56	10,790,081.54

## 7. Consolidated Statement of Changes in Owner's Equity

Amount in the current period

Monetary Unit: RMB

Item	First half of year 2022														
	Equity attributable to owners of the parent company													Minority equity	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Undistributed profit	Others	Sub-total		
I. Ending balance of last year	1,664,707,835.00				13,194,367,010.80	139,123,513.00	495,912,480.89		178,338,303.05		3,383,520,937.01		18,777,230,537.5	596,677,727.66	19,374,400,781.41
Plus:															

adjustments for changes in accounting policies															
Adjustments for correction of accounting errors in prior periods															
Business combination under common control															
Others															
II. Beginning balance of this year	1,664,707,835.00				13,194,367,010.80	139,123,513.00	495,912,480.89		178,338,303.05		3,383,520,937.01		18,777,723,053.75	596,677,727.66	19,374,400,781.41
III. Increases/decreases in the current period (“-” for decreases)					189,460,129.63	84,740,440.80	-28,724,161.86	3,172,279.38			-101,847,671.47		-22,679,865.12	322,264,363.41	299,584,498.29
(I) Total comprehensive income							-28,724,161.86				64,623,047.00		35,898,842.84	322,264,363.41	358,163,206.25
(II) Capital contributed or reduced by owners					189,460,129.63	84,740,440.80		3,172,279.38					107,891,968.21		107,891,968.21
1. Common stock contributed by owners					19,898,893.00								19,898,893.00		19,898,893.00

2. Capital invested by holders of other equity instruments														
3. Amounts of share-based payments recognized in owners' equity					143,108,792.94								143,108,792.94	143,108,792.94
4. Others					26,452,443.69	84,740,440.80		3,172,279.38					-55,115,717.73	-55,115,717.73
(III) Profit distribution											-166,470,676.17		-166,470,676.17	-166,470,676.17
1. Withdrawal of surplus reserves														
2. Withdrawal of general risk reserves														
3. Profit distributed to owners (or shareholders)											-166,470,676.17		-166,470,676.17	-166,470,676.17
4. Others														
(IV) Internal carry-forward of owner's equity														
1. Conversion of capital reserves into paid-in capital (or share capital)														
2. Conversion														

of capital reserves into paid-in capital (or share capital)														
3. Surplus reserves offsetting losses														
4. Carry-forward of changes in the defined benefit plan for retained earnings														
5. Carry-forward of other comprehensive income for retained earnings														
6. Others														
(V) Special reserves														
1. Amount withdrawn in the current period														
2. Amount used in the current period														
(VI) Others														
IV. Ending balance in the current period	1,664,707,835.00			13,383,827,140.43	223,863,953.80	467,188,319.03	3,172,279.38	178,338,303.05		3,281,673,265.54		18,755,043,188.63	918,942,091.07	19,673,985,279.70

Amount in the previous period

Monetary Unit: RMB

Item	Second half of year 2021														
	Equity attributable to owners of the parent company													Minority equity	Total owners' equity
	Share capital	Other equity instrument			Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Undistributed profit	Others	Sub-total		
I. Ending balance of last year	1,280,544,489.00				6,231,304,068.37	110,832,115.66	188,302,446.71		158,973,015.65		3,157,722,575.92		10,906,014,479.9	169,311,007.84	11,075,325,487.83
Plus: adjustments for changes in accounting policies															
Adjustments for correction of accounting errors in prior periods															
Business combination under common control															
Others															
II. Beginning balance of this year	1,280,544,489.00				6,231,304,068.37	110,832,115.66	188,302,446.71		158,973,015.65		3,157,722,575.92		10,906,014,479.9	169,311,007.84	11,075,325,487.83

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	0													
III. Increases/decreases in the current period (“-” for decreases)					-2,986,623.57	87,981,533.59					190,071,366.12	275,066,276.14	74,945,866.59	350,012,142.73
(I) Total comprehensive income						87,981,533.59					190,071,366.12	278,052,899.71	74,945,866.59	352,998,766.30
(II) Capital contributed or reduced by owners					-2,986,623.57							-2,986,623.57		-2,986,623.57
1. Common stock contributed by owners					-2,986,623.57							-2,986,623.57		-2,986,623.57
2. Capital invested by holders of other equity instruments														
3. Amounts of share-based payments recognized in owners' equity														
4. Others														
(III) Profit distribution														
1. Withdrawal of surplus reserves														
2.														

Withdrawal of general risk reserves															
3. Profit distributed to owners (or shareholders)															
4. Others															
(IV) Internal carry-forward of owner's equity															
1. Conversion of capital reserves into paid-in capital (or share capital)															
2. Conversion of capital reserves into paid-in capital (or share capital)															
3. Surplus reserves offsetting losses															
4. Carry-forward of changes in the defined benefit plan for retained earnings															
5. Carry-forward of other comprehensive income															

for retained earnings															
6. Others															
(V) Special reserves															
1. Amount withdrawn in the current period															
2. Amount used in the current period															
(VI) Others															
IV. Ending balance in the current period	1,280,544,489.00				6,228,317,444.80	110,832,115.66	276,283,980.30		158,973,015.65		3,347,793,942.04		11,181,080,756.13	244,256,874.43	11,425,337,630.56

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

Amount in the current period

Monetary Unit: RMB

Item	First half of year 2022											Total owners' equity
	Share capital	Other equity instrument			Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Others	
		Preferred shares	Perpetual bonds	Others								
I. Ending balance of last year	1,664,707,835.00				15,530,081,961.02	80,123,513.00			85,225,126.33	174,287,586.60		17,374,178,995.95
Plus: adjustments for changes in accounting policies												

Adjustments for correction of accounting errors in prior periods												
Others												
II. Beginning balance of this year	1,664,707,835.00				15,530,081,961.02	80,123,513.00			85,225,126.33	174,287,586.60		17,374,178,995.95
III. Increases/decreases in the current period (“-” for decreases)					47,171,702.24	84,740,440.80				-224,083,251.98		-261,651,990.54
(I) Total comprehensive income										-224,083,251.98		-224,083,251.98
(II) Capital contributed or reduced by owners					47,171,702.24	84,740,440.80						-37,568,738.56
1. Common stock contributed by owners					47,171,702.24	84,740,440.80						-37,568,738.56
2. Capital invested by holders of other equity instruments												
3. Amounts of share-based payments recognized in owners' equity												
4. Others												

(III) Profit distribution												
1. Withdrawal of surplus reserves												
2. Profit distributed to owners (or shareholders)												
3. Others												
(IV) Internal carry-forward of owner's equity												
1. Conversion of capital reserves into paid-in capital (or share capital)												
2. Conversion of capital reserves into paid-in capital (or share capital)												
3. Surplus reserves offsetting losses												
4. Carry-forward of changes in the defined benefit plan for retained earnings												
5. Carry-forward of other comprehensive												

income for retained earnings												
6. Others												
(V) Special reserves												
1. Amount withdrawn in the current period												
2. Amount used in the current period												
(VI) Others												
IV. Ending balance in the current period	1,664,707,835.00				15,577,253.63.26	164,863,953.80			85,225,126.33	-49,795,665.38		17,112,527,005.41

Amount in the previous period

Monetary Unit: RMB

Item	Second half of year 2021											
	Share capital	Other equity instrument			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 last year	1,280,544,489.00				8,647,145,126.17	51,832,115.66			65,859,838.93	-11,481,680.58		9,930,235,657.86
Plus: adjustments for changes in accounting policies												
Adjustments for correction												

of accounting errors in prior periods												
Others												
II. Beginning balance of this year	1,280,544.489.00				8,647,145,126.17	51,832,115.66			65,859,838.93	-11,481,680.58		9,930,235,657.86
III. Increases/decreases in the current period (“-” for decreases)					4,613,007.86					-26,205,193.28		-21,592,185.42
(I) Total comprehensive income										-26,205,193.28		-26,205,193.28
(II) Capital contributed or reduced by owners					4,613,007.86							4,613,007.86
1. Common stock contributed by owners					4,613,007.86							4,613,007.86
2. Capital invested by holders of other equity instruments												
3. Amounts of share-based payments recognized in owners' equity												
4. Others												
(III) Profit distribution												

1. Withdrawal of surplus reserves												
2. Profit distributed to owners (or shareholders)												
3. Others												
(IV) Internal carry-forward of owner's equity												
1. Conversion of capital reserves into paid-in capital (or share capital)												
2. Conversion of capital reserves into paid-in capital (or share capital)												
3. Surplus reserves offsetting losses												
4. Carry-forward of changes in the defined benefit plan for retained earnings												
5. Carry-forward of other comprehensiv e income for retained												

earnings												
6. Others												
(V) Special reserves												
1. Amount withdrawn in the current period												
2. Amount used in the current period												
(VI) Others												
IV. Ending balance in the current period	1,280,544,489.00				8,651,758,134.03	51,832,115.66			65,859,838.93	-37,686,873.86		9,908,643,472.44

### 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 change, the registered capital and share capital of the Company as of December 31, 2018 was RMB 1,136,650,819 million.

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

According to relevant laws and regulations, as well as the provisions of the *Prospectus for Public Issuance of Convertible Corporate Bonds of Gotion High-tech Co., Ltd.*, among the 1,850,000 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, from June 23, 2020 to

August 28, 2020, the total number of convertible corporate bonds that have been converted into shares is 18,430,632 and the total number of convertible corporate bonds that have not been converted into shares is 69,368. 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 by the Company has triggered the conditional redemption clause agreed, so the Company exercised the right to conditionally redeem all the "Gotion Convertible Bonds" that has not been converted into shares as registered in 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. 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) (capital reserve increased by RMB 1,359,848,482.85), and the procedures for industrial and commercial registration of change 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 the China Securities Regulatory Commission regarding the Approval of the Private Placement of Stocks by Gotion High-tech Co., Ltd. (Zheng Jian Xu Ke [2021] No.1421), the Company issued 384.163346 million ordinary shares to Volkswagen (China) Investment Co., Ltd., a specific investor, at a par value of RMB1 per share, at an issuance price of RMB19.01 per share. The net value 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 6,846.69173962 million is included in the capital reserve (capital premium). After the capital increase, the Company's share capital shall be increased to 1,664.707835 million shares, and the registered capital shall be increased to RMB 1,664,707,835. On July 18, 2022, the Company has completed the procedures for industrial and commercial registration of change in relation to this capital increase, and the registered capital and share capital after the change were RMB 1,664,707,853.

According to the resolution of the 17th meeting of the 8th Board of Directors of the Company held on May 5, 2022 and the resolution of the 2021 annual general meeting held on May 23, 2022, as well as the *Reply of China Securities Regulatory Commission on the Approval of Gotion High-tech Co., Ltd. for the Initial Public Issuance of GDRs and Listing on the Swiss Exchange* (ZJXK [2022] No. 1610) and the conditional approval of SIX Exchange Regulation AG on the Company's application for the issuance of GDRs and listing on the Swiss Exchange, the Company issued 22,833,400 GDRs on July 25, 2022, of which each GDR represents 5 A-shares of the Company, and the number of corresponding new A-shares is 114,167,000. The GDR issuance price is USD 30 per share, and the total amount of funds raised in this issuance is about USD 685 million. After the issuance, the Company's shares were changed to 1,778,874,835 shares, and the registered capital of the Company was changed to 1,778,874,835. As at the date hereof, the Company has not completed the procedures for industrial and commercial registration of change.

Registered address of the Company: No. 566, Huayuan Avenue, Baohe District, Hefei City, Anhui Province. Legal representative: Li Zhen.

Business scope of the Company: research and development, manufacturing and sales of lithium-ion

battery and its materials, battery, motor and vehicle control system; research and development, manufacturing and sales of lithium-ion battery emergency power supply, energy storage battery and power tool battery; high and low-voltage switch and complete sets of equipment, digital electrical equipment, distribution network intelligent equipment and components, research and development, manufacturing and sales of distribution box, meter box and control box products; research and development, manufacturing, sales and installation of renewable energy equipment of solar energy and wind energy; research and development, manufacturing, sales and installation of energy-saving and environmental protection electrical appliances and equipment, marine electrical appliances and equipment; research and development, manufacturing and sales of transformers, substations, large-scale charging equipment, on-board charger and on-board high-voltage box; operating for itself or on behalf of others import and export business of various commodities and technologies (except for those prohibited from importing or exporting by the state); design and construction of urban and road lighting engineering.(Those items subject to the approval in accordance with law may not be operated without the approval of the relevant authorities).

### **Consolidation scope of the consolidated financial statements**

The consolidation scope of the Company's consolidated financial statements is determined on the basis of control, and all controlled subsidiaries are included in the consolidation scope of the consolidated financial statements.

Please refer to “1. Equity in subsidiaries”, IX “Equity in other entities” under this Section for details of subsidiaries included in the consolidated financial statements, and refer to VIII. “Changes in Consolidation Scope” under this Section for the change in the consolidation scope.

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

### **1. Basis for preparing**

The Company prepares its financial statements on a going concern basis, and recognizes and measures its accounting items in accordance with the *Accounting Standards for Business Enterprises – Basic Standards*, other specific accounting standards and relevant regulations on the basis of actual transactions and events.

### **2. Going concern**

Management of the Company believes that the Company has the ability of operation as a going concern for at least 12 months as of the end of the Reporting Period.

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

Remark to the detailed accounting policies and accounting estimates:

The following major accounting policies and accounting estimates of the Company are made in accordance with the *Accounting Standards for Business Enterprises*. Accounting business not mentioned shall be subject to relevant accounting policies in the Accounting Standards for Business Enterprises.

### **1. Statement on compliance with the Accounting Standards for Business Enterprises**

The financial statements prepared by the Company comply with the requirements of the *Accounting Standards for Business Enterprises*, and 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 accounting period of the Company is from January 1 to December 31 in a calendar year.

### **3. Operating cycle**

The operating cycle of the Company is 12 months.

### **4. Functional currency**

The functional currency of the Company is RMB.

### **5. Methods 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 acquired from business combination under common control at book value of the assets and liabilities of the combinee in the financial statements of the ultimate controller on the combination date. For long-term equity investments in an individual financial statement, the investment initial cost thereof shall be recognized at the share of book value of the owner's equity of the combinee in the consolidated financial statements of the ultimate controller after the combination. The difference between the initial investment cost of the long-term equity investment 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) for write-off, the surplus reserve and undistributed profit shall be written off 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 combination date as the consideration for the combination, and the difference between their fair value and book value shall be included in the current profit and loss.

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 the control over the acquiree on the combination date, and the contingent consideration meeting the conditions for recognition. For a 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 re-measured at fair value on the combination date, and the total investment costs of new investments on the combination date. The long-term equity investment in individual financial statements is the sum of the book value of the equity investment held before the purchase date and the new investment cost on the purchase date, except for the package deal.

3. The Company shall allocate the combination cost between the acquired identifiable assets and liabilities on the combination 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 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 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 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 of the acquiree in 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 income tax items 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 the difference of the combination cost in excess of the fair value of the net identifiable assets acquired from the acquiree as goodwill.

(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, the measurement of the fair value of the identifiable assets, liabilities and contingent liabilities acquired and the combination cost shall be re-examined;

② After re-examination, if the combination cost is still less than the share of fair value of the identifiable net assets obtained in the combination from the acquiree, 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 general and administrative expenses) incurred by the Company for business combination shall be included in the current profits and losses when they occur.

2. The commission, handling charge and other transaction expenses paid by the Company for issuing 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 added to the expenses;

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

3. The commission, handling charges and other transaction expenses paid by the Company for equity securities issued as the consideration for 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, the amount of the premium shall be deducted from the capital reserve (stock premium);

(2) If the equity securities are issued at face value or discount, the amount of the discount shall be used to offset the retained earnings.

**6. Methods for preparing the 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 in the preparation of the consolidated financial statements.

**(II) Methods for preparing the consolidated financial statements**

Based on the financial statements of the Company and its subsidiaries and according to other relevant information, the consolidated financial statements shall be prepared by the parent company after adjusting the long-term equity investments in the subsidiaries according to the equity method and offsetting the impact of internal transactions between the Company and its subsidiaries and between the subsidiaries on the consolidated financial statements.

**(III) 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. If the current loss shared by the minority shareholders 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.

**(IV) 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 acquired 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 to 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 to the end of the Reporting Period shall be included in the consolidated statement of cash flows.

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

During the Reporting Period, if the Company acquired 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 combination date to the end of the Reporting Period shall be included in the consolidated income statement. The cash flows of the newly acquired subsidiary from the combination date to the end of the Reporting Period shall be included in the consolidated statement of cash flows.

## **2. Disposal of subsidiaries during the Reporting Period**

During the reporting period, if the Company disposes a subsidiary, beginning balances in the consolidated balance sheet shall not be adjusted, and the incomes, expenses and profits of the subsidiary from the beginning of the period to the disposal date shall be included in the consolidated income statement; the subsidiary's cash flows from the beginning of the period to the disposal date shall be included in the consolidated statement of cash flows.

## **7. Classification of joint venture arrangements and methods for the accounting treatment of joint operation**

### **(I) Classification of joint venture arrangements**

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

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

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

1. the legal form of the joint venture arrangement indicates 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 venture arrangement indicates that the parties thereto are entitled to relevant assets and be responsible for relevant liabilities under the arrangement;
3. there is 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

Each party to the joint operation shall recognize the following items related to its interest share in the joint operation, and conduct accounting treatment according to relevant Accounting Standards for Business Enterprises:

1. to recognize assets solely held by it, and recognize the assets jointly held based on its share;
2. to recognize the liabilities solely assumed by it, and recognize the liabilities jointly assumed based on its share;
3. to recognize the incomes from sale of the part of output enjoyed by it from the joint operation;
4. to recognize the incomes of the joint operation from sale of output based on its share;
5. to recognize the costs solely incurred by it, and recognize the costs of the joint operation based on its share.

## 8. Criteria for recognizing cash and cash equivalents

Cash includes the Company's cash on hand, unrestricted bank deposits and other monetary funds.

The Company shall recognize the short-term (maturing within three months from acquisition) 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 as cash equivalents.

## 9. 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 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 actually 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 accounting treatment of foreign currency monetary items

For foreign currency monetary items, on the balance sheet date or the settlement date, the Company shall translate them based on the spot exchange rate (middle price) on the balance sheet date or the settlement date. The difference caused by 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 loans 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 accounting treatment of foreign currency non-monetary items**

- ① For foreign currency non-monetary items measured at historical cost, the Company shall still translates them according to the spot exchange rate (middle price) on the date of transaction, without changing their amounts in functional currency and 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 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 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 profit and loss" as profit or loss from change in fair value (including change in exchange rate).

**(II) Method for accounting treatment of foreign currency statement translation****1. The Company shall translate the financial statements of overseas businesses according to the following methods:**

- (1) Assets and liabilities items in the balance sheet shall be translated at the spot exchange rate on the balance sheet date; owner's equity items other than "undistributed profit" shall be translated at the spot exchange rate when they occur.**
- (2) The income and expenses in the income statement shall be 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 shall be presented in "other comprehensive income" under the "owners' equity" in the balance sheet.

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

- (1) The Company shall restate the items in the balance sheet by using the general price index, restate the items in the income statement by using the general price index changes, and then translate 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 shall cease the re-statement, and translate the financial statements restated at the price on the cessation date.**

**3. Where the Company disposes of an overseas business, it shall transfer the exchange difference related 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 shall be calculated in proportion to the percentage of disposal and transferred to current profit and loss.**

## 10. Financial instruments

A financial instrument refers to a contract from which financial assets of a party and financial liabilities or equity instruments of other parties arise.

### (I) Classification of financial instruments

#### 1. Classification of financial assets

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

#### 2. Classification of financial liabilities

The Company shall classify financial liabilities into the following two categories: (1) financial liabilities measured at fair value through current profits and losses (including financial liabilities held for trading and financial liabilities designated as measured at fair value through current profits and losses) (2) financial liabilities measured at amortized cost.

### (II) Basis for recognizing and method for measuring 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 financial liability.

#### 2. Method for measuring financial instruments

##### (1) Financial assets

Financial assets shall be measured at fair value when initial recognition is made. For financial assets measured at fair value through profit and loss, the relevant transaction costs shall be included in the current profit and loss and those of other financial assets 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 amount of consideration that is expected to be entitled to be collected shall be taken as the initial recognition amount.

##### ① Financial asset measured at amortized cost

After initial recognition, such financial assets shall be subsequently measured at amortized cost by 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 period profit and loss when such financial assets are derecognized, reclassified, amortized with 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 and included in current profit or loss.

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 of such financial assets shall be included in the current profits and losses, and the changes in fair value shall be included 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 and not 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 the rest financial assets as financial assets measured at fair value through current 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 current profit or loss. For such financial assets, the Company adopts fair value for subsequent measurement, with changes in fair value included in the current profit or loss.

(2) Financial liabilities

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

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

Financial liabilities held for trading (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 profit or loss. For the financial liabilities designated to be measured at fair value through current 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 profit or loss. If the handling of impact of changes in the credit risk of such financial liabilities in the said way will cause or expand the accounting mismatch in the profit and loss, the Company shall include all the profit or loss of the financial liabilities (including the impact amount caused by changes in the credit risk of the Company) into the current profit or loss.

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 do 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, and subsequently measured at the amortized cost, with the profit or loss arising from the de-recognition or amortization included in the current profit or loss.

(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; where 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 neither transfers nor retains almost all the risks and rewards associated with the ownership of financial assets, it shall be dealt with in the following ways: 1) where the Company retains no control over the financial assets, the financial assets shall be de-recognized, and the rights and obligations generated or retained in such transfer shall be separately recognized as assets or liabilities; 2) where the Company retains its control over the financial assets, the relevant financial assets shall be recognized according to the extent of its continuous involvement in the transferred financial assets and the relevant liabilities shall be recognized accordingly.

