



**2023 Annual Report  
of  
Gotion High-tech Co., Ltd.**

**April 20 2024**

# 2023 Annual Report

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

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

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

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

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

In this report, the Company has described in detail the main risks that may occur in the future and the response measures that the Company will take. For details, please refer to “(IV) Possible risks and response measures”, “XI. Prospects for the future development of the Company”, “Section III Management Discussion and Analysis”. Investors are kindly reminded to pay attention to these risks.

The profit distribution proposal of the Company deliberated and approved by the Board of Directors is as follows: based on the total share capital registered on the equity registration date for the implementation of the equity distribution deducting the repurchased shares in the Company’s special securities account for repurchase, a cash dividend of RMB 1.00 (tax included) per 10 shares will be paid to all shareholders, and bonus shares will be given out as 0 shares (tax included), and the Company will not increase share capital with reserved fund.

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### **Directory of Reference Documents**

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

II. The original 2023 annual report and its summary signed by the legal representative of the Company and sealed by the Company;

III. The original audit report sealed by the accounting firm and signed and sealed by the certified public accountants;

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

V. Other reference documents.

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

### Definitions

Term		Definition
Company, the Company or Gotion High-tech	mean(s)	Gotion High-tech Co., Ltd.
Company Law	mean(s)	Company Law of the People's Republic of China
Securities Law	mean(s)	Securities Law of the People's Republic of China
Articles of Association or AoA	mean(s)	Articles of Associations of Gotion High-tech Co., Ltd.
CSRC	mean(s)	China Securities Regulatory Commission
SZSE	mean(s)	Shenzhen Stock Exchange
SIX	mean(s)	SIX Swiss Exchange
GDR	mean(s)	Global Depositary Receipt
Gotion Holding	mean(s)	Nanjing Gotion Holding Group Co., Ltd. (formerly known as Zhuhai Gotion Trading Co., Ltd., which was relocated and renamed as "Nanjing Gotion Holding Group Co., Ltd." on September 29, 2020)
The largest shareholder, Volkswagen China	mean(s)	Volkswagen (China) Investment Co., Ltd.
VW Group, VW AG	mean(s)	Volkswagen Aktiengesellschaft
Shareholders Agreement	mean(s)	the Shareholders Agreement between Volkswagen (China) Investment Co., Ltd. and Zhuhai Gotion Trading Co., Ltd., Li Zhen, Li Chen regarding Gotion High-tech Co., Ltd.
Hefei Gotion	mean(s)	Hefei Gotion High-tech Power Energy Co., Ltd.
Feidong Gotion	mean(s)	Feidong Gotion New Material Co., Ltd.
Jiangxi Gotion	mean(s)	Jiangxi Gotion New Energy Technology Co., Ltd.
Jiangsu Gotion	mean(s)	Jiangsu Gotion New Energy Technology Co., Ltd.
Dongyuan Electrical	mean(s)	Jiangsu Dongyuan Electrical Group Co., Ltd.
Power Battery System	mean(s)	Cell, module, battery pack, and other components used in electric vehicles and hybrid electric vehicles.
Energy Storage Battery System	mean(s)	Cell, module, battery cabinet, and battery pack for lithium-ion energy storage systems.
GWh, MWh	mean(s)	Kilowatt-hour (kWh) is the unit of electrical energy. 1 GWh = 1,000,000 kWh, and 1 MWh = 1,000 kWh.
Ah	mean(s)	Ampere-hour (Ah) is used to express the capacity of a battery, which is the product of discharge current (amperes, A) and discharge time (hours, H).
Yuan, Ten thousand yuan, One hundred million yuan	mean(s)	RMB Yuan, RMB 10,000 yuan, RMB 100,000,000 yuan.
cninfo	mean(s)	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
Reporting period, current reporting period, current period	mean(s)	From January 1, 2023, to December 31, 2023.

## Section II Company Overview and Major Financial Indicator

### I. Company profile

Stock name	Gotion High-tech	Stock Code	002074
Stock exchange	SZSE		
Chinese enterprise name	国轩高科股份有限公司		
Chinese name abbreviation	国轩高科		
Foreign enterprise name (if any)	Gotion High-tech Co., Ltd.		
Foreign name abbreviation (if any)	GOTION		
Legal representative	Li Zhen		
Registered address	No. 566 Huayuan Avenue, Baohe District, Hefei City, Anhui Province		
Postal code of the registered address	230051		
Historical change of the registered address	On July 8, 2008, the registered address of the Company was changed from “No. 16 Zhenxing North Road, Shisong Town, Tongzhou City” to “No. 1 Dongyuan Avenue, Shisong Town, Tongzhou District”; on June 17, 2020, the registered address of the Company was changed from “No. 1 Dongyuan Avenue, Shisong Town, Tongzhou District” to “No. 566 Huayuan Avenue, Baohe District, Hefei City, Anhui Province”		
Office address	No. 566 Huayuan Avenue, Baohe District, Hefei City, Anhui Province		
Postal code of the office address	230051		
Website	www.gotion.com.cn		
E-mail	gxgk@gotion.com.cn		

### II. Contact person and contact information

	Board Secretary	Securities Representative
Name	Wang Quan	Xu Guohong
Contact address	No. 566 Huayuan Avenue, Baohe District, Hefei City, Anhui Province	No. 566 Huayuan Avenue, Baohe District, Hefei City, Anhui Province
Tel	0551-62100213	0551-62100213
Fax	0551-62100175	0551-62100175
E-mail address	wangquan_yj@gotion.com.cn	xuguohong@gotion.com.cn

### III. Information disclosure and location

Website of the stock exchange for disclosure of annual reports of the Company	Shenzhen Stock Exchange ( <a href="http://www.szse.cn">http://www.szse.cn</a> )
Media and website for disclosure of annual reports of the Company	China Securities Journal, Securities Times, Shanghai Securities News, Securities Daily, cninfo, English website of the Company ( <a href="http://en.gotion.com.cn">en.gotion.com.cn</a> )
Location to keep the annual reports of the Company for check	Securities Affairs Center of Gotion High-tech at No. 566 Huayuan Avenue, Baohe District, Hefei City, Anhui Province

### IV. Change of registered information

Organization code	91320600138346792B
Changes of the Company's primary	In 2015, the Company's major asset restructuring was approved by the CSRC and

business since its listing (if any)	successfully implemented. The Company changed its single primary business of the power transmission & distribution equipment to a double one of both the power lithium battery and the power transmission & distribution equipment. In 2022, the Company divided its power lithium battery business into two categories: power battery systems and energy storage battery systems.
Changes of previous Controlling Shareholder (if any)	In 2015, the Company's major asset restructuring was approved by the CSRC and successfully implemented, and the Company changed its Controlling Shareholder from Mr. Sun Yiyuan to Gotion Holding. Gotion Holding, Li Zhen and Li Chen, as persons acting in concert, jointly serve as the controlling shareholder of the Company.

## V. Other relevant information

The accounting firm engaged by the Company

Name of the accounting firm	Suyajincheng CPA LLP
Office address of the accounting firm	14-16 Floors, Block A, Zhengtai Center, No. 159 Taishan Road, Jianye District, Nanjing, Jiangsu Province
Names of the undersigned accountants	Luo Zhenxiong, Li Zhenzhen

The sponsor engaged by the Company to perform the duty of consistent supervision during the reporting period

☒ Applicable ☐ Not Applicable

Name of the sponsor	Office address of the sponsor	Name of the sponsor's representative	Period of consistent supervision
Haitong Securities Co., Ltd.	No. 888, Zhongshan South Road, Huangpu, Shanghai	Cui Hao, Chen Saide	From December 26, 2018 to December 31, 2023; as of the end of the reporting period, the period of continuous supervision has expired. However, since the Company has not yet fully utilized the raised funds, the sponsor's representative will continue to fulfill the obligation of continuous supervision.

Financial consultant engaged by the Company to perform the duty of consistent supervision during the reporting period

☐ Applicable ☒ Not Applicable

## VI. Major accounting data and financial indicators

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

☐ Yes ☒ No

	2023	2022	Changes compared to previous year (%)	2021
Operating revenue (RMB)	31,605,490,020.32	23,051,701,484.60	37.11%	10,356,081,191.76
Net profit attributable to shareholders of the listed company (RMB)	938,726,847.76	311,576,431.81	201.28%	101,773,908.78
Net profit attributable to shareholders of the listed company after deducting non-recurring profits and losses (RMB)	116,241,267.75	-515,170,864.59	122.56%	-342,085,953.12
Net cash flows from	2,418,690,817.29	801,270,839.12	201.86%	1,058,194,665.03

operating activities (RMB)				
Basic earnings per share (RMB/share)	0.53	0.18	194.44%	0.08
Diluted earnings per share (RMB/share)	0.53	0.18	194.44%	0.08
ROEWA	3.87%	1.50%	2.37%	0.62%
	As at the end of 2023	As at the end of 2022	Changes compared to the end of previous year (%)	As at the end of 2021
Total assets (RMB)	93,592,652,122.38	72,627,365,266.66	28.87%	43,613,293,048.19
Net assets attributable to owners of the listed company (RMB)	25,066,839,997.17	23,512,253,186.21	6.61%	18,777,606,791.28

The Company's net profit before or after deducting non-recurring profit and loss (whichever is lower) in the last three fiscal years are all negative, and the audit report of the last year indicates that the Company's ability to continue as a going concern is uncertain

☐ Yes ☒ No

The Company's net profit before and after deducting the non-recurring profit and loss (whichever is lower) is negative

☐ Yes ☒ No

## VII. 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

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

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

☐ Applicable ☒ Not Applicable

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

## VIII. Major financial indicators by quarters

Monetary Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	7,177,001,038.70	8,061,813,982.88	6,539,677,170.64	9,826,997,828.10
Net profit attributable to the shareholders of the listed company	75,609,494.88	133,465,727.19	83,144,954.29	646,506,671.40
Net profit attributable to the shareholders of the listed company after	-11,130,731.84	46,500,785.07	15,394,595.16	65,476,619.36



deducting non-recurring profits and losses				
Net cash flows from operating activities	61,247,620.00	103,744,436.21	43,531,622.02	2,210,167,139.06

Are there any material differences between the above financial indicators or their sum and the financial indicators related to the disclosed quarterly report and semiannual report of the Company?

☐ Yes ☒ No

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

☒ Applicable ☐ Not Applicable

Monetary Unit: RMB

Item	2023	2022	2021	Note
Gains or losses from disposal of non-current assets, including the portion offset by assets impairment provision	-1,743,644.32	23,418,461.07	33,381,037.28	
Government subsidies included into the current profit or loss (except for the government subsidies that are closely related to the Company's business, conform to national policies and regulations, are enjoyed according to determined standards, and have a continuous impact on the Company's profits and losses.)	972,703,634.39	921,336,197.19	558,402,434.21	
In addition to the effective hedging business related to the normal business of the Company, gains or losses from changes in fair value of financial assets and financial liabilities held by non-financial enterprises, as well as gains or losses from the disposal of financial assets and financial liabilities	84,807,677.28	-144,147,447.39	654,775.51	
Gains arising from the difference between the cost of investments in subsidiaries, associates and joint ventures and the fair value of the investee's identifiable net assets at the time of investment		51,427,788.13		
Non-operating income and expenses other than the said items	-20,477,166.95	8,822,578.14	9,683,016.65	
Other profit or loss items complying with the definition of non-recurring profit or losses		143,837,777.24	-13,634,561.22	
Less: impact amount of income tax	246,784,875.36	202,146,428.95	118,153,361.17	
Impact amount of minority equity (after tax)	-33,979,954.97	-24,198,370.97	26,473,479.36	
Total	822,485,580.01	826,747,296.40	443,859,861.90	--

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

☐ Applicable ☒ Not applicable

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

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

loss item

☐ Applicable ☒ Not applicable

The Company does not fall under any situation where any non-recurring profit or loss item listed in *No.1 of Explanatory Announcement of Information Disclosure of Companies publicly Issuing Securities - Non-recurring Profit or Loss* is defined as a recurring profit or loss item

### Section III Management Discussion and Analysis

#### I. Industry profile of the Company during the reporting period

##### (I) Power lithium battery industry

In 2023, influenced by various factors such as turmoil in geographical politics and slowdown in economic recovery, the global clean energy transformation remained resilient, energy technological innovation entered a highly active period, and comprehensive growth of green investment became an important highlight. With the increasing severity of global climate change, governments and enterprises of various nations were increasing their investment in clean energy to reduce greenhouse gas emission and promote sustainable development.

According to the statistics from EVTank, the global sales volume of new energy automobiles reached 14.653 million in 2023, with a year-on-year increase of 35.4%. According to data from Ministry of Industry and Information Technology (MIIT), the production and sales volume of new energy automobiles in China reached 9.587 millions and 9.495 million in 2023 respectively, with a year-on-year increase of 35.8% and 37.9%, while the sales of new energy automobiles accounted for 31.6% of the total sales of automobiles (penetration rate), with a year-on-year increase of 5.9%. The global demand for new energy automobiles continued to grow, driving the rapid expansion of the power battery industry. During the reporting period, the power lithium battery business of the Company maintained a steady and progress trend. According to the data from the China Automotive Power Battery Industry Alliance, the installed capacity of power batteries of the Company in 2023 was 15.91GWh, with a year-on-year increase of 19.35% and a market share of 4.10%. Among them, the installed capacity of ternary power batteries was 1.20 GWh, with a market share of 0.95%, and the installed capacity of lithium iron phosphate power batteries was 14.71 GWh, with a market share of 5.64%. With the rapid growth of production and sales of new energy automobiles globally, the installed capacity and market share of lithium batteries of the Company are expected to be further increased.

##### (II) Energy storage battery industry

At present, new power systems are rapidly evolving. Energy storage technology, due to its important role in balancing power supply and demand, improving operational efficiency of power system and promoting consumption of clean energy, has gradually become an essential element in energy transformation, leading the power industry into a new era. With the rapid increase in new energy power installation globally, the energy storage industry is showing a booming development trend.

According to data from GGII (Gaogong Industry Institute), the shipment of energy storage lithium batteries globally in 2023 was 225GWh, with a year-on-year increase of 50%. Among them, the shipment of energy storage lithium batteries by China was 206GWh, with a year-on-year increase of 58% and accounting for 91.6% globally. According to data from the NEA (National Energy Administration), the cumulative installed capacity of new-type energy storage projects that have been built and put into operation as of the end of 2023 in China has reached 31.39GW/66.87GWh, and the installed capacity newly added in 2023 was about 22.60GW/48.70GWh. It is clearly stated in the *Guiding Opinions on Accelerating the Development of New-Type Energy Storage* of the National Development and Reform Commission and the National Energy

Administration that by the year of 2030, China aims to achieve comprehensive market-oriented development of new-type energy storage, with technological innovation and industrial level ranking among the top in the world. With favorable policies, decline in energy storage costs, intensive inflow of capital and the rise of industrial clusters in multiple places, the global energy storage battery market will maintain a steady growth trend.

During the reporting period, the Company, relying on its advantages in basic materials, technological R&D, intelligent manufacturing, and global supply chain for energy storage batteries, formed a core technology system covering energy storage cells with independent intellectual property rights, advanced thermal management and intelligent control, and constructed a matrix of energy storage products and an overall solution for energy storage systems for all application scenarios. At the same time, the Company established cooperation relationship with well-known enterprises such as China Southern Power Grid, China Three Gorges Corporation, Jiangxi Ganneng Co., Ltd., Edison Power Co., Ltd. in Japan, BASF in the Germany, PGT in the US, and Pod Point in the UK to jointly promote the progress of the energy storage industry. In the future, the Company will continue to expand its energy storage business globally, promoting a green, low-carbon and sustainable development of the world.

### **(III) Power transmission and distribution equipment industry**

The power transmission, distribution and control equipment manufacturing industry is an important public infrastructure industry for the development of the national economy and society. In recent years, with the continuous growth of residential and industrial electricity consumption in China, the state has been continuously increasing investment in the construction of power grids, which provides good opportunities for the development of power transmission, distribution and control equipment industry. In addition, the state has successively introduced a series of industrial policies and planning suggestions, such as the *Action Plan for Accelerating the Green, Low-Carbon and Innovative Development of Electric Power Equipment* and the *Blue Book for the Development of New Power Systems*, which have promoted the rapid development of distributed new energy generation industry and energy storage technology, and promoted the continuous innovation of R&D, design, production and manufacturing technology of power transmission, distribution and control equipment.

In 2023, the Company continued to make innovation in the field of power transmission and distribution equipment, and has achieved a stable business growth and a certain market share. Furthermore, the Company, by continuously improving its industrial chain, optimizing its product structure, increasing the development of key products with vast market foreground in the field of power transmission and distribution equipment, fully utilizing existing advantageous customer resources and continuously improving its sales and service network, achieved coordinated and linked development between power transmission and distribution business and new energy business, and thus continuously improved its market competitiveness.

## **II. Primary business of the Company during the reporting period**

During the reporting period, the Company's primary business is divided into three parts: power battery system, energy storage battery system, and transmission and distribution equipment. According to the *Guidelines for the Industrial Classification of Listed Companies* issued by CSRC, the Company is in the industry of "Electrical machinery and equipment manufacturing" under "Manufacturing".

## **(I) Outline of primary business**

### **1. Power battery system**

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

### **2. Energy storage battery system**

The Company has a mature technical system, a complete product matrix and comprehensive solutions in energy storage battery. Its main products include energy storage cells, standardized battery boxes, battery clusters, lithium-ion battery compartments for power storage, outdoor cabinets for commercial and industrial lithium-ion batteries, household energy storage systems, modules, etc., which meet the needs of various scenarios such as centralized power storage, commercial and industrial energy storage, and household energy storage, and have passed compulsive standards GB in China, the UL safety standards in US, the international IEC and other standard certifications. The Company focuses on the deployment of four major energy storage fields (i.e., power generation side, grid side, power side and user side), with energy storage customers around the world.

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

Power transmission and distribution equipment is a traditional business segment of the Company. Its main products include high and low voltage switch gear, digital electrical equipment, smart distribution network equipment, transformers, circuit breakers, integrated charging piles, and energy storage cabinets. These products are widely used in industries such as thermal power, hydro power, nuclear power, wind power, rail transportation, metallurgy, and chemical engineering. In recent years, the Company has actively promoted industrial transformation through technological innovation, expanding its power transmission and distribution O&P services as well as EPC project contracting.

## **(II) Business model**

Through long-term development, the Company has established an independent and mature R&D, manufacturing, supply chain and marketing systems.

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

In terms of R&D, the Company continues to develop an energy science system based on materials science and digital science, and synchronously carries out material system development, battery product development, production technology services, testing & verification and information management, covering the entire life cycle of batteries. In the meantime, the Company hires high-end talents from the global battery industry and formed an efficient R&D team, strengthens the cooperation of enterprises, universities and research institutions and establishes good cooperative relationships with excellent enterprises, universities and research institutes at home and abroad to jointly solve technical problems in power batteries. In terms of manufacturing, the Company analyzes the market and order condition by digital means and arranges production plans accordingly, adopts flexible and lean production based on different customers' needs, thus ensuring timely and high-quality

delivery. In terms of supply chain, the Company establishes a strict supplier selection system and builds long-term stable supply channels through joint ventures, strategic investments and other methods to maintain cost competitiveness. At the same time, the Company put the suppliers under classified management and strict assessment to ensure the quality of raw materials and the technical advancement and reliability of manufacturing equipment, so as to effectively prevent and control risks. In terms of marketing, the Company fully leverages its advantages in the entire industry chain, builds a professional marketing team, improves and strengthens the marketing system, and comprehensively enhances its marketing capabilities. In addition, the Company establishes long-term strategic partnerships with customers, delivers high-quality products to them, and provides them with a comprehensive and diverse service experience.

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

The Company adopts a bidding first and procurement later purchase model for its power transmission and distribution business, settling in accordance with the contracted terms. Dongyuan Electrical, the Company's subsidiary, implements the marketing strategies of unified management and control, rational optimization and comprehensively utilization of market resources and mainly adopts a direct sales model.

During the reporting period, the Company's business models did not undergo significant changes.

### **(III) Performance driver analysis**

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

New energy automobiles are the main focus in the transformation and upgrading of the automotive industry globally, and major automotive manufacturing countries around the world have reinforced their policy support, which has greatly driven the development of the global new energy vehicle industry. As for China, it has established an organic and synergistic new energy automobiles industry system, formed a development pattern of mutual integration and symbiosis between new energy automobiles and power battery industry. In recent years, China's power battery industry has attracted high attention from governments at all levels, and the state has announced a number of industrial policies, laws and regulations to encourage the development of the power battery industry. As for energy storage, according to the statistics from EESA, a total of 361 regulations, market planning and other related policies on energy storage were issued in 2023. The implementation of such policies has promoted the rapid development of the new energy power battery, energy storage and other industries in which the Company carries out business.

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

In 2023, the demand of global market for new energy vehicles was strong, with sales volume reaching 14.653 million, a year-on-year increase of 35.4%, and the market penetration rate was further improved. At the same time, with the growth of energy storage demand on the power grid side, power generation side, power supply side and user side, the market demand for new energy storage was rapidly released, and the industry witnessed large-scale expansion, which promoted the continuous growth of market demand for lithium batteries. According to preliminary statistics from GGII, the global shipment of energy storage lithium batteries in 2023 was 225GWh, with a year-on-year increase of 50%. Among them, the shipment of energy storage lithium batteries by China reached 206GWh, with a year-on-year increase of 58%. The GGII predicts that global shipment of energy storage lithium batteries will approach 700GWh by 2025 and exceed 2TWh by 2030.

### 3. Support by technical advantages

The Company persists in the philosophy of seeking development through innovation, focuses on the R&D of and investment in power batteries and energy storage batteries, and constructs an energy science system based on materials science and digital science. Volkswagen unified cells, 4695 cylindrical battery cells, L300, and other Generation 3 battery cell products fully demonstrate the Company's leading battery technology strength and strong product strength. During the reporting period, the compaction density and low-temperature performance of lithium iron phosphate materials have significantly improved, and the independently developed PACK technology and battery thermal management technology remained in the leading position in domestic market. At the same time, with the fast promotion of the Company's global layout, basic research capabilities and technological industrialization capabilities have further improved. The market share of lithium iron phosphate technology in various application scenarios continues to rise, providing strong support for the Company's development.

### 4. Continuous improvement of core competitiveness

The Company has formed a full industry chain system covering raw materials, battery production, product application and battery recycling, and continuously extended, supplemented and strengthened the chain, resulting in a further decrease in the cost and price of raw materials. Especially, the Company has fully introduced the Volkswagen management system, which promoted the improvement of management capabilities and product quality, and achieved internal cost reduction and efficiency increase. Faced with the surge in market demand, the Company has continuously improved its production capacity of power batteries and energy storage batteries to ensure the supply in domestic and overseas markets. In addition, the Company has furthered its layout for the construction of overseas bases, and a new development paradigm featuring dual circulation of domestic and overseas circulation, as well as the integration of domestic and international research, production, supply and sales, is taking shape. During the reporting period, the Company completed the construction of three major business sectors of Americas, Europe & Africa, and the Asia Pacific region, and was designated as an overseas supplier by Volkswagen, and gained a new group of international strategic customers, which has driven its sales of passenger cars, commercial vehicles and energy storage batteries to a new level.

## III. Analysis of core competence

### (I) Technology R&D level

Adhering to the philosophy of seeking development through technological innovation, the Company has been continuously improving its R&D capabilities and technical strength, and now owns multiple core technologies in the fields of battery materials, battery processes, and battery testing. During the reporting period, the Company actively invested in R&D resources with more than 7,000 R&D and technical employees. It is even designated by Volkswagen as the first supplier of UC battery cells in the world and obtained the qualification certification issued by Battery Cell Testing Laboratory of Volkswagen Group for its UC battery cells. Its independently developed L600 Qichen battery pack system also reached an energy density of 190Wh/kg. Its battery system covers commercial vehicle battery standard boxes, passenger car hybrid battery systems, and the latest two wheeled vehicles, which can meet the power requirements of various vehicle models. Energy storage products cover battery cells, PACK, battery clusters, and overall energy storage system solutions, meeting the needs of various scenarios such as centralized power storage, industrial and commercial energy storage and household energy storage.

The Company lays emphasis on the cooperation and exchange with well-known domestic and foreign enterprises and research institutions, continuously draws on advanced technology and management experience, so as to improve its own technological R&D level. Through cooperation with multiple universities at home and abroad by kinds of means such as production, study and research cooperation, technology introduction and so on, the Company promotes the progress and development of industry technology. At the same time, the Company pays attention to the protection and management of IP rights, takes the initiative to apply for patents, and participates in the formulation of industry standards. As of the end of December 2023, the Company has applied for a total of 8,083 patents, including 3,573 invention patents (including 242 foreign patents), and has led and participated in the formulation of a total of 75 standards.

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

The Company is one of the earliest battery enterprises in China to make a strategic arrangement in the upstream chain. It has successively made arrangement in upstream raw materials such as precursor, positive electrode, negative electrode, copper foil, diaphragm, as well as battery recycling, forming a relatively complete four major materials and battery recycling ecosystem.

On the upstream resource side, the Company further optimized its industrial chain layout, accelerated the development of mineral resources in Yichun, Indonesia, Argentina and other places, steadily improved the production capacity of its material bases in Lujiang, Wuhai, Feidong and other areas, and through strategic investment and other means, established close cooperative relations with multiple upstream and downstream enterprises. In this way, a domestic and international dual cycle industrial chain system covering market development, product research, and production manufacturing is taking shape.

On the battery manufacture side, the Company further optimized its production capacity layout and improved its battery manufacturing capabilities. The Company established production bases in multiple regions in China such as Hefei, Nanjing, Tangshan, Qingdao, Yichun and Tongcheng. At the same time, the Company carried out production capacity layout in overseas regions such as the Asia Pacific, Europe & Africa and the Americas, and introduced advanced production equipment and processes. Currently, it has formed a global production capacity scale of 150GWh. In addition, the Company has increased investment in low-carbon or zero carbon factories, battery recycling and reuse, and is committed to building a green and circulating industrial chain.

On the downstream application side, the Company has established strategic cooperation relations with multiple vehicle companies by providing them with power battery solutions. The Company's battery products are widely used in pure electric passenger cars, commercial vehicles, and energy storage power stations, and have been widely recognized in the market.

## **(III) Globalization strategy**

The Company lays emphasis on the expansion of international market. Focusing on the three major sectors of Americas, Europe & Africa and the Asia Pacific, it actively seeks international cooperation and exports its products to multiple countries and regions around the world, including Thailand, Indonesia, Vietnam, India, Singapore, the United States, Canada and the European Union. To further enhance its market share and international competitiveness, the Company has established long-term strategic cooperation relations with multiple companies and institutions, including InoBat, Edison Power in Japan, BASF in Germany, Pacific



Green Technologies in the United States, and Pod Point, a charging service provider in the UK, to jointly explore the new energy markets in Europe and the Americas.

Under the globalization strategy, the Company continues to increase its investment in overseas production bases and R&D centers, and has established multiple production bases and R&D centers in Europe, Asia, the Americas, and other regions, achieving localized production and R&D.

#### **IV. Analysis of primary business**

##### **1. Overview**

During the reporting period, the Company achieved an operation income of RMB 31,605.49 million, a year-on-year increase of 37.11%, realized an operating profit of RMB 975.4255 million, a year-on-year increase of 390.92, achieved total profit of RMB 948.1597 million, a year-on-year increase of 266.14 %, and achieved a net profit of RMB 969.0989 million, a year-on-year increase of 165.04% (in which the net profit attributable to the owner of the parent company was RMB 938.7268 million, a year-on-year increase of 201.28%). The main business situation is as follows:

##### **(1) New breakthroughs in market power**

The annual product delivery volume of the Company exceeded 40GWh, with a year-on-year increase of over 40%. In the context of continuous decline in battery prices, its sales revenue including taxes increased by more than 50% year-on-year, and revenue from overseas and energy storage businesses doubled. Moreover, the Company optimized its customer structure by maintaining stable relationship with customers such as Geely, Chery, SGMW, TATA, Chana and VinFast and attracted a batch of new strategic customers such as GAC and Hozon. And the installed volume of A-level and above markets has seen steady growth.

##### **(2) New heights in product strength**

The Company has been building an energy science system based on materials science and digital science, and gradually launched eight third-generation batteries such as UC and Qichen. The compaction density and low-temperature performance of its lithium iron phosphate materials have been significantly improved, and the Pack technology and battery thermal management technology independently developed by it are leading in the domestic market. Besides, the Company newly registered more than 1,500 global patented technologies, and preliminarily built the four major experimental verification platforms in Baohe District, Hefei City, Xinzhan High-tech Zone, Hefei City, Jiading District, Shanghai, and Liuhe County, Nanjing City, and it has won two second prize in Anhui Provincial S&T Progress Award, one Anhui Provincial Patent Gold Award, and two China Machinery Industry S&T Progress Awards for its R&D achievements.

##### **(3) New level in manufacturing power**

The Company has vigorously introduced the Volkswagen quality management system, and continuously improved its product quality. It, for the purpose of achieving “high quality and attractive price”, established standardized systems and processes, significantly improved its process engineering capabilities and lean manufacturing capabilities. Besides, it strengthened the control of the quality of supplied goods, built a supply

chain system that covers both domestic and international markets, continuously improved the operation and management of the headquarters and the organizational construction of each base, which helped further enhance its manufacturing management capabilities.

#### (4) New layout of globalization

The Company has developed three major markets for its business, namely, the Americas, the Europe & Africa, and the Asia Pacific, with overseas revenue doubling. In terms of market expansion, in addition to being designated by Volkswagen as a dedicated supplier in China, the Company developed a new group of international strategic customers, which helped its sales of passenger cars, commercial vehicles, and energy storage batteries reach a new level. In terms of base construction, the products manufactured in the four Pack factories in Germany, Indonesia, Thailand and Silicon Valley in the United States have successfully come off the production lines, and production bases in Vietnam, Chicago (USA), Michigan (USA), Slovakia (Europe), Argentina, Indonesia, etc. are in progress. The layout of the top ten overseas bases covering materials, battery cells, and packs was preliminarily formed.

## 2. Income and cost

### (1) Composition of operating income

Monetary Unit: RMB

	2023		2022		Year-on-year increase/decrease
	Amount	Proportion to operating income	Amount	Proportion to operating income	
Total operating income	31,605,490,020.32	100%	23,051,701,484.60	100%	37.11%
By industry					
Power battery system	23,051,206,303.70	72.93%	18,481,736,500.75	80.18%	24.72%
Energy storage battery system	6,931,945,164.22	21.93%	3,507,974,055.93	15.22%	97.61%
Power transmission and distribution products	816,470,377.47	2.58%	664,063,049.49	2.88%	22.95%
Other businesses	805,868,174.93	2.55%	397,927,878.43	1.73%	102.52%
By product					
Power battery system	23,051,206,303.70	72.93%	18,481,736,500.75	80.18%	24.72%
Energy storage battery system	6,931,945,164.22	21.93%	3,507,974,055.93	15.22%	97.61%
Power transmission and distribution products	816,470,377.47	2.58%	664,063,049.49	2.88%	22.95%
Other businesses	805,868,174.93	2.55%	397,927,878.43	1.73%	102.52%
By region					
Chinese main-land	25,177,722,118.17	79.66%	20,071,669,227.45	87.07%	25.44%

Overseas (including Hong Kong, Macao and Taiwan)	6, 427, 767, 902. 15	20. 34%	2, 980, 032, 257. 15	12. 93%	115. 69%
By sales model					
Direct selling	31,605,490,020.32	100.00%	23,051,701,484.60	100.00%	37.11%

**(2) Industries, products, regions or sales models making up over 10% of the Company's operating income or operating profit**

☒ Applicable ☐ Not applicable

Monetary Unit: RMB

	Operating income	Operating cost	Gross profit margin	Year-on-year increase/decrease in operating income	Year-on-year increase/decrease in operating cost	Year-on-year increase/decrease in gross profit margin
By industry						
Power battery system	23,051,206,303.70	19,585,130,952.30	15.04%	24.72%	27.27%	-10.12%
Energy storage battery system	6,931,945,164.22	5,664,092,393.68	18.29%	97.61%	93.74%	9.78%
Power transmission and distribution products	816,470,377.47	652,314,371.96	20.11%	22.95%	21.17%	6.21%
Other businesses	805,868,174.93	355,674,178.77	55.86%	102.52%	259.93%	-25.68%
By product						
Power battery system	23,051,206,303.70	19,585,130,952.30	15.04%	24.72%	27.27%	-10.12%
Energy storage battery system	6,931,945,164.22	5,664,092,393.68	18.29%	97.61%	93.74%	9.78%
Power transmission and distribution products	816,470,377.47	652,314,371.96	20.11%	22.95%	21.17%	6.21%
Other businesses	805,868,174.93	355,674,178.77	55.86%	102.52%	259.93%	-25.68%
By region						
Chinese mainland	25, 177, 722, 118. 17	21, 036, 205, 551. 12	16. 45%	25. 44%	27. 26%	-6. 80%
Overseas (including Hong Kong, Macau and Taiwan)	6, 427, 767, 902. 15	5, 221, 006, 345. 59	18. 77%	115. 69%	115. 74%	-0. 08%
By sales model						
Direct selling	31,605,490,020.32	26,257,211,896.71	16.92%	37.11%	38.56%	-4.88%

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 year

☐ Applicable ☒ Not Applicable

### (3) Whether the Company's income from physical sales is greater than the labor service income

☒ Yes ☐ No

Industry	Item	Unit	2023	2022	Year-on-year increase/decrease
Battery pack	Sales volume	10,000Ah	1,407,011	859,669	63.67%
	Production volume	10,000Ah	1,489,610	879,519	69.37%
	Inventory volume	10,000Ah	240,303	157,704	52.38%

Reasons why the relevant data changed by over 30% year on year

☒ Applicable ☐ Not applicable

1. Sales volume in 2023 rose by 63.67% year on year, mainly due to an increase in sales volume as a result of strong market demand during the reporting period.

2. Production volume in 2023 rose by 69.37% year on year, mainly due to an increase in production to meet market demand during the reporting period.

3. Inventory volume in 2023 rose by 52.38% year on year, mainly due to an increase in goods prepared requirements caused by the strong market demand.

### (4) Performance of major sales contracts signed by the Company as of the reporting period

☐ Applicable ☒ Not Applicable

### (5) Composition of operating costs

Product Category

Monetary Unit: RMB

Product category	Item	2023		2022		Year-on-year increase/decrease
		Amount	Proportion to operating cost	Amount	Proportion to operating cost	
Power battery system	Raw materials	17,042,980,954.69	64.91%	13,756,168,661.52	72.59%	23.89%
Power battery system	Labor	681,562,557.14	2.60%	438,584,636.82	2.31%	55.40%
Power battery system	Manufacturing cost	1,860,587,440.47	7.09%	1,194,181,326.92	6.30%	55.80%
Energy storage battery system	Raw materials	4,922,662,699.35	18.75%	2,577,146,870.96	13.60%	91.01%
Energy storage battery system	Labor	231,094,969.66	0.88%	108,757,644.47	0.57%	112.49%
Energy storage	Manufacturing	510,334,724.67	1.94%	237,688,077.83	1.25%	114.71%

battery system	cost					
Power transmission and distribution products	Raw materials	620,546,662.05	2.36%	514,501,783.89	2.72%	20.61%
Power transmission and distribution products	Labor	17,286,330.86	0.07%	12,758,912.08	0.07%	35.48%
Power transmission and distribution products	Manufacturing cost	14,481,379.06	0.06%	11,090,024.85	0.06%	30.58%
Other businesses	Other business cost	355,674,178.77	1.35%	98,818,217.36	0.53%	259.93%

Description

None

**(6) Whether there was any change in the consolidation scope during the reporting period**☒ Yes ☐ No

For details of the changes in the consolidation scope, please refer to “VII. Explanation on the changes in the consolidation scope compared with the financial report of the previous year” of Section VI.