Where the entire transfer of a financial asset meets the de-recognition conditions, the difference of the following two amounts shall be included in current profit and loss: (1) the book value of the financial asset transferred on the date of de-recognition; 2) the sum of the consideration for the financial asset transferred and the amount of the de-recognized part corresponding to the accumulated amount of the changes in fair value originally and directly recorded into other comprehensive income (financial assets involving transfer are the debt instrument investments 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 profit or loss.

#### (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 settle 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 remaining equity of the Company's assets after the deduction of all liabilities. The Company issues (refinance), repurchases, sells or cancels equity instruments as a handling of changes in equity. The Company shall not recognize the changes in the fair value of equity instruments. Expenses related to equity transaction 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 issued shall not affect the total shareholders' equity.

The special financial instruments issued by an entity controlled by the Company, which meet the definition of

financial liabilities, and meet the conditions specified in the standards for being classified as equity instruments, shall be classified as financial liabilities in the corresponding part of minority equity in the consolidated financial statements of the Company.

(VII) Method for determining fair values of financial instruments

The fair value of a financial instrument, for which there is an active market, shall be determined on the basis of quoted price in the active market. The fair value of a financial instrument, for which there is no active market, shall be determined by using valuation techniques. At the time of valuation, the Company shall adopt the techniques that are applicable in the current situation and supported by enough available data and other information, select the input values that are consistent with the features of assets or liabilities as considered by market participants in relevant asset or liability transactions, and give priority to use relevant observable inputs as soon as possible. Unobservable inputs shall be used only under the circumstance when it is impossible or unobservable inputs to obtain relevant observable inputs.

At the time of 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

On the basis of reasonable and reliable information such as past events, current situation and forecast of future economic situation, the Company shall, with the risk of default as the weight, calculate the probability weighted amount of the present value of the difference between the cash flow receivable in 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 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 provision for loss according to the expected credit losses in the next 12 months.

## (2) Simplified treatment method

For accounts receivable, contract assets 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 provision according to the expected credit loss of the whole duration.

### 2. Criteria for judging 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 increases significantly, 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 it 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 fulfil 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 account receivable into several portfolios according to the characteristics of credit risk, and calculates the expected credit loss on the basis of 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 bills receivable, bank acceptance bills and commercial acceptance bills classified into 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.
Account receivables portfolio 1 (Credit risk portfolio such as accounts receivable) Account receivables portfolio 2 (Receivables from related parties within the consolidation scope)	For the accounts receivable classified into the 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.

<p>Other receivables portfolio 1 (Portfolios of credit risks such as deposit receivable, margin, advances, current account, etc.)</p> <p>Other receivables portfolio 2 (Receivables from related parties within the consolidation scope and current accounts with government departments due to export tax rebate, sales, etc.)</p>	<p>For the other receivables classified into the 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.</p>
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The Company shall include the loss provision withdrawn or reversed into the current profit or loss. 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 profit or loss.

### 11. Notes receivable

See "10. Financial instruments" for details.

### 12. Accounts receivables

See "10. Financial instruments" for details.

### 13. Financing funds receivables

See "10. Financial instruments" for details.

### 14. Other receivables

Method for recognition and accounting treatment of expected credit losses of other receivables.

See "10. Financial instruments" for details.

### 15. 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 by the method of weighted average.

(III) Basis for determining net realizable value of inventories and method for making provision for inventory depreciation.

#### 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 sales 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 execute 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 be still 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) The Company shall make provision for inventory depreciation according to the cost of a single inventory or its net realizable value, whichever is lower.

(2) For inventories with large quantity and low unit price, the Company shall make provision for inventory depreciation according to inventory categories.

(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 perpetual inventory system, and conduct regular physical inventory.

## (V) Method for amortizing revolving materials

### 1. Methods for amortizing low-value consumables

The Company shall amortize the low-value consumables at the writing-off method.

### 2. Method for amortizing packaging materials

The Company shall amortize the packing materials at the writing-off method.

## 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 completed and unsettled assets and quality assurance fund. 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 mutually offset.

For the method for determination and accounting treatment of expected credit loss of contract assets, please refer to 10.(VIII) "Impairment of financial assets", V "Major accounting policies and accounting estimates" under this Section for details.

## **17. Contract cost**

Contract cost is classified into contract performance cost and contract acquisition cost.

If the cost incurred by the Company in performing the contract meet the following conditions, the contract performance cost shall be recognized as an asset:

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

If the Company expects to recover the incremental costs incurred to obtain the contract, the contract acquisition cost shall be recognized as an asset.

Assets related to contract cost shall be amortized on the same basis as the income from goods or services related to the assets. However, if the amortization period of contract acquisition cost is less than one year, the Company shall include it in the current profit or loss when it occurs.

If the book value of assets related to contract cost is higher than both of the following two differences, the Company shall make provision for impairment for the exceeding part and recognize it as losses from asset impairment:

1. the remaining consideration that the Company is expected to obtain by transferring the goods related to the asset;
2. estimated costs to be incurred for the transfer of the relevant goods.

If the above provision for impairment of an asset is subsequently reversed, the book value of the asset after reversal shall not exceed the book value of the asset on the reversal date without provision for impairment.

## **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 the similar transaction, the asset or portfolio can be immediately sold in the prevailing circumstance;**

**(2) The sale of the asset or portfolio is very likely to happen, which means that the Company has made a resolution for one selling plan and had acquired decided 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 provisions, 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 profit or loss; 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 the 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 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. the component is a part of the plan on intended disposal of an independent major business or a sole major business area; or**
3. the component is a subsidiary acquired only 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 the common control and that not under the common control under Note III.5

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 from payment in cash, their initial investment cost shall be the actually paid purchase cost. 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 from 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 that 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 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 actual payment or consideration shall be accounted 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 calculated under the equity method

(1) Equity method shall be adopted for the accounting of the joint ventures and associates that the Company has joint 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 profit and loss 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 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 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 form 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 form 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 there is a common control or significant influence over the investee

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

Joint 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 venture arrangements under which the Company is just entitled to the net assets. Those joint venture arrangements under which the parties thereto are entitled to relevant assets and be responsible for relevant liabilities are joint operation rather than joint venture.

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, the formulation of such policies with other parties. Where the Company can exercise significant influence over the investee, the investee is an associate of the Company.

## 20. Investment properties

Measurement model of investment properties

Not applicable

## 21. Fixed assets

### (1) Recognition criteria

#### (I) Recognition criteria of fixed assets

Fixed assets shall mean tangible assets with a useful life of more than one accounting year that are held for the purpose of production of commodities, provision of labor services, lease or business management. A fixed asset shall be recognized when it satisfies both of the following two criteria:

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

#### (II) Depreciation of fixed assets

1. The Company shall record depreciation of all fixed assets, except those fixed assets and land which have been fully depreciated but are still in use.
2. The Company shall record depreciation for fixed assets by using straight-line method from the month following the month in which such fixed assets attain their expected conditions suitable for use, and compute and determine the depreciation rate and value according to the type of fixed assets, estimated useful life and estimated net residual value ratio, and include the depreciation in the costs of the relevant assets or in the current profits and losses based upon the purposes of such assets.

**(2) Depreciation method**

Category	Depreciation method	Depreciation life (year)	Residual value rate	Annual depreciation rate
Houses and buildings	Straight-line method	10-35	5	2.71-9.50
Machinery 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 others	Straight-line method	3-8	5	11.88-31.67

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 useful life of the fixed assets.

As of the balance sheet date, the Company shall review the estimated useful 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 change of accounting estimates

**(3) Basis for recognition, and method for valuation and depreciation of, fixed assets acquired under finance lease****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 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 provision of depreciation for such fixed assets shall be made according to the Company's depreciation policies for fixed assets. Adjustment shall be made to the original temporary estimated value according to the actual cost after the final accounts of completed project have been made, but the original depreciation amount 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 profit and loss.

Assets eligible for capitalization include the fixed assets, investment property, inventories and other assets which may reach their intended use or sale status 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 usable or saleable 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 profit and loss, 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 usable or saleable state, the capitalization of borrowing costs shall be resumed.

#### 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 usable or saleable state. The borrowing costs incurred after the assets eligible for capitalization reached the intended usable or saleable state, when incurred, shall be recognized as current profit and loss 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 usable or saleable state have been substantially completed, the capitalization of the borrowing costs related to such part of the asset 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 after the entire asset is completed.

(III) 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 in light of the actual cost incurred of the specially borrowed loan at the present period minus the income of interests earned on the unused borrowing loans 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 discount or premium, the to-be-amortized discount or premium in each accounting period shall be recognized by 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 usable or saleable state shall be capitalized at the incurred amount when they are incurred, 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 usable or saleable state, it shall be included in the current profit and loss.

(2) Auxiliary costs incurred during general borrowings shall be recognized as expenses based on the amount incurred when they are incurred, and shall be included in the current profit and loss.

3. Determination of the capitalized amount of exchange differences

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

## 24. Use right assets

(I) Conditions for recognition of use right assets

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

On the lease commencement date, the use right assets are initially measured at cost. Such cost includes: the initial measurement amount of lease liabilities; in case of lease incentive in the lease payment paid on or before the lease commencement date, relevant amount of the lease incentive that has been enjoyed shall be deducted; the initial direct expenses incurred by the Company as the lessee; the costs that the Company, as the lessee, expects to incur for dismantling and removing the leased assets, restoring the site where the leased assets are located, or restoring the assets to the state agreed in the lease terms. The Company recognizes and measures the costs of demolition and restoration as the lessee in accordance with the *Accounting Standards for Business Enterprises No. 13 - Contingencies*. Subsequent adjustments will be made upon any remeasurement of lease liabilities.

(II) Method of depreciation of use right assets

The Company adopts the straight-line method for depreciation of right use assets. Where it can be reasonably certain that the Company, as the lessee, will obtain ownership of the leased asset at the expiry of the lease term, the leased assets are depreciated over the useful life; where it cannot be reasonably certain that the Company can obtain ownership of the leased asset at the end of the lease term, the leased assets are depreciated at the shorter of the lease term and the use life of the leased assets.

(III) For impairment test and provision methods on right use assets, please refer to 26, V “Major accounting policies and accounting estimates” under this Section for details.

## 25. Intangible assets

### (1) Valuation method, useful life and impairment test

#### (I) Initial measurement of intangible assets

##### 1. Initial measurement of purchased intangible assets

The cost of a purchased intangible asset includes the purchase price, relevant taxes and other necessary expenditures which may be directly attributable to bringing the intangible asset to the conditions for the intended purpose. If the purchase price 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 profit and loss 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 profit and loss when incurred; the expenditures in the development phase that do not meet the capitalization conditions shall be included in the current profit and loss 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 expenditures, the research and development expenditures incurred shall all be included in the current profit and loss.

#### (II) Subsequent measurement of intangible assets

When the Company acquires an intangible asset, it shall analyze and judge its useful life. The Company divides

the acquired intangible assets into intangible assets with finite useful lives and intangible assets with infinite useful lives.

#### Subsequent measurement of intangible assets with finite useful lives

The Company adopts the straight-line method to amortize the intangible asset with finite useful life within its useful 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 profit and loss; 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 useful lives, estimated net residual value rate and annual amortization rate of intangible assets are listed as follows:

Categories	Estimated useful life (years)	Estimated net residual value ratio (%)	Annual amortization rate (%)
Land use rights	50	0	2.00
Non-patented technology	10	0	10.00
Computer software	2—10	0	10.00-50.00

On the balance sheet date, the useful life and amortization method of intangible assets with finite useful lives shall be reviewed.

#### 2. Subsequent measurement of intangible assets with infinite useful lives

The Company does not amortize the intangible assets with infinite useful lives during the holding period.

#### (III) Estimation of the useful lives of intangible assets

1. For an intangible asset derived from contractual rights or other statutory rights, its useful 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 useful life.

2. If the contract or law does not stipulate the useful 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 an indefinite useful life.

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

According to the actual situation of research and development, the Company divides R&D projects into research phase and 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.

### 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.

Expenditures in the research phase of internal R&D projects shall be included in the current profit and loss when they occur.

(V) Expenditure in the development phase meets the specific criteria for capitalization

Expenditures in the development phase of internal R&D projects shall be recognized as intangible assets when the following conditions are met simultaneously:

1. It is feasible technically to finish intangible assets for use or sale;
2. It is intended to finish and use or sell the intangible asset;
3. The usefulness of 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;
4. It is able to finish 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
5. The expenditure attributable to the development phase of the intangible asset can be reliably measured.

(VI) Treatment of land use rights

1. The land use rights obtained by the Company are usually recognized as intangible assets, but if the purpose of the land use rights is changed for earning rent or capital appreciation, they shall be converted into investment properties.
2. If the Company develops and constructs factories and other buildings on its own, and the related land use rights shall be treated separately from the buildings.
3. The price paid for the purchased land and buildings shall be allocated between the buildings and the land use rights; if it is difficult to allocate them reasonably, all of it shall be regarded as fixed assets.

## **(2) Accounting policies for internal R&D expenditures**

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

If any indication shows that the long-term equity investments, investment properties measured under the cost method, fixed assets, construction in progress, intangible assets with finite useful lives and other long-term assets may be impaired on the balance sheet date, an impairment test shall be conducted. If the results of the impairment test indicate that the recoverable amount of the assets is lower than the book value thereof, the difference between

the recoverable amount and the book value shall be taken as the basis for making a provision for impairment and shall be included in the impairment loss. The recoverable amount is the higher of the net amount of the fair value of the asset less disposal expenses or the present value of its estimated future cash flows. The provision for asset impairment shall be calculated and recognized based on the individual assets. If it is difficult to estimate the recoverable amount of the individual asset, the Company shall estimate the recoverable amount of the asset group that the asset belongs to. The asset group refers to a minimum asset group which can 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 infinite useful lives, regardless of whether there are signs of impairment.

When the Company conducts an asset impairment test, the book value of goodwill arising from business combinations shall be amortized to relevant asset groups with a reasonable method since the date of acquisition; or amortized to 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 profit and loss when incurred and will not be reversed in the subsequent accounting periods.

## **27. 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 more than one year (exclusive), including the expenditures caused by the improvement of fixed assets acquired under finance 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.

## **28. Contract liabilities**

Contract liabilities refer to the Company's obligations to transfer goods to customers 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 purchase price, the Company shall record 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, which is earlier. The contractual assets and contract liabilities under the same contract shall be recorded in net amount, and contractual assets and contract liabilities under different contracts shall not be offset.

## **29. 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 annual reporting period, during which the services are provided by the employee, excluding the compensation for termination of labor relation 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 fund payments, labor union operating costs and employee education costs, short-term compensated absences, short-term profit-sharing plans, non-monetary benefits and other short-term compensation.

During the accounting period of an employee's providing services, the Company shall recognize the actual short-term compensation as liabilities and shall include it in the current gains and losses or relevant asset costs.

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

The defined contribution plan that the Company participates in is the basic old-age insurance premiums, unemployment insurance premiums, and corporate annuity premiums paid for employees in accordance with relevant regulations. The amount that shall be deposited 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 profit and loss or the cost of related assets.

### **(3) Accounting treatment of dismissal welfare**

The term "dismissal welfare" refers to indemnity provided by enterprises for employees for the purpose of terminating labor relation with the employees before the expiry of the labor contract or encouraging employees to accept downsizing voluntarily. The Company shall recognize the employee compensation liability incurred from dismissal welfare at the earlier of the following dates and include such liability in current profit and loss:

1. The date when the enterprises are unable to unilaterally revoke the dismissal welfare provided for the termination of labor relation or the proposal for layoffs, and
2. The date when enterprises determine the cost or expense related to the restructuring involving payment of dismissal welfare.

#### **(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-departure benefit and dismiss benefit. 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 profit and loss or the cost of related assets.

### **30. Estimated liabilities**

#### **(I) Principle for recognizing estimated liabilities**

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

The said obligation is a present obligation of the Company;

The fulfillment of said obligation is likely to cause economic benefits to flow out of the Company; and

The amount of the obligation can be measured reliably.

#### **(II) Method for measuring estimated liabilities**

The amount of estimated liabilities 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

### **31. 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 waiting period

On each balance sheet date during the waiting period, the Company will include the services obtained from by 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 waiting 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 waiting 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 exercisable date

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

2. For cash-settled share-based payments, the Company will no longer recognize the costs and expenses after the exercisable date, and the changes in the fair value of liabilities (employee compensation payable) will be included in the current profit and loss (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 waiting 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 of the shares purchased by an employee by 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 waiting period, and will at the same time increase the capital reserve (share premium) by the difference thereof.

## 32. Income

Accounting policies used in recognizing and measuring income

### (I) Principles for recognizing and methods for measuring income

#### 1. Recognition of income

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

#### 2. Measurement of income

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 promised by each individual performance obligation on the commencement date of the contract, and will measure the income 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 policies on the recognition of income

#### 1. Sales of goods

A. Domestic sales: Since the control over the sales of goods will be transferred to the customer when the Company sends out the goods to the customer for acceptance, the sales income shall be recognized after the goods sent out by the Company and accepted by the customer.

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

#### 2. Technical services

After completing the corresponding service in accordance with the terms of the technical service contract, and it has been confirmed by the customer, the Company will recognize the income after receiving the price or obtaining the evidence for the collection of the price.

Differences in accounting policies for recognition of income caused by the adoption of different business models for similar businesses

## 33. Government subsidies

### (I) Types of government subsidies

Government subsidies refers to monetary or non-monetary assets received by the Company from the government free of charge, including the government subsidies related to assets and government subsidies related to income.

The government subsidies related to assets refer to the government subsidies obtained by the Company to acquire

and construct the long-term assets or form the same by other means,

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

## (II) Principles and timing for recognizing government subsidies

Principles for recognizing government subsidies:

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

Government subsidies can be recognized only when the above conditions are satisfied simultaneously.

## (III) Measurement of government subsidies

1. If the government subsidies are monetary assets, the Company shall measure the same according to the amount received or receivable.
2. If the government subsidies are non-monetary assets, the Company shall measure the same at fair value or, if the fair value cannot be obtained reliably, at the nominal amount (the nominal amount is RMB 1).

## (IV) Accounting treatment of government subsidies

1. The government subsidies related to assets may be used to written down the book value of related assets or recognized as deferred income when they are obtained. Those recognized as deferred income shall be amortized by a reasonable and systematic method within the useful life of the relevant asset.

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 at the time of acquisition and shall be included in the profit and loss be used to offset related costs during the period during 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 profit and loss or be used to offset the related costs at the time of acquisition.

3. For government subsidies containing those related to asset and those related to income, if they can be distinguished, they are accounted for in different parts; if they are difficult to be distinguished, they shall be 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 daily activities of the enterprise shall be included in the non-operating income and expenditure. If the finance department directly allocates interest subsidies to the Company, 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 amount of the relevant deferred income shall be offset, and the excess shall be included in the current profit and loss.

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

#### **34. Deferred income tax assets/deferred income tax liabilities**

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

##### **(I) Recognition of deferred income tax assets or deferred income tax liabilities**

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 income tax liabilities or deferred income tax assets for the taxable temporary differences or deductible temporary differences respectively.

##### **1. Recognition basis for deferred income tax assets**

Deferred income 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.

For the deductible losses and tax deductions that can be carried forward in the subsequent years, the deferred income tax assets shall be recognized by the Company accordingly to the extent of taxable income that is likely to offset the deductible losses and tax deductions.

On the balance sheet date, the Company shall review the book value of the deferred income tax assets. If it is probable that sufficient taxable income cannot be obtained in the future to offset the benefits of deferred income tax assets, the book value of the deferred income 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.

##### **2. Basis for recognizing deferred income 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 income tax liabilities, but it does not include the temporary differences formed by the goodwill, non-business merger transactions that neither affect accounting profits nor taxable income.

##### **(II) Measurement of deferred income tax assets or deferred income tax liabilities**

On the balance sheet date, for deferred income tax assets and deferred income 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.

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

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

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

## **35. Lease**

### **(1) Accounting treatment of operating lease**

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 income statement 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 actually 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 items received in advance or receivables relating to the lease before such change shall be deemed as receipts relating to the new lease.

### **(2) Accounting treatment of finance lease**

On the lease effective date, the Company shall recognize the financial 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 interest rate implicit in the lease), and terminate the recognition of the financial leased assets. The Company shall calculate and recognize interest income in accordance with 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 in the lease shall be recorded into current profit and loss when actually incurred if it is associated with the future performance or use of assets.

In the event of changes in financing lease which satisfy the following conditions, the Company shall treat such change as a separate lease: ① The change results in 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.

## **36. Other significant accounting policies and accounting estimates**

### **(I) Repurchase of shares**

If, in accordance with legal procedures, the Company obtains approval to reduce the capital by acquiring the Company's shares, then it shall reduce its share capital according to the total face value of the cancelled shares, adjust the owner's equity according to the difference between the price paid for the repurchase of the shares (including transaction cost) and the face value of the shares, and use the amount exceeding the total face value to offset the capital reserve (share premium), surplus reserve and undistributed profit in turn; if it is less than the total

face value, the difference thereof shall be used to increase the capital reserve (share premium)

The shares repurchased by the Company shall be managed as treasury shares before they are cancelled or transferred, and all the expenses of the repurchased shares shall be transferred to the cost of treasury shares.

When the treasury shares are transferred, the portion of the transfer income that is higher than the cost of the treasury shares will be used to increase the capital reserve (share premium); the portion below the cost of the treasury shares will be used to offset the capital reserve (share premium), surplus reserve and undistributed profit in turn.

## (II) Restricted shares

In the equity incentive plan, the Company grants restricted shares to the motivated objects and the motivated objects will first subscribe for the shares. If the unlocking conditions specified in the equity incentive plan are not met subsequently, the Company will repurchase the shares at the previously agreed price. If the capital increase procedures such as registration for the restricted shares issued to employees have been completed in accordance with the relevant regulations, then, on the grant date, the Company shall recognize the share capital and capital reserve (share premium) based on the subscription money paid by the employees; and recognize the treasury shares and other payables regarding the repurchase obligations.