**(7) Major changes or adjustments of the Company’s business, products or services during the reporting period**☐ Applicable ☒ Not Applicable**(8) Major customers and major suppliers**

Major customers of the Company

Aggregate sales amount from top five customers (\$)	10,245,946,015.87
Proportion of aggregate sales amount of top five customers' sales to total annual sales	32.42%
Proportion of related party sales among sales of top five customers to total annual sales	0.00%

Information of top 5 customers of the Company

No.	Customer's name	Sales amount (RMB)	Proportion to the total annual sales amount
1	Customer 1	4,312,452,164.65	13.64%
2	Customer 2	1,615,264,926.23	5.11%
3	Customer 3	1,533,610,686.52	4.85%
4	Customer 4	1,406,783,995.41	4.45%
5	Customer 5	1,377,834,243.06	4.36%
Total	--	10,245,946,015.87	32.42%

Other explanations about the major customers

☐ Applicable ☒ Not Applicable

Major suppliers of the Company

Total purchase amount achieved through the top 5 suppliers (RMB)	3,357,930,443.63
Proportion of total purchase achieved through top 5 suppliers in the total annual purchase amount of the Company	15.98%
Proportion of the total purchase amount achieved through related parties among the top 5 customers in the total annual purchase amount of the Company	0.00%

Information of top 5 suppliers of the Company

No.	Supplier's name	Purchase amount (RMB)	Proportion to the total annual purchase amount
1	Customer 1	933,815,762.43	4.44%
2	Customer 2	758,721,671.82	3.61%
3	Customer 3	655,219,923.43	3.12%
4	Customer 4	592,382,325.00	2.82%
5	Customer 5	417,790,760.95	1.99%
Total	--	3,357,930,443.63	15.98%

Other explanations about the major suppliers

☐ Applicable ☒ Not Applicable

### 3. Expenses

Monetary Unit: RMB

	2023	2022	Year-on-year increase/decrease	Reasons for major changes
Selling expenses	655,873,164.37	470,787,204.57	39.31%	Mainly due to an increase in marketing expenses as a result of expansion of sales scale.
General and administrative expenses	1,736,182,411.89	1,310,944,094.51	32.44%	Mainly due to an increase in the remuneration of management personnel, office and other operating expenses
Financial expenses	547,493,192.86	322,672,274.95	69.67%	Mainly due to an increase in interest expenses in the current period
R&D expenditures	2,061,239,509.23	1,793,487,955.55	14.93%	Mainly due to an increase in R&D personnel salary

#### 4. R&D input

☒ Applicable ☐ Not applicable

Name of major R&D projects	Project purpose	Project progress	Objectives intended to be achieved	Expected impact on the future development of the Company
DX-004	To develop a large-size battery cell (81175200 platform) that is safe, low-cost, and long-lasting for use in the field of power storage based on market demand in the field of energy storage battery cells. Through material optimization, increase in discharge capacity and energy, change in winding method, and adjustment of size chain under the company's existing 300Ah system, a battery cell with a capacity of 300Ah and higher grouping efficiency is developed.	The battery cells have already been mass-produced by a subsidiary company and delivered with batch stability.	The performance of the battery cells can meet the needs of customers, and the products can be delivered in bulk	The battery cells have been mass-produced and delivered to many customers. The project continuously generates economic benefits for the Company.
DX-005	To develop a passenger car battery cell based on the needs of key customers, which can also match the needs of other domestic customers.	The battery cells have been mass-produced at our subsidiary and delivered in batches stably	The performance of the battery cells can meet the needs of customers, and the products can be delivered in bulk	The battery cells have been mass-produced and delivered to key customers. The project currently has a delivery capacity of 10GWh, and can continuously generate economic benefits for the Company.
DX-006	To develop a passenger car battery cell based on the needs of key customers, which can also match the needs of other domestic customers.	The battery cells have been trial-produced on the second-phase production line of the subsidiary company and are starting small-scale deliveries.	The performance of the battery cells can meet the needs of customers, and the products can be delivered in bulk	The battery cells were delivered to key customers. The project currently has a delivery capacity of 5GWh, and can continuously generate economic benefits for the Company; As a platform-developed battery cells, it can meet more customer demands and enhance the company's market competitiveness.

#### R&D personnel of the Company

	2023	2022	Change ratio
Number of R&D persons	3,132	2,578	21.49%
Proportion of R&D persons	13.65%	13.18%	0.47%
Educational background of R&D personnel			
Bachelor	1,550	1,372	12.97%
Master	1,201	820	46.46%

Doctor	121	97	24.74%
College or below	260	289	-10.03%
Age of R&D persons			
Under 30 years old	1,736	1,389	24.98%
30-40 years old	1,269	1,055	20.28%
40 years old or above	127	134	-5.22%

## R&amp;D input of the Company

	2023	2022	Change ratio
Amount of R&D input (RMB)	2,767,999,886.15	2,415,911,156.43	14.57%
Proportion of R&D input in operating income	8.76%	10.48%	-1.72%
Capitalized amount of R&D input (RMB)	706,760,376.92	622,423,200.88	13.55%
Proportion of capitalized amount of R&D input in R&D input	25.53%	25.76%	-0.23%

Reasons for and impacts of significant changes in the composition of the R&amp;D personnel of the Company

☐ Applicable ☒ Not Applicable

Reasons for notable changes in the proportion of total R&amp;D input in operating income compared with that in the previous year

☐ Applicable ☒ Not Applicable

Reasons for the major changes in the capitalization rate of R&amp;D input and their justifications

☐ Applicable ☒ Not Applicable**5. Cash flow**

Monetary Unit: RMB

Item	2023	2022	Year-on-year increase/decrease
Subtotal of cash inflow from operating activities	20,573,423,110.38	16,016,005,007.78	28.46%
Subtotal of cash outflow from operating activities	18,154,732,293.09	15,214,734,168.66	19.32%
Net cash flow from operating activities	2,418,690,817.29	801,270,839.12	201.86%
Subtotal of cash inflow from investing activities	4,648,833,803.23	334,544,526.87	1,289.60%
Subtotal of cash outflow from investing activities	21,123,384,229.69	17,859,594,027.45	18.27%
Net cash flow from investing activities	-16,474,550,426.46	-17,525,049,500.58	5.99%
Subtotal of cash inflow from financing activities	31,380,923,654.79	28,085,008,642.69	11.74%
Subtotal of cash outflow from financing activities	17,492,723,842.64	9,780,519,300.08	78.85%
Net cash flow from financing activities	13,888,199,812.15	18,304,489,342.61	-24.13%
Net increase in cash and cash equivalents	86,173,046.84	1,802,862,535.70	-95.22%



Main reasons for the major year-on-year changes in relevant data

☒Applicable ☐ Not applicable

1. In 2023, the net cash flow from operating activities of the Company increased by RMB 1,617.42 million or 201.86% compared with the previous year, mainly due to an increase in products payment collection during the reporting period;

2. In 2023, the net cash flow from financing activities of the Company decreased by RMB 4,416.2895 million or 24.13% compared with the previous year, mainly due to decrease in cash received from investment absorption in this period and an increase in cash paid for debt repayment.

Reasons for the significant differences between the net cash flow and the annual net profit generated by the Company's operating activities during the reporting period

☒Applicable ☐ Not applicable

Mainly due to an increase in products payment collection caused by strong market demand during the reporting period.

## V. Analysis of non-primary business

☐ Applicable ☒ Not Applicable

## VI. Analysis of assets and liabilities

### 1. Major changes in asset composition

Monetary Unit: RMB

	End of 2023		Beginning of 2023		Increase/decrease in proportion	Reasons for major changes
	Amount	Proportion in total assets	Amount	Proportion in total assets		
Monetary Funds	14,513,081,982.66	15.51%	14,122,371,543.66	19.44%	-3.93%	Mainly due to the improvement of operating cash flow in the current period
Account receivable	12,910,896,108.05	13.79%	8,642,345,823.74	11.90%	1.89%	Mainly due to an increase in sales in the current period
Inventories	5,678,694,206.58	6.07%	7,584,033,662.25	10.44%	-4.37%	The Company continued to strengthen inventory turnover and optimize inventory management; some raw material prices decreased
Long-term equity investment	1,504,967,335.07	1.61%	1,085,613,368.72	1.49%	0.12%	Mainly due to additional investment in the invested entities in the current period
Fixed assets	21,856,847,448.98	23.35%	11,785,279,959.06	16.23%	7.12%	Mainly due to the conversion

						of equipment and completed constructions to fixed assets in the current period
Constructions in progress	15,820,621,504.09	16.90%	11,669,257,989.53	16.07%	0.83%	Mainly due to the construction of multiple supporting bases in the current period
Right-of-use assets	133,933,797.18	0.14%	52,798,126.55	0.07%	0.07%	Mainly due to an increase in financial leasing business in the current period
Short-term borrowing	16,236,958,673.37	17.35%	10,820,704,180.47	14.90%	2.45%	Mainly due to the increase in borrowing scale in the current period.
Contract liabilities	1,025,880,130.88	1.10%	603,577,134.25	0.83%	0.27%	Mainly due to an increase in advance payments received in the current period
Long-term borrowing	18,159,844,604.65	19.40%	10,688,953,878.75	14.72%	4.68%	Mainly due to the increase in financing in the current period.
Lease liabilities	229,098,013.94	0.24%	163,978,672.33	0.23%	0.01%	Mainly due to an increase in financial leasing business in the current period.
Other non-current financial assets	1,567,541,000.00	1.67%	1,000,000,000.00	1.38%	0.29%	Mainly due to an increase in financial assets measured at fair value through current profit or loss
Other non-current assets	2,013,217,184.91	2.15%	4,090,808,960.74	5.63%	-3.48%	Mainly due to a decrease in the prepaid equipment, construction fees in the current

Relatively high proportion of overseas assets

☐ Applicable ☒ Not Applicable

## 2. Assets and liabilities measured at fair value

☒ Applicable ☐ Not Applicable

Item	Amounts at the beginning of the reporting period	Gains and losses for changes in fair value in this reporting	Accumulated changes in fair value recognized in equity	The impairment in this reporting period	Repurchased amounts in this reporting period	Selling amounting in this reporting period	Other changes	Amount at the end of this reporting period
<b>Financial assets</b>								
1.Trading financial assets (excluded the derivative financial assets)	3,514,006,212.53	105,890,866.72			5,532,906,932.01	4,445,750,000.00		4,707,054,011.26
2.Derivative financial assets		6,776,720.00			282,987,560.00	289,764,280.00		0.00
3.Other debt investment	4,875,220.00						82,670.00	4,957,890.00
4.Other equity instruments investments	510,468,495.43		-258,372,134.08		1,294,951,834.12	21,711,365.38		1,525,336,830.09
5.Other non-current financial assets	1,000,000,000.00				562,780,000.00		4,761,000.00	1,567,541,000.00
Subtotal of the financial assets	5,029,349,927.96	112,667,586.72	-258,372,134.08	0.00	7,673,626,326.13	4,757,225,645.38	4,843,670.00	7,804,889,731.35
Total	5,029,349,927.96	112,667,586.72	-258,372,134.08	0.00	7,673,626,326.13	4,757,225,645.38	4,843,670.00	7,804,889,731.35
Financial debts	0.00							0.00

Contents of other changes.

Other changes are due to exchange rate effects.

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

☐Yes ☒No

### 3. Restriction of asset or rights as of the end of the reporting period

Item	Book balance as at the end of the period (RMB)	Book value as at the end of the period (RMB)	Reasons for restriction
Monetary funds	3,184,876,423.35	3,184,876,423.35	Among them, RMB 2,009,756,839.71 is deposit, RMB 1,012,510,500.00 is pledged

			for financing, and RMB 162,609,083.64 is frozen due to judicial proceedings
Held-for-trading financial assets	272,943,397.26	272,943,397.26	Pledged for financing
Note receivable	51,178,205.30	48,619,295.04	Endorsed undue and non-canceled notes
Account receivable financing	41,895,942.58	41,895,942.58	Pledged for financing
Fixed assets	1,974,442,897.75	1,577,334,986.61	Mortgaged for financing
Fixed assets	2,580,507,584.06	1,397,667,519.75	Property rights used for financing
Construction in progress	1,588,095,939.38	1,588,095,939.38	Mortgaged for financing
Construction in progress	215,038,453.28	215,038,453.28	Property rights used for financing
Right-of-use assets	27,130,584.06	24,553,178.57	Property rights used for financing
Intangible assets	769,538,867.20	691,788,371.87	Mortgaged for financing
Subsidiaries' equity	-		Subsidiaries' equity was pledged for financing [see remark]
Total	10,705,648,294.22	9,042,813,507.65	/

Note: Jiangxi Gotion New Energy Technology Co., Ltd., a subsidiary of the Company, pledged the 184.4262 million shares held by it in its subsidiary Yichun Kefeng New Materials Co., Ltd. for loans. Yichun Gotion Lithium Co., Ltd., a subsidiary of the Company, pledged the 45.5 million shares held by it in its subsidiary Jiangxi Weihong Lithium Co., Ltd. for loans.

## VII. Analysis of investment status

### 1. Overall situation

☒ Applicable ☐ Not applicable

Investment amount during the reporting period (RMB)	Investment amount in the same period of previous year (RMB)	Change ratio
21,123,384,229.69	17,859,594,027.45	18.27%

### 2. Major equity investment made during the reporting period

☒ Applicable ☐ Not applicable

Monetary Unit: RMB

Name of investee	Primary business	Investment mode	Investment amount	Ownership ratio	Source of funds	Cooperation parties	Investment period	Product type	Progress as of the balance sheet date	Estimated earnings	Investment profit and loss in current period	Involved in litigation or not
V_G Gaoke Energy Solutions Co., Ltd.	Battery manufacturing and sales	Capital increase	336,356,289.77	51.00%	Self-owned funds	Vines Energy Solutions Joint Stock Company	Long term	Equity investment	Completed		4,465,585.83	No

NV Gotion Compan y Limited	Batter y manuf acturi ng and sales	New establis hment	74,912, 077.37	49.00%	Self- owned funds	Nuovo Plus Compa ny Limite d	Long term	Equity investment	Compl eted		- 2,225,0 66.33	No
PT Konawe Alam Energi	Miner al minin g	Acquisi tion	180,88 6,193.4 6	70.00%	Self- owned funds	PT ASPIN DO THER MAL ENER GI	Long term	Equity investment	Compl eted		- 460,46 5.74	No
Jiangxi Huayou Mining Co., Ltd.	Miner al minin g	Capital increas e	81,761, 400.00	65.00%	Self- owned funds	Jiangxi Ewinw ay New Materia ls Co., Ltd.	Long term	Equity investment	Compl eted		- 937,54 4.58	No
Total	--	--	673, 91 5, 960. 60	--	--	--	--	--	--	0.0 0	- 8, 088, 662. 48	--

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

☒Applicable ☐Not Applicable

Monetary Unit: RMB

Project name	Investm ent method	Fixed assets investm ent or not	Industr y of the investm ent project	Investm ent amount during the reportin g period	Accum ulated investm ent amount as of the end of the reportin g period	Source of funds	Project progres s	Expecte d income	Accum ulated realized income as of the end of the reportin g period	Reason s for not achievi ng planned progres s and expecte d income	Disclos ure date (if any)	Disclos ure index (if any)
Gotion Xinzha n's power battery project with an annual output of 20GWh	Self- built	Yes	New Energy Industr y	1,764,3 57,333. 10	1,764,6 92,333. 10	Self- owned and self -raised funds		0.00	0.00	Not applica ble	October 27, 2022	
Liuzho u Gotion newly added power	Self- built	Yes	New Energy Industr y	404,525 ,074.47	471,791 ,474.47	Self- owned and self -raised funds or		0.00	0.00	Not applica ble	Decem ber 27, 2022	

battery product ion base project with an annual output of 10GWh (Phase II)						funds raised by other means of						
Total				2,168,882,407.57	2,236,483,807.57			0.00	0.00			

#### 4. Investment in financial assets

##### (1) Investment in securities

☒Applicable ☐Not Applicable

Monetary Unit: RMB

Securities type	Securities code	Securities abbreviation	Initial investment cost	Accounting measurement model	Beginning book value	Profit/loss from changes in fair value in the Current Period	Accumulated changes in fair value recognized in equity	Purchase amount in the Current Period	Sales amount in the Current Period	Profit/loss during the reporting period	Ending book value	Accounting subject	Source of funds
Domestic/foreign stock	000980.SZ	Zotye Auto	26,344,379.91	Fair value	22,320,551.16	-6,706,644.48				-6,706,644.48	15,613,906.68	Held-for-trading financial assets	Self-owned
Domestic/foreign stock	301217.SZ	Tongguan Copper Foil	262,880,828.64	Fair value	269,626,942.62	-11,533,678.74				-9,357,512.94	258,093,263.88	Held-for-trading financial assets	Self-owned
Domestic/foreign stock	688223.SH	Jingke Energy	2,500.00	Fair value	7,325.00	-2,895.00				-2,895.00	4,430.00	Held-for-trading financial assets	Self-owned
Domestic/foreign stock	601127.SH	Seres	204,999,971.52	Fair value	157,713,521.76	142,805,867.04				142,805,867.04	300,519,388.80	Held-for-trading financial	Self-owned

												assets	
Dome stic/fo reign stock	30132 5.SZ	Manst	30,00 0,000. 00	Fair value		289,0 62.50		30,00 0,000. 00		289,0 62.50	30,28 9,062. 50	Held- for- tradin g financ ial assets	Self- owne d
Dome stic/fo reign stock	30151 1.SZ	Defu Techn ology	49,99 9,992. 00	Fair value		- 8,589, 284.3 4		49,99 9,992. 00		- 8,589, 284.3 4	41,41 0,707. 66	Held- for- tradin g financ ial assets	Self- owne d
Dome stic/fo reign stock	68864 6.SZ	Yifila ser	48,91 3,628. 40	Fair value		- 10,61 8,856. 08		48,91 3,628. 40		- 10,61 8,856. 08	38,29 4,772. 32	Held- for- tradin g financ ial assets	Self- owne d
Dome stic/fo reign stock	09690 .HK	Tuhu- W	218,3 71,83 4.12	Fair value		- 4,304, 690.7 1		218,3 71,83 4.12			214,0 67,14 3.41	Other equity instru ment invest ments	Self- owne d
Dome stic/fo reign stock	VFS. US	Vinfa st Auto PTE. Ltd.	1,076, 580,0 00.00	Fair value		- 187,3 47,01 5.00		1,076, 580,0 00.00			889,2 32,98 5.00	Other equity instru ment invest ments	Self- owne d
Total			1,918, 093,1 34.59	--	449,6 68,34 0.54	105,6 43,57 0.90	- 191,6 51,70 5.71	1,423, 865,4 54.52	0.00	107,8 19,73 6.70	1,787, 525,6 60.25	--	--