## 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

## 38. Others

## VI. Taxation

### 1. Main tax types and tax rates

Tax type	Tax 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%
Enterprise income tax	Taxable income	15%, 25% or appropriate national or regional tax rate
Educational surcharges	Amount subject to turnover tax	3%
Local educational surcharges	Amount subject to turnover tax	2%

Property tax	Residual value of the property or rental income	1.2%, 12%
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Information about taxpayers applying different enterprise income tax rates:

Name of taxpayer	Income tax rate
Gotion High-Tech Co., Ltd	25%
Jiangsu Dongyuan Electric Appliance Group Co., Ltd.	15%
Suzhou Dongyuan Tianli Electric Appliance Co., Ltd	25%
Nantong Asitong Electrical Apparatus Co., Ltd.	25%
Nantong Gotion New Energy Technology 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%
Anhui Gotion New Energy Automobile Technology Co., Ltd	25%
Shanghai Xuanyi New Energy Development Co., Ltd	15%
Hefei Gotion Battery Material Co., Ltd	15%
Shanghai Gotion New Energy Co., Ltd	25%
Shanghai Gotion New Energy (Hefei) Energy Storage Technology Co., Ltd	25%
Qingdao Gotion Battery Co., Ltd	15%
Tangshan Gotion Battery Co., Ltd	15%
Gotion New Energy (Lujiang) Co., Ltd	25%
Hefei Gotion Precision Coating Material Co., Ltd	25%
Hefei Gotion Battery Co., Ltd	15%
Hefei Jiachi Technology Co., Ltd	25%
Liuzhou Gotion Battery Co., Ltd	25%
GOTION, INC.	Special business tax
Gotion Japan Co., Ltd	Subject to local laws
GOTION SINGAPORE PTE. LTD.	Subject to local laws
Jiangsu Gotion New Energy Technology Co., Ltd	25%
Feidong Gotion New Material Co., Ltd	25%
Hefei Gotion Cycle Technology Co., Ltd	25%
Hefei Gotion New Material Technology Co., Ltd	25%
Inner Mongolia Gotion Zero Carbon Technology Co., Ltd	25%

Jiangxi Gotion New Energy Technology Co., Ltd	25%
Yichun Gotion Battery Co., Ltd	25%
Yichun Gotion Lithium Co., Ltd	25%
Fengxin Gotion Lithium Co., Ltd	25%
Yifeng Gotion Lithium Co., Ltd	25%
Tongcheng Gotion New Energy Co., Ltd	25%
Yichun Gotion Mining Co., Ltd	25%
Beijing Xuanyi New Energy Co., Ltd	25%
Hefei Gotion Battery Technology Co., Ltd	25%
Hefei Gotion Kehong New Energy Technology Co., Ltd	25%
Tianjin Hengtian New Energy Vehicle Research Institute Co., Ltd	25%
Nanjing Gotion Battery Research Institute Co., Ltd	Not started business yet
Guoxuan High-tech (HK) Limited	Not started business yet
Yifeng County Hua Lithium Mining Development Co., Ltd.	25%
Yichun Kefeng New Material Co., Ltd	25%
Jiangxi Weihong Lithium Co., Ltd	25%
Tianjin Gotion New Energy Technology Co., Ltd	Not started business yet
Gotion Germany Battery GmbH	Subject to local laws

## 2. Tax preference

(1) On December 6, 2019, Jiangsu Dongyuan Electric Appliance Group Co., Ltd., a subsidiary of the Company, passed the reexamination of high-tech enterprise and obtained a *Certificate of High-tech Enterprise* numbered GR201932008871, valid for three years. Since January 1, 2019, 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 October 30, 2020, 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 GR202034002742, valid for three years. Since January 1, 2020, 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 November 22, 2019, 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 GR201932003373, valid for three years. Since January 1, 2019, 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 October 30, 2020, 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 GR202034003724, valid for three years. Since January 1, 2020, 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*.

(6) On December 1, 2020, 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 GR202037101533, valid for three years. Since January 1, 2020, 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*.

(7) On September 10, 2019, 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 GR201913000133, valid for three years. Since January 1, 2019, 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*.

(8) On August 17, 2020, 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 GR202034000742, valid for three years. Since January 1, 2020, 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*.

(9) On November 18, 2021, Shanghai Xuanyi New Energy Development Co., Ltd, a subsidiary of the Company, passed the reexamination of high-tech enterprise and obtained a *Certificate of High-tech Enterprise* numbered GR202131003425, valid for three years. Since January 1, 2022, 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*.

(10) 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, 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*.

### 3. Others

None.

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

### 1. Cash and cash equivalents

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Cash in hand	258,026.60	198,023.52
Deposit in bank	9,909,657,122.97	9,656,493,565.43
Other cash and cash equivalents	1,731,866,461.24	1,728,359,492.52
Total	11,641,781,610.81	11,385,051,081.47
Including: total amount of overseas deposits	170,222,321.75	83,152,147.67

Other remarks

In the current period, among RMB1,731,866,461.24 of other cash and cash equivalents, RMB1,418,567,007.11 is security deposit for issuance of bank acceptance bill, RMB22,815,664.16 is security deposit for factoring business, RMB35,591,118.22 is security deposit for letter of guarantee, and RMB42,990,000 is security deposit for letter of credit, and RMB211,902,671.75 is funds in securities accounts.

### 2. Financial assets held for trading

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Financial assets measured at fair value with changes included in current profit and loss	23,228,873.93	53,385,792.58
Including:		
Structural deposits	10,578,783.33	30,578,783.33
Stock assets	12,650,090.60	22,807,009.25
Including:		
Total	23,228,873.93	53,385,792.58

Other remarks

### 3. Notes receivable

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

Monetary Unit: RMB

Item	Ending balance	Beginning balance
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Commercial acceptance bill	4,001,400.00	164,024,116.21
Total	4,001,400.00	164,024,116.21

Monetary Unit: RMB

Type	Ending balance					Beginning balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Proportion	Amount	Proportion of provision		Amount	Proportion	Amount	Proportion of provision	
Notes receivable with provision for bad debt made by portfolio	4,212,000.00	100.00%	210,600.00	5.00%	4,001,400.00	177,347,732.34	100.00%	13,323,616.13	7.51%	164,024,116.21
Including:										
Commercial acceptances portfolio	4,212,000.00	100.00%	210,600.00	5.00%	4,001,400.00	177,347,732.34	100.00%	13,323,616.13	7.51%	164,024,116.21
Total	4,212,000.00	100.00%	210,600.00	5.00%	4,001,400.00	177,347,732.34	100.00%	13,323,616.13	7.51%	164,024,116.21

Provision for bad debt made by portfolio: RMB210,600.00

Monetary Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debt	Proportion of provision
Commercial acceptances portfolio	4,212,000.00	210,600.00	5.00%
Total	4,212,000.00	210,600.00	--

Basis for determining the portfolio:

In case provision for bad debt is made with respect to notes receivable according to the general model of expected credit loss, please disclose the relevant information of bad debt provision in line with the disclosure method of other receivables:

Applicable Not Applicable

## (2) Provision for bad debt made, recovered or reversed in the current period

Provision for bad debt made in the current period:

Monetary Unit: RMB

Type	Beginning balance	Amount of change in the current period				Ending balance
		Provision made	Recovered or	Written-off	Others	

			reversed			
Provision for bad debt of notes receivable	13,323,616.13		13,113,016.13			210,600.00
Total	13,323,616.13		13,113,016.13			210,600.00

In which, major amount of provision for bad debt recovered or reversed in the current period:

Applicable  Not Applicable

#### 4. Accounts receivable

##### (1) Disclosure of accounts receivable by categories

Monetary Unit: RMB

Type	Ending balance					Beginning balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Proportion	Amount	Proportion of provision		Amount	Proportion	Amount	Proportion of provision	
Accounts receivable with provision for bad debt made on an individual basis	602,626,910.39	6.28%	355,273,623.73	58.95%	247,353,286.66	602,830,130.07	7.45%	355,396,357.56	58.95%	247,433,772.51
Including:										
Customer 1	390,720,513.40	4.07%	195,360,256.70	50.00%	195,360,256.70	390,820,513.40	4.83%	195,410,256.70	50.00%	195,410,256.70
Customer 2	61,881,050.52	0.64%	43,316,735.36	70.00%	18,564,315.16	61,881,050.52	0.76%	43,316,735.36	70.00%	18,564,315.20
Customer 3	40,859,880.59	0.43%	28,798,064.15	70.48%	12,061,816.44	40,959,880.59	0.51%	28,868,544.20	70.48%	12,091,336.40
Customer 4	37,566,903.72	0.39%	18,783,451.86	50.00%	18,783,451.86	37,566,903.72	0.46%	18,783,451.86	50.00%	18,783,451.90
Customer 5	32,206,070.59	0.34%	32,206,070.59	100.00%	0.00	32,206,070.59	0.40%	32,206,070.59	100.00%	0.00
Customer 6	8,474,874.46	0.09%	8,474,874.46	100.00%	0.00	8,474,874.46	0.10%	8,474,874.46	100.00%	0.00

Others	30,917,617.11	0.32%	28,334,170.61	91.64%	2,583,446.50	30,920,836.79	0.38%	28,336,424.39	91.64%	2,584,412.40
Accounts receivable with provision for bad debt made by portfolio	8,997,740,178.10	93.72%	1,073,311,887.16	11.93%	7,924,428,290.94	7,493,746,413.57	92.55%	1,021,804,682.26	13.64%	6,471,941,731.31
Including:										
Portfolio 1	8,997,740,178.10	93.72%	1,073,311,887.16	11.93%	7,924,428,290.94	7,493,746,413.57	92.55%	1,021,804,682.26	13.64%	6,471,941,731.31
Total	9,600,367,088.49	100.00%	1,428,585,510.89	14.88%	8,171,781,577.60	8,096,576,543.64	100.00%	1,377,201,039.82	17.00%	6,719,375,503.82

Provision for bad debt made on an individual basis: RMB355,273,623.73

Monetary Unit: RMB

Name	Ending balance			
	Book balance	Provision for bad debt	Proportion of provision	Reason for provision
Customer 1	390,720,513.40	195,360,256.70	50.00%	Expected to be partially irrecoverable
Customer 2	61,881,050.52	43,316,735.36	70.00%	Expected to be partially irrecoverable.
Customer 3	40,859,880.59	28,798,064.15	70.48%	Expected to be partially irrecoverable.
Customer 4	37,566,903.72	18,783,451.86	50.00%	Expected to be partially irrecoverable.
Customer 5	32,206,070.59	32,206,070.59	100.00%	Expected to be irrecoverable
Customer 6	8,474,874.46	8,474,874.46	100.00%	Expected to be irrecoverable
Others	30,917,617.11	28,334,170.61	91.64%	Expected to be partially irrecoverable.
Total	602,626,910.39	355,273,623.73	--	--

Provision for bad debt made by portfolio: RMB1,073,311,887.16

Monetary Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debt	Proportion of provision
Portfolio 1	8,997,740,178.10	1,073,311,886.89	11.93%
Including:			
Not overdue	6,471,546,614.29	323,577,330.71	5.00%

Within one year overdue	1,440,810,949.69	144,081,094.97	10.00%
1-2 years overdue	359,826,755.59	107,948,026.68	30.00%
2-3 years overdue	316,641,357.78	158,320,678.89	50.00%
3-4 years overdue	347,648,725.53	278,118,980.42	80.00%
More than 4 years overdue	61,265,775.21	61,265,775.21	100.00%
Portfolio 2			
<b>Total</b>	<b>8,997,740,178.10</b>	<b>1,073,311,886.89</b>	

Basis for determining the portfolio:

In case provision for bad debt is made with respect to accounts receivable according to the general model of expected credit loss, please disclose the relevant information of bad debt provision in line with the disclosure method of other receivables:

Applicable  Not Applicable

Disclosure by aging

Monetary Unit: RMB

Aging	Ending balance
Within 1 year (inclusive)	6,471,546,614.30
1 to 2 years	1,569,437,307.45
2 to 3 years	389,167,014.99
More than 3 years	1,170,216,151.75
3 to 4 years	549,030,925.33
4 to 5 years	521,341,696.30
More than 5 years	99,843,530.12
<b>Total</b>	<b>9,600,367,088.49</b>

## (2) Provision for bad debt made, recovered or reversed in the current period

Provision for bad debt made in the current period:

Monetary Unit: RMB

Type	Beginning balance	Amount of change in the current period				Ending balance
		Provision made	Recovered or reversed	Written-off	Others	
Provision for bad debt of accounts receivable	1,377,201,039.82	22,766,496.51			28,617,974.56	1,428,585,510.89
<b>Total</b>	<b>1,377,201,039.82</b>	<b>22,766,496.51</b>			<b>28,617,974.56</b>	<b>1,428,585,510.89</b>

In which, major amount of provision for bad debt recovered or reversed in the current period:

Monetary Unit: RMB

Entity Name	Amount recovered or reversed	Recovery method

**(3) Top 5 accounts receivable in terms of the ending balance grouped by debtors**

Monetary Unit: RMB

Unit	Ending balance of accounts receivable	Proportion in the total ending balance of accounts receivable	Ending balance of provision for bad debt
Customer 1	899,487,475.07	9.37%	44,974,373.75
Customer 2	695,328,983.23	7.24%	43,572,388.57
Customer 3	480,565,707.58	5.01%	24,028,285.38
Customer 4	422,686,592.00	4.40%	72,396,977.60
Customer 5	390,720,513.40	4.07%	195,360,256.70
Total	2,888,789,271.28	30.09%	

**5. Accounts receivable financing**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Bank acceptance bill	337,800,291.06	1,148,162,359.10
Total	337,800,291.06	1,148,162,359.10

Increase/decrease of accounts receivable financing and changes in fair value in the current period

Applicable Not Applicable

In case provision for impairment is made with respect to accounts receivable financing according to the general model of the expected credit loss, please disclose the relevant information of provision for impairment in line with the disclosure method of other receivables:

Applicable Not Applicable

Other remarks:

**6. Advance payments****(1) Advance payments presented by aging**

Monetary Unit: RMB

Aging	Ending balance		Beginning balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	454,969,320.11	77.70%	217,465,627.50	94.74%
1 to 2 years	82,706,435.10	14.12%	7,273,428.25	3.17%
2 to 3 years	47,412,859.45	8.10%	231,097.09	0.10%
More than 3 years	473,100.04	0.08%	4,567,919.52	1.99%
Total	585,561,714.70		229,538,072.36	

Remarks to reasons for failure in timely settling the advance payment with the aging over 1 year and major amount:

## (2) Top 5 advance payments in terms of ending balance grouped by advance recipients

Unit	Ending balance (RMB)	Proportion in the total ending balance of advance payment (%)
1st	200,000,000.00	34.16%
2nd	40,549,945.17	6.92%
3rd	35,617,698.00	6.08%
4th	33,277,433.63	5.68%
5th	28,262,614.77	4.83%
Total	337,707,691.57	57.67%

Other remarks:

## 7. Other receivables

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Other receivables	263,870,637.52	265,294,413.85
Total	263,870,637.52	265,294,413.85

### (1) Other receivables

#### 1) Classification of other receivables by nature of funds

Monetary Unit: RMB

Nature of funds	Ending book balance	Beginning book balance
Current account	104,265,383.96	109,361,590.14
Security deposit and cash pledge	24,161,223.17	23,794,276.65
Reserve fund and borrowing	6,073,782.33	6,970,132.16
Proceeds from disposal of long-term assets	140,511,714.22	119,540,793.77
Others outstanding receivables	32,165,178.17	52,801,255.75
Less: provision for bad debt	-43,306,644.33	-47,173,634.62
Total	263,870,637.52	265,294,413.85

#### 2) Provision for bad debt

Monetary Unit: RMB

Provision for bad debt	Phase I	Phase II	Phase III	Total

	Expected credit loss in the next 12 months	Expected credit loss over the entire existence (without credit impairment)	Expected credit loss over the entire existence (with credit impairment)	
Balance as at January 1, 2022	20,542,892.96		26,630,741.66	47,173,634.62
Balance as at January 1, 2022 in the current period				
Provision made in the current period	19,341,226.45			19,341,226.45
Reversal made in the current period	23,208,216.74			23,208,216.74
Balance as at June 30, 2022	16,675,902.67		26,630,741.66	43,306,644.33

Changes in book balance with major amount changes in provision for loss in the current period

Applicable  Not Applicable

Disclosure by aging

Monetary Unit: RMB

Aging	Ending balance
Within 1 year (inclusive)	174,471,666.34
1 to 2 years	80,359,321.68
2 to 3 years	10,007,704.13
More than 3 years	42,338,588.69
3 to 4 years	13,157,846.06
4 to 5 years	11,431,293.55
More than 5 years	17,749,449.08
Total	307,177,280.84

### 3) Provision for bad debt made, recovered or reserved in the current period

Provision for bad debt made in the current period:

Monetary Unit: RMB

Type	Beginning balance	Amount of change in the current period				Ending balance
		Provision made	Recovered or reversed	Written-off	Others	
Provision for bad debt of	47,173,634.62	19,341,226.45	23,208,216.74			43,306,644.33

other receivables						
Total	47,173,634.62	19,341,226.45	23,208,216.74			43,306,644.33

In which, major amount of provision for bad debt reversed or recovered in the current period:

Monetary Unit: RMB

Entity Name	Amount reversed or recovered	Recovery method
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#### 4) Top 5 other receivables in terms of ending balance grouped by debtors

Monetary Unit: RMB

Entity name	Nature of funds	Ending balance	Aging	Proportion in the total ending balance of other receivables	Ending balance of provision for bad debt
1st	Proceeds from sale of assets	65,616,081.00	Within 1 year 34,758,730.38 Within 1-2 years 30,857,350.62	21.36%	4,823,671.58
2nd	Proceeds from sale of assets	51,880,000.00	Within 1 year	16.89%	2,594,000.00
3rd	Proceeds from sale of assets	23,015,633.22	Within 1 year 100,000.00 Within 1-2 years 22,915,633.22	7.49%	2,296,563.33
4th	Security deposit	10,011,883.74	Within 1 year 1,011,883.74 Within 1-2 years 9,000,000.00	3.26%	950,594.19
5th	Security deposit	8,998,322.76	Within 1 year	2.93%	449,916.14
Total		159,521,920.72		51.93%	11,114,745.24

## 8. Inventories

Whether the Company is required to comply with the disclosure requirements for the real estate industry

No

### (1) Classification of inventories

Monetary Unit: RMB

Item	Ending balance	Beginning balance
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	Book balance	Provision for inventory depreciation or provision for impairment of contract performance cost	Book value	Book balance	Provision for inventory depreciation or provision for impairment of contract performance cost	Book value
Raw materials	1,785,275,478.28	14,799,872.95	1,770,475,605.33	933,828,108.76	14,799,872.95	919,028,235.81
Goods in production	1,029,253,148.21	9,073,194.08	1,020,179,954.13	526,430,950.23	7,168,594.53	519,262,355.70
Goods in stock	1,767,634,215.91	63,085,661.75	1,704,548,554.16	1,582,811,991.98	47,443,418.84	1,535,368,573.14
Revolving materials	45,817,912.33		45,817,912.33	964,705.93		964,705.93
Goods dispatched	2,130,180,024.62	204,510,355.65	1,925,669,668.97	1,696,230,512.82	182,385,843.59	1,513,844,669.23
<b>Total</b>	<b>6,758,160,779.35</b>	<b>291,469,084.43</b>	<b>6,466,691,694.92</b>	<b>4,740,266,269.72</b>	<b>251,797,729.91</b>	<b>4,488,468,539.81</b>

**(2) Provision for inventory depreciation or provision for impairment of contract performance cost**

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period		Decrease in the current period		Ending balance
		Provision made	Others	Reversed or charged-off	Others	
Raw materials	14,799,872.95					14,799,872.95
Goods in production	7,168,594.53	1,904,599.55				9,073,194.08
Goods in stock	47,443,418.84	15,642,242.91				63,085,661.75
Goods dispatched	182,385,843.59	22,124,512.06				204,510,355.65
<b>Total</b>	<b>251,797,729.91</b>	<b>39,671,354.52</b>				<b>291,469,084.43</b>

**9. Non-current assets maturing within one year**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Long-term receivables maturing within one year	126,672,370.16	126,672,370.16

Total	126,672,370.16	126,672,370.16
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Major creditor's rights investment/other creditor's rights investment

Monetary Unit: RMB

Creditor's rights item	Ending balance				Beginning balance			
	Nominal value	Nominal interest rate	Effective interest rate	Maturity date	Nominal value	Nominal interest rate	Effective interest rate	Maturity date

Other remarks:

**10. Other current assets**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Deductible input tax	1,082,969,173.80	676,829,799.74
Prepaid taxes	827,637.75	23,638,421.52
Total	1,083,796,811.55	700,468,221.26

Other remarks:

**11. Other creditor's rights investment**

Monetary Unit: RMB

Item	Beginning balance	Accrued interest	Changes in fair value in the current period	Ending balance	Cost	Accumulated changes in fair value	Accumulated provision for loss recognized in other comprehensive income	Remarks
Convertible bond of GRU ENERGY	4,462,990.00			4,697,980.00				
Total	4,462,990.00			4,697,980.00				

Major other creditor's rights investment

Monetary Unit: RMB

Other credit's rights item	Ending balance				Beginning balance			
	Nominal	Nominal interest	Effective interest	Maturity	Nominal	Nominal interest	Effective interest	Maturity

	value	rate	rate	date	value	rate	rate	date
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Provision for impairment

Monetary Unit: RMB

Provision for bad debt	Phase I	Phase II	Phase III	Total
	Expected credit loss in the next 12 months	Expected credit loss over the entire existence (without credit impairment)	Expected credit loss over the entire existence (with credit impairment)	
Balance as at January 1, 2022 in the current period	—	—	—	—

Change in book balance with major amount changes in provision for loss in the current period

 Applicable  Not Applicable

Other remarks:

**12. Long-term receivables****(1) Details of long-term receivables**

Monetary Unit: RMB

Item	Ending balance			Beginning balance			Range of discount rate
	Book balance	Provision for bad debt	Book value	Book balance	Provision for bad debt	Book value	
Sales of goods by installment collection	36,739,872.99	1,298,679.68	35,441,193.31	25,973,593.63	1,298,679.68	24,674,913.95	
Total	36,739,872.99	1,298,679.68	35,441,193.31	25,973,593.63	1,298,679.68	24,674,913.95	--

Impairment of provision for bad debt

Monetary Unit: RMB

Provision for bad debt	Phase I	Phase II	Phase III	Total
	Expected credit loss in the next 12 months	Expected credit loss over the entire existence (without credit impairment)	Expected credit loss over the entire existence (with credit impairment)	
Balance as at January 1, 2022	1,298,679.68			1,298,679.68
Balance as at January 1, 2022 in the current period				

Balance as at June 30, 2022	1,298,679.68			1,298,679.68
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Changes in book balance with major amount changes in provision for loss in the current period

Applicable  Not Applicable

### 13. Long-term equity investment

Monetary Unit: RMB

Investee	Beginning balance (book value)	Increase/decrease in the current period								Ending balance (book value)	Ending balance of provision for impairment	
		Additio nal investm ent	Reduce d investm ent	Profit and loss on investm ent recogni zed under equity method	Adjust ment of other compre hensive income	Other equity changes	Cash dividen ds or profits declare d for distribu tion	Provisi on of the provisi on for impair ment	Others			
<b>I. Joint Ventures</b>												
<b>II. Associates</b>												
Hefei Xingyuan New Energy Materials Co., Ltd	157,725,033.96	5,192,500.00		12,183,365.27							175,100,899.23	
MCC Ramu New Energy Technology Co., Ltd.	277,223,392.52	0.00		22,678,104.32							299,901,496.84	
Beijing Full-Service Oil & Gas Technology Co., Ltd.	11,976,103.98	0.00		0.00							11,976,103.98	22,241,335.95
Anhui Tongguan	118,072,688.59	0.00		5,154,078.68		26,452,443.69	-3,264,248.70				146,414,962.2	

Copper Foil Co., Ltd.										6	
Jiangxi Yunwei New Material Co., Ltd.	54,803,675.78	0.00		9,994,757.13						64,798,432.91	
Huabei Aluminum New Material Technology Co., Ltd.	114,523,157.83	0.00		577,486.27						115,100,644.10	
Litong Energy Technology Co., Ltd.	2,702,491.81	0.00		0.00						2,702,491.81	
Anhui Yijianeng Digital Technology Co., Ltd.	10,463,921.26			-43,790.82						10,420,130.44	
Shanghai Electric Gotion New Energy Technology Co., Ltd.	221,045,403.20			-20,532,500.93						200,512,902.27	
Anhui Anwa New Energy Technology Co., Ltd	64,943,362.54			-425,781.69						64,517,580.85	
Tata AutoComp Gotion Green Energy Applicatio		6,977,566.60		0.00						6,977,566.60	

n Co., Ltd.											
Subtotal	1,033,479,231.47	12,170,066.60	0.00	29,585,718.23	0.00	26,452,443.69	-3,264,248.70	0.00	0.00	1,098,423,211.29	22,241,335.95
Total	1,033,479,231.47	12,170,066.60	0.00	29,585,718.23	0.00	26,452,443.69	-3,264,248.70	0.00	0.00	1,098,423,211.29	22,241,335.95

Other remarks

#### 14. Other equity instrument investments

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Equity investment in listed enterprises	285,174,845.00	309,411,751.39
Equity investment in unlisted enterprises	695,864,321.39	712,055,239.69
Total	981,039,166.39	1,021,466,991.08

Itemized disclosure of equity instrument investment not held for trading in the current period

Monetary Unit: RMB

Project	Recognized dividends income	Accumulated gains	Accumulated losses	Amount transferred from other comprehensive incomes to retained earnings	Reason for the designation of measuring at fair value with changes included in other comprehensive income	Reason for the transfer of other comprehensive incomes to retained earnings

Other remarks:

#### 15. Fixed assets

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Fixed assets	9,432,146,483.94	8,761,582,173.91
Total	9,432,146,483.94	8,761,582,173.91

##### (1) Details of fixed assets

Monetary Unit: RMB

Item	Houses and	Machinery	Transportation	Electronic and	Total

	buildings	equipment	equipment	other equipment	
I. Original Book Value					
1. Beginning balance	4,061,507,433.23	6,666,505,827.23	131,422,248.25	499,796,058.14	11,359,231,566.85
2. Increase in the current period	177,499,365.88	1,162,963,711.39	9,102,189.87	54,990,524.29	1,404,555,791.43
(1) Purchase	36,496,649.56	286,360,740.38	7,636,845.73	32,657,753.70	363,151,989.37
(2) Transfer from construction-in-progress	103,677,735.39	726,840,322.37		5,005,757.23	835,523,814.99
(3) Increase from the business combination	37,324,980.93	149,762,648.64	1,465,344.14	17,327,013.36	205,879,987.07
3. Decrease in the current period	59,167,324.68	241,347,146.94	1,845,527.57	2,463,334.89	304,823,334.08
(1) Disposal or scrapping	59,167,324.68	241,347,146.94	1,845,527.57	2,463,334.89	304,823,334.08
4. Ending balance	4,179,839,474.43	7,588,122,391.68	138,678,910.55	552,323,247.54	12,458,964,024.20
II. Accumulated depreciation					
1. Beginning balance	438,887,516.81	1,832,792,950.31	57,524,110.20	268,444,815.62	2,597,649,392.94
2. Increase in the current period	107,156,051.34	389,156,971.36	11,072,226.70	39,179,549.31	546,564,798.71
(1) Provision made	107,156,051.34	389,156,971.36	11,072,226.70	39,179,549.31	546,564,798.71
3. Decrease in the current period	12,598,073.21	74,925,248.28	1,725,497.13	28,147,832.77	117,396,651.39
(1) Disposal or scrapping	12,598,073.21	74,925,248.28	1,725,497.13	28,147,832.77	117,396,651.39
4. Ending balance	533,445,494.94	2,147,024,673.39	66,870,839.77	279,476,532.16	3,026,817,540.26
III. Provision for impairment					
1. Beginning					

balance					
2. Increase in the current period					
(1) Provision made					
3. Decrease in the current period					
(1) Disposal or scrapping					
4. Ending balance					
IV. Book value					
1. Ending book value	3,646,393,979.49	5,441,097,718.29	71,808,070.78	272,846,715.38	9,432,146,483.94
2. Beginning book value	3,622,619,916.42	4,833,712,876.92	73,898,138.05	231,351,242.52	8,761,582,173.91

**(2) Fixed assets with the title certificate not obtained**

Monetary Unit: RMB

Item	Book value	Reasons for the failure to obtain title certificate
Tangshan Gotion Phase I and Phase II factory building	162,464,858.74	In progress
Hefei Gotion direct-subordinate 3rd plant factory building	198,192,778.80	In progress
Nanjing Gotion Phase II factory building	139,927,972.24	In progress
Nanjing New Energy factory building	321,523,541.97	In progress
Lujiang Gotion Phase II factory building	420,790,508.78	In progress
Tianjin Hengtian Phase I factory building	166,721,513.00	In progress
Ankai Gotion	581,321,496.09	In progress
Liuzhou Gotion Phase I factory building No. 1	141,976,037.49	In progress
Total	2,132,918,707.11	

Other remarks

**16. Construction in progress**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Construction in progress	6,565,424,992.92	2,632,201,747.37
Total	6,565,424,992.92	2,632,201,747.37

**(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
New project of Hefei direct-subordinate 1st plant	108,251,413.99		108,251,413.99	68,363,617.06		68,363,617.06
Renovation project of direct-subordinate 3rd plant	23,116,912.14		23,116,912.14	19,022,929.83		19,022,929.83
Hefei Gotion industrialization project of annual output of 600 million Ah high specific energy power lithium battery	31,476,841.44		31,476,841.44	22,963,619.67		22,963,619.67
Shanghai R&D Center	851,847,828.53		851,847,828.53	588,188,321.01		588,188,321.01
Project of annual output of 10,000 tons of high nickel ternary cathode materials and 5,000 tons of silicon-based cathode materials	43,374,656.46		43,374,656.46	34,501,345.09		34,501,345.09
New plant in Economic and	997,641,989.90		997,641,989.90	550,907,083.61		550,907,083.61

Technology Development Area						
Construction project of Engineering Research Institute	51,430,167.51		51,430,167.51	42,769,588.05		42,769,588.05
New plant project of Tangshan Gotion	10,957,608.56		10,957,608.56	416,496,690.30		416,496,690.30
Nanjing New Energy	24,339,462.65		24,339,462.65	11,645,419.78		11,645,419.78
Project of intelligent manufacturing base and supporting facilities	1,026,644,369.99		1,026,644,369.99	137,812,138.43		137,812,138.43
Lujiang New Energy Phase II project	68,609,020.28		68,609,020.28	55,580,009.51		55,580,009.51
Liuzhou Phase I construction project	680,022,654.39		680,022,654.39	359,181,486.43		359,181,486.43
Production base construction with annual output of 15GWH Li-ion battery and PACK	1,055,098,124.54		1,055,098,124.54	157,336,410.03		157,336,410.03
Power battery project with annual output of 20GWH	856,623,016.74		856,623,016.74	60,028,301.89		60,028,301.89
Li-ion battery cathode material project	301,947,851.05		301,947,851.05	33,762,164.70		33,762,164.70
Lujiang project	256,076,786.9		256,076,786.93	35,000,000.00		35,000,000.00

of high-end cathode materials with annual output of 200,000 tons	3					
Xinzhan Phase I project with annual output of 20GWH VW standard cell	97,273,162.95		97,273,162.95	364,541.03		364,541.03
Qingdao Gotion industrialization project of annual output of 300 million Ah high specific energy power Li-ion battery	10,734,168.58		10,734,168.58			
Transformation project of Tianjin Hengtian prismatic battery production line	22,525,529.18		22,525,529.18			
Yichun Mining Baishuidong road construction project	8,427,068.77		8,427,068.77			
Plant renovation project of Göttingen base	2,556,000.00		2,556,000.00			
Other projects	36,450,358.34	0.00	36,450,358.34	38,278,080.95		38,278,080.95
<b>Total</b>	<b>6,565,424,992.92</b>		<b>6,565,424,992.92</b>	<b>2,632,201,747.37</b>		<b>2,632,201,747.37</b>

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

Monetary Unit: RMB

Project name	Budget	Beginning balance	Increase in the current	Amount transferred	Other amount decrease	Ending balance	Proportion of accumulated	Project progress	Accumulated amount of	Including: the amount of	Interest capitalization	Sources of funds
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			period	into fixed assets in the current period	se in the current period		engine ering invest ment in budget		interes t capital ization	capital ization of interes t in the current period	rate in the current period	
New project of Hefei direct-sub ordinate 1st plant		68,363 ,617.0 6	41,910 ,508.6 6	2,022, 711.73		108,25 1,413. 99						Other
Renovatio n project of direct-sub ordinate 3rd plant		19,022 ,929.8 3	4,093, 982.31			23,116 ,912.1 4						Other
Hefei Gotion industriali zation project of annual output of 600 million Ah high specific energy power lithium battery		22,963 ,619.6 7	8,749, 070.82	235,84 9.05		31,476 ,841.4 4						Equity financi ng funds
Shanghai R&D Center		588,18 8,321. 01	263,65 9,507. 52			851,84 7,828. 53			31,510 ,848.5 1	14,137 ,446.9 0	5.36%	Other
Project of annual output of 10,000 tons of high		34,501 ,345.0 9	8,873, 311.37			43,374 ,656.4 6						Equity financi ng funds

nickel ternary cathode materials and 5,000 tons of silicon-based cathode materials												
New plant in Economic and Technology Development Area		550,907,083.61	446,734,906.29			997,641,989.90			42,925,051.13	22,075,277.66	4.94%	Other
Construction project of Engineering Research Institute		42,769,588.05	67,701,654.18			59,041,074.72						Equity financing funds
New plant project of Tangshan Gotion		416,496,690.30	11,019,298.87	383,100,467.70		33,457,912.91						Other
Nanjing New Energy		11,645,419.78	12,694,042.87			24,339,462.65			43,094,004.67			Equity financing funds
Project of intelligent manufacturing base and supporting facilities		137,812,138.43	888,832,231.56			1,026,644,369.99						Other
Lujiang New		55,580,009.5	13,029,010.7			68,609,020.2			20,237,383.8			Equity financing funds

Energy Phase II project		1	7			8			9			ng funds
Liuzhou Phase I construction project		359,181,486.43	559,411,990.00	238,570,822.04		680,022,654.39			24,712,297.42	18,728,472.88	3.35%	Other
Production base construction with annual output of 15GWH Li-ion battery and PACK		157,336,410.03	897,761,714.51			1,055,098,124.54						Other
Power battery project with annual output of 20GWH		60,028,301.89	796,594,714.85			856,623,016.74						Other
Li-ion battery cathode material project		33,762,164.70	268,185,686.35			301,947,851.05						Other
Lujiang project of high-end cathode materials with annual output of 200,000 tons		35,000,000.00	428,606,521.48	207,529,734.55		256,076,786.93			717,499.28	717,499.28	0.17%	Other
Xinzhan Phase I project		364,541.03	96,908,621.92			97,273,162.95						Equity financing

with annual output of 20GWH VW standard cell												funds
Qingdao Gotion industrialization project of annual output of 300 million Ah high specific energy power Li-ion battery			10,734,168.58			10,734,168.58						Equity financing funds
Transformation project of Tianjin Hengtian prismatic battery production line			22,525,529.18			22,525,529.18						Other
Yichun Mining Baishuidong road construction project			8,427,068.77			8,427,068.77						Other
Plant renovation project of Göttingen base			2,556,000.00			2,556,000.00						Other
Other		38,278	2,236,	4,064,		36,450			3,225,			Other

projects		,080.9 5	507.31	229.92		,358.3 4			606.26			
Total		2,632, 201,74 7.37	4,861, 246,04 8.17	835,52 3,814. 99	92,498 ,987.6 3	6,565, 424,99 2.92			166,42 2,691. 16	55,658 ,696.7 2		

## 17. Use right assets

Monetary Unit: RMB

Item	Houses and buildings	Machinery equipment	Total
<b>I. Original Book Value</b>			
1. Beginning balance	11,015,846.35	1,437,256.47	12,453,102.82
2. Increase in the current period		128,874,102.04	128,874,102.04
(1) New leasing		128,874,102.04	128,874,102.04
3. Decrease in the current period			
4. Ending balance	11,015,846.35	130,311,358.51	141,327,204.86
<b>II. Accumulated depreciation</b>			
1. Beginning balance	3,018,554.57	143,725.65	3,162,280.22
2. Increase in the current period	1,702,522.44	143,725.66	1,846,248.10
(1) Provision	1,702,522.44	143,725.66	1,846,248.10
3. Decrease in the current period			
(1) Disposal			
4. Ending balance	4,721,077.01	287,451.31	5,008,528.32
<b>III. Provision for impairment</b>			
1. Beginning balance			
2. Increase in the current period			
(1) Provision			
3. Decrease in the current period			
(1) Disposal			
4. Ending balance			
<b>IV. Book value</b>			
1. Ending book value	6,294,769.34	130,023,907.20	136,318,676.54
2. Beginning book value	7,997,291.78	1,293,530.82	9,290,822.60

Other remarks:

**18. Intangible assets****(1) Details of intangible assets**

Monetary Unit: RMB

Item	Land use rights	Patent right	Non-patented technology	Software and others	Total
I. Original Book Value					
1.Beginning balance	1,357,126,843.25		663,735,959.02	68,331,455.98	2,089,194,258.25
2.Increase in the current period	460,358,443.78			40,321,094.18	500,679,537.96
(1) Purchase	460,358,443.78			40,321,094.18	500,679,537.96
(2) Internal R&D					
(3) Increase from business combination				2,436,533.38	2,436,533.38
3. Decrease in the current period				823.50	823.50
(1) Disposal				823.50	823.50
4. Ending balance	1,817,485,287.03		663,735,959.02	111,088,260.04	2,592,309,506.09
II. Accumulated Amortization					
1. Beginning balance	103,781,445.90		75,218,174.16	14,890,397.52	193,890,017.58
2. Increase in the current period	15,737,576.49		33,976,060.72	4,336,137.65	54,049,774.86
(1) Provision	15,737,576.49		33,976,060.72	4,336,137.65	54,049,774.86
3. Decrease in the current period					
(1) Disposal					
4.Ending balance	119,519,022.38		109,194,234.88	19,226,535.17	247,939,792.43
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	1,697,966,264.65			554,541,724.14	91,861,724.87	2,344,369,713.66
2. Beginning book value	1,253,345,397.35			588,517,784.86	53,441,058.46	1,895,304,240.67

The proportion of the intangible assets generated via internal R&D of the Company in the intangible assets balance at the end of the current period

## 19. R&D expenses

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period			Decrease in the current period			Ending balance
		Internal R&D expenses	Others		Recognized as the intangible assets	Transferred to the current profit and loss		
501601161 00Ah LiFe cell development	63,926,818.98	28,804,950.70						92,731,769.68
NIO 75kWh (DJ1953) Project	20,391,548.68	26,049,666.96				5,298,074.12		41,143,141.52
55AH cell development	50,095,023.63	23,269,949.02						73,364,972.65
Ternary material development	47,231,899.82	12,470,807.16						59,702,706.98

124ah cell development	44,630,878 .11	38,148,711 .84						82,779,589 .95
Low temperature cell development project	35,656,181 .27	16,617,273 .37						52,273,454 .64
LiFePO4 material development	34,852,842 .44	25,701,570 .57						60,554,413 .01
230ah cell development	29,131,415 .97	15,537,915 .20						44,669,331 .17
150ah cell development	25,815,024 .52	49,117,512 .62						74,932,537 .14
Summary of other projects	39,174,713 .78	264,436,03 3.86				194,022,75 7.24		109,587,99 0.40
Team project of high safety and high nickel single crystal ternary material development and industrialization		25,248,009 .55				15,011,292 .00		10,236,717 .55
Research project on series capacity division process		26,958,536 .40				19,048,992 .34		7,909,544. 06
SAIC-GM-Wuling		26,763,172 .03				13,488,413 .10		13,274,758 .93

E230-300k m-26.5kwh project (DJ2118)								
CP-21-10- 01 (Kehua battery system project with prefabricat ed 20MWh energy storage warehouse)		9,301,139. 56				9,301,139. 56		
CX-20-04- 07 (5Gwh Liuzhou Phase I new line constructio n project)		11,284,442 .07				11,284,442 .07		
CP-21-10- 05 (Scale-up energy storage system integration test technology research and platform)		8,360,471. 47				8,360,471. 47		
CP-21-03- 37 (Rivian RPV LFP100 items)		11,155,007 .48				11,155,007 .48		
Developme nt of thermal manageme		8,865,399. 95				8,865,399. 95		

nt system for 200Wh/kg battery system								
Passive safety protection for 200Wh/kg battery system		14,985,837 .43				14,985,837 .43		
DX-20-02- 07 (IFP81175 205-350Ah LiFePO4 cell developme nt)		28,748,551 .72				28,748,551 .72		
CP-19-03- 66(VW-M EB module developme nt project)		17,382,123 .15				17,382,123 .15		
CP-19-03- 32(BAIC C10 (low cost))		5,502,157. 94				5,502,157. 94		
CP-19-03- 81(SAIC-G M-Wuling E50 project)		28,526,111. 37				28,526,111. 37		
Economic & Developme nt Area R&D expenses project		36,482,580 .69				27,585,471 .54		8,897,109. 15
Analysis of		10,989,831				1,469,045.		9,520,785.

defective rate of 67Ah and 52Ah power LFP cell in manufacturing process and key technology research for A-grade product rate improvement		.27				32		95
Key technology research of Li-ion battery aluminum sheet sealing to eliminate liquid leakage at the sealing		8,059,071.95				2,993,327.68		5,065,744.27
Key technology research of positive edge coating based on Li-ion battery separator piercing short circuit		33,044,330.76				33,044,330.76		
R&D and industrializ		24,182,226.20				21,182,226.20		3,000,000.00

ation of series of intelligent mobile charging piles								
R&D of low temperature adaptability and high energy LiFePO4 cell and materials		33,377,464.89				33,377,464.89		
Total	390,906,347.20	869,370,857.18				510,632,637.33		749,644,567.05

Other remarks

## 20. Goodwill

### (1) Original book value of goodwill

Monetary Unit: RMB

Name of investee or matters forming goodwill	Beginning balance	Increase in the current period		Decrease in the current period		Ending balance
		Formed by business combination		Disposal		
Jiangsu Dongyuan Electric Appliance Group Co., Ltd.	80,427,604.58					80,427,604.58
Tianjin Hengtian New Energy Vehicle Research Institute Co., Ltd.	67,496,148.69					67,496,148.69
Yifeng County Hua Lithium Mining Development Co., Ltd.		684,568.29				684,568.29
Yichun Kefeng New Material Co., Ltd.		402,482,544.15				402,482,544.15

Jiangxi Weihong Lithium Co., Ltd.		809,254.33				809,254.33
Total	147,923,753.27	403,976,366.77				551,900,120.04

## 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
Overhaul and renovation expenses for houses and buildings	10,553,823.70	78,811,337.32	6,373,262.36		82,991,898.66
Landscape project	5,192,908.90	402,420.10	512,714.00		5,082,615.00
Equipment retrofit	2,959,528.74	5,572,350.26	1,087,609.00		7,444,270.00
Total	18,706,261.34	84,786,107.68	7,973,585.36		95,518,783.66

Other remarks

## 22. Deferred income tax assets/deferred income tax liabilities

### (1) Deferred income tax assets before offset

Monetary Unit: RMB

Item	Ending balance		Beginning balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for asset impairment	258,088,941.30	38,900,263.53	240,697,274.64	36,832,151.30
Unrealized profits of internal transactions	10,918,631.13	1,637,794.67	87,306,332.32	13,095,949.83
Deductible loss	1,798,817,797.19	280,233,051.31	1,217,907,349.64	213,320,142.40
Provision for bad debt	1,362,936,583.73	206,882,315.48	1,315,927,472.39	199,405,282.80
Estimated liabilities	273,180,628.06	46,066,037.03	275,879,048.79	47,402,224.68
Deferred income	157,534,533.72	24,490,180.06	154,633,262.20	24,114,989.33
Stock option	137,072,058.17	23,996,865.02	58,212,003.31	10,020,364.30
Use right assets (including depreciation and interest amortization)	12,526.00	1,878.90	12,526.00	1,878.90

Loss on changes in fair value of financial assets held for trading	10,159,418.65	1,523,912.80	754,247.55	113,137.13
Provision for safety production	3,172,279.38	793,069.85		
<b>Total</b>	<b>4,011,893,397.33</b>	<b>624,525,368.65</b>	<b>3,351,329,516.84</b>	<b>544,306,120.67</b>

**(2) Deferred income tax liabilities before offset**

Monetary Unit: RMB

Item	Ending balance		Beginning balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Asset valuation appreciation arising from business combination not under common control	237,933,434.13	35,690,015.12	75,016,161.30	11,282,844.67
Installment collection differences	10,232,200.33	1,534,830.04	24,798,821.21	3,719,823.18
Fixed assets differences	105,786,997.33	15,868,049.60	152,811,430.10	27,902,400.95
Changes in fair value of financial assets held for trading			578,783.33	86,817.50
Inter-period interest on notes not derecognized internally			18,562,918.32	3,169,922.03
<b>Total</b>	<b>353,952,631.79</b>	<b>53,092,894.76</b>	<b>271,768,114.26</b>	<b>46,161,808.33</b>

**(3) Deferred income tax assets/liabilities presented by net amount after offset**

Monetary Unit: RMB

Item	Offset amount of deferred income tax assets and liabilities at the end of the period	Ending balance of deferred income tax assets or liabilities after offset	Beginning offset amount of deferred income tax assets and liabilities	Beginning balance of deferred income tax assets or liabilities after offset
Deferred income tax assets		624,525,368.65		544,306,120.67
Deferred income tax		53,092,894.76		46,161,808.33

liabilities				
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**(4) Details of unrecognized deferred income tax assets**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Deductible loss	152,575,266.48	573,509,698.19
Provision for bad debts of accounts receivable	113,406,102.52	148,039,199.07
Provision for bad debts of other receivables	22,028,449.86	
Provision for depreciation of inventory	33,380,143.13	11,100,455.27
Provision for impairment of long-term equity investment	24,167,889.30	24,167,889.30
Deferred income		2,252,082.46
Stock option	6,036,734.77	6,496,779.01
Total	351,594,586.06	765,566,103.30

**(5) Deductible loss of unrecognized deferred income tax assets to be due in the following years**

Monetary Unit: RMB

Year	Ending amount	Beginning amount	Remarks
2022		4,904,740.05	
2023	27,967,133.85	27,967,133.85	
2024	21,760,318.82	21,760,318.82	
2025	102,903,147.98	102,903,147.98	
2026	170,942,174.28	170,942,174.28	
2027	193,421,793.83		
Total	516,994,568.76	328,477,514.98	--

Other remarks:

**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

					nt	
Advance payment for project equipment	1,576,229,993.09		1,576,229,993.09	1,695,536,969.73		1,695,536,969.73
Advance payment for land and houses	55,940,891.00		55,940,891.00	48,641,320.40		48,641,320.40
Advance payment for equity investment	647,690,397.71		647,690,397.71	97,639,636.64		97,639,636.64
Unsecured residual value arising from the financial leasing of self-owned products	7,712,071.00		7,712,071.00	6,845,319.74		6,845,319.74
Total	2,287,573,352.80		2,287,573,352.80	1,848,663,246.51		1,848,663,246.51

Other remarks:

## 24. Short-term borrowings

### (1) Classification of short-term borrowings

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Pledged borrowing	180,000,000.00	100,000,000.00
Mortgaged borrowing	387,539,970.34	141,000,000.00
Guaranteed borrowing	5,306,668,568.45	5,158,575,274.66
Credit borrowing	683,953,807.91	51,005,600.00
Plus: interest outstanding on short-term borrowings		29,866,180.56
Total	6,558,162,346.70	5,480,447,055.22

Remarks to the classification of short-term borrowings:

## 25. Notes payable

Monetary Unit: RMB

Type	Ending balance	Beginning balance
Commercial acceptance bill	462,257,517.48	507,238,151.58
Bank acceptance bill	6,687,347,634.82	4,322,061,054.47
Total	7,149,605,152.30	4,829,299,206.05

The total amount of notes payable that become due but unpaid yet at the end of current period is RMB.

**26. Accounts payable****(1) Details of accounts payable**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Payable for goods	3,326,215,635.60	3,524,243,000.84
Payable for construction and equipment	3,224,392,435.93	1,881,465,510.66
Payable for properties	4,656,762.32	
<b>Total</b>	<b>6,555,264,833.85</b>	<b>5,405,708,511.50</b>

**(2) Major accounts payable with aging over one year**

Monetary Unit: RMB

Item	Ending balance	Reason for no repayment or carry-forward

Other remarks:

**27. Contract liabilities**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Advance payment for goods	672,828,687.08	553,370,197.48
Advance payment for leasing		7,840,497.01
<b>Total</b>	<b>672,828,687.08</b>	<b>561,210,694.49</b>

Amount of and reason for major changes in the book value during the Reporting Period

Monetary Unit: RMB

Item	Amount of change	Reason for change

**28. Employee compensation payable****(1) Details 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	187,760,341.13	796,003,594.01	851,986,035.33	131,777,899.81
II. Post-employment benefits - defined contribution plan	1,114,858.28	43,115,094.56	42,172,943.59	2,057,009.25

Total	188,875,199.41	839,118,688.57	894,158,978.92	133,834,909.06
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**(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	185,963,981.36	710,939,627.54	768,375,344.47	128,528,264.43
2. Employee welfare expenses		26,770,716.37	26,547,940.50	222,775.87
3. Social insurance premiums	1,049,939.32	37,457,817.66	36,453,912.38	2,053,844.60
Including: medical insurance	580,891.08	27,398,013.98	27,319,120.05	659,785.01
Work-related injury insurance	469,048.24	8,613,445.03	7,688,433.68	1,394,059.59
Maternity insurance fee		1,446,358.65	1,446,358.65	
4. Housing provident funds	505,763.08	18,513,407.50	18,321,166.00	698,004.58
5. Trade union funds and employee education funds	240,657.37	2,322,024.94	2,287,671.98	275,010.33
Total	187,760,341.13	796,003,594.01	851,986,035.33	131,777,899.81

**(3) Details of defined contribution plans**

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
1. Basic endowment insurance	957,394.27	41,619,572.99	40,730,391.02	1,848,480.67
2. Unemployment insurance	157,464.01	1,495,521.57	1,442,552.57	208,528.58
Total	1,114,858.28	43,115,094.56	42,172,943.59	2,057,009.25

Other remarks:

**29. Taxes payable**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
VAT	8,263,708.55	165,481,010.04
Enterprise income tax	3,684,327.58	26,005,874.96
Individual income tax	1,484,192.47	1,181,292.12
Urban maintenance and construction tax	508,635.88	181,633.36
Educational surcharge and local education surcharge	997,576.60	155,772.70
Property taxes	5,933,343.56	14,248,040.34
Urban land use tax	4,316,448.75	2,665,412.87
Others	17,577,628.34	9,578,377.35
Total	42,765,861.73	219,497,413.74

Other remarks:

**30. Other payables**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Interests payable		14,784,265.56
Dividends payable	2,033,891.80	2,033,891.80
Other payables	912,385,133.76	267,523,725.10
Total	914,419,025.56	284,341,882.46

**(1) Interests payable**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Interest payable for long-term borrowings with interest paid in installments and principal paid on maturity		14,784,265.56
Total		14,784,265.56

Major interest overdue but unpaid:

Monetary Unit: RMB

Lender	Overdue amount	Overdue reason
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Other remarks:

**(2) Dividend payable**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Dividend of ordinary shares	2,033,891.80	2,033,891.80
Total	2,033,891.80	2,033,891.80

Other remarks (including remarks to the major dividend payable unpaid over 1 year with the reasons for non-payment disclosed):

### (3) Other payables

#### 1) Other payables presented by nature of funds

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Restricted stock repurchase obligation and outstanding payment	89,804,639.14	78,755,040.16
Accrued expenses	17,651,840.02	75,193,721.08
Borrowings from non-financial institutions	312,265,360.47	
Current accounts	227,977,214.21	14,373,140.43
Security deposit	112,866,777.80	40,875,200.39
Subscribed capital contribution	16,000,000.00	16,000,000.00
Others	135,819,302.12	42,326,623.04
Total	912,385,133.76	267,523,725.10

#### 2) Major other payables with aging over 1 year

Monetary Unit: RMB

Item	Ending balance	Reason for no repayment or carry-forward

Other remarks

### 31. Non-current liabilities maturing within one year

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Long-term borrowings maturing within one year	1,692,186,827.67	1,094,126,761.00
Long-term payables maturing within one year	32,053,638.81	130,241,811.27
Lease liabilities maturing within one	3,166,035.10	

year		
Long-term borrowing interests maturing within one year		14,461,070.89
Total	1,727,406,501.58	1,238,829,643.16

Other remarks:

### 32. Other current liabilities

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Unrealized profits of internal sales corresponding to the inventory committed to repurchase	4,464,531.67	4,464,531.65
Output tax to be carried forward	85,306,960.23	69,592,562.98
Total	89,771,491.90	74,057,094.63

Increase/decrease of short-term bonds payable:

Monetary Unit: RMB

Bond	Nominal value	Issuance date	Maturity period	Issuance amount	Beginning balance	Amount issued in the current period	Interest accrued by face value	Amortization of premiums or discounts	Amount repaid off in the current period	Ending balance

Other remarks:

### 33. Long-term borrowings

#### (1) Classification of long-term borrowings

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Pledged borrowing	27,000,000.00	
Mortgaged borrowing	1,382,884,116.39	1,459,795,684.36
Guaranteed borrowing	8,660,111,326.82	3,852,400,000.00
Factoring borrowings		156,261,761.00
Interests not due on long-term borrowings		3,531,666.67
Less: long-term borrowings maturing	-1,691,842,161.00	-1,094,126,761.00

within one year		
Total	8,378,153,282.21	4,377,862,351.03

Remarks to the classification of long-term borrowings:

Other remarks (including remarks to the interest rate range):

### 34. Bonds payable

#### (1) Bonds payable

Monetary Unit: RMB

Item	Ending balance	Beginning balance
18 Gotion Green Bond 01	503,231,410.33	498,699,420.14
18 Gotion Green Bond 02		
Total	503,231,410.33	498,699,420.14

#### (2) Increase/decrease of bonds payable: (excluding preferred shares, perpetual bond and other financial instruments classified as financial liabilities)

Monetary Unit: RMB

Bond	Nominal value	Issuance date	Maturity period	Issuance amount	Beginning balance	Amount issued in the current period	Interest accrued by face value	Amortization of premiums or discounts	Amount repaid off in the current period	Debt-to-equity	Ending balance
18 Gotion Green Bond 01	500,000,000.00	2018/4/12	5 年	500,000,000.00	498,699,420.14	0.00	16,250,000.00	369,490.19	12,087,500.00		503,231,410.33
Total											503,231,410.33

### 35. Lease liabilities

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Lease liabilities – lease payment amount	146,517,871.32	6,483,906.36

Lease liabilities – unrecognized financing expenses	-14,213,820.13	-284,004.40
合计	132,304,051.19	6,199,901.96

Other remarks

### 36. Long-term payables

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Long-term payables	589,800,000.00	589,800,000.00
Total	589,800,000.00	589,800,000.00

#### (1) Long-term payables presented by nature of funds

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Payable for assets purchase	32,053,638.81	106,725,864.63
Payable for equity repurchase	589,800,000.00	589,800,000.00
Less: long-term payables maturing within one year	32,053,638.81	106,725,864.63
Total	589,800,000.00	589,800,000.00

Other remarks:

### 37. Estimated liabilities

Monetary Unit: RMB

Item	Ending balance	Beginning balance	Reason for formation
Product quality assurance	273,180,628.06	275,879,048.79	
Total	273,180,628.06	275,879,048.79	--

Other remarks (including remarks to major assumptions and estimations with respect to the major estimated liabilities):

### 38. Deferred income

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Reason for formation
Government subsidies	161,506,096.06	18,082,200.00	15,817,261.85	163,771,034.21	Related to assets
Profit and loss on	633,202.28			633,202.28	Related to leasing

unrealized sale-and-lease-back					
Total	162,139,298.34	18,082,200.00	15,817,261.85	164,404,236.49	--

Items involving government subsidies:

Monetary Unit: RMB

Liabilities item	Beginning balance	Amount of new subsidies in the current period	Amount included in non-operating income in the current period	Amount included in other incomes in the current period	Amount used for writing down cost and expense in the current period	Other changes	Ending balance	Related to assets / income
Subsidy for fixed assets investment	5,116,016.38			511,874.00			4,603,602.38	Related to assets
Industrial revitalization and technology transformation project	1,124,314.31			977,330.66			146,983.65	Related to assets
Special fund for key technology R&D of Li-ion batteries and key systems	176,357.38			29,933.76			146,423.62	Related to assets
Hefei 2014 guidance fund project for provincial strategic emerging industry development	4,810,000.11			740,000.00			4,070,000.11	Related to assets
Xinzhan Economic & Trade Bureau 2016 subsidy for	49,791,011.47			4,970,085.46			44,820,926.01	Related to income

strengthening core competitiveness of manufacturing industry								
Key special project of "manufacturing basic technology and key components" - power battery pack control full sensor development and demonstration application		1,250,000.00				423,750.00	826,250.00	Related to assets
Hefei Economic & Information Commission 2016 subsidy for national intelligent standardization application projects	19,264,180.16			1,926,417.98			17,337,762.18	Related to assets
2017 national new energy vehicle key special project - high safety and high specific energy Li-ion	396,154.37						396,154.37	Related to assets
2017 Anhui provincial "Three Priorities and One	12,329,650.00			1,232,965.00			11,096,685.00	Related to assets

Innovation" construction funds subsidy for project with an annual output of 600 million								
Xinzhan Economic & Trade Bureau subsidy for the promotion of new industrialization development of Li-ion power battery production line	2,500,000.00			250,000.00			2,250,000.00	Related to assets
Xinzhan Economic & Trade Bureau subsidy for the promotion of new industrialization and standardization of ternary cell production line automation	5,000,000.00			500,000.00			4,500,000.00	Related to assets
Hefei subsidy for industrial development in H2 of 18	2,500,000.00			250,000.00			2,250,000.00	Related to assets
National key R&D program - key project of "solid waste recycling"	1,896,600.00					286,600.00	1,610,000.00	Related to assets
2019 Anhui provincial	998,680.65			68,405.00			930,815.65	Related to assets

"Three Priorities and One Innovation" subsidy for supporting new projects								
Administrative Committee subsidy for fixed asset investment	9,568,912.28			259,789.46			9,309,122.82	Related to assets
Anhui Provincial Department of Science and Technology financial system	333,333.34			333,333.34			0.00	Related to assets
Support subsidy for fixed assets	7,583,333.33			500,000.00			7,083,333.33	Related to assets
Economic & Information Commission subsidy for H1 of 18	3,220,755.00			235,665.00			2,985,090.00	Related to assets
Construction project of "Three Priorities and One Innovation"	4,074,954.17			294,575.00			3,780,379.17	Related to assets
Rebate for infrastructure support	2,884,314.81			120,782.78			2,763,532.03	Related to assets
Inclusive subsidies for technical equipment input of industrial	1,800,000.00			120,782.77			1,679,217.23	Related to assets

enterprises								
Administrative Committee support subsidy for fixed assets	9,200,000.00			600,000.00			8,600,000.00	Related to assets
Special funds for intelligent switchgear	5,253,953.68			389,666.64			4,864,287.04	Related to assets
Equipment technology transformation project	898,880.18			66,666.66			832,213.52	Related to assets
Subsidy for promotion of new energy vehicles	720,000.00			180,000.00			540,000.00	Related to assets
Rebate for infrastructure support	10,064,694.44			127,833.34			9,936,861.10	Related to assets
The 2nd batch of projects of advanced manufacturing policy at the end of 2021		16,832,200.00		420,805.00			16,411,395.00	Related to assets
Total	161,506,096.06	18,082,200.00		15,106,911.85		710,350.00	163,771,034.21	

Other remarks:

### 39. Share capital

Monetary Unit: RMB

	Beginning balance	Increase or decrease (+, -)					Ending balance
		Share newly issued	Shares donated	Shares transferred from reserve funds	Others	Subtotal	
Total number of shares	1,664,707,835.00						1,664,707,835.00

Other remarks:

**40. Capital reserves**

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Capital premium (share capital premium)	13,101,153,813.13	19,898,893.00		13,121,052,706.13
Other capital reserves	93,213,197.67	169,561,236.63		262,774,434.30
Total	13,194,367,010.80	189,460,129.63		13,383,827,140.43

Other remarks (including remarks to the increase/decrease in the current period and the reason therefor):

**41. Treasury shares**

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
The second and the third phases of ESOP	80,123,513.00	84,740,440.80		164,863,953.80
Equity of the parent company held by subsidiaries	59,000,000.00			59,000,000.00
Total	139,123,513.00	84,740,440.80		223,863,953.80

Other remarks (including Remarks to the increase/decrease in the current period and the reason therefor):

**42. Other comprehensive income**

Monetary Unit: RMB

Item	Beginning balance	Amount incurred in the current period						Ending balance
		Amount incurred before income tax in the current period	Less: amount included in other comprehensive income previously and then transferred	Less: amount recorded in other comprehensive incomes in the prior period	Less: income tax expense	Attributable to parent company after tax	Attributable to minority shareholders after tax	

			into current profits and losses	and converte d into retained earnings in the current period				
I. Other comprehensive incomes that cannot be reclassified into profit and loss	496,185,070.56	-23,721,661.35				-23,721,661.35		472,463,409.21
Changes in fair value of the other equity instrument investment	496,185,070.56	-23,721,661.35				-23,721,661.35		472,463,409.21
II. Other comprehensive income that will be reclassified to profit and loss	-272,589.67	-5,002,500.51				-5,002,500.51		-5,275,090.18
Including: Other comprehensive income that can be transferred to profit and loss under the equity method	-1,431,384.41							-1,431,384.41
Conversion difference of foreign currency financial statements	1,158,794.74	-5,002,500.51				-5,002,500.51		-3,843,705.77
Total other comprehensive income	495,912,480.89	-28,724,161.86				-28,724,161.86		467,188,319.03

Other remarks (including remarks to the adjustment converting effective part of profit and loss of cash flow hedges to the initial recognition amount of the hedged item):

### 43. Special reserves

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Safety production fee		3,172,279.38		3,172,279.38
Total		3,172,279.38		3,172,279.38

Other remarks (including remarks to the increase/decrease in the current period and the reason therefor):

### 44. Surplus reserves

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Statutory surplus reserves	178,338,303.05			178,338,303.05
Total	178,338,303.05			178,338,303.05

Notes to the surplus reserves (including remarks to the increase/decrease in the current period and the reason therefor)

**45. Undistributed profit**

Monetary Unit: RMB

Item	Amount in the current period	Amount in the previous period
Undistributed profit at the end of the previous period before adjustment	3,383,520,937.01	3,157,722,575.92
Undistributed profit at the beginning of current period after adjustment	3,383,520,937.01	3,157,722,575.92
Plus: net profit attributable to the owner of the parent company in the current period	64,623,004.70	101,890,171.25
Less: withdrawal of statutory surplus reserves		19,365,287.40
Dividends payable on ordinary shares	166,470,676.17	
Plus: proceeds from disposal of other equity instrument investments		143,273,477.24
Undistributed profit at the end of the period	3,281,673,265.54	3,383,520,937.01

Details of the adjustment of undistributed profit at the beginning of period:

- 1). Due to retroactive adjustment under the *Accounting Standard for Business Enterprises* and relevant new regulations, the undistributed profit at the beginning of the period is affected by RMB0.00.
- 2). Due to change in accounting policy, the undistributed profit at the beginning of the period is affected by RMB0.00.
- 3). Due to correction of major accounting errors, the undistributed profit at the beginning of the period is affected by RMB0.00.
- 4). Due to changes in consolidation scope caused by business combination under common control, the undistributed profits at the beginning of the period are affected by RMB0.00
- 5). Due to other adjustments, the undistributed profit at the beginning of the period is affected by RMB0.00.

**46. Operating income and operating cost**

Monetary Unit: RMB

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Income	Cost	Income	Cost
Primary business	8,210,403,661.58	7,224,351,635.55	3,425,982,630.02	2,808,274,399.59
Other businesses	427,462,839.74	167,561,671.47	125,248,536.08	36,885,455.93

Total	8,637,866,501.32	7,391,913,307.02	3,551,231,166.10	2,845,159,855.52
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Information related to performance obligations:

No

Information related to transaction prices apportioned to the remaining performance obligations

The income corresponding to the performance obligations that have been entered into but not performed or have not been fully performed at the end of the Reporting Period is RMB 0.00, including RMB 0.00 estimated to be recognized as income in year \_\_\_\_, RMB 0.00 estimated to be recognized as income in year \_\_\_\_ and RMB 0.00 estimated to be recognized as income in year \_\_\_\_.