**(2) Investment in derivatives**

☐ Applicable ☒ Not Applicable

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

☒ Applicable ☐ Not Applicable

Monetary Unit: RMB 0,000

Type of derivative investment	Initial investment amount	Amount as at the beginning of the period	Profit or loss from changes in fair value in the current period	Accumulat ed changes in fair value recognized in equity	Purchase amount during the reporting period	Sales amount during the reporting period	Amount as at the end of the period	Proportion of investment amount as at the end of the period to the net assets of the Company
-------------------------------------	---------------------------------	--	---	--	---	--	---	--

								at the end of the reporting period
Foreign exchange hedging	28,298.76	0	677.67	0	28,298.76	28,976.43	0	0.00%
Total	28,298.76	0	677.67	0	28,298.76	28,976.43	0	0.00%
Is there any significant change in accounting policies and specific accounting principles for hedging business during the reporting period	No significant change							
Actual profit or loss during the reporting period	In order to avoid and prevent operational risks caused by fluctuations in foreign exchange rates, the Company carried out forward foreign exchange settlement, foreign exchange swaps and related business for foreign exchange related to its production and operation in a certain proportion. During the reporting period, the actual income realized by the Company's foreign exchange hedging derivative contracts amounted to RMB 6.7767 million.							
Effectiveness of the hedging	The financial derivatives invested by the Company for hedging can offset the risk of exchange rate fluctuations and achieved the goal of risk management.							
Source of funding for derivative investment	Self-owned and self-raised funds							
Risks of the derivatives held during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.) and risk control	<p>1. Analysis of the risk of hedging business conducted by the Company.</p> <p>The hedging business can help avoid the impact of exchange rate fluctuations on the Company, and is beneficial to the normal operation of the Company. However, there may also be certain risks: 1. Market risk: Futures, forward contracts and other derivative products have significant market fluctuations, which may generate the risks of price fluctuation and hedging losses; 2. Systemic risk: Global economic impact may lead to financial system risk; 3. Default risk: In case the counter-party defaults by failing to pay the Company's hedging profits as agreed, the Company's actual losses cannot be hedged.</p> <p>2. Preparation work and risk control measures for hedging</p> <p>The Company has formulated the <i>Securities Investment and Derivatives Trading Management Rules</i>, which has clear provisions on the operating principles, approval authority, business processes, information isolation, risk management and other aspects of the hedging businesses. All transactions throughout the entire hedging process will be conducted in strict accordance with the above rules. For more information on the risk control measures, please refer to the <i>Securities Investment and Derivatives Trading Management Rules</i> disclosed by the Company on July 9, 2022, on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>.</p>							



measures	
Changes in the market prices or fair value of derivatives invested during the reporting period, and the specific methods and the assumptions and parameters used for analyzing the fair value of derivatives	Changes in fair value will be determined at the end of each month based on market price quoted by external financial institutions.
Is it involved in any litigation (if applicable)	Not applicable
Date on which the announcement on the approval of the derivative investment by the shareholders' meeting is disclosed (if any)	May 26, 2023
Special opinions of independent directors on the Company's derivative investment and risk control	We believe that the Company's conducting foreign exchange hedging business related to its daily business activities is beneficial for the Company to avoid risks in the foreign exchange market, prevent adverse effects caused by significant fluctuations in exchange rates on the Company, improve the efficiency of foreign exchange fund utilization, and promote the long-term stable development of the Company. It is reasonable for the Company to carry out hedging business to avoid exchange rate risk, and relevant decision-making procedures conform to relevant laws and regulations of the state as well as the Articles of Association of the Company, and there is no situation that harms the interests of the Company and all shareholders, especially minority shareholders.

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

☐ Applicable ☒ Not Applicable

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

## 5. Use of raised funds

☒ Applicable ☐ Not applicable

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

☒ Applicable ☐ Not applicable

Monetary Unit: RMB '0,000

Fundraising year	Fundraising method	Total amount of funds raised	Net amount of funds raised	Total amount of raised funds used in the current period	Total amount of raised funds used cumulatively	Total amount of raised funds with change of use during the reporting period	Cumulative total amount of raised funds with change of use	Proportion of cumulative total amount of raised funds with change of use	Total amount of raised funds not used yet	Use and destination of raised funds not used yet	Amount of funds raised after idling for over two years
2021	Non-public offering of shares	730,294.52	723,085.51	189,427.38	409,700.44	0	532,278.38	72.89%	313,385.07	Raised funds not yet used are still deposited in the special account and will continue to be used for the investment projects that the Company originally committed to invest.	0
Total	--	730,294.52	723,085.51	189,427.38	409,700.44	0	532,278.38	72.89%	313,385.07	--	0

#### Overall situation of use of raised funds

For the non-public offering of shares in 2021, RMB 1,894,273,800 (including the part used for replenishment of working capital) was directly invested in the committed investment projects during the reporting period. As of December 31, 2023, the Company has used the raised funds in an aggregate amount of RMB 4,097,004,400.

## (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										
1. Gotion Battery's high specific energy power lithium battery industrialization project of with annual production capacity of 16GWh	Yes	532,464.78	3,462.56	0	3,462.56			0	N/A	No
2. Gotion Material's high nickel ternary cathode material project with an annual output of 30,000 tons	No	100,000	100,000	11,513.58	27,047.87	27.05%	Dec 1, 2024	0	N/A	No
3. Replenishment of working capital	No	90,620.73	90,620.73	0	90,650	100.03%		0	N/A	No
4. Volkswagen standard battery cell project with an annual output of 20GWh	No		532,278.38	177,913.8	288,540.01	54.21%	Dec 1, 2024		N/A	No
Subtotal of committed investment projects	--	723,085.51	726,361.67	189,427.38	409,700.44	--	--	0	--	--
Use of over-raised funds										
N/A										
Total	--	723,085.51	726,361.67	189,427.38	409,700.44	--	--	0	--	--

Failure to achieve the scheduled progress or expected earnings (by specific project) and the reason therefor (including reasons for selecting “N/A” for “Expected benefits achieved or not”)	<p>On December 4, 2023, the 5th meeting of the ninth Board of Directors deliberated and adopted the <i>Proposal on Adjusting the Implementation Progress of Some Projects Invested with Raised Funds</i>, agreeing that the Company adjusted the date when the “Volkswagen standard battery cell project with an annual output of 20GWh” is planned to reach the expected serviceable state from September 2023 to December 2024, while the implementing entity, investment content and investment scale remained unchanged.</p> <p>In order to adapt to the changing the market economy environment, Hefei Gotion Battery Technology Co., Ltd., the entity implementing the invested project, has continuously upgraded some of its production lines based on customers’ feedback. In this process, the company used some imported or customized equipment, which required a long procurement period and thus affected the construction progress of the project and the commissioning progress of some equipment. Therefore, the company adopted a gradual input approach for the purpose of controlling project input risks and avoiding hidden dangers in production and operation after the project is put into operation, which resulted in the project not reaching the expected serviceable state within the planned time. In order to better improve the construction quality of the project, allocate resources reasonably and effectively, and match the current production and operation status of the company, the company carefully studied and decided to follow the principle of balance between production and use to gradually promote the construction process of the project, and thus adjusted the date when the project is planned to reach the expected serviceable state.</p>
Major changes in the feasibility of the project	N/A
Amount, purpose and use progress of over-raised funds	N/A
Changes in the implementation place of projects invested with raised funds	<p>Applicable</p> <p>Happened in previous years</p> <p>The Company changed “Gotion Battery’s high specific energy lithium battery industrialization project with an annual output of 16GWh” into “Volkswagen standard battery cell project with an annual output of 20GWh”, with the implementation entity changed from Hefei Gotion Battery Co., Ltd., a wholly-owned subsidiary of the Company, to Hefei Gotion Battery Technology Co., Ltd., a wholly-owned subsidiary of the Company, and the implementation location changed from Hefei Economic and Technological Development Zone to Hefei Xinzhan High-tech Industry Development Zone</p>
Adjustment to the implementation mode of projects invested with raised funds	N/A
Preliminary investment and replacement of projects invested with raised funds	N/A
Temporary supplement of working capital with idle raised funds	N/A
Amount of the balance of raised	N/A

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

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

☒ Applicable ☐ Not applicable

Monetary Unit: RMB '0,000

Project after change	Originally committed projects	Total amount of raised funds to be invested in the project after change (1)	Actual amount invested during the reporting period	Actual cumulative amount invested as of the end of the period (2)	Investment progress as of the end of the period (3) = (2) / (1)	Date when the project reaches the intended usable status	Benefits realized during the reporting period	Expected benefits achieved or not	Feasibility of the project after change has changed tremendously or not
Volkswagen unified cell project with an annual output of 20GWh	Gotion Battery's high specific energy lithium battery industrialization project with annual output of 16GWh	532,278.38	177,913.8	288,540.01	54.21%	Dec. 31, 2024	0	N/A	No
Total	--	532,278.38	177,913.8	288,540.01	--	--	0	--	--
Reasons for changes, decision-making procedures and information disclosure (by specific project)		<p>1. Changes and reasons</p> <p>The Company changed the investment project "Gotion's high specific energy lithium battery industrialization project with an annual output of 16GWh" into "Volkswagen unified cell project with an annual output of 20GWh", with the implementation entity changed from Gotion Batteries, a wholly-owned subsidiary of the Company, to Gotion Battery Technology, a wholly-owned subsidiary of the Company, and the implementation location changed from Hefei Economic and Technological Development Zone to Hefei Xinzhan High-tech Industry Development Zone.</p> <p>In 2021, driven by the rapid growth of new energy vehicles, China installed 154.5 GWh of power batteries, up 142.8% year-on-year, of which lithium iron phosphate accounted for</p>							

	<p>more than 51%. In order to meet the rapidly increasing market demand for new energy vehicles, in line with the Company's future strategic development planning, and in view of the fact that the scale of land to be used for the original project invested with the raised funds could meet the need of the project construction, it is likely to increase the costs of construction, energy consumption, labor and site maintenance and it will be difficult to implement the project if the project continues to be implemented according to the original plan. Therefore, the Company changed the use of the raised funds, from the original project to the "Volkswagen unified cell project with an annual output of 20Gwh", which was implemented in Hefei Xinzhan Hi-tech Industry Development Zone by Gotion Battery Technology, a wholly-owned subsidiary of the Company. Upon the completion of the above change, the investment and construction of the project will be accelerated, the utilization efficiency of the raised funds will be improved and the market share of the Company's products will be further enlarged.</p> <p>2. Decision-making procedures</p> <p>On April 27, 2022, the <i>Proposal on Changing the Use of Raised Funds</i> was deliberated and approved at the 16th meeting of the eighth Board of Directors. At the same time, the Board of Supervisors clearly expressed its consent, independent directors issued independent opinions on their consents, and Haitong Securities Co., Ltd. issued a non-objection verification opinion on it. On May 23, 2022, the above proposal was deliberated and adopted at the Company's 2021 annual general meeting of shareholders.</p>
Failure to achieve the scheduled progress or expected earnings and the reason therefor (by specific project)	N/A
Major changes in the feasibility of the project after change	N/A

## VIII. Sales of major assets and equity

### 1. Sales of major assets

☐ Applicable ☒ Not Applicable

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

### 2. Sales of major equity

☐ Applicable ☒ Not Applicable

## IX. Analysis of major shareholding companies

☒ Applicable ☐ Not applicable

Major subsidiaries and shareholding 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 Co., Ltd.	Subsidiary	Industrial production	10,000,000,000.00	58,558,988,151.44	15,954,229,824.27	27,671,983,629.56	182,278,340.83	193,101,964.06

Acquisition or disposal of subsidiaries during the reporting period

☒ Applicable ☐ Not applicable

Corporate name	Method of acquisition or disposal of subsidiaries during the reporting period	Impact on overall production operations and performance
Jinzhai Gotion New Energy Co., Ltd.	New establishment	Further strengthen the competitive advantage and market development and service capacity of the Company and enhance the profitability and sustainable development of the Company.
Chuzhou Gotion New Energy Power Co., Ltd.	New establishment	Further strengthen the competitive advantage and market development and service capacity of the Company and enhance the profitability and sustainable development of the Company.
Hefei Zhengyi Testing Technology Co., Ltd.	New establishment	Further strengthen the competitive advantage and market development and service capacity of the Company and enhance the profitability and sustainable development of the Company.
Shanghai Xuanmei Yuankong New Energy Co., Ltd.	New establishment	Further strengthen the competitive advantage and market development and service capacity of the Company and enhance the profitability and sustainable development of the Company.
Weihai Gotion New Energy Technology Co., Ltd.	New establishment	Further strengthen the competitive advantage and market development and service capacity of the Company and enhance the profitability and sustainable development of the Company.
Yichun Guangxuan New Energy Vehicle Transportation Co., Ltd.	New establishment	Further strengthen the competitive advantage and market development and service capacity of the Company and enhance the profitability and sustainable development of the Company.
Jiangxi Huayou Mining Co., Ltd.	Capital increase	Further strengthen the competitive advantage and market development and service capacity of the Company and enhance the profitability and sustainable development of the Company.
Indonesia Gotion Trading Co., Ltd.	New establishment	Further strengthen the competitive advantage and market development and service capacity of the Company and enhance the profitability and sustainable development of the Company.
Gotion Singapore Materials Holdings Limited	New establishment	Further strengthen the competitive advantage and market development and service capacity of the Company and enhance the profitability and sustainable development of the Company.
PT Konawe Alam Energi (Indonesia)	Acquisition	Further strengthen the competitive advantage and market development and service capacity of the Company and enhance the profitability and sustainable development of the Company.
PT Intan Perdhana Puspa (Indonesia)	Acquisition	Further strengthen the competitive advantage and market development and service capacity of the Company and enhance the profitability and sustainable development of the Company.

		development of the Company.
Gotion New Energy (Hong Kong) Limited	New establishment	Further strengthen the competitive advantage and market development and service capacity of the Company and enhance the profitability and sustainable development of the Company.
Gotion Argentina Co., Ltd.	Acquisition	Further strengthen the competitive advantage and market development and service capacity of the Company and enhance the profitability and sustainable development of the Company.
333 South Spruce LLC (USA)	New establishment	Further strengthen the competitive advantage and market development and service capacity of the Company and enhance the profitability and sustainable development of the Company.
New Energy Real Estate Holdings Co., Ltd. (USA)	New establishment	Further strengthen the competitive advantage and market development and service capacity of the Company and enhance the profitability and sustainable development of the Company.
Gotion Illinois New Energy Co., Ltd.	New establishment	Further strengthen the competitive advantage and market development and service capacity of the Company and enhance the profitability and sustainable development of the Company.
Singapore Technology Co., Ltd.	New establishment	Further strengthen the competitive advantage and market development and service capacity of the Company and enhance the profitability and sustainable development of the Company.
Gotion Luxembourg Technology Co., Ltd.	New establishment	Further strengthen the competitive advantage and market development and service capacity of the Company and enhance the profitability and sustainable development of the Company.
Beijing Xuanyi New Energy Technology Co., Ltd.	New establishment	Further strengthen the competitive advantage and market development and service capacity of the Company and enhance the profitability and sustainable development of the Company.
Tangshan Xuanteng Energy Storage Technology Co., Ltd.	New establishment	Further strengthen the competitive advantage and market development and service capacity of the Company and enhance the profitability and sustainable development of the Company.
Suzhou Dongyuan Tianli Electrical Appliance Co., Ltd.	Sales	Optimize the Company's industrial layout and improve its operation efficiency

Description of major shareholding companies

## X. Structured entities controlled by the Company

☐ Applicable ☒ Not Applicable



## **XI. Prospects for the future development of the Company**

### **(I) Industry landscape and trend**

According to the statistics from SNE research, the total installed capacity of power batteries worldwide in 2023 was approximately 705.5GWh, with a year-on-year increase of 38.6%. The competition among companies in various countries has gradually changed from the previous pattern of “China-Korea competition” to the current pattern of “Chinese companies leading the world”. According to the statistics from EV Tank, the global sales volume of new energy vehicles reached 14.653 million in 2023. Among them, China’s sales volume of new energy vehicle reached 9.495 million, accounting for 64.8% of the global total sales volume. Chinese power battery manufacturers have the world’s largest domestic demand market for electric automobiles.

The energy storage industry is an important component of the new energy field, and is also a battlefield that power battery companies are competing to seize. According to statistics and predictions from ICCSINO, the global installed capacity of new-type energy storage is expected to exceed 45GW in year 2023. Among them, the electrochemical energy storage exceeding 40GW, with a year-on-year increase of over 100%. And the growth rate of China’s energy storage market is unparalleled, with new-type energy storage installed capacity exceeding 20GW and electrochemical energy storage installed capacity approaching 20GW, a year-on-year growth of over 200%.

Looking into the future, with the increasing global demand for new energy automobiles and the widespread application of energy storage systems, the market scale of lithium batteries is expected to continue to expand. According to the forecast of GGII, the shipment volume of China’s lithium battery market will exceed 1,100GWh in 2024, with a year-on-year growth of over 27%, officially entering the TWh era. Among them, the shipment volume of power batteries exceeded 820GWh, with a year-on-year increase of over 20%; the shipment volume of energy storage batteries exceeded 200GWh, with a year-on-year increase of over 25%. According to the prediction in the white paper of EV Tank, the global shipment volume of lithium-ion batteries will reach 1,926.0 GWh and 5,004.3GWh by 2025 and 2030 respectively, indicating a clear trend of sustained growth in the lithium-ion battery market.

In addition, with the increasingly globalized competition in the lithium battery industry, the competitive landscape within the industry will change, challenges and opportunities coexist, and international exchanges, cooperation and competition will become more frequent and intense. It is expected that the elimination of the bottom enterprises will accelerate in the future, the forward integration of midstream enterprises will become the main trend, and the energy storage market will become a new growth point for the lithium battery industry.

### **(II) Development strategy of the Company**

After 18 years’ development, the Company has accumulated competitive resources and capabilities in technology R&D, industrial chain layout, internationalization level and customer development. Currently, the Company is still in an important period of strategic opportunity for its development. Multiple countries around the world have released supportive policies for the development of new energy, which is conducive to the smooth implementation of the global strategic layout of the Company. The global market demand for energy storage is experiencing a major increase, which is also beneficial for the Company to further expand into new fields. Besides, the iron lithium market is accelerating its recovery and the proportion of demand is further

recovering, these 8 new battery products of the third generation have abundant reserves and wide market coverage, the cooperation with Volkswagen is continuously deepening, and future demand is huge, all of which are conducive to the rapid and healthy development of the Company.

The Company plans to achieve a production capacity of 300GWh by 2025 and becomes a leading global new energy enterprise.

### **(III) 2024 business plan**

In 2024, the Company will strictly follow the strategical ideal of “being excellent in iron lithium, being strong in ternary and being expansive in energy storage”, adhere to the principle of scale first, brand first, technology as the soul and efficiency as the best, and make precise efforts in aspects such as R&D innovation, business in China, international business and management capabilities.

#### **1. R&D innovation: make continuous exploration for technological breakthroughs**

The Company will adhere to long-term principles, thoroughly implement the “532” R&D strategy, and continuously improve its product strength. In addition, the Company will make efforts to the following aspects: enhance the capabilities of the R&D team, strengthen the construction of large-scale innovation capabilities, and effectively make a combined breakthrough in basic technology, core technology and cutting-edge technology; build a materials science system, improve the compaction density of phosphate, balance the processing and rate performance of lithium manganese iron phosphate, and promote key technological breakthroughs and industrialization of high voltage of medium nickel single crystals, etc.; build a digital science system, accurately define and release the Extreme Manufacturing 2.0 standard system, vigorously promote AI systems, and significantly enhance manufacturing engineering capabilities; build global leading product force, comprehensively improve the performance and manufacturing yield of second-generation battery cells, reduce manufacturing costs, so as to achieve mass production of third-generation battery cells and make breakthroughs in the B and C-level car markets; enhance the trial production and verification capabilities, upgrade the trial production platforms for ternary batteries, lithium iron batteries, and Pack batteries, establish a solid-state battery trial production platform, and achieve full industry chain verification and trial production capabilities.

#### **2. Chinese business: deliver high-quality products to gain competitiveness in the market**

While continuously expanding the main business of power batteries, the Company will take the energy storage business as its second growth curve to develop it, so as to solidify the foundation for its domestic business in China. Specifically, it will make efforts from the following aspects: reshape its market power with a customer-centric approach, do a good job of target decomposition, effectively address pain points or difficulties faced by customers, and initiate product response strategies in advance; upgrade its manufacturing capabilities by centering on delivery, strengthen the sorting, update and management of research, production, supply and sales plans, and promote the standardization, process and digitalization construction of all bases and subsidiaries; enhance product strength by focusing on quality, optimize supplier quality management system, improve quality traceability mechanism, enhance product inspection effectiveness, so as to achieve high-quality delivery; enhance energy storage competitiveness on the basis of projects, accelerate the expansion of new application scenarios such as industrial and commercial energy storage, user energy storage, optical energy storage and charging, ships, robots, aviation, etc.; support globalization underpinned by various bases, provide strong

support from such aspects as talent cultivation, management personnel output, team building, construction of production line, and construction of quality management system.

### **3. International business: expand market based on accumulated strength**

The Company will make efforts from the following aspects: develop key customers, seek for order increment of top customers, actively cultivate potential customers, and establish a marketing performance system that adapts to the needs of the international market; construct overseas bases, define the annual goals for the construction of each base in the three major regions, orderly promote the organization and team building of each base, and make full preparations for construction and production; construct operational systems, focus on market development and marketing goals, and make great efforts to key links such as order delivery, inventory management and debt collection; improve R&D capabilities with the goal to meet the high standard requirements of international customers, ensure the third-generation battery cells to smoothly enter into mass production, and initiate R&D of the fourth generation battery cells; improve manufacturing capabilities, comprehensively promote the standardization and patent protection of international factories and equipment; improve product strength, promote the standardization of international product design, improve battery life and reliability simulation capabilities, and accelerate project docking processes.

### **4. Management ability: seek comprehensive upgrade with Volkswagen as benchmark**

The Company will fully introduce and apply the management system of Volkswagen, accelerate the improvement of management capabilities and operational efficiency. In terms of manufacturing management, it will pursue high-quality delivery, detail the process of order reviews, implement process optimization and equipment upgrade projects, and accelerate the step towards a digital lighthouse factory. In terms of operational management, it will follow the guideline of “focusing on sorting, optimizing control, and strengthening supervision”, and it will, guided by results, permit the management personnel delegate powers to lower levels, strengthen the implementation of strategic plans and business plans, and improve the synergy between management, human resources and finance departments. In terms of capital management, it will focus on “supporting production, ensuring supply and increasing profits”, continuously make operational investments, support the realization of overseas production capacity, optimize industrial chain layout, and create stable cash flow and value-added opportunities for the Company. In terms of financial management, it will focus on efficiency, continuously promote cost and expense control throughout the entire industry chain, and gradually establish an accounting system suitable for the globalization process. In terms of organizational construction, the core is to have a better staff and simpler administration, vigorously promote horizontal structure and dynamic optimization of organizations, and transport capable talents to the front line of business, and grant incentives to those who work hard and have high output. In terms of ESG management, it will pursue high-quality development, promote low or zero carbon in domestic and foreign factories such as UC, promote green and low-carbon supply chains, improve corporate governance system, and safeguard the legitimate rights and interests of shareholders and stakeholders.

### **(IV) Possible risks and response measures**

After the new energy industry experienced the explosive growth of the whole industry chain in the previous two years, the new energy industry entered a period of short-term supply-demand mismatch, causing the industry to enter a new stage of pattern optimization. The risks that enterprises may face are as follow:

1. Intensified market competition. In the context of globalization, power battery companies face competition not only in the domestic market, but also in the international market. As China's shipment volume of lithium batteries is expected to exceed 1TWh for the first time, the growth rate of the power and energy storage lithium battery market will exceed 25%, and market competition will become more intense. The competition for global market share may also lead to price wars and technological innovation competitions.

Response measures: Not only rely on the domestic market, but also expand the international market, so as to achieve market diversification; develop new application scenarios, such as energy storage systems, mobile power sources, etc., to address fluctuations in a single market; strengthen core technology R&D, and improve the technical level of its products; establish international brands and strengthen marketing and promotion in overseas markets.

2. Overcapacity. In recent years, the heat of investment in the field of power batteries and related materials in China has been very high, leading to potential overcapacity in the fields. Overcapacity may lead to intensified price competition, thereby affecting the profit margin of enterprises.

Response measures: Seek for technological upgrades and product differentiation to avoid homogeneous competition; reasonably plan production capacity expansion, and make arrangement for production capacity and adjustment according to market demand.

3. Fluctuations in raw material prices. After a period of high volatility or significant correction in the prices of the main raw materials for power batteries, there may be a reversal of the supply and demand pattern if downstream demand growth decreases and upstream production capacity growth lags behind in the future, thereby affecting the cost and profitability of power battery enterprises.

Response measures: Establish long-term and stable supply chain cooperation relationships and sign long-term supply contracts; implement raw material inventory management strategies to hedge against price volatility risks; explore alternative materials or improve designs to reduce costs.

4. Supply chain. Power battery companies rely on a stable raw material supply chain. In overseas markets, instability in raw material supply due to geopolitical or political factors, such as tight mineral resources or supplier reliability issues, may have an impact on production.

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

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

Response measures: Continuously increase R&D input, keep pace to the latest technological trends, and continuously promote technological innovation; collaborate with research institutions and universities to jointly develop cutting-edge technologies; apply for patent protection to protect the Company's technological achievements from infringement.

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

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

## XII. Reception of research, communication, interviews, etc., during the reporting period

☒Applicable ☐ Not Applicable

Reception time	Reception place	Reception method	Type of the visitor/interviewer	Visitor/interviewer	Main content of the discussion and the materials provided	Index of the basic information of research
April 28, 2023	Meeting room of the Company	Telephone communication	Institution	Refer to cninfo website for the names of participators	Refer to cninfo website	Refer to "002074 Gotion High-tech Performance Explanation Meeting and Roadshow Activity Information 20230428" on cninfo website.
May 12, 2023	"Cloud Interview" column on the interaction platform of SZSE	Others	Others	Investors participating in the 2022 annual online performance briefing of Gotion High-tech	Refer to cninfo website	Refer to "002074 Gotion High-tech Performance Explanation Meeting and Roadshow Activity Information 20230512" on cninfo website
May 12, 2023	Meeting room of the Company	Telephone communication	Institution	Refer to cninfo website for the names of participators	Refer to cninfo website	Refer to "002074 Gotion High-tech Research Activity Information 20230512" on cninfo website
May 19, 2023	"Cloud Interview" column on the interaction platform of SZSE and the Listing Hall of SZSE	Others	Others	Investors participating in the collective performance briefing on the Listing Hall of SZSE themed by "Low Carbon Pioneer Moving to a New Stage"	Refer to cninfo website	Refer to "002074 Gotion High-tech Performance Explanation Meeting and Roadshow Activity Information 20230519" on cninfo website
August 30, 2023	Meeting room of the Company	Telephone communication	Others	Refer to cninfo website for the names of participators	Refer to cninfo website	Refer to "002074 Gotion High-tech Performance Explanation Meeting and Roadshow Activity Information 20230830" on cninfo website
October 25, 2023	"Cloud Interview" column on the interaction platform of SZSE and Shanghai Center	Others	Others	Investors participating in the collective exchange activity organized by SZSE themed	Refer to cninfo website	Refer to "002074 Gotion High-tech Performance Explanation Meeting and Roadshow Activity Information 20231025" on cninfo website

	of SZSE			by “Brave the Wind for Growth”		
October 30, 2023	Meeting room of the Company	Telephone communication	Institution	Refer to cninfo website for the names of participators	Refer to cninfo website	Refer to “002074 Gotion High-tech Performance Explanation Meeting and Roadshow Activity Information 20231030” on cninfo website

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

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

☒ Yes ☐ No

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

Given the overall operation of the company, financial status, and shareholder interests, the company's annual profit distribution plan for 2023 is as follows: The company intends to distribute a cash dividend of 1 yuan (tax included) for every 10 shares to all shareholders based on the total share capital registered on the equity distribution registration date after deducting the repurchased shares in the company's repurchase dedicated securities account. The total cash dividend amount is approximately 176,688,400 yuan (if there are changes in the total share capital or repurchased shares on the equity distribution registration date, the company intends to maintain the same distribution ratio per share and adjust the total distribution amount accordingly). No bonus shares will be issued, and there will be no increase in share capital.

## Section IV Corporate Governance

### I. Overview of corporate governance

During the reporting period, the Company, in strict accordance with the *Company Law*, the *Securities Law*, the *Governance Guidelines for Listed Companies*, the *Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange*, the *Self Regulatory Guidelines for Listed Companies No. 1 - Standardized Operation of Listed Companies on the Main Board* and other laws, regulations and normative documents, improved the internal management and control system, strengthened the information disclosure work, actively carried out investor relationship management, safeguard the interests of the Company and shareholders, standardized the Company's operation, continuously improved the Company's governance structure, and further improved the level of corporate governance of the Company. As at the end of the reporting period, the Company's governance structure complied with the requirements of relevant laws and regulations and the *Articles of Association* of the Company. During the reporting period, the Company's operation and management were implemented in accordance with the requirements of various systems, without difference between the actual implementation and the requirements of the system documents. The details of the Company's corporate governance structure are as follows:

#### 1. Shareholders and general meetings of shareholders

During the reporting period, the Company complied with relevant laws and regulations, and the Company's procedures for convening and holding general meeting, the qualifications of persons attending the general meeting, and the voting procedures for the general meeting were in compliance with the relevant provisions of the *Company Law*, the *Articles of Association*, and the *Rules of Procedure of the General Meeting* of the Company, to guarantee all shareholders (especially for minority shareholders) may enjoy equal rights according to the shares they hold and can fully exercise their corresponding rights. Meanwhile, the Company held a general meeting by combining on-site and online voting to ensure that all shareholders have the right to know and vote on the Company's major matters and can fully exercise their corresponding rights. Lawyers have attended the previous general meetings and made complete meeting minutes to effectively safeguard the legitimate rights and interests of the listed company and all shareholders.

#### 2. Controlling shareholder and the Company

The Company has independent business and autonomous operating capabilities and is independent of controlling shareholder in terms of business, personnel, assets, institutions and finances, in compliance with the relevant provisions of the CSRC on the independence of listed companies. The Company's Board of Directors, Board of Supervisors and internal institutions can operate independently. Major decisions of the Company are made by the general meeting of shareholders in accordance with the law, and the controlling shareholder exercises the rights and undertakes the corresponding obligations of shareholders in accordance with the law and regulates its conduct strictly. During the reporting period, the controlling shareholder and its related parties did not directly or indirectly interfere with the decision-making and operation activities of the Company, nor did they harm the interests of the Company and its minority shareholders

#### 3. Directors and the Board of Directors

There are 9 directors in the Board of Directors of the Company, including 4 Independent Directors. The Company elected the directors in strict accordance with relevant laws and regulations and the election procedures stipulated in the *Articles of Association* of the Company, and the number and structure of the Board of Directors of the Company follow the requirements of the relevant laws and regulations. All Directors have carried out their work in accordance with the *Company Law*, the *Articles of Association* and the *Rules of Procedure of the Board of Directors* of the Company, attended the meetings of the Board of Directors and the general meetings of shareholders, performed their duties and obligations diligently and conscientiously, and actively participated in relevant training to familiarize themselves with relevant laws and regulations. The independent directors have performed their duties independently in accordance with laws and regulations, promoted the standardized operation of the Company, safeguarded the interests of the Company as a whole, and paid particular attention to protect the legitimate interests of small and medium shareholders from being infringed. There are four special committees under the Board of Directors, which are Audit Committee, Nomination Committee, Compensation and Appraisal Committee, and Strategy Committee, which helped establish and improve rules of procedure, provide scientific and professional advice to the Board of Directors in their decision making and ensure effective supervision of the management by the Board of Directors.

#### 4. Supervisors and the Board of Supervisors

There are three supervisors on the Board of Supervisors, including one supervisor who is an employee representative. During the reporting period, the number and structure of the Board of Supervisors of the Company follow the requirements of relevant laws and regulations. The convening, holding and voting procedures of the meeting of the Board of Supervisors comply with relevant laws and regulations. All Supervisors perform their duties in strict accordance with the *Company Law*, the *Articles of Association* and the *Rules of Procedure of the Board of Supervisors*, to supervise the lawfulness and compliance of the Company's directors and senior officers in the performance of their duties, continuously supervise the Board of Directors' decision-making procedures, resolution matters and the Company's operation in accordance with the law, inspect the Company's finances, improve and standardize corporate governance, and safeguard the legitimate rights and interests of the Company and its shareholders.

#### 5. Performance and incentives

The appointment of the senior officers of the Company is open, transparent and in compliance with the laws and regulations. The Company conducts performance evaluation of the senior officers at the end of the year to determine their remuneration. In addition, the Company continuously improved employee performance evaluation and incentive constraint mechanisms, actively created a fair and efficient professional environment in management, actively mobilized the work enthusiasm of all parties, and thus continuously improved the Company's performance.

In order to further establish and improve the incentive mechanism of the Company and enhance the concept of joint and sustainable development of the Company and its employees, the Company unlocked the shares under the stock option incentive plans and employee stock ownership plans during the reporting period on schedule, which helped the Company to fulfill its development strategy and business objectives.

#### 6. Stakeholders

While maintaining steady development and maximizing shareholders' interests, the Company attaches great importance to social responsibility, environmental protection and other social welfare undertakings, fully



respects and safeguards the legitimate rights and interests of relevant stakeholders, and actively communicates and exchanges with relevant stakeholders, and strive to coordinate to achieve a balance of interests of shareholders, employees, creditors, customers, society and other parties. In other words, the Company attaches great importance to its social responsibility while maintaining healthy development and realizing shareholder interests, and has issued the *Social Responsibility Report (ESG Report)* in accordance with relevant laws, regulations, and normative documents with respect thereto.

#### 7. Information disclosure management

During the reporting period, the Company has made 153 announcements. The Company has fulfilled its information disclosure obligations conscientiously and disclosed relevant information in a true, accurate, complete and timely manner in strict accordance with the laws and regulations such as the *Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange*, the *Self Regulatory Guidelines for Listed Companies No. 1 - Standardized Operation of Listed Companies on the Main Board* and the provisions of the *Information Disclosure Management Policy* of the Company. In the meantime, the Company strictly implemented the *Regulatory Guidelines for Listed Companies No. 5- Registration and Management System for Insiders of Listed Companies* issued by the CSRC, registered and recorded insiders, and further standardized the management of insider information. In addition, the Company issued a notice prohibiting the purchase and sale of the Company shares to its directors, supervisors and senior officers via email during sensitive periods, and strictly regulate the provision of the Company's information to external information users. Besides, the Company established an insider file for its regular reports and major issues, prepared a memorandum of progress on major issues according to the requirements and timely submit them for filing.