Other remarks

#### 47. Taxes and surcharges

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Urban maintenance and construction tax	6,234,265.99	551,641.25
Educational surcharges	4,326,494.78	392,163.24
Property tax	19,051,026.82	10,656,636.71
Land use tax	10,508,878.21	6,466,933.50
Stamp tax	6,829,447.11	3,438,766.28
Others	10,110,030.63	2,682,838.79
Total	57,060,143.54	24,188,979.77

Other remarks:

#### 48. Selling expenses

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Quality warranty and after-sales service expenses	54,317,911.92	51,619,187.46
Employee compensation	38,718,022.24	24,886,474.59
Logistics transportation charge		27,137,587.63
Water and electricity and office expenses	4,804,750.10	4,354,455.84
Depreciation and amortization	10,606,346.34	3,063,982.70
Travel expense	7,732,075.43	6,734,007.85
Business hospitality and promotion expenses	1,505,958.94	2,345,744.70
Bidding cost		0.00
Others	6,741,665.97	1,543,936.25

Total	124,426,730.94	121,685,377.02
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Other remarks:

#### 49. General and administrative expenses

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	250,653,687.39	120,180,347.07
Water and electricity and office expenses	47,428,817.56	31,103,522.26
Depreciation and amortization	79,964,701.89	40,584,938.61
Sporadic projects and housing renovation	3,100,106.27	7,749,960.11
Intermediary service fee	15,566,125.32	11,319,914.71
Business hospitality and promotion expenses	12,544,471.96	7,586,149.14
Travel expense	3,391,871.44	4,860,609.13
Logistics transportation charge		2,483,178.17
Stock option expenses	143,108,792.94	
Others	17,714,273.00	4,323,673.92
Total	573,472,847.77	230,192,293.12

Other remarks:

#### 50. R&D expenses

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	217,331,674.22	98,150,931.75
R&D materials expenses	164,078,877.32	60,125,569.91
Water and electricity and office expenses	51,716,453.54	35,822,734.03
Depreciation and amortization	50,441,900.74	41,180,962.98
Sporadic projects and housing renovation		1,558,280.92
Cooperative development and patent expenses	14,074,958.53	2,049,906.87
Test fee	3,824,729.89	891,186.95
Travel expense	6,371,387.53	4,136,376.44
Others	2,792,655.56	5,212,061.24

Total	510,632,637.33	249,128,011.09
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Other remarks:

## 51. Financial expenses

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Interest expense	224,771,205.04	185,229,531.26
Less: interest income	72,006,508.26	26,844,561.19
Exchange gains	-18,568,844.55	-2,709,932.61
Service charge	61,688,051.44	17,287,233.65
Total	195,883,903.67	172,962,271.11

Other remarks:

## 52. Other incomes

Monetary Unit: RMB

Sources generating other incomes	Amount incurred in the current period	Amount incurred in the previous period
Government subsidies directly received	293,599,318.43	108,211,040.06
Amortization of deferred income	15,106,911.85	62,659,678.87

## 53. Investment income

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Long-term equity investment income accounted by equity method	29,585,718.23	5,527,681.57
Investment income obtained during the holding of assets held for trading	2,779.44	
Investment income from disposal of financial assets held for trading		742,739.73
Dividend obtained from fund companies		21,802,600.00
Total	29,588,497.67	28,073,021.30

Other remarks:

## 54. Gains from changes in fair value

Monetary Unit: RMB

Sources for gains from change in fair value	Amount incurred in the current period	Amount incurred in the previous period
Financial assets held for trading	-10,159,418.65	
Total	-10,159,418.65	

Other remarks:

## 55. Credit impairment loss

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Loss on bad debt of other receivables	-19,341,226.45	803,009.39
Loss on bad debts of accounts receivable	-22,766,496.51	-19,053,411.30
Loss on bad debt of notes receivable	13,113,016.13	11,468,359.17
Total	-28,994,706.83	-6,782,042.74

Other remarks:

## 56. Asset impairment loss

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
II. Loss on depreciation of inventory and impairment of contract performance cost	-39,671,354.52	-52,967,491.38
Total	-39,671,354.52	-52,967,491.38

Other remarks:

## 57. Gains from disposal of assets

Monetary Unit: RMB

Sources of gains from disposal of assets	Amount incurred in the current period	Amount incurred in the previous period
Profit or loss from disposal of fixed assets, construction in progress, productive biological assets and intangible assets not classified as held for sale:	9,491,424.53	10,911,656.24
Including: fixed assets	9,491,424.53	-539,661.08
Profit or loss from disposal of intangible assets		11,451,317.32

**58. Non-operating income**

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount included in the current non-recurring gains and losses
Government subsidies		5,306.07	
Income from fines and confiscation	4,291,198.02	261,730.72	4,291,198.02
Others	3,783,653.80	7,843,442.02	3,783,653.80
Gains from disposal of non-current assets	63,185.84	706,764.11	63,185.84
<b>Total</b>	<b>8,138,037.66</b>	<b>8,817,242.92</b>	<b>8,138,037.66</b>

Government subsidies included in the current profit and loss:

Monetary Unit: RMB

Subsidy	Granting entity	Reason for granting	Nature and type	The subsidy affects the profit and loss of the current year or not	Special-purpose subsidy or not	Amount incurred in the current period	Amount incurred in the previous period	Related to assets / income

Other remarks:

**59. Non-operating expenses**

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount included in the current non-recurring profit and loss
External donations	3,162,729.80	732,537.00	3,162,729.80
Others	2,196,729.37	386,065.21	2,196,729.37
Fines	102,861.78	63,931.75	102,861.78
Loss from disposal of non-current assets	158,873.37		158,873.37
Including: Loss from disposal of fixed assets	158,873.37		158,873.37
<b>Total</b>	<b>5,621,194.32</b>	<b>1,182,533.96</b>	<b>5,621,194.32</b>

Other remarks:

**60. Income tax expense****(1) Statement of income tax expense**

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Current income tax expense	21,185,436.02	15,946,688.29
Deferred income tax expense	-42,729,199.57	-5,309,475.69
Total	-21,543,763.55	10,637,212.60

**(2) Adjustment process of accounting profit and income tax expense**

Monetary Unit: RMB

Item	Amount incurred in the current period
Total profit	55,954,446.87
Income tax expense calculated according to statutory/applicable tax rate	13,988,611.72
Impact from applying different tax rates to subsidiaries	12,192,531.73
Impact from non-deductible costs, expenses and losses	779,065.83
Impact from deductible temporary differences or deductible losses of unrecognized deferred income tax assets in the current period	11,632,458.29
Additional deduction of R&D expenses	-60,136,431.11
Income tax expense	-21,543,763.55

Other remarks

**61. Other comprehensive income**

See 42 of VII "Notes to the Items in the Consolidated Financial Statements" in this Section for details.

**62. Items in Statement of Cash Flows****(1) Other cash received from operating activities**

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Government subsidies	293,599,318.43	107,880,957.38
Security deposit and cash pledge	223,136,803.22	78,077,714.87
Current accounts and others	63,483,323.37	208,559,189.42

Total	580,219,445.02	394,517,861.67
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Remarks to other cash received from operating activities

## (2) Other cash paid for operating activities:

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
R&D expenses	75,838,896.10	33,554,623.48
Water and electricity and office expenses	330,399,103.98	97,764,495.92
Quality warranty and after-sales service expenses	3,208,278.10	11,003,073.07
Logistics transportation charge	44,147,881.26	11,053,917.93
Travel expense	23,739,188.20	13,650,281.09
Business hospitality and promotion expenses	13,885,560.03	7,184,589.47
Security deposit	98,974,467.95	12,825,139.69
Intermediary service fee	19,767,450.94	5,122,806.30
Sporadic projects and housing renovation	3,744,749.36	8,167,360.19
Others	74,752,078.74	57,809,472.52
Current accounts	28,126,283.27	18,641,035.19
Bidding cost	5,903,787.45	2,735,632.51
Total	722,487,725.38	279,512,427.36

Remarks to other cash paid for operating activities:

## (3) Other cash received from investment activities

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Interest income		219,031.82
Investment income obtained		278,735,437.03
Total		278,954,468.85

Remarks to other cash received from investment activities:

## (4) Other cash paid for investment activities

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
------	---------------------------------------	--

Security deposit for letter of guarantee		
Security deposit for letter of credit		
Net cash paid for disposal of subsidiaries		
Others	45,799,944.59	
<b>Total</b>	<b>45,799,944.59</b>	

Remarks to other cash paid for investment activities:

### (5) Other cash received from financing activities

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Loans from non-financial institutions	223,876,854.14	337,400,118.05
Current account		13,847,583.33
ESOP payments	14,461,318.98	
<b>Total</b>	<b>238,338,173.12</b>	<b>351,247,701.38</b>

Remarks to other cash received from financing activities:

### (6) Other cash paid for financing activities

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Convertible bonds, ESOP, etc.		20,448,901.00
Financing lease payment	64,191,149.42	262,248,266.61
Repurchase of equity	65,000,000.00	
Current account	215,759,848.37	42,675,904.15
Security deposit for letter of guarantee		1,049,700.00
Repayment to non-financial institutions	4,655,112.51	366,039,263.18
<b>Total</b>	<b>349,606,110.30</b>	<b>692,462,034.94</b>

Remarks to other cash paid for financing activities:

## 63. Supplementary information to Statement of Cash Flows

### (1) Details of supplementary information to Statement of Cash Flows

Monetary Unit: RMB

Supplementary information	Amount in the current period	Amount in the previous period
1. Net profit adjusted to cash flows from operating activities:		

Net profit	77,498,210.42	55,017,737.18
Plus: provision for asset impairment	68,666,061.35	59,749,534.12
Depreciation of fixed assets, oil and gas assets and productive biological assets	546,564,798.71	312,496,643.99
Depreciation of use right assets		
Amortization of intangible assets	54,049,774.86	24,689,792.00
Amortization of long-term deferred expenses	7,973,585.36	1,889,367.26
Loss from disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	-9,491,424.53	10,911,656.24
Loss from scrapping of fixed assets ("-" for gains)		
Loss on changes in fair value ("-" for gains)	-10,159,418.65	
Financial expenses ("-" for gains)	224,771,205.04	155,675,037.45
Investment loss ("-" for gains)	-29,588,497.67	-28,073,021.30
Decrease in deferred income tax assets ("-" for increase)	-80,219,247.98	3,260,734.81
Increase in deferred income tax liabilities ("-" for decrease)	6,931,086.44	-5,051,292.64
Decrease in inventories ("-" for increase)	-1,978,223,155.11	-730,854,145.12
Decrease in operating receivables ("-" for increase)	-836,602,280.33	-406,145,577.19
Increase in operating payables ("-" for decrease)	2,049,437,258.82	632,547,239.13
Others		
Net cash flow from operating activities	91,607,956.73	86,113,705.93
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 1 year		

Fixed assets acquired under financing leases		
3 . Net changes in cash and cash equivalents:		
Ending balance of cash	9,466,364,071.87	1,913,482,012.68
Less: beginning balance of cash	9,439,103,239.24	2,437,055,743.03
Plus: ending balance of cash equivalents		
Less: beginning balance of cash equivalents		
Net increase in cash and cash equivalents	27,260,832.63	-523,573,730.35

**(2) Net cash paid for acquisition of subsidiaries in the current period**

Monetary Unit: RMB

	Amount
Cash or cash equivalents paid in the period for business combinations incurred during the period	540,783,447.63
Including:	
Yifeng County Hua Lithium Mining Development Co., Ltd.	22,194,921.00
Jiangxi Weihong Lithium Co., Ltd.	45,500,000.00
Yichun Kefeng New Material Co., Ltd.	473,088,526.63
Less: Cash and cash equivalents held by subsidiaries purchased	52,723,542.13
Including:	
Yifeng County Hua Lithium Mining Development Co., Ltd.	51,723,553.38
Jiangxi Weihong Lithium Co., Ltd.	488,082.74
Yichun Kefeng New Material Co., Ltd.	511,906.01
Including:	
Net cash paid for acquisition of subsidiaries	488,059,905.50

Other remarks:

**(3) Composition of cash and cash equivalents**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
I. Cash	9,466,364,071.87	9,439,103,239.24

Including: cash in hand	258,026.60	235,825.49
Unrestricted bank deposit available for payment	9,466,106,045.27	1,913,246,187.19
III. Ending balance of cash and cash equivalents	9,466,364,071.87	9,439,103,239.24

Other remarks:

#### 64. Assets with the ownership or use right restricted

Monetary Unit: RMB

Item	Ending book value	Reason for restriction
Cash and cash equivalents	2,175,417,538.94	Security deposit, term deposits
Fixed assets	342,881,699.65	Financing lease
Intangible assets	493,587,737.25	Mortgaged
Fixed assets	822,356,313.96	Mortgaged
Accounts receivable financing funds	113,025,385.00	Pledged for financing
Construction in progress	240,031,009.27	Mortgaged
Total	4,187,299,684.07	

Other remarks:

#### 65. Monetary items in foreign currency

##### (1) Monetary items in foreign currency

Monetary Unit: RMB

Item	Ending balance in foreign currency	Conversion rate	Ending balance translated in RMB
Cash and cash equivalents			605,513,628.71
Including: USD	89,226,708.02	6.7114	598,836,128.21
EUR	952,785.30	7.0084	6,677,500.50
HKD			
Accounts receivable			120,156,534.58
Including: USD	17,907,084.14	6.7100	120,156,534.58
EUR			
HKD			

Long-term borrowings			
Including: USD			
EUR			
HKD			

Other remarks:

**(2) Remarks to overseas business entities, including its principal place of business overseas, the functional currency and selection basis therefor, as well as the reason for the change of the functional currency (if any)**

Applicable  Not Applicable

## 66. Government subsidies

### (1) Basic information of government subsidies

Monetary Unit: RMB

Type	Amount	Items presented	Amounts included in current profit and loss
Award and support funds for leading the development of relevant standards in Anhui provincial policy for support of innovative development and application promotion of new energy vehicle industry in 2021	2,000,000.00	Other income	2,000,000.00
Policy funds for manufacture province of quality and private economy in 2022	7,000,000.00	Other income	7,000,000.00
Funds for Anhui provincial plan of breakthroughs in key core technology in 2022	1,000,000.00	Other income	1,000,000.00
Qingdao comprehensive incentive document for technology transformation of enterprises	4,480,000.00	Other income	4,480,000.00
Key R & D special project of Qingdao science and technology program	1,260,000.00	Other income	1,260,000.00

2021 "Three Priorities and One Innovation" construction for supporting new projects	5,870,000.00	Other income	5,870,000.00
Industry support funds to Tongcheng Gotion	31,188,261.60	Other income	31,188,261.60
Battery enterprise development funds to Yichun Gotion	1,849,000.00	Other income	1,849,000.00
Special funds for 2nd batch of provincial basic construction in 2022	1,200,000.00	Other income	1,200,000.00
Industry support funds to Jiangsu Gotion	227,660,000.00	Other income	227,660,000.00
Summary of other government subsidy projects	10,092,056.83	Other income/non-operating income	10,092,056.83
Deferred incomes transferred in the current period	15,106,911.85	Other income	15,106,911.85
Government subsidies returned in the current period			
Total	308,706,230.28		308,706,230.28

## (2) Return of government subsidies

Applicable  Not Applicable

Other remarks:

## VIII. Changes in Consolidation Scope

### 1. Business combination not under common control

#### (1) Business combination not under common control incurred in the current period

Monetary Unit: RMB

Acquiree	Date of equity acquisition	Cost of equity acquisition	Ratio of equity acquisition	Method of equity acquisition	Acquisition date	Basis for determining the acquisition date	Income of the acquiree from the acquisition date to period-end	Net profit of the acquiree from the acquisition date to period-end

Yifeng County Hua Lithium Mining Development Co., Ltd.	April 15, 2022	22,194,921.00	51.03%	Auction	April 15, 2022	Change of control	35,881,556.71	19,678,648.06
Yichun Kefeng New Material Co., Ltd.	April 1, 2022	600,000,000.00	78.67%	capital increase	April 1, 2022	Change of control	84,522,589.69	25,992,515.65
Jiangxi Weihong Lithium Co., Ltd.	April 1, 2022	45,500,000.00	70.00%	capital increase	April 1, 2022	Change of control	94,514,766.58	-46,126,095.79

Other remarks:

## (2) Combination costs and goodwill

Monetary Unit: RMB

Combination cost	Yifeng County Hua Lithium Mining Development Co., Ltd.	Yichun Kefeng New Material Co., Ltd.	Jiangxi Weihong Lithium Co., Ltd.
--Cash	22,194,921.00	600,000,000.00	45,500,000.00
--Fair value of non-cash assets			
--Fair value of debt issued or assumed			
--Fair value of equity securities issued			
--Fair value of contingent consideration			
--Fair value of equity interests held prior to the acquisition date on the acquisition date			
--Others			
Total combination costs	22,194,921.00	600,000,000.00	45,500,000.00
Less: Share of fair value of identifiable net assets acquired	21,510,352.71	197,517,455.85	44,690,745.67
Goodwill/combination cost less than share of fair value of identifiable net assets acquired	684,568.29	402,482,544.15	809,254.33

Method for determining the fair value of the combination cost, or contingent consideration and their change:

Main reason for the formation of the goodwill with large amount:

Other remarks:

### (3) Identifiable assets and liabilities of the acquiree on the acquisition date

Monetary Unit: RMB

	Yifeng County Hua Lithium Mining Development Co., Ltd.		Yichun Kefeng New Material Co., Ltd.		Jiangxi Weihong Lithium Co., Ltd.	
	Fair value on acquisition date	Book value on acquisition date	Fair value on acquisition date	Book value on acquisition date	Fair value on acquisition date	Book value on acquisition date
Assets:						
Cash and cash equivalents	51,723,553.38	51,723,553.38	488,082.74	488,082.74	418,818.74	418,818.74
Accounts receivable	1,018,640.50	1,018,640.50	9,282,346.99	9,282,346.99	1,140,158.76	1,140,158.76
Inventory	0.00	0.00	10,200,305.79	10,200,305.79	1,443,150.00	1,443,150.00
Fixed Assets	1,678,014.73	1,678,014.73	54,489,133.04	54,489,133.04	75,780,941.54	75,780,941.54
Intangible assets	42,157,840.05	2,436,533.38	5,128,538.44	5,128,538.44	4,818,793.91	4,818,793.91
Advance payments	0.00	0.00	4,828,133.30	4,828,133.30		
Other receivables	63,014.29	63,014.29	1,303,272.32	1,303,272.32	608,791,755.90	608,791,755.90
Other current assets			133,147.10	133,147.10	6,859,060.86	6,859,060.86
Intangible assets	42,157,840.05	2,436,533.38	5,128,538.44	5,128,538.44	4,818,793.91	4,818,793.91
Long-term amortized expenses	1,737,251.16	1,737,251.16			64,980,396.20	64,980,396.20
Deferred income tax assets	742,299.60	742,299.60	67,419.08	67,419.08	26,530,952.93	26,530,952.93
Liabilities:						
Borrowings						
Accounts payable	8,909,795.19	8,909,795.19	11,005,717.88	11,005,717.88	149,954,418.40	149,954,418.40
Deferred income tax liabilities	9,930,326.67					
Advance receipts	14,199,730.20	14,199,730.20	1,537,591.26	1,537,591.26	118,612.80	118,612.80
Employee compensation payable	36,140.00	36,140.00	390,283.02	390,283.02	3,585,981.92	3,585,981.92
Taxes payable	10,538,563.87	10,538,563.87	543,371.78	543,371.78	390,950.95	390,950.95
Other payables	10,572,446.94	10,572,446.94	8,599,492.48	8,599,492.48	394,059,461.60	394,059,461.60
Net assets	44,933,610.84	15,142,630.84	63,843,922.38	63,843,922.38	242,654,603.10	242,654,603.10

Less: Minority equity	22,004,977.77	7,415,679.46				
Net assets acquired	22,928,633.07	7,726,951.38	63,843,922.38	63,843,922.38	242,654,603.10	242,654,603.10

Method for determining the fair value of identifiable assets and liabilities:

Contingent liability of the acquiree undertaken in business combination:

Other remarks:

#### (4) Profit and loss arising from the re-measurement of equity held prior to acquisition date at the fair value

Whether there is a transaction where any step-by-step combination is realized through multiple transactions with the controlling rights obtained during the Reporting Period.

Yes  No

#### (5) Remarks to combination consideration or fair values of identifiable assets and liabilities on the acquisition date or at the end of the period of combination

No

#### (6) Other remarks

No

### 2. Disposal of subsidiaries

Whether there is a loss of control upon a single disposal of investment in subsidiaries

Yes  No

Whether there is any step-by-step disposal of investment in subsidiaries through multiple transactions and loss of control

Yes  No

### 3. Change in consolidation scope for other reasons

Specify the change of consolidation scope caused by other reasons (such as establishment of new subsidiaries and liquidation of subsidiaries) and other related situations.

(1) Establishment of new subsidiaries

Company name	Incorporation date	Registered capital	Remarks
		(RMB10,000)	
Tianjin Gotion New Energy Technology Co., Ltd.	2022/3/11	5,000.00	100% equity is held by Hefei Gotion High-tech Power Energy Co., Ltd.
Gotion Germany Battery GmbH	2020/10/13	2,626.83	100% equity is held by Hefei Gotion High-tech Power Energy Co., Ltd.

## (2) Deregistration of subsidiaries

In June 2022, Anhui Fumo New Material Technology Co., Ltd. completed the business deregistration formalities.