#### 8. Investor relations management

The Company attaches great importance to investor relations management and designates the Board Secretary as the person in charge of investor relations management, and the Securities Affairs Center of the Company as the body to implement investor relations management and organize the daily management of investor relations. The Company has also established diversified communication channels for investors, including a dedicated telephone line, a special email address, an interactive platform for investors and other forms, to fully ensure the right to know of the general investors, and attaches great importance to the confidentiality of non-public information. When receiving visitors from specific institutions, the Company conscientiously receives visits and inquiries from visitors in strict accordance with relevant rules and regulations.

#### 9. Internal audit system

The Company has established an internal audit system, set up an internal audit department, and assigned full-time internal audit staff. Under the guidance of Audit Committee and in accordance with the internal control system, the internal audit department audits and supervises the related transactions, external guarantees, internal control system and implementation, use of substantial expenses and assets of the Company and its subsidiaries to upgrade the standardized operation of the Company and effectively protect the legitimate rights and interests of shareholders.

Whether there is significant difference among the actual status of corporate governance and the laws, administrative regulations and relevant regulations on corporate governance of listed companies issued by the CSRC

☐ Yes ☒ No

There is no significant difference among the actual status of corporate governance and the laws, administrative regulations and

relevant regulations on corporate governance of listed companies issued by the CSRC.

## **II. The Company's independence from the controlling shareholder, actual controller in terms of assets, personnel, finance, institutions, business, etc.**

### **1. Business**

The Company has an independent and complete R&D, purchase, production, sales and recall system, and has the ability to independently operate to the market, independently conduct business, independently calculate and make decisions, independently assume responsibilities and risks, and will not rely on the controlling shareholder, the actual controller or any other related parties.

### **2. Personnel**

The Company has an independent team of employees, has established an independent human resources center, and has formed a complete system in labor, personnel and salary management to conduct labor, personnel and salary management independently of the controlling shareholder. The directors, supervisors and senior officers of the Company are legally formed in accordance with the *Company Law*, the *Articles of Association* and other relevant laws, regulations and rules. The senior officers of the Company all work with the Company, and they have not held any positions other than directors and supervisors in the controlling shareholder, the actual controller or their subsidiaries.

### **3. Assets**

The Company has a clear property relationship with the controlling shareholder and the actual controller, has complete and independent legal person assets, independently owns the production systems, auxiliary production systems and supporting facilities related to production and operation, and lawfully owns the land, plant, machinery and equipment related to production and operation, as well as ownership or use rights of trademarks, patents, and non-patented technologies. The Company has complete control over all assets and has no circumstance in which assets and funds are occupied by the controlling shareholder or the actual controller to harm the Company's interests.

### **4. Institutions**

The Company has independent production, operation and office premises, without mixed operation or joint office with the controlling shareholder, the actual controller or other related parties. The Company has established an organizational structure that meets its own development needs, clarified the functions of each organization, and independently carried out production and operation activities. There is no subordinate relationship between the Company and its functional departments and the functional departments of the controlling shareholder or any other related parties, or there is no circumstance in which the controlling shareholder or any other related parties interfere with the Company's institutional setup, production and operation activities.

### **5. Finance**

The Company has an independent financial accounting department, been equipped with full-time financial personnel, and established an independent accounting system and a standardized financial management system, to independently make financial decisions. The Company opens independent bank accounts, makes tax

declarations and fulfills tax obligations independently in accordance with the law, and has not shared bank accounts or mixed tax payments with the controlling shareholder or the actual controller.

### III. Industry Competition

☐ Applicable ☒ Not Applicable

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

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

Session	Meeting type	Investor participation ratio	Date of meeting	Disclosure date	Resolutions
First extraordinary general meeting of 2023	Extraordinary general meeting	35.73%	January 18, 2023	January 19, 2023	For details, please refer to the <i>Announcement on Resolutions of the First Extraordinary General Meeting of 2023</i> disclosed on the cninfo website) (Announcement No.: 2023-006)
Second extraordinary general meeting of 2023	Extraordinary general meeting	35.11%	April 26, 2023	April 27, 2023	For details, please refer to the <i>Announcement on Resolutions of the Second Extraordinary General Meeting of 2023</i> disclosed on the cninfo website) (Announcement No.: 2023-023)
Annual general meeting of 2022	Annual general meeting	39.94%	May 25, 2023	May 26, 2023	For details, please refer to the <i>Announcement on Resolutions of the 2022 Annual General Meeting of shareholders</i> disclosed on the cninfo website) (Announcement No.: 2023-047)
Third extraordinary general meeting of 2023	Extraordinary general meeting	34.56%	November 16, 2023	November 17, 2023	For details, please refer to the <i>Announcement on Resolutions of the Third Extraordinary General Meeting of 2023</i> disclosed on the cninfo website)

					(Announcement No.: 2023-088)
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## 2. Extraordinary general meetings held under the request of shareholders holding preferred shares with voting rights resumed

☐ Applicable ☒ Not Applicable

## V. Directors, Supervisors and Senior Officers

### 1. Basic information

Name	Gender	Age	Position	Status of office holding	Commencement date of tenure	Expiration date of tenure	Number of shares held at the beginning of the period (shares)	Number of shares increased in the current period (shares)	Number of shares reduced in the current period (shares)	Other changes (shares)	Number of shares held at the end of the period (shares)	Reasons for increase or decrease of shares
Li Zhen	Male	60	Chairman & General Manager	Current	July 15, 2015	January 17, 2026	103,276,150	0	0	0	103,276,150	
Steven Cai	Male	62	Director & Deputy General Manager	Current	April 7, 2017	January 17, 2026	0	0	0	0	0	
Olaf Korzinovski	Male	57	Director	Current	April 26, 2023	January 17, 2026	0	0	0	0	0	
Andrea Nahmer	Female	57	Director	Current	December 15, 2021	January 17, 2026	0	0	0	0	0	
Zhang Hongli	Male	43	Director	Current	December 20, 2019	January 17, 2026	140,600	0	0	32,400	173,000	Exercise of stock options
Sun Zhe	Male	58	Independent Director	Current	December 15, 2021	January 17, 2026	0	0	0	0	0	
Qiao Yun	Male	50	Independent Director	Current	January 18, 2023	January 17, 2026	0	0	0	0	0	
Qiu Xinping	Male	58	Independent Director	Current	December 15, 2021	January 17, 2026	0	0	0	0	0	
Wang Feng	Male	49	Independent Director	Current	December 15, 2021	January 17, 2026	0	0	0	0	0	
Yang Dafa	Male	36	Chairman of the Board of Supervisors	Current	May 23, 2022	January 17, 2026	0	0	0	0	0	

Li Yan	Female	46	Supervisor	Current	December 23, 2016	January 17, 2026	0	0	0	0	0	
Wu Yibing	Male	51	Employee Representative Supervisor	Current	December 20, 2019	January 17, 2026	26,000	0	0	0	26,000	
Wang Qisui	Male	40	Vice General Manager	Current	May 23, 2022	January 17, 2026	12,000	0	0	0	12,000	
Sun Aiming	Male	43	Vice General Manager	Current	April 27, 2022	January 17, 2026	0	0	0	0	0	
Wang Qiang	Male	43	Vice General Manager	Current	December 24, 2018	January 17, 2026	292,900	0	0	0	292,900	
Zhang Wei	Male	44	Vice General Manager	Current	December 20, 2019	January 17, 2026	0	0	0	0	0	
Zhang Yifei	Male	39	Financial Manager	Current	April 27, 2022	January 17, 2026	0	0	0	0	0	
Wang Quan	Male	37	Secretary of the Board of Directors	Current	December 4, 2023	January 17, 2026	0	0	0	0	0	
Zhou Yi	Female	60	Independent Director	Departed	December 15, 2021	January 18, 2023	0	0	0	0	0	
Frank Engel	Male	62	Director	Departed	August 13, 2020	March 30, 2023	0	0	0	0	0	
Li Chen	Male	34	Vice General Manager	Departed	April 27, 2022	March 30, 2023	28,472,398	0	0	0	28,472,398	
Pan Wang	Male	40	Deputy General Manager & Secretary of the Board of Directors	Departed	December 20, 2021	December 4, 2023	0	0	0	34,200	34,200	Exercise of stock options
Total	--	--	--	--	--	--	132,220,048	0	0	66,600	132,286,648	--

Whether there were any departure of directors or supervisors or dismissal of senior officers during the reporting period

☒ Yes ☐ No

During the reporting period, Mr. Pan Wang resigned from his position as Deputy General Manager & Secretary of the Board of Directors due to personal work adjustment and continued to work in the Company after resigning; Mr. Frank Engel resigned from his position as a director of the Company due to personal work adjustment and no longer held any position in the Company after resigning.

Changes in directors, supervisors and senior officers

☒ Applicable ☐ Not applicable

Name	Position	Type of change	Date of change	Reason for change
Li Chen	Vice General Manager	Leaving the post of	March 30, 2023	Left the post of Vice

		Vice General Manager due to expiration of term		General Manager due to expiration of term and failure to be re-elected in the general election; yet continued to serve in the Company after leaving the post
Frank Engel	Director	Resignation	March 30, 2023	Resigned due to personal work adjustment, and no longer held any position in the Company after resigning
Pan Wang	Deputy General Manager & Secretary of the Board of Directors	Dismissal	December 4, 2023	Resigned due to personal work adjustment, yet continued to work in the Company after resigning
Qiao Yun	Independent Director	Being elected	January 18, 2023	Engaged in a general election
Zhou Yi	Independent Director	Leaving the post due to expiration of term	January 18, 2023	Left the post in a general election
Olaf Korzinovski	Director	Being elected	April 26, 2023	By-election of directors
Wang Quan	Secretary of the Board of Directors	Being engaged	December 4, 2023	Engaged after being nominated by the chairman

## 2. Officeholding status

Professional background, working experience and current main duties of the Company's existing directors, supervisors and senior officers

### (I) Directors

**The current Board of Directors of the Company is the 9th Board of Directors with 9 members, including 4 independent directors. The profile of each director is as follows:**

**1. Mr. Li Zhen**, born in January 1964, is a Chinese national, and EMBA of Cheung Kong Graduate School of Business. He served successively as a researcher of Hefei Economic Research Center, the General Manager of Hefei Economic and Technological Development Company, and the Chairman of Gotion Holding Group Co., Ltd. Currently, he is the Chairman & General Manager of the Company and Executive Director of the Gotion Holding and Gotion Holding Group Co., Ltd.

**2. Mr. Steven Cai**, born in October 1962, is an American national with a master's degree from Wayne University. He served successively as Invited Project Reviewer of the Society of Automotive Engineers, Member of the Global Patent Review Committee of General Motors, Member of the Electric Vehicle Safety Strategy Review Committee of General Motors, Invited Expert of Electric Vehicle Technology Seminar of the Ministry of Industry and Information Technology of the People's Republic of China, China National Electric Vehicle Charging Standard Consultant, Engineering Technology Director of Contemporary Amperex Technology Co., Limited, a member of the China Intelligent Electric Vehicle Safety Protection Expert Committee, and the President of the General Institute of Engineering Research of the Company. Currently, he is a director and Deputy General Manager of the Company, and the President of the Europe & Africa Market of the Company.

**3. Mr. Olaf Korzinovski**, born in October 1967, is a German national with a master's degree in mechanical engineering from Wolfenbüttel. He served successively as the Planning Director of Polkowice Factory of Volkswagen AG in Poland, the Engine Project Director of the Salzgitter Factory in Germany, the Fuel Vehicle Project Planning Director of the Wolfsburg Headquarters in Germany, the Technical General Manager of Volkswagen Automatic Transmission (Tianjin) Co., Ltd., the General Manager of the Kassel Factory in Germany, and the Chief Operating Officer of the Parts Business of Volkswagen AG. Currently, he is a director of the Company and the Executive Vice President of Volkswagen Group (China) in charge of the production and parts business.

**4. Ms. Andrea Nahmer**, born in January 1967, is a German national with a master's degree in business administration from the University of Political Science and Economics in Germany. She served successively as business manager in Neoplastik Co., Ltd. in Germany, executive assistant in Ernst & Young in Hamburg, Germany, was engaged in strategic planning in Siemens AG in Germany and in factory cost alignment, parts business control and factory and product costs control in Germany Volkswagen AG, and served as the head of the production, product and investment control business of Volkswagen Group. Currently, she is a director of the Company and the Director of Customer Insight and Business Management of Volkswagen AG.

**5. Mr. Zhang Hongli**, born in September 1981, is a Chinese national with a doctor's degree in Materials from the Institute of Metal Research, Chinese Academy of Sciences, and a postdoctoral degree from the University of California, Santa Barbara. He was included in "Hundred Talents Program" of Hefei and selected as "Leading Technical Talent of Strategic Emerging Industries" in Anhui, and won the Science and Technology Progress Award of Anhui. He once served as Chief Technical Advisor of LifeCel, Project Scientist of the University of California, Santa Barbara, President of the Company's Institute of Materials Research, President of the Institute of Battery Research, and Vice President of the General Institute of Engineering Research. Currently, he is a director of the Company, an Executive Vice President of the China business sector of the Company, and the President of Hefei Base.

**6. Mr. Sun Zhe**, born in January 1966, is a Chinese national with a doctor's degree in political science from Columbia University, a master's degree in laws and bachelor's degree in laws from Fudan University in Shanghai. He served successively as the deputy director, professor and doctoral supervisor of the Center for American Studies of Fudan University in Shanghai, director and professor of the Center for China-U.S. Relations of Tsinghua University and served as the independent director of MGM China Holdings Limited (2282.HK) for 10 consecutive years. Currently, he is an independent director of the Company, the co-director of the China Project of Columbia University, a researcher of the Institute of Government Governance Innovation of Beijing University, an independent non-executive director of China Resources Land Co., Ltd. (1109.HK), and an independent non-executive director of JS Global Lifestyle Company Limited (01691.HK).

**7. Mr. Qiao Yun**, born in October 1974, is a Chinese national with a master's degree. He once served as a member of the Information Technology Division of the Science and Technology Commission of Shanghai Municipality, General Manager of Shanghai Yahuan Information Technology Co., Ltd., Deputy General Manager of CETC Digital Technology Co., Ltd., Executive Director and President of CETC-MOTOR Co., Ltd., independent director of Chongqing Dima Industry Co., Ltd., General Manager of Nanjing Tianqing Automobile Electronics Co., Ltd., President of Shanghai O-Film Tech. Co., Ltd., Vice President of Shanghai Sansheng Hongye Investment (Group) Co., Ltd. Currently, he is an independent director of the Company, and the President of Shanghai Qingjian Automobile Technology Co., Ltd.

**8. Mr. Qiu Xinping**, born in July 1966, is a Chinese national with a Ph.D. degree in metallurgical physical chemistry from University of Science and Technology Beijing. Since May 1996, he has served in the Department of Chemistry, Tsinghua University, mainly engaged in the research of advanced chemical power sources such as lithium-ion batteries, fuel cells, and flow batteries. He has published more than 200 scientific papers, applied for more than 30 patents, and has won 1 natural science award from the Ministry of Education and 2 science and technology awards from Beijing municipality. Currently, he is an independent director of the Company, and an independent director of Wuxi Jinyang New Materials Co., Ltd.

**9. Mr. Wang Feng**, born in February 1975, is a Chinese national with a bachelor's degree from Beijing University of Technology, MBA from China Europe International Business School, certified public accountant. He served successively as chief financial officer of Henan Zhongpin Food Co., Ltd., Beijing Shenyan Intelligent Technology Co., Ltd., Tujia Network Technology (Beijing) Co., Ltd., Rise Education Cayman Co., Ltd. (NASDAQ: REDU), CFO of Flash Express (Beijing) Co., Ltd. and other companies. Currently, he is an independent director of the Company.

## (II) Supervisors

**The current Board of Supervisors of the Company is the 9th Board of Supervisors with 3 members, including 1 employee representative supervisor. The profile of each supervisor is as follows:**

**1. Mr. Yang Dafa**, born in December 1988, is a Chinese national with a doctor's degree in engineering. He once served as an engineer of the Company's General Institute of Engineering Research, Director of Investor Relations of the Securities Affairs Department, Secretary to the President, Deputy Director of the President Office, Vice Director of the President Office, and member of the Strategic Capital Segment, and the General Manager of the 8th Business Division of the Market Center. Currently, he is Chairman of the Board of Supervisors of the Company, the Senior Director of the Strategic Business Group, responsible for the energy storage market platform.

**2. Ms. Li Yan**, born in October 1978, is a Chinese national with a bachelor's degree and is a senior accountant. She served successively as Financial Manager and Chief Financial Officer of Gotion Holding. Currently, she is a supervisor of the Company and General Manager of the Financial Audit Division of Gotion Holding.

**3. Mr. Wu Yibing**, born in March 1973, is a Chinese national with a master's degree. He served successively as Director of Thermology Research Office of Measurement and Testing Institute of Hefei Quality and Technical Supervision Bureau and Secretary of League Branch of the Bureau, the Section Chief and Deputy Manager of the Cell Manufacturing Department of Hefei Gotion, the Manager of General Office of Hefei Gotion Battery Material Co., Ltd., and Administrative Director and Manager of General Office of Gotion New Energy (Lujiang) Co., Ltd. Currently, he is a supervisor on behalf of the employees of the Company, director of Party and Masses Service Department, and Chairman of the Trade Union of Hefei Gotion.

## (III) Non-director Senior officers

**1. Mr. Wang Qisui**, born in July 1984, is a Chinese national with a doctor's degree from Wuhan University of Technology and a postdoctoral degree in Materials Chemistry from the University of Science and Technology of China. He is a senior engineer. He once served as senior engineer and senior supervisor of Materials Branch of the Company's General Institute of Engineering Research, General Manager, Assistant President and Vice President of the third factory directly under Hefei Gotion High-tech Power Energy Co., Ltd., and Chairman of the board of supervisors of the Company. Currently, he is a member of the 15th Hefei Municipal Committee of



the Chinese People's Political Consultative Conference, Deputy General Manager of the Company and President of China Business Segment.

**2. Mr. Sun Aiming**, born in July 1981, is a Chinese national with a master's degree in business administration. He once served as General Manager of Business Division of LCFC (Lianbao (Hefei) Electronic Technology Co., Ltd.), a holding subsidiary of Lenovo Group, and General Manager of Intelligent Office Business Division of Xiaomi Technology Co., Ltd. Currently, he is the Deputy General Manager of the Company and the President of Strategic Business Segment.

**3. Mr. Wang Qiang**, born in April 1981, is a Chinese national with a doctor's degree. He is senior engineer of materials engineering and was awarded the title of top ten academic model of the university, published many papers in the international top professional journals such as the *Journal of Power Sources* and the *RSC Advances*, and has 4 authorized national invention patents. He once served as a Material Application Engineer of Hefei Gotion, the Technical Director, President & General Manager of Hefei Gotion Battery Material Co., Ltd., a director of the Company, the Executive President of Hefei Gotion High-tech Power Energy Co., Ltd. and the President of Hefei Base. Currently, he is Deputy General Manager of the Company and the President of the General Institute of Engineering Research.

**4. Mr. Zhang Wei**, born in February 1980, is a Chinese national with a bachelor's degree. He once served as HR Manager of Hefei Gotion High-tech Power Energy Co., Ltd., and director and General Manager of Nanjing Gotion Battery Co., Ltd. Currently, he is Deputy General Manager of the Company, and the vice president of Strategic Business Segment, in charge of the new energy market platform.

**5. Mr. Zhang Yifei**, born in March 1985, is Chinese national with a bachelor's degree in Accounting from Harbin Institute of Technology. He once served as Chief Financial Officer of JAC Group (Anhui Jianghuai Automobile Group Corp., Ltd.), and Director of Accounting, Capital and Tax of Volkswagen (Anhui) Co., Ltd. Currently, he is the Finance Chief of the Company.

**6. Mr. Wang Quan**, born in May 1987, is Chinese national with a master's degree in Financial Science from Illinois Institute of Technology. He previously worked at the Asset Management Center of Zhonghui Life Insurance Co., Ltd., the Asset Management Department and Institutional Business Department of Guoyuan Securities Co., Ltd., the Strategic Development Department of Anhui Guoyuan Capital Co., Ltd., and the Chairman's Office of the Company. Currently, he is the secretary of the Board of Directors of the Company.

Service for the shareholders

☒ Applicable ☐ Not applicable

Name of employee	Name of shareholder	Position held in the shareholder	Commencement date of tenure	Expiration date of tenure	Whether to receive compensation and allowances from the shareholder
Li Zhen	Nanjing Gotion Holding Group Co., Ltd.	Executive Director	April 15, 2015		No
Olaf Korzinovski	Volkswagen (China) Investment Co., Ltd.	Executive VP	April 1, 2023		Yes

Service for other entities

☒ Applicable ☐ Not applicable

Name of employee	Name of other organization	Position held in other entity	Commencement date of tenure	Expiration date of tenure	Whether to receive compensation and allowances from other entity
Li Zhen	Hefei Gotion High-tech Power Energy Co., Ltd.	Chairman			Yes
Li Zhen	Hefei Gotion Battery Technology Co., Ltd.	Chairman			No
Li Zhen	Gotion Holding Group Co., Ltd.	Executive Director			No
Li Zhen	Hefei Atom Bit Laboratory Co., Ltd.	Executive Director			No
Li Zhen	Hefei Boxuan Private Equity Fund Management Co., Ltd.	Director			Yes
Steven Cai	GOTION, INC.	Chief Technology Officer			Yes
Steven Cai	Hefei Gotion High-tech Power Energy Co., Ltd.	Director			No
Zhang Hongli	Anhui Gotion New Energy Automobile Technology Co., Ltd.	Chairman			No
Zhang Hongli	Jiangxi Gotion New Energy Technology Co., Ltd.	Director			No
Zhang Hongli	Tongcheng Gotion New Energy Co., Ltd.	Director			No
Zhang Hongli	Tongcheng Gotion Battery Technology Co., Ltd.	Director			No
Zhang Hongli	Hefei Gotion Battery Technology Co., Ltd.	Director			No
Olaf Korzinovski	Shanghai Volkswagen Powertrain Co., Ltd.	Chairman			No
Olaf Korzinovski	Volkswagen FAW Engine (Dalian) Co., Ltd.	Chairman			No
Olaf Korzinovski	Volkswagen FAW Platform Parts Co., Ltd.	Chairman			No
Olaf Korzinovski	Volkswagen FAW Platform Parts (Anhui) Co., Ltd.	Chairman			No
Olaf Korzinovski	Volkswagen Automatic Transmission (Tianjin) Co., Ltd.	Director			No
Olaf Korzinovski	Volkswagen Automatic Transmission (Dalian) Co., Ltd.	Chairman			No

Olaf Korzinovski	Volkswagen (Anhui) Parts Co., Ltd.	Chairman			No
Olaf Korzinovski	CAMS New Energy Technology Co., Ltd.	Chairman			No
Andrea Nahmer	Volkswagen AG	Customer insight and business management director			Yes
Sun Zhe	Columbia University	Co-Director of China Projects			Yes
Sun Zhe	Peking University	Researcher and academic member of the Institute of Government Governance Innovation			No
Sun Zhe	Shanghai Shenni Bangde Management Consulting Co., Ltd.	Director			No
Sun Zhe	Shanghai Shenni Bangde Public Relations Consulting Co., Ltd.	Director			No
Sun Zhe	Beijing Hengchang Investment Management Co., Ltd.	Supervisor			No
Sun Zhe	China Resources Land Limited	Independent Non-Executive Director			Yes
Sun Zhe	JS Global Lifestyle Company Limited	Independent Non-Executive Director			Yes
Qiao Yun	Shanghai Qingjian Automotive Technology Co., Ltd.	Chairman			Yes
Qiu Xinping	Tsinghua University	Professor			Yes
Qiu Xinping	Wuxi Jinyang New Materials Co., Ltd.	Independent Director			Yes
Yang Dafa	Jiangsu Yuhua Energy Technology Co., Ltd.	Chairman			No
Yang Dafa	Weihai Gotion New Energy Technology Co., Ltd.	Director			No
Li Yan	Gotion Holding Group Co., Ltd.	General Manager of Financial Audit Division			Yes
Li Yan	Tibet Gotion Venture Capital Co., Ltd.	Financial Manager			No
Wu Yibing	Hefei Daisite Lighting Electrical Appliances Co., Ltd.	Supervisor			No
Wang Qisui	Jiangxi Gotion New Energy	Director			No

	Technology Co., Ltd.				
Wang Qisui	Tianjin CHTC New Energy Automobile Research Institute Co., Ltd.	Director			No
Wang Qisui	Hefei Gotion Precision Coating Materials Co., Ltd.	Supervisor			No
Wang Qisui	Qingdao Gotion Battery Co., Ltd.	Director			No
Wang Qisui	Jiangsu Gotion New Energy Technology Co., Ltd.	Director			No
Wang Qisui	Nanjing Gotion Battery Co., Ltd.	Director			No
Wang Qisui	Gotion New Energy (Lujiang) Co., Ltd.	Director			No
Wang Qisui	Tongcheng Gotion New Energy Co., Ltd.	Director			No
Wang Qisui	Anhui Gotion New Energy Automobile Technology Co., Ltd.	Director & General Manager			No
Wang Qisui	Hefei Gotion Battery Technology Co., Ltd.	Director			No
Wang Qisui	Hefei Gotion High-tech Power Energy Co., Ltd.	Director & General Manager			Yes
Wang Qisui	Tongcheng Gotion Battery Technology Co., Ltd.	Director			No
Wang Qisui	Tianjin Gotion New Energy Technology Co., Ltd.	Director			No
Wang Qisui	Jinzhai Gotion New Energy Co., Ltd.	Director			No
Wang Qisui	Chuzhou Gotion New Energy Power Co., Ltd.	Director			No
Sun Aiming	Hefei Gotion Battery Technology Co., Ltd.	Director & General Manager			No
Sun Aiming	Zhongan Energy (Anhui) Co., Ltd.	Director			No
Wang Qiang	Hefei Gotion High-tech Power Energy Co., Ltd.	Director			Yes
Wang Qiang	MCC Ramu New Energy Technology Co., Ltd.	Director			No
Wang Qiang	Hefei Gotion Battery Technology Co., Ltd.	Chairman			No

	Ltd.				
Zhang Wei	Nanjing Yiwan Catering Management Co., Ltd.	Executive Director			No
Zhang Wei	Jiangsu Gotion New Energy Technology Co., Ltd.	Chairman			Yes
Zhang Wei	Nanjing Gotion Battery Research Institute Co., Ltd.	Director			No
Zhang Wei	Nanjing Gotion Battery Co., Ltd.	Director			No
Zhang Wei	Tangshan Gotion Battery Co., Ltd.	Director			No
Zhang Wei	Hefei Jiachi Technology Co., Ltd.	Director			No
Zhang Wei	Nanjing Gotion New Energy Co., Ltd.	Director & General Manager			No
Zhang Wei	Jinzhai Gotion New Energy Co., Ltd.	Director			No
Wang Quan	Anhui Sci-Tech Industry Investment Co., Ltd.	Supervisor			No
Wang Quan	Wuhu Guoxin Hotel Co., Ltd.	Supervisor			No

Penalties imposed on the current and the departed directors, supervisors and senior officers of the Company during the reporting period by securities regulatory authorities in recent three years

☐ Applicable ☒ Not Applicable

On July 20, 2022, the Anhui Branch of the CSRC issued the *Decision to Issue Warning Letters to Li Zhen and Pan Wang* numbered “[2022] No. 14”. Because of the inaccurate disclosure of financial information in the Company’s 2020 annual report, the untimely disclosure of related party transactions and government subsidies, and the incomplete disclosure of announcements on the progress of the Company’s restricted stock incentive plan in 2015, warning letters were issued to Li Zhen, President & General Manager of the Company, and Pan Wang, the then Finance Chief, Board Secretary and Deputy General Manager of the Company.

On December 7, 2023, the Anhui Branch of the CSRC issued the *Decision on Issuing a Warning Letter to Gotion High-tech Co., Ltd. and Making Regulatory Talks with Li Zhen and Pan Wang* ([2023] No. 54). Due to the untimely disclosure of major transaction matters by the Company, regulatory talks were conducted with Li Zhen, President & General Manager of the Company, and Pan Wang, the then Board Secretary and Deputy General Manager of the Company.

### 3. Remuneration for directors, supervisors and senior officers

Decision-making procedure, determination basis and actual payment of remuneration for directors, supervisors and senior officers

With the continuous advancement of the Company’s international strategic layout and the continuous expansion of the Company’s industrial scale, combined with the current development needs of the Company, at the 2022 first extraordinary general meeting held on November 14, 2022, the Company reviewed and approved the

*Proposal on Revising the ‘Implementation Measures for the Remuneration of Directors, Supervisors and Senior Officers’*, and the allowance standard of directors and supervisors was changed to that: the President and each independent director shall be entitled to allowance for directors (before tax) of RMB 300,000 per year, other directors shall be entitled to allowance for directors (before tax) of RMB 160,000 per year, and supervisors shall be entitled to allowance for supervisors (before tax) of RMB 80,000 per year. The new allowances shall take effect in the fourth quarter of 2022.

Allowances for directors and supervisors shall be paid by the Company on a quarterly basis after withholding individual income tax. Any one who ceases to hold the post of director or supervisor shall cease to be granted the relevant allowances for directors or supervisors from the next month following the effective date of his/her resignation report. Among them, the departed director Mr. Frank Engel and the current directors Mr. Olaf Korzinovski and Ms. Andrea Nahmer voluntarily renounced the claim of allowances for directors.

According to the salary level of the industry and scale of the Company, and combined with the achievement of the Company’s year-end financial budget, production and operation indicators, management objectives, etc., the Company will conduct a comprehensive assessment of the performance of senior officers, and link the business performance with the assessment of individual year-end bonus.

Remuneration for directors, supervisors and senior officers during the reporting period

Monetary Unit: RMB ‘0,000

Name	Gender	Age	Position	Status of officeholding	Total remuneration from the Company (before Tax)	Whether any remuneration is received from the Company’s related parties
Li Zhen	Male	60	Chairman & General Manager	Current	184.14	No
Steven Cai	Male	62	Director & Deputy General Manager	Current	194.42	No
Olaf Korzinovski	Male	57	Director	Current	0	Yes
Andrea Nahmer	Female	57	Director	Current	0	Yes
Zhang Hongli	Male	43	Director	Current	155.2	No
Sun Zhe	Male	58	Independent Director	Current	30	No
Qiao Yun	Male	50	Independent Director	Current	30	No
Qiu Xinping	Male	58	Independent Director	Current	30	No
Wang Feng	Male	49	Independent Director	Current	30	No
Yang Dafa	Male	36	Chairman of the Board of Supervisors	Current	106.83	No
Li Yan	Female	46	Supervisor	Current	8	Yes
Wu Yibing	Male	51	Employee Representative Supervisor	Current	52.18	No
Wang Qisui	Male	40	Vice General Manager	Current	136.75	No
Sun Aiming	Male	43	Vice General Manager	Current	136.07	No
Wang Qiang	Male	43	Vice General	Current	150.75	No

			Manager			
Zhang Wei	Male	44	Vice General Manager	Current	168.19	No
Wang Quan	Male	37	Secretary of the Board of Directors	Current	19.33	No
Zhang Yifei	Male	39	Financial Manager	Current	112.38	No
Zhou Yi	Female	60	Independent Director	Departed	0	No
Frank Engel	Male	62	Director	Departed	0	Yes
Li Chen	Male	34	Vice General Manager	Departed	85	No
Pan Wang	Male	40	Deputy General Manager & Secretary of the Board of Directors	Departed	85.89	No
Total	--	--	--	--	1,715.13	--

Information note:

☐Applicable ☒ Not applicable

## VI. Performance of duties by directors during the reporting period

### 1. Meetings of Board of Directors during the reporting period

Session	Date of Meeting	Disclosure Date	Resolutions
The 1st meeting of the ninth Board of Directors	March 30, 2023	April 1, 2023	For details, please refer to the <i>Announcement on Resolutions of the 1st Meeting of the Ninth Board of Directors</i> disclosed on cninfo website (Announcement No.: 2023-013)
The 2nd meeting of the ninth Board of Directors	April 26, 2023	April 28, 2023	For details, please refer to the <i>Announcement on Resolutions of the 2nd Meeting of the Ninth Board of Directors</i> disclosed on cninfo website (Announcement No.: 2023-024)
The 3rd meeting of the ninth Board of Directors	August 28, 2023	August 30, 2023	For details, please refer to the <i>Announcement on Resolutions of the 3rd Meeting of the Ninth Board of Directors</i> disclosed on cninfo website (Announcement No.: 2023-058)
The 4th meeting of the ninth Board of Directors	October 26, 2023	October 28, 2023	For details, please refer to the <i>Announcement on Resolutions of the 4th Meeting of the Ninth Board of Directors</i> disclosed on cninfo website (Announcement No.: 2023-080)
The 5th meeting of the ninth Board of Directors	December 4, 2023	December 6, 2023	For details, please refer to the <i>Announcement on Resolutions of the 5th Meeting of the Ninth Board of Directors</i> disclosed on cninfo website (Announcement No.: 2023-

			092)
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## 2. Directors' attendance at the meetings of Board of Directors and the general meetings of shareholders

Directors' attendance at the meetings of Board of Directors and the general meetings of shareholders							
Name of director	Number of board meetings that should be attended by the directors during the reporting period	Number of on-site attendances	Number of attendances by communication	Number of attendances by proxy	Number of absences	Whether failed to attend meeting of the Board of Directors in person for two consecutive times	Number of attendances at the general meetings of shareholders
Li Zhen	5	4	1	0	0	No	4
Steven Cai	5	2	3	0	0	No	4
Olaf Korzinovski	5	1	4	0	0	No	4
Andrea Nahmer	5	0	3	2	0	No	4
Zhang Hongli	5	3	2	0	0	No	4
Sun Zhe	5	0	5	0	0	No	4
Qiao Yun	5	1	4	0	0	No	4
Qiu Xinping	5	0	5	0	0	No	4
Wang Feng	5	0	5	0	0	No	4
Zhou Yi (departed during the reporting period)	0	0	0	0	0	No	0
Frank Engel (departed during the reporting period)	0	0	0	0	0	No	0

Explanations on failure to attend meetings of the Board of Directors in person for two consecutive times

Remark: There is no director who failed to attend meetings of the Board of Directors in person for two consecutive times

## 3. Directors' objections to the matters related to the Company

Whether directors raised objections to the matters related to the Company

☐ Yes ☒ No

During the reporting period, the directors raised no objections to the matters related to the Company.

## 4. Other remarks about the directors' performance of their duties

Whether the directors' suggestions on the Company have been adopted

☒ Yes ☐ No

Explanations on whether the directors' suggestions on the Company have been adopted or not



During the reporting period, according to the *Company Law*, the *Securities Law*, the *Articles of Association* and other laws, regulations and systems, the directors of the Company conscientiously fulfilled their duties diligently and conscientiously, paid close attention to the Company's operation and management information, financial status and major issues, discussed in depth all the motions submitted to the board of directors for review, expressed their opinions, and made suggestions for the Company's operation and development, which effectively enhanced the scientific decision-making of the board of directors, and promoted the sustainable, stable and healthy development of the Company's business operations.

The independent directors of the Company faithfully performed the duties of independent directors, took the initiative to express their opinions and exercise their powers, provided impartial and independent opinions on the Company's related party transactions, external guarantee, annual profit distribution plan, renewal of accounting firm, fund raising for cash financing, use of raised funds, registration and issuance of collective short-term financing bonds, share repurchase plans and other major issues, and effectively supervised the Company's financial and production and operation activities, playing a due role in safeguarding the legitimate rights and interests of the Company and all shareholders.