**IX. Equity in other entities****1. Equity in subsidiaries****(1) Structure of the enterprise group**

Subsidiary's name	Principal place of business	Registration place	Business nature	Ownership ratio		Acquisition method
				Direct	Indirect	
Suzhou Dongyuan Tianli Electric Appliance Co., Ltd.	Suzhou, Jiangsu	Suzhou, Jiangsu	Industrial production		100.00%	Direct investment
Nantong Asitong Electrical Apparatus Co., Ltd.	Nantong, Jiangsu	Nantong, Jiangsu	Industrial production		100.00%	Direct investment
Jiangsu Dongyuan Electric Appliance Group Co., Ltd.	Nantong, Jiangsu	Nantong, Jiangsu	Industrial production	99.82%	0.18%	Direct investment
Nantong Gotion New Energy Technology Co., Ltd.	Nantong, Jiangsu	Nantong, Jiangsu	Industrial production		100.00%	Direct investment
Hefei Gotion High-tech Power Energy Co., Ltd.	Hefei, Anhui	Hefei, Anhui	Industrial production	100.00%		Counter purchase
Anhui Gotion New Energy Automobile Technology Co., Ltd.	Hefei, Anhui	Hefei, Anhui	Industrial production		100.00%	Counter purchase

Shanghai Xuanyi New Energy Development Co., Ltd.	Shanghai	Shanghai	R&D and sales		100.00%	Counter purchase
Nanjing Gotion Battery Co., Ltd.	Nanjing, Jiangsu	Nanjing, Jiangsu	Industrial production		100.00%	Counter purchase
Hefei Gotion Battery Material Co., Ltd.	Hefei, Anhui	Hefei, Anhui	Industrial production		95.23%	Counter purchase
Shanghai Gotion New Energy Co., Ltd.	Shanghai	Shanghai	R&D		100.00%	Direct investment
Qingdao Gotion Battery Co., Ltd.	Qingdao, Shandong	Qingdao, Shandong	Industrial production		100.00%	Direct investment
Tangshan Gotion Battery Co., Ltd.	Tangshan, Hebei	Tangshan, Hebei	Industrial production		100.00%	Direct investment
Gotion New Energy (Lujiang) Co., Ltd.	Hefei, Anhui	Hefei, Anhui	Industrial production		100.00%	Direct investment
GOTION, INC.	USA	California, USA	R&D		100.00%	Counter purchase
Gotion Japan Co., Ltd.	Japan	Ibaraki, Japan	R&D		100.00%	Direct investment
GOTION SINGAPORE PTE. LTD..	Singapore	Singapore	R&D		100.00%	Direct investment
Hefei Gotion Precision Coating Material Co., Ltd.	Hefei, Anhui	Hefei, Anhui	Industrial production		100.00%	Direct investment
Shanghai Gotion New Energy (Hefei)	Hefei, Anhui	Hefei, Anhui	Industrial production		100.00%	Direct investment

Energy Storage Technology Co., Ltd.						
Nanjing Gotion New Energy Co., Ltd	Nanjing, Jiangsu	Nanjing, Jiangsu	Industrial production		100.00%	Direct investment
Hefei Gotion Battery Co., Ltd.	Hefei, Anhui	Hefei, Anhui	Industrial production		100.00%	Direct investment
Guoxuan High-tech (HK) Limited	Hong Kong	Hong Kong	R&D	100.00%		Direct investment
Nanjing Gotion Battery Research Institute Co., Ltd.	Nanjing, Jiangsu	Nanjing, Jiangsu	R&D		100.00%	Direct investment
Hefei Jiachi Technology Co., Ltd	Hefei, Anhui	Hefei, Anhui	Industrial production		88.89%	Direct investment
Liuzhou Gotion Battery Co., Ltd.	Liuzhou, Guangxi	Liuzhou, Guangxi	Industrial production		55.96%	Direct investment
Jiangsu Gotion New Energy Technology Co., Ltd	Nanjing, Jiangsu	Nanjing, Jiangsu	Industrial production	100.00%		Direct investment
Feidong Gotion New Material Co., Ltd.	Hefei, Anhui	Hefei, Anhui	Industrial production		62.50%	Direct investment
Hefei Gotion Cycle Technology Co., Ltd.	Hefei, Anhui	Hefei, Anhui	Industrial production		62.50%	Direct investment
Hefei Gotion New Material Technology Co., Ltd.	Hefei, Anhui	Hefei, Anhui	R&D		62.50%	Direct investment
Inner Mongolia Gotion Zero Carbon	Wuhai, Inner Mongolia	Wuhai, Inner Mongolia	Industrial production		62.50%	Direct investment

Technology Co., Ltd.						
Jiangxi Gotion New Energy Technology Co., Ltd.	Yichun, Jiangxi	Yichun, Jiangxi	Industrial production	100.00%		Direct investment
Yichun Gotion Battery Co., Ltd.	Yichun, Jiangxi	Yichun, Jiangxi	Industrial production		100.00%	Direct investment
Yichun Gotion Lithium Co., Ltd.	Yichun, Jiangxi	Yichun, Jiangxi	Mining		55.00%	Direct investment
Fengxin Gotion Lithium Co., Ltd.	Yichun, Jiangxi	Yichun, Jiangxi	Mining		55.00%	Direct investment
Yifeng Gotion Lithium Co., Ltd.	Yichun, Jiangxi	Yichun, Jiangxi	Mining		55.00%	Direct investment
Tongcheng Gotion New Energy Co., Ltd.	Anqing, Anhui	Anqing, Anhui	Industrial production		100.00%	Direct investment
Beijing Xuanyi New Energy Co., Ltd.	Fengtai, Beijing	Fengtai, Beijing	R&D		100.00%	Direct investment
Hefei Gotion Battery Technology Co., Ltd.	Hefei, Anhui	Hefei, Anhui	Industrial production		100.00%	Direct investment
Hefei Gotion Kehong New Energy Technology Co., Ltd.	Hefei, Anhui	Hefei, Anhui	Industrial production		90.00%	Direct investment
Yichun Gotion Mining Co., Ltd.	Yichun, Jiangxi	Yichun, Jiangxi	Mining		51.00%	Direct investment
Tianjin Hengtian New Energy Vehicle Research	Binhai, Tianjin	Binhai, Tianjin	Industrial production		63.50%	Business combination not under common

Institute Co., Ltd.						control
Yifeng County Hua Lithium Mining Development Co., Ltd.	Yichun, Jiangxi	Yichun, Jiangxi	Mining		51.03%	Business combination not under common control
Yichun Kefeng New Material Co., Ltd.	Yichun, Jiangxi	Yichun, Jiangxi	Industrial production		78.67%	Business combination not under common control
Jiangxi Weihong Lithium Co., Ltd.	Yichun, Jiangxi	Yichun, Jiangxi	Industrial production		70.00%	Business combination not under common control
Tianjin Gotion New Energy Technology Co., Ltd.	Tianjin	Tianjin	Industrial production		100.00%	Direct investment
Gotion Germany Battery GmbH	Germany	Germany	Industrial production		100.00%	Direct investment

Remarks to the subsidiaries in which the ownership ratio is different from the voting right ratio:

Basis for determining the control over an investee while holding its half or less than half voting rights, and non-control over an investee while holding its more than half voting rights:

Basis for determining control in case of the important structured entities included in the scope of consolidation:

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

Other remarks:

## (2) Major non-wholly owned subsidiaries

Monetary Unit: RMB

Subsidiary's name	Ownership ratio of minority shareholders	Profit and loss attributable to minority shareholders in the current period	Dividend declared to minority shareholders in the current period	Ending balance of minority equity
Liuzhou Gotion Battery Co., Ltd.	44.04%	-877,080.08		426,925,922.53
Hefei Gotion Battery	4.77%	-3,886,861.35		114,018,422.87

Material Co., Ltd.				
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Remarks to the subsidiaries in which the minority shareholder's ownership ratio is different from its voting right ratio:

Other remarks:

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

Monetary Unit: RMB

Subsidiary's name	Ending balance						Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Liuzhou Gotion Battery Co., Ltd.	1,902,687.29 8.36	1,703,813.05 9.74	3,606,500.35 8.10	1,437,171.47 9.21	1,199,990.00 0.00	2,637,161.47 9.21	1,384,628.27 2.03	1,199,012.45 3.44	2,583,640.72 5.47	1,020,569.73 9.12	594,000.00	1,614,569.73 9.12
Hefei Gotion Battery Material Co., Ltd.	6,951,572.63 3.46	933,151,062.19	7,884,723.69 5.65	4,336,133.82 9.24	1,160,269.32 0.32	5,496,403.14 9.56	4,201,785.92 4.76	772,171,073.16	4,973,956.99 7.92	2,072,822.97 5.43	435,481,288.12	2,508,304.26 3.55

Monetary Unit: RMB

Subsidiary's name	Amount incurred in the current period				Amount incurred in the previous period			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
Liuzhou Gotion Battery Co., Ltd.	837,307,871.23	-1,991,417.65	-1,991,417.65	-158,146,219.45	80,662,187.28	54,582,916.41	54,582,916.41	-286,562,641.92
Hefei Gotion Battery Material Co., Ltd.	1,767,817,006.66	-81,417,288.54	-81,417,288.54	-983,380,136.24	479,545,238.16	18,268,230.84	18,268,230.84	108,143,041.42

Other remarks:

## 2. Transactions which results in changes in owner's equity in a subsidiary and remain in control of the subsidiary

### (1) Remarks to the changes in owner's equity in the subsidiary

In January 2022, Feidong Gotion New Material Co., Ltd. ("Feidong New Material"), a subsidiary, entered into a *Capital Increase* agreement with Hefei Dongcheng Industry Investment Co. Ltd., by which Feidong New Material's registered capital has increased from RMB 500 million (of which 100% was contributed by Gotion High-tech Co., Ltd.) to RMB 800 million (of which, Gotion High-tech Co., Ltd. contributed RMB500 million, accounting for 62.50% of the capital contribution, and Hefei Dongcheng Industry Investment Co. Ltd., contributed RMB300 million, accounting for 37.50% of the capital contribution) . The corresponding business change registration formalities were completed on February 25, 2022.

## 3. Equity in joint ventures or associates

### (1) Major joint ventures or associates

Name of joint venture or associate	Principal place of business	Registration place	Business nature	Ownership ratio		Accounting treatment method for investment in joint ventures or associates
				Direct	Indirect	
Hefei Xingyuan New Energy Materials Co., Ltd	Lujiang, Anhui	Lujiang, Anhui	Industrial production		27.69%	Equity method
MCC Ramu New Energy Technology Co., Ltd.	Tangshan, Hebei	Tangshan, Hebei	Industrial production		30.00%	Equity method
Beijing Full-Service Oil & Gas Technology Co., Ltd.	Beijing	Beijing	Industrial production		40.00%	Equity method
Anhui Tongguan Copper Foil Group Co., Ltd.	Hefei, Anhui	Hefei, Anhui	Industrial production		2.63%	Equity method
Jiangxi Yunwei New Material Co., Ltd	Yichun, Jiangxi	Yichun, Jiangxi	Industrial production		22.00%	Equity method

Huabei Aluminum New Material Technology Co., Ltd.	Baoding, Hebei	Baoding, Hebei	Industrial production		10.00%	Equity method
Litong Energy Technology Co., Ltd.	Taiwan	Taiwan	Industrial production		20.00%	Equity method
Shanghai Gotion Wuyang Ship Technology Co., Ltd.	Shanghai	Shanghai	Industrial production		17.23%	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	Wuhu, Anhui	Industrial production		8.18%	Equity method
Anhui Yijianeng Digital Technology Co., Ltd.	Hefei, Anhui	Hefei, Anhui	Technical service		16.00%	Equity method
Tata AutoComp Gotion Green Energy Application Co., Ltd.	India	India	Industrial production		40.00%	Equity method

Remarks to the circumstance where ownership ratio in joint ventures or associates are different from the voting right ratio:

Basis for determining the voting rights below 20% but with significant influence, or the voting rights over 20% (inclusive) without significant influence:

## X. Risks relating to 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.

#### 1. 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.

#### 2. 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.

#### 3. 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, Japanese yen or Singapore dollars, the Company's other major operations are settled in RMB.

##### (3) 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 material adverse impact on the Company's financial results, and the management will make timely adjustments based on the latest market conditions.

## XI. Disclosure of fair value

### 1. Ending fair value of the assets and liabilities measured at fair value

Monetary Unit: RMB

Item	Ending fair value			
	First level of fair value measurement	Second level of fair value measurement	Third level of fair value measurement	Total
I. Continuous fair value measurement	--	--	--	--
(I) Financial assets held for trading	12,650,090.60	0.00	10,578,783.33	23,228,873.93
1. Financial assets measured at fair value with changes included in the current profit and loss	12,650,090.60	0.00	10,578,783.33	23,228,873.93
2. Equity instrument investments	12,650,090.60		10,578,783.33	23,228,873.93
(II) Other creditor's right investments			4,697,980.00	4,697,980.00
(III) Other equity instrument investments	285,174,845.00		695,864,321.39	981,039,166.39
Total amount of assets measured at fair value on a continuous basis	297,824,935.60		711,141,084.72	1,008,966,020.32
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

Price of the same asset or liability in the active market (unadjusted).

### 3. Qualitative and quantitative information of the valuation technology and important parameters adopted for the items subject to continuous and non-continuous second level of fair value measurement

Directly (i.e. price) or indirectly (i.e. derived from price) using observable input values other than market price of assets or liabilities in the first level.

#### 4. Qualitative and quantitative information of the valuation technology and important parameters adopted for the items subject to continuous and non-continuous third level of fair value measurement

Using any input value (unobservable input value) that is not based on observable market data for assets or liabilities.

## XII. Related Party and Related-party Transactions

### 1. Information of the parent company of the Company

Name of the parent company	Registration place	Business nature	Registered capital	Percentage of the Company's equities held by the parent company	Ratio of voting right of the parent company in the Company
Nanjing Gotion Holding Group Co., Ltd.	Nanjing, Jiangsu	Commercial wholesale, retail	19,830,000	10.26%	10.26%

Information of the parent company of the Company

#### (1) Information of the Company's De Facto Controller

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 control 302,500,435 shares of the Company, accounting for 18.17% of the total shares of the Company. Therefore, Li Zhen is the De Facto Controller of the Company.

#### (2) Information of the Company's largest shareholder

Volkswagen China directly holds 440,630,983 shares of the Company, accounting for 26.47% of the total number of shares of the Company. 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). That is, Volkswagen China holds 13.17% or less of the voting rights of Gotion High-tech.

The ultimate controller of the Company is Li Zhen.

Other remarks:

No

### 2. Information of subsidiaries of the Company

Please refer to IX.1 under this Section for the details of the subsidiaries of the Company.

### 3. Information of joint ventures and associates of the Company

Please refer to IX.3 under this Section for the details of major joint ventures and associates of the Company.

Information of other joint ventures and associates that have related party transactions with the Company in the current period or had related party transactions with the Company in previous periods but generated balances in the current period:

Name of joint ventures or associates	Relationship with the Company
Hefei Xingyuan New Energy Materials Co., Ltd	The Company holds its 27.69% equity
MCC Ramu New Energy Technology Co., Ltd.	The Company holds its 30.00% equity
Shanghai Electric Gotion New Energy Technology Co., Ltd	The Company holds its 45.40% equity
Anhui Tongguan Copper Foil Group Co., Ltd.	The Company holds its 2.625% equity
Jiangxi Yunwei New Material Co., Ltd	The Company holds its 22.00% equity
Huabei Aluminum New Material Technology Co., Ltd.	The Company holds its 10.00% equity
Shanghai Gotion Wuyang Ship Technology Co., Ltd.	The Company holds its 17.24% equity
Litong Energy 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
Anhui Yijianeng Digital Technology Co., Ltd.	The Company holds its 16.00% equity
Tata AutoComp Gotion Green Energy Application Co., Ltd	The Company holds its 40.00% equity
Anhui Anwa New Energy Technology Co., Ltd	The Company holds its 8.18% equity

Other remarks

No

#### 4. Other related parties

Name of other related parties	Relationship with the Company
Nascent Investment. LLC	A company controlled by Li Chen, the son of the De Facto Controller
Nanjing Gotion Holding Group Co., Ltd.	A company controlled by the De Facto Controller
Hefei Aolai New Energy Automobile Sales Co., Ltd.	A company controlled by the De Facto Controller
Hefei Qirong International Village Property Development Co., Ltd.	A company controlled by the De Facto Controller
Anhui Minsheng Property Management Co., Ltd.	A company controlled by the De Facto Controller
Anhui Tangchi Film and Television Cultural Industry Co., Ltd.	A company controlled by the De Facto Controller
Anhui Gotion New Energy Investment Co., Ltd.	A company controlled by the De Facto Controller
Anhui Guolian Property Co., Ltd.	A company controlled by the De Facto Controller
Anhui Gotion New Energy Investment Co., Ltd.	A company controlled by Gotion Holding
Jiangsu Jiankang Automobile Co., Ltd.	Anhui Gotion New Energy Investment Co., Ltd. holds its 11% equity and appoints a director to its board of directors
Lixin Electric Bus Co., Ltd.	A company controlled by the De Facto Controller

Tunchang Xinhai New Energy Bus Co., Ltd.	A company controlled by the De Facto Controller
Wenchang Dadao New Energy Bus Co., Ltd.	A company controlled by the De Facto Controller
Huangshan Dadao New Energy Bus Co., Ltd.	A company controlled by the De Facto Controller
Jingde Dadao New Energy Bus Co., Ltd.	A company controlled by the De Facto Controller
Hebei Xinxuan Transportation Co., Ltd.	A company controlled by the De Facto Controller
Anhui Xindadao Transportation Co., Ltd.	A company controlled by the De Facto Controller
Yingshang Dadao New Energy Bus Co., Ltd.	A company controlled by the De Facto Controller
Taihe Dadao New Energy Bus Co., Ltd.	A company controlled by the De Facto Controller
Shanghai Dajiang Network Technology Co., Ltd.	A company controlled by the De Facto Controller
Shanghai Electronic Gotion New Energy Technology (Suzhou) Co., Ltd.	A subsidiary of Shanghai Electronic Gotion (an associate company)
Anhui Guolian Property Co., Ltd.	A company controlled by the De Facto Controller
Shanghai Electronic Gotion New Energy Technology (Nantong) Co., Ltd.	A subsidiary of Shanghai Electronic Gotion (an associate company)
Hefei Dongyu Business Management Co., Ltd.	A company controlled by the De Facto Controller
Hefei Gotion Hotel Operation Management Co., Ltd.	A company controlled by the De Facto Controller
Anhui Gotion Xianglv Technology Co., Ltd.	A company controlled by the De Facto Controller
Hefei Huanggong Decoration Design Engineering Co., Ltd.	A company controlled by the De Facto Controller
Linlixin Dadao Public Transportation Co., Ltd.	A company controlled by the De Facto Controller
Wucheng Dadao New Energy Bus Co., Ltd.	A company controlled by the De Facto Controller
Anhui Chiyu New Material Technology Co., Ltd.	A company controlled by the controlling shareholder
Hefei Qianrui Technology Co., Ltd.	A company controlled by the controlling shareholder
Volkswagen (China) Investment Co., Ltd.	The largest shareholder of the Company
Volkswagen Group	The controlling shareholder of Volkswagen (China) Investment Co., Ltd.
Volkswagen Automatic Transmission (Tianjin) Co., Ltd	A holding subsidiary of Volkswagen Group, in which Frank Engel, the director of the Company, concurrently serves as director
Innovative (Suzhou) New Energy Technology Co., Ltd	An associate of Volkswagen (China) Investment Co., Ltd.
Volkswagen FAW Platform Company, Ltd	A subsidiary of Volkswagen (China) Investment Co., Ltd., in which Frank Engel, a director of the Company, serves as a director
Hefei Tiansheng Lithium Technology Co., Ltd.	A company controlled by Gotion Holding
Shanghai Gotion Digital Energy Technology Co., Ltd	A company controlled by Gotion Holding

Other remarks

## 5. Related-party transactions

### (1) Related-party transactions for purchase/sale of goods or provision/receiving of labor services

Details of related party transactions for purchase of goods or receiving of labor services

Monetary Unit: RMB

Related party	Contents of related-party transaction	Amount incurred in the current period	Transaction limit approved	Whether the transaction limit is exceeded	Amount incurred in the previous period
Hefei Xingyuan New Energy Materials Co., Ltd	Ceramic separator	78,680,279.05	180,000,000.00	No	32,017,764.12
Anhui Gotion Xianglv Technology Co., Ltd	Battery box	63,880,248.10	362,000,000.00	No	8,459,495.39
Hefei Qianrui Technology Co., Ltd.	Battery electrolyte	167,532,971.80	1,000,000,000.00	No.	
Huabei Aluminum New Material Technology Co., Ltd.	Aluminum foil	40,963,954.95			
MCC Ramu New Energy Technology Co., Ltd	Ternary precursor	154,850,437.13	320,000,000.00	No	3,842,947.34
Anhui Tongguan Copper Foil Group Co., Ltd.	Copper foil	137,854,266.77	310,000,000.00	No	19,427,642.83
Shanghai Electronic Gotion New Energy Technology (Nantong) Co., Ltd.	Graphite and battery pack	60,378,889.37	100,000,000.00	No	
Anhui Tangchi Film and Television Cultural Industry	Conference expenses	98,808.00			151,016.13

Co., Ltd.					
Anhui Minsheng Property Management Co., Ltd.	Property management fee	2,943,549.32	30,000,000.00	No	9,302,879.74
Hefei Dongyu Business Management Co., Ltd.	Canteen fee	9,732,537.33	60,000,000.00	No	2,728,884.71
Anhui Gotion Charity Fund	Donation	280,000.00			
Hebei Xinxuan Transportation Co., Ltd	Receiving labor service	24,733.64			22,646.02
Jiangxi Yunwei New Material Co., Ltd	Electric carbon processing fee	10,303,662.50			

Details of related-party transactions for sale of goods or provision of labor service

Monetary Unit: RMB

Related party	Contents of related-party transaction	Amount incurred in the current period	Amount incurred in the previous period
Shanghai Electric Gotion New Energy Technology (Suzhou) Co., Ltd	Battery cell and carbon coated aluminum foil	38,105,286.67	
Shanghai Electric Gotion New Energy Technology (Nantong) Co., Ltd	Battery cell and carbon coated aluminum foil	4,048,192.00	
Innovative (Suzhou) New Energy Technology Co., Ltd	Battery module	48,510,042.65	44,468,615.99
Jiangsu Jiankang Automobile Co., Ltd.	Battery pack, charging pile and others	10,682,011.75	
Shanghai Gotion Digital Energy Technology Co., Ltd.	Battery cell	4,078.00	
Shanghai Wuyang Ship Technology Co., Ltd.	Energy storage	1,101,026.55	

Remarks to the related party transactions for purchase/sale of goods or provision/receiving of labor services(2)

### Related-party leasing

Where the Company is the lessor:

Monetary Unit: RMB

Name of lessee	Type of assets leased	Lease income recognized in the current period	Lease income recognized in the previous period
Nascent Investment, LLC [Note]	Real estate	258,000.00	258,000.00

Where the Company is the lessee:

Monetary Unit: RMB

Name of lessor	Type of assets leased	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 previous period	Amount incurred in the current period	Amount incurred in the previous period	Amount incurred in the current period	Amount incurred in the previous period	Amount incurred in the current period	Amount incurred in the previous period	Amount incurred in the current period	Amount incurred in the previous period

Remarks to related-party leasing

[Note] The relevant transaction currency is U.S. dollars. After the implementation of the new leasing standard in the current period, the amount was included in general and administrative expenses (depreciation of use right assets) and finance expenses (interest expense), respectively, in accordance with the relevant regulations.

### (3) Related-party guarantee

Where the Company is the guarantor:

Monetary Unit: RMB

Guaranteed party	Amount of guarantee	Starting date of guarantee	Maturity date of guarantee	Guarantee fulfilled or not
Shanghai Electric Gotion New Energy Technology Co., Ltd	77,840,900.00	November 22, 2018	November 22, 2026	No
Shanghai Electric Gotion New Energy Technology Co., Ltd	286,407,500.00	May 9, 2020	May 9, 2030	No
MCC Ramu New Energy Technology Co., Ltd	90,000,000.00	January 31, 2019	January 31, 2025	No
Hefei Xingyuan New Energy Materials Co., Ltd	80,000,000.00	May 24, 2021	January 24, 2022	Yes
MCC Ramu New Energy Technology Co.,	90,000,000.00	January 5, 2022	April 5, 2030	No

Ltd				
Hefei Xingyuan New Energy Materials Co., Ltd	2,000,000.00	January 20, 2022	January 20, 2026	No
Hefei Xingyuan New Energy Materials Co., Ltd	16,000,000.00	March 25, 2022	March 25, 2026	No
Hefei Xingyuan New Energy Materials Co., Ltd	20,000,000.00	January 14, 2022	January 14, 2026	No
Hefei Xingyuan New Energy Materials Co., Ltd	80,000,000.00	January 10, 2022		No
Hefei Xingyuan New Energy Materials Co., Ltd	18,000,000.00	June 23, 2022	June 23, 2026	No
Hefei Xingyuan New Energy Materials Co., Ltd	770,000.00	May 31, 2022	November 30, 2025	No

Where the Company is the guaranteed party:

Monetary Unit: RMB

Guarantor	Amount of guarantee	Starting date of guarantee	Maturity date of guarantee	Guarantee fulfilled or not
Li Zhen	260,050,601.58	September 19, 2019	January 5, 2021	Yes

Remarks to related-party guarantee

#### (4) Fund lending/borrowing to/from related parties

Monetary Unit: RMB

Related party	Amount of lending/borrowing	Starting date	Maturity date	Remarks
Borrowing				
Lending				

#### (5) Asset transfer and debt restructuring of related parties

Monetary Unit: RMB

Related party	Description of related party transaction	Amount incurred in the current period	Amount incurred in the previous period
Nanjing Gotion Holding	100% equity in Hefei Xuanyi	4,500,000.00	0.00

Group Co., Ltd.	Investment Management Co., Ltd.		
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## 6. Receivables from and payables to related parties

### (1) Receivables

Monetary Unit: RMB

Item	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 Co., Ltd	196,478,213.14	16,169,989.65	257,108,857.61	17,521,863.09
Accounts receivable	Shanghai Electric Gotion New Energy Technology (Suzhou) Co., Ltd.	12,599,222.08	701,293.74	23,015,035.90	1,891,774.69
Accounts receivable	Shanghai Electric Gotion New Energy Technology (Nantong) Co., Ltd.	95,909,510.33	4,795,475.51	184,186,762.26	3,931,407.51
Accounts receivable	Innovative (Suzhou) New Energy Technology Co., Ltd	15,379,951.28	768,997.56	41,435,524.00	2,071,776.20
Accounts receivable	Volkswagen Automatic Transmission (Tianjin) Co., Ltd.	1,516,145.72	75,807.29	1,727,682.18	86,384.11
Accounts receivable	Jiangsu Jiankang Automobile Co., Ltd.	252,053,261.69	119,521,915.05	247,634,490.02	127,249,797.73
Accounts receivable	Lixin Electric Bus Co., Ltd.	12,600,000.00	1,260,000.00	12,600,000.00	810,000.00
Accounts receivable	Huangshan Dadao New Energy Bus Co., Ltd.	6,280,000.00	740,000.00	6,280,000.00	740,000.00
Accounts receivable	Jingde Dadao New Energy Bus Co., Ltd.	1,582,500.00	474,750.00	1,582,500.00	234,750.00
Accounts receivable	Linlixin Public Transportation Co., Ltd.	1,200,000.00	120,000.00	1,200,000.00	120,000.00
Accounts receivable	Shanghai Wuyang Ship Technology Co., Ltd.	2,852,152.00	142,607.60	1,607,992.00	98,149.20

Accounts receivable	Taiwan Litong Energy Technology Co., Ltd.	12,367,395.38	1,297,066.61	12,367,395.38	1,297,066.61
Accounts receivable	Yingshang Dadao New Energy Bus Co., Ltd.	33,420,000.00	3,636,000.00	33,420,000.00	3,636,000.00
Accounts receivable	Taihe Dadao New Energy Bus Co., Ltd.	16,300,000.00	1,840,000.00	16,300,000.00	1,840,000.00
Accounts receivable	Wenchang Dadao New Energy Bus Co., Ltd.	49,980.00	4,998.00	49,980.00	4,998.00
Accounts receivable	Wucheng Dadao New Energy Bus Co., Ltd.	600,000.00	60,000.00	600,000.00	60,000.00
Accounts receivable	Tunchang Xinhai New Energy Bus Co., Ltd.	140,122.00	70,061.00	140,122.00	70,061.00
Accounts receivable	Anhui Yijianeng Digital Technology Co., Ltd.	184,000,000.00	9,200,000.00	200,000,000.00	10,000,000.00
Other receivables	Shanghai Electronic Gotion New Energy Technology Co., Ltd.	72,520.00	7,252.00	72,520.00	7,252.00
Accounts receivable	Xinji Branch of Hebei Xinxuan Transportation Co., Ltd	1,200,000.00	120,000.00	1,200,000.00	120,000.00

## (2) Payables

Monetary Unit: RMB

Item	Related party	Ending book balance	Beginning book balance
Accounts payable	Hefei Xingyuan New Energy Materials Co., Ltd.	79,258,392.93	38,742,567.92
Accounts payable	MCC Ramu New Energy Technology Co., Ltd	48,122,036.75	58,465,632.24
Accounts payable	Anhui Tongguan Copper Foil Group Co., Ltd.	95,643,192.01	31,533,174.28
Accounts payable	Anhui Gotion Xianglv Technology Co., Ltd.	39,171,625.94	31,026,560.69
Accounts payable	Anhui Chiyu New Material Technology Co., Ltd.	94,680.00	4,334,030.00
Other payables	Anhui Minsheng Property Management Co., Ltd.	1,886,383.32	1,236,758.00
Other payables	Anhui Tangchi Film and Television Cultural Industry Co., Ltd.	21,954.00	13,062.00
Other payables	Hefei Dongyu Business Management Co., Ltd.	5,807,126.39	3,880,029.72
Accounts payable	Hefei Qianrui Technology	110,914,509.51	5,516,000.00

	Co., Ltd.		
Accounts payable	Shanghai Dajiang Network Technology Co., Ltd.	808,000.00	808,000.00
Accounts payable	Huabei Aluminum New Material Technology Co., Ltd.	8,123,809.86	14,289,887.61
Accounts payable	Shanghai Electronic Gotion New Energy Technology (Nantong) Co., Ltd.	137,456,034.95	13,025,629.20
Other payables	Hebei Xinxuan Transportation Co., Ltd.	220,000.00	
Other payables	Anhui Gotion New Energy Investment Co., Ltd.	859,026.00	859,026.00
Accounts payable	Jiangxi Yunwei New Material Co., Ltd	2,648,530.40	
Advance receipts	Jiangsu Jiankang Automobile Co., Ltd.	0.00	1,216.00

### XIII Share-based payment

#### 1. Overview of share-based payment

Applicable Not Applicable

Total amount of each equity instrument granted by the Company in the current period	39,797,786.80
Total amount of equity instruments exercised by the Company in the current period	0.00
Total amount of equity instruments lapsed by the Company in the current period	0.00
Range of exercise price and contractual remaining period of outstanding stock options at the end of the period	RMB12.7/share, 7 to 31 months
Range of exercise price and contractual remaining period of other equity instruments unissued at the end of the period	No

Other remarks

#### 2. Share-based payment settled in equity

Applicable Not Applicable

Method of determining the fair value of equity instruments at the grant date	Black-Scholes model
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	No
Cumulative amount of share-based payments settled in equity included in capital reserve	207,817,575.26
Total expense recognized for share-based payments settled in equity in the current period	143,108,792.94

Other remarks

According to the *Proposal on the 3rd ESOP (Draft) of the Company and its Summary*, which was deliberated and approved at the 13th Meeting of the 8th Board of Directors and the 3rd Extraordinary General Meeting of 2021, 3,133,684 A shares of the Company were granted to no more than 110 subscribers, including Wang Qisui, Zhang Wei and Li Chen, and the source of shares of the ESOP was the repurchased shares in the Company's special account, and the purchase price was RMB12.70 per share. During the existence, if the unlocking conditions specified in the ESOP are met, the lock-up period of the ESOP shall be 12 months, all calculated from the date when the ESOP Draft is deliberated and approved by the General Meeting and the Company's announcement of the last transfer of the underlying shares to the name under the ESOP. If the subscriber meets the appraisal conditions, he/she may unlock the shares in batches in the ratio of 40%:30%:30% per year during their existence.

### 3. Share-based payment settled in cash

Applicable  Not Applicable

## XIV Notes to Main Items in the Financial Statements of the Parent Company

### 1. Accounts receivable

#### (1) Disclosure of accounts receivable by category

Monetary Unit: RMB

Type	Ending balance					Beginning balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Proportion	Amount	Proportion of provision		Amount	Proportion	Amount	Proportion of provision	
Including:										
Accounts receivable with provision for bad debt made based on portfolio	645,054.55	100.00%	633,595.55	98.22%	11,459.00	645,054.55	100.00%	510,321.55	79.11%	134,733.00
Including:										
Portfolio 1	645,054.55	100.00%	633,595.55	98.22%	11,459.00	645,054.55	100.00%	510,321.55	79.11%	134,733.00
Total	645,054.55	100.00%	633,595.55	98.22%	11,459.00	645,054.55	100.00%	510,321.55	79.11%	134,733.00

Provision for bad debt made by portfolio: 633,595.55

Monetary Unit: RMB

Name	Ending balance			
	Book balance	Provision for bad debt	Proportion of provision	Reason for provision

Provision for bad debt made based on portfolio:

Monetary Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debt	Proportion of provision
Within 1 year			
1 to 2 years			
2 to 3 years	16,370.00	4,911.00	30.00%
3 to 4 years			
4 to 5 years			
More than 5 years	628,684.55	628,684.55	100.00%
Total	645,054.55	633,595.55	--

Basis for determining the portfolio:

Provision for bad debt made by portfolio:

Monetary Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debt	Proportion of provision

Basis for determining the portfolio:

In case provision for bad debt is made with respect to accounts receivable according to the general model of the expected credit loss, please disclose the relevant information of provision for bad debt in line with the disclosure method of other receivables:

Applicable  Not Applicable

Disclosure by aging

Monetary Unit: RMB

Aging	Ending balance
2 to 3 years	16,370.00
More than 3 years	628,684.55
More than 5 years	628,684.55
Total	645,054.55

**(2) Provision for bad debt made, recovered or reversed in the current period**

Provision for bad debt made in the current period:

Monetary Unit: RMB

Type	Beginning	Amount of change in the current period	Ending balance
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	balance	Provision made	Recovered or reversed	Written-off	Others	
Provision for bad debt of accounts receivable	510,321.55	123,274.00				633,595.55
Total	510,321.55	123,274.00				633,595.55

In which, major amount of provision for bad debt recovered or reversed in the current period:

Monetary Unit: RMB

Entity name	Amount recovered or reversed	Recovery method

### (3) Top 5 accounts receivable in terms of ending balance grouped by debtor:

Monetary Unit: RMB

Unit	Ending balance of accounts receivable	Proportion in the total ending balance of accounts receivable	Ending balance of provision for bad debt
1st	600,000.00	93.01%	480,000.00
2nd	28,684.55	4.45%	28,684.55
3rd	16,370.00	2.54%	1,637.00
Total	645,054.55	100.00%	

### (4) Accounts receivable de-recognized due to transfer of financial assets

There are no accounts receivable de-recognized due to transfer of financial assets as at the end of the Reporting Period.

### (5) Amount of assets and liabilities formed by transfer of accounts receivable and continued involvement

There is no amount of assets and liabilities formed by transfer of accounts receivable and continued involvement

Other remarks:

## 2. Other receivables

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Dividend receivable	159,147,455.03	326,769,081.20
Other receivables	6,618,320,874.81	285,522,902.83
Total	6,777,468,329.84	612,291,984.03

**(1) Interest receivable****1) Classification of interest receivable**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
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**2) Major overdue interests**

Borrower	Ending balance	Overdue date	Overdue reason	Impaired or not and the reason for judgment
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Other remarks:

**3) Provision for bad debt** Applicable  Not Applicable**(2) Dividend receivable****1) Classification of dividend receivable**

Monetary Unit: RMB

Project (or investee)	Ending balance	Beginning balance
Hefei Gotion High-tech Power Energy Co., Ltd.	159,147,455.03	326,769,081.20
Total	159,147,455.03	326,769,081.20

**2) Major dividend receivable with aging over 1 year**

Monetary Unit: RMB

Project (or investee)	Ending balance	Aging	Reason for non-recovery	Impaired or not and the reason for judgment
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**3) Provision for bad debt** Applicable  Not Applicable

Other remarks:

**(3) Other receivables****1) Classification of other receivables by nature of funds**

Monetary Unit: RMB

Nature of funds	Ending book balance	Beginning book balance
Current account	6,616,808,019.71	285,150,080.75
Security deposit and cash pledge	1,024,489.00	593,371.40
Reserve fund and borrowing	127,600.00	
Others outstanding receivables	858,290.90	56,000.00
Less: provision for bad debt	-497,524.80	-276,549.32
<b>Total</b>	<b>6,618,320,874.81</b>	<b>285,522,902.83</b>

**2) Provision for bad debt**

Monetary Unit: RMB

Provision for bad debt	Phase I	Phase II	Phase III	Total
	Expected credit loss in the next 12 months	Expected credit loss over the entire existence (without credit impairment)	Expected credit loss over the entire existence (with credit impairment)	
Balance as at January 1, 2022	276,549.32			276,549.32
Balance as at January 1, 2022 in the current period				
Provision made in the current period	220,975.48			220,975.48
Balance as at June 30, 2022	497,524.80			497,524.80

Change in book balance with major amount changes in provision for loss in the current period

 Applicable  Not Applicable

Disclosure by aging

Monetary Unit: RMB

Aging	Ending balance
Within 1 year (inclusive)	6,618,295,235.61
More than 3 years	523,164.00
4 to 5 years	500,000.00
More than 5 years	23,164.00
<b>Total</b>	<b>6,618,818,399.61</b>

**3) Provision for bad debt made, recovered or reversed in the current period**

Provision for bad debt made in the current period:

Monetary Unit: RMB

Type	Beginning balance	Amount of change in the current period				Ending balance
		Provision made	Recovered or reversed	Written-off	Others	
Provision for bad debt	276,549.32	220,975.48				497,524.80
Total	276,549.32	220,975.48				497,524.80

Major amount of provision for bad debt recovered or reversed in the current period:

Monetary Unit: RMB

Entity name	Amount reversed or recovered	Recovery method

**4) Other receivables actually written off in the current period**

Monetary Unit: RMB

Item	Amount written off

Write-off of other major receivables:

Monetary Unit: RMB

Entity name	Nature of other receivables	Amount written off	Reason for the write-off	Write-off procedure executed	Arising from a related party transaction or not

Remarks to the write-off of other receivables:

There are no other receivables written off in the Reporting Period.

**5) Top 5 other receivables in terms of ending balance grouped by debtor**

Monetary Unit: RMB

Unit	Nature of funds	Ending balance	Aging	Proportion in the total ending balance of other receivables	Ending balance of provision for bad debt
1st	Current accounts	5,347,816,049.23	Within 1 year	80.80%	
2nd	Current accounts	1,000,000,000.00	Within 1 year	15.11%	
3rd	Current accounts	186,524,366.44	Within 1 year	2.82%	
4th	Current accounts	35,694,228.61	Within 1 year	0.54%	
5th	Current accounts	22,776,350.11	Within 1 year	0.34%	
Total	--	6,592,810,994.39	--	99.61%	

**6) Amounts receivable involving government subsidies**

Monetary Unit: RMB

Entity name	Name of government subsidy project	Ending balance	Ending aging	Estimated time and amount of collection, and basis therefor
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There are no other receivables involving government subsidies in the balance of other receivables.

### 7) Other receivables de-recognized due to transfer of financial assets

There are no other receivables de-recognized due to transfer of financial assets as at the end of the Reporting Period.

### 8) Amount of assets and liabilities formed by transfer of other receivables and continued involvement

The Company has no assets and liabilities formed by transfer of other receivables and continued involvement.

Other remarks:

## 3. Long-term equity investment

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	10,784,659,596 .16		10,784,659,596 .16	10,167,444,596 .16		10,167,444,596 .16
Investment in joint ventures and associates	265,030,483.12		265,030,483.12	285,988,765.74		285,988,765.74
Total	11,049,690,079 .28		11,049,690,079 .28	10,453,433,361 .90		10,453,433,361 .90

### (1) Investment in subsidiaries

Monetary Unit: RMB

Investee	Beginning balance (book value)	Increase/decrease in the current period				Ending balance (book value)	Ending balance of provision for impairment
		Additional investment	Reduced investment	Provision for impairment	Others		
Hefei Gotion High-tech Power Energy Co., Ltd.	8,975,718,71 5.05					8,975,718,71 5.05	

Jiangsu Dongyuan Electric Appliance Group Co., Ltd.	809,040,881.11						809,040,881.11	
Jiangxi Gotion New Energy Technology Co., Ltd	266,685,000.00	233,315,000.00					500,000,000.00	
Jiangsu Gotion New Energy Technology Co., Ltd.	100,000,000.00	0.00					100,000,000.00	
Feidong Gotion New Material Co., Ltd.	16,000,000.00	383,900,000.00					399,900,000.00	
<b>Total</b>	<b>10,167,444,596.16</b>	<b>617,215,000.00</b>					<b>10,784,659,596.16</b>	

**(2) Investment in joint ventures and associates**

Monetary Unit: RMB

Investee	Beginning balance (book value)	Increase/decrease in the current period								Ending balance (book value)	Ending balance of provision for impairment
		Additional investment	Reduced investment	Profit and loss on investment recognized under equity method	Adjustment of other comprehensive income	Other equity changes	Cash dividends or profits declared for distribution	Provision for impairment	Others		
<b>I. Joint Ventures</b>											
<b>II. Associates</b>											
Shanghai	221,045,403.2			-20,532,500.93						200,512,902.2	

Electric Gotion New Energy Technol ogy Co., Ltd	0									7	
Anhui Anwa New Energy Technol ogy Co., Ltd	64,943, 362.54			-425,78 1.69						64,517, 580.85	
Subtotal	285,98 8,765.7 4			-20,958 ,282.62						265,03 0,483.1 2	
Total	285,98 8,765.7 4			-20,958 ,282.62						265,03 0,483.1 2	

**(4) Other remarks**

No

**4. Investment income**

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Long-term equity investment income accounted by equity method	-20,958,282.62	-10,899,577.16
Total	-20,958,282.62	-10,899,577.16

**XV Supplementary Information****1. Details of non-recurring profits and losses in the current period**

√ Applicable □ Not Applicable

Monetary Unit: RMB

Item	Amount	Remark
Profit and loss from disposal of non-current assets	9,336,498.95	
Government subsidies included into current profit and loss (except for the government subsidies that are closely related to the Company's business and continuously enjoyed per quota or ration in accordance with the government policies)	308,692,458.21	
Profit and loss from changes in fair value of financial assets and liabilities held for trading, and investment income from disposal of financial assets and liabilities for trading and financial assets available for sale, except for effective hedging operations related to the Company's normal business operations	-10,159,418.65	
Non-operating income and expenses other than the said items	1,703,410.44	
Others items of profit and loss complying with the definition for non-recurring profit and loss	13,772.07	
Less: impact amount on income tax	71,884,600.73	
Effectuated amount of minority equity	-6,318.42	
Total	237,708,438.71	--

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

Applicable  Not Applicable

The Company does not have specific cases of other items of profit and loss complying with the definition for non-recurring profit and loss.

Remarks to define the non-recurring profit and loss items defined listed in *Explanatory Announcement No. 1 on Information Disclosure for Companies' Offering Their Securities to the Public - Non-recurring Profits and Losses* as recurring profit and loss items.

Applicable  Not Applicable

## 2. Return on equity and earnings per share

Profit in the Reporting Period	Weighted average return on equity	Earnings per share	
		Basic EPS (RMB/share)	Diluted EPS (RMB/share)

Net profit attributable to ordinary shareholders of the Company	0.33%	0.04	0.04
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profits and losses	-0.89%	-0.1	-0.1