## VII. Performance of duties by special committees under the Board of Directors during the reporting period

Name of the committee	Members	Number of meetings held	Date of meeting	Content of meeting	Major opinions and proposals made	Performance of other duties	Description of matters objected (if any)
Strategy Committee	Li Zhen, Olaf Korzinovski, Steven Cai, Zhang Hongli, Andrea Nahmer	1	April 25, 2023	Deliberated the <i>Proposal on Increasing Capital Contribution to Subsidiaries</i> and discuss matters related to financing of the Company.	Members of the Strategy Committee provided reasonable suggestions on the financing plan of the Company according to the development status of the industry and the Company.		
Nomination Committee	Sun Zhe, Qiu Xinping, Olaf Korzinovski, Steven Cai, Qiao Yun	2	March 30, 2023	Deliberated the <i>Proposal on Nominating Senior Officers and Other Related Candidates of the Company</i> and the <i>Proposal on Nominating Candidates for Non Independent Directors of the Ninth Board of Directors</i>	The Nomination Committee conducted a thorough review of the qualifications of candidates directors and senior officers.		
			December 4, 2023	<i>Proposal on Appointing the Secretary of the Board of Directors of the Company</i>	The Nomination Committee conducted a thorough review of the qualifications of candidates of senior officers.		
Audit Committee	Wang Feng, Li Zhen, Andrea Nahmer, Sun Zhe, Qiao	4	April 25, 2023	1. Deliberated the following proposals: the <i>Proposal on the Final Account Report of 2022</i> , the	The Nomination Committee suggested that the Company should accelerate the improvement of IT	During the reporting period, members of the Audit	

Yun				<p><i>Proposal on the Annual Financial Report of 2022, the Proposal on the Budget Report of 2023, the Proposal on the Financial Report of Q1 2023, the Proposal on the Use of Idle Self-owned Funds for Entrusted Wealth Management in 2023, the Proposal on Carrying out Foreign Exchange Hedging Business in 2023, the Proposal on the Internal Control Self Evaluation Report of 2022, the Proposal on the Internal Audit Report of 2022 and Internal Audit Plan of 2023, the Proposal on the Internal Audit Report of Q1 and Internal Audit Plan of Q2 2023, and the Proposal on Retention of the Accounting Firm for 2023; 2. Reported and discussed financial matters related to the Company.</i></p>	<p>system operation efficiency, so as to ensure all business functions of the Company to operate efficiently and match the current business development speed of the Company.</p>	<p>Committee actively communicated with the internal Audit Department of the Company about the internal control situation and plans of the Company, and communicated with the auditor about the matters related to annual report audit and supervised implementation thereof.</p>	
			May 26, 2023	<p><i>Proposal on hiring Ernst&amp;Young for Special Audit</i></p>			
			August 28, 2023	<p>1. Deliberated the following proposals: the <i>Proposal on the Internal Audit Report of the First Half Year and the Internal Audit Plan of Q3 2023</i>, and the <i>Proposal on the Financial Report of the First Half Year of 2023</i>; 2. Reported and discussed financial matters related to the Company.</p>	<p>The Nomination Committee suggested that the Company should take more effective measures to reduce accounts receivable while considering reducing labor costs in the second half of 2023.</p>		
			October 26, 2023	<p><i>Proposal on the Internal Audit Report of Q3 and the Internal Audit Plan of Q4 2023; the Proposal on the Financial Report of Q3 2023 of the</i></p>			

				Company			
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## VIII. Work of the Board of Supervisor

Whether the Board of Supervisors discovered any risk during the supervision activities during the reporting period

☐ Yes ☒ No

The Board of Supervisors has no objection to the supervision matters during the reporting period.

## IX. Employees

### 1. Number of employees, specialty and educational background

Number of existing employees of parent company as at the end of the reporting period	365
Number of existing employees of major subsidiaries as at the end of the reporting period	22,574
Total number of existing employees as at the end of the reporting period	22,939
Total number of salaried employees in the current period	22,939
Number of retired employees to be paid by the parent company and major subsidiaries	0
Specialty	
Category	Number of persons
Production employees	12,096
Sales employees	406
Technical employees	7,087
Financial employees	368
Administrative employees	2,982
Total	22,939
Educational background	
Category	Number of persons
Doctor's degree or above	208
Master's degree	2,299
Bachelor's degree	5,809
Associate degree	4,484
Below associate degree	10,139
Total	22,939

### 2. Policy on employee compensation

The Company has, in strict accordance with the *Labor Law*, the *Labor Contract Law* and other relevant laws and regulations as well as other departmental regulations, established a sound human resource management system and various working procedures, strictly implemented relevant policies, and effectively guaranteed the practical interests of employees. The Company's employee compensation mainly consists of fixed salary, seniority pay, performance pay, overtime pay, post allowance, etc., and will be increased by a certain amount annually according to the Company's operating efficiency, the overall salary status of the industry, the performance of the employees and the improvement of their working ability. The salary of production staff is

determined according to piecework quota, quality score, assessment score and other related indicators; the salary of sales staff consists of fixed salary and commission, which is determined according to sales volume, return rate, profit margin and other related indicators; the salary of R&D staff is determined according to their rank and the situation of the research project; the salary of management staff is determined according to the rank, specific responsibilities and work results of each post.

### 3. Training plan

The Company adheres to the talent cultivation tenet of “selecting people as the guidance, employing people as the support, educating people as the means, and retaining people as the goal”, and builds a management system with well-defined responsibilities and clear division of labor. It persists in and implements the guiding ideology of talent cultivation featuring the cultivation of cadre teams as the core, business improvement and promotion as the goal, highlight of training value as the orientation, and scientific and systematic training assessment and application of results as the starting point.

In terms of the training system construction, by taking business improvement as a means to measure training effects, it enhances the action-based learning and cultivation model, gives full play to the benchmark leading role of excellent internal trainers and management and business backbones, and deepens the construction of the training connotation system. In the design of training programs, through extensive survey on demands, it locks pain points, customizes training projects, and carries out training for targeted problems. In the application of training results, it timely reviews and regular tracks training effects, uses training as a method to assess whether the employees meet the requirements of job capabilities, and reflects it in the assessment, job rotation and promotion.

In terms of the training management system, a secondary training management mechanism is implemented: Gotion College is responsible for the primary training, relies on the strategic implementation, cultural heritage, talent training and technology incubation, and launches training programs on the Company's culture, leadership enhancement and ability improvement of key business lines. Key training programs include: leadership training for senior management cadres, training class for middle management cadres, training camp for youth reserve cadres, training camp for team leaders, special training camp for lean production, special quality training camp, etc. The secondary training is conducted by various business departments under the guidance of Gotion College, focusing on the competency training of the employees of the department, involving job knowledge, business skills, system processes and other aspects.

In terms of formulation and implementation of training plans, Gotion College will make overall plans for the next year's training plan in the fourth quarter of each year, and guide various business departments to establish and perfect the secondary training system. Each business training entity submits the training plan for the next year to Gotion College in November each year. After Gotion College has reviewed the said plan, it organizes the annual training work of various departments.

### 4. Labor outsourcing

☒Applicable ☐ Not applicable

Total working hours of labor outsourced (hours)	152,141
Total remuneration paid for labor outsourcing (RMB)	4,664,770.73

## X. Profits distribution and increase of share capital with reserved fund

Formulation, implementation or adjustment of the policies for profits distribution, especially the policies for the cash dividends, during the reporting period

☒Applicable ☐ Not applicable

The Company held the 2nd meeting of the ninth Board of Directors and the 2nd meeting of the ninth Board of Supervisors respectively on April 26, 2023, deliberated and passed the *Proposal on Shareholder Return Planning for the Next Three Years (2023-2025)*, which clearly stipulated the criteria for dividend distribution, the ratio as well as the decision-making procedures for the adjustment of the profit distribution policy, and institutionally guaranteed the continuity and stability of the profit distribution policy. It can fully protect the legitimate rights and interests of minority investors. During the reporting period, the Company implemented the profit distribution policy in strict accordance with the *Articles of Association* of the Company and the *Shareholders' Return Plan for the Next Three Years (2023-2025)*.

Special notes on cash dividend policies	
Do they comply with the <i>Articles of Association</i> of the Company or the resolution of the shareholders' meeting:	Yes
Are the dividend standards and ratios clear and explicit:	Yes
Is the decision-making process and mechanism complete:	Yes
Do independent directors have fulfilled their duties and played their due role:	Yes
State the specific reasons if the Company does not distribute cash dividends, as well as the measures to be taken next to enhance investor returns:	N/A
Do minority shareholders have sufficient opportunities to express their opinions and demands, and have their legitimate rights and interests been fully protected:	Yes
Are the conditions and procedures for adjusting or changing cash dividend policies are compliant and transparent:	N/A

No plan for the distribution of cash dividends was proposed while the Company realized profits during the reporting period and the parent company's profits available for distribution to shareholders was positive

☐Applicable ☒Not applicable

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

☒Applicable ☐ Not applicable

Number of bonus shares per 10 shares (shares)	0
Dividend per 10 shares (yuan) (tax included)	1.0
Equity base for distribution proposal (shares)	Total share capital registered on the equity registration date for the implementation of the equity distribution minus the repurchased shares in the Company's special securities account for repurchase
Cash dividend amount (yuan) (tax included)	176,688,358.90
Amount of cash dividends in other ways (e.g., share repurchases) (yuan)	0.00
Total cash dividends (including other means) (yuan)	176,688,358.90
Distributable profit (RMB)	200,564,234.41
Total cash dividends (including other methods) as a percentage of total profit distribution	100%
The current cash dividend	
Other	

## Details of the proposed profits distribution or capitalization of capital reserves

The Company intends to distribute a cash dividend of RMB1 (inclusive of tax) for every 10 shares to all shareholders based on the total share capital registered on the equity registration date for the implementation of the equity distribution minus the repurchased shares in the Company's repurchase special securities account, and give 0 bonus shares (tax included), and the Company will not increase share capital with reserved funds. As of April 18, 2024, the total share capital of the Company is 1,785,717,757 shares, after deducting the repurchased shares in the Company's special securities account for repurchase of 18,834,168 shares, and based on this calculation the total proposed cash dividend of RMB 176,688,358.90 (tax included), accounting for the proportion of the net profit attributable to shareholders of listed companies for the year of 2023 as a 18.82 %. During the period from the date of disclosure of this announcement to the share registration date for the implementation of the equity distribution, if there is any change in the total share capital of the Company, or if there is any change in the shares held in the Company's repurchase special account as a result of share repurchase, cancellation of repurchased shares, or completion of the non-transaction transfers of repurchased shares transferred to the Employee Stock Ownership Plan, the Company intends to maintain the same distribution ratio per share and adjust the total amount of the distribution accordingly, and will announce the details of such adjustments in a separate announcement.

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

☒ Applicable ☐ Not applicable

### 1. Equity incentive

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

① The Company held the 13th meeting of the eighth 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 eighth 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 during the period from September 1, 2021 to September 10, 2021. During the publicity period, the Board of Supervisors of the Company did not receive any objection related to the intended incentive objects under the 2021 Incentive Plan. On September 11, 2021, the Company disclosed the *Publicity Description and Verification Opinions on the List of Incentive Objects under the 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 eighth Board of Directors and the 14th meeting of the eighth Board of Supervisors on October 28, 2021, deliberating and passing the *Proposal on the Adjustment of Matters Related to the 2021 Stock Option Incentive Plan* and the *Proposal on the Grant of Stock Options to the Incentive Objects*. The number of incentive objects under the 2021 Incentive Plan was adjusted from 1,087 to 1,063, while the total number of stock options granted under the 2021 Incentive Plan was not adjusted. Meanwhile, the grant date under the 2021 Incentive Plan was confirmed to be October 28, 2021. The Board of Supervisors verified the list of incentive objects to be granted with stock options.

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

⑧ The Company held the 3rd meeting of the ninth Board of Directors and the 3rd meeting of the ninth Board of Supervisors on August 28, 2023, deliberating and passing the *Proposal on the Achievement of the Exercise Conditions for the First Exercise Period under the 2021 Stock Option Incentive Plan* and the *Proposal on Canceling Some of the Stock Options Granted under the 2021 Stock Option Incentive Plan*. There were a total of 936 incentive objects who met the exercise conditions for the first exercise period of the stock options granted under the 2021 Incentive Plan, and thus a total of 10.6392 million stock options were exercisable. Meanwhile, a total of 3.3688 million stock options that have been granted to 133 incentive objects but not yet exercised were canceled since they did not meet or not fully meet the standards in personal performance appraisal or resigned.

⑨ The Company held the 5th meeting of the 9th Board of Directors and the 5th meeting of the 9th Board of Supervisors on December 4, 2023, deliberating and passing the *Proposal on Canceling Some of the Stock Options Granted under the 2021 Stock Option Incentive Plan*. A total of 520,000 stock options that have been granted to 19 incentive objects but not yet exercised were canceled since they resigned and were no longer qualified as incentive objects. Meanwhile, the first exercise period for the stock options granted under the 2021 Incentive Plan has expired on November 14, 2023, and as of the expiration date, none of the incentive objects have exercised the stock options. Therefore, the Company canceled a total of 10.4312 million stock options that have not been exercised upon expiration in accordance with relevant rules and regulations. After the completion

of the cancellation, the number of stock options under the 2021 Incentive Plan was changed to 15.66 million, and the number of incentive objects was changed to 917.

⑩ The second waiting period of the 2021 Incentive Plan has expired on November 14, 2023. As of the end of the reporting period, the options of this period has not been released.

## **(II) 2022 stock option incentive plan (the “2022 Incentive Plan”)**

① The Company held the 16th meeting of the eighth 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 under the 2022 Incentive Plan. The exercise price is RMB 18.77 per option. The incentive objects can be directors, senior officers and core technical (business) personnel of the Company. 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 under the 2022 Incentive Plan.

② The Company held the 16th meeting of the eighth 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 during the period from April 30, 2022 to May 9, 2022. During the publicity period, the Board of Supervisors of the Company did not receive any objection related to the 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 2021 Stock Option Incentive Plan* (Announcement No.: 2022-050).



⑤ The Company held the 18th meeting of the eighth Board of Directors and the 19th meeting of the eighth Board of Supervisors on July 7, 2022, deliberating and passing the *Proposal on the Adjustment of Matters Related to the 2022 Stock Option Incentive Plan* and the *Proposal on the Grant of Stock Options for the First Time to the Incentive Objects*. The number of incentive objects under the 2022 Incentive Plan was adjusted from 1,757 to 1,723, the total number of stock options granted for the first time under the 2022 Incentive Plan was adjusted from 48 million to 47.75 million, the total number of stock options reserved for grant was adjusted from 12 million to 11.9375 million, the total number of stock options to be granted was adjusted from 60 million to 59.6875 million, and the exercise price of stock options granted for the first time and reserved for grant was adjusted from RMB 18.77/share to RMB18.67/share. Meanwhile, the grant date for the first time under the 2022 Incentive Plan was confirmed to be July 8, 2022. The Board of Supervisors verified the list of incentive objects to be granted with stock options.

⑥ The Company disclosed the *Announcement on the Completion of Registration of Grant under the 2021 Stock Option Incentive Plan for the First Time* (Announcement No.: 2022-067) on July 22, 2022. The registration of the grant under the 2022 Incentive Plan was completed in Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. Actually 47.75 million stock options were granted to 1,723 eligible incentive objects.

⑦ The Company held the 3rd meeting of the ninth Board of Directors and the 3rd meeting of the ninth Board of Supervisors on August 28, 2023, deliberating and passing the *Proposal on the Achievement of the Exercise Conditions for the First Exercise Period for the First Batch of Stock Options Granted under the 2022 Stock Option Incentive Plan* and the *Proposal on Canceling Some of the First Batch of Stock Options Granted under the 2022 Stock Option Incentive Plan*. There were a total of 1,571 incentive objects who met the exercise conditions for the first exercise period of the stock options granted under the 2022 Incentive Plan, and a total of 17.396 million stock options became exercisable, with an exercise price of RMB 18.67/share. Meanwhile, a total of 4.14 million stock options that have been granted to 193 incentive objects but not yet exercised were canceled since they did not meet or not fully meet the standards in individual performance appraisal or resigned.

⑧ The Company disclosed the *Reminder Announcement on the Adoption of Autonomous Exercise Mode for the First Exercise Period for the First Batch of Stock Options Granted under the 2022 Stock Option Incentive Plan* (Announcement No.: 2023-068) on September 19, 2023. The first exercise period for the first batch of stock options granted under the 2022 Incentive Plan is from September 20, 2023 to July 19, 2024. During the period from the deliberation and approval by the Board of Directors of the Company of the *Proposal on the Achievement of the Exercise Conditions for the First Exercise Period for the First Batch of Stock Options Granted under the 2022 Stock Option Incentive Plan* to the completion of the procedures for the application for registration for the autonomous exercise mode, a total of 10 incentive objects did not meet the exercise conditions due to resignation, and thus a total of 200,000 stock options were canceled after completing the approval process. In 2022, there were a total of 1,561 incentive objects who actually meet the exercise conditions during the first exercise period for the first batch of stock options granted under the 2022 Incentive Plan, and thus a total of 17.316 million stock options were exercisable.

⑨ A total of 11.9375 million stock options that were reserved for grant under the 2022 Incentive Plan have expired, since they were not granted within 12 months after the deliberation and approval by the shareholders meeting of the Company (i.e. before May 23, 2023). As of the end of the reporting period, the first exercise period for the first batch of stock options granted under the 2022 Incentive Plan has not yet expired. During the

reporting period. A total of 6,311,997 shares were issued after the autonomous exercise by the incentive objects of the first batch of stock options in the first exercise period under the 2022 Incentive Plan, and thus the total share capital of the Company increased from 1,778,874,835 shares to 1,785,186,832 shares.

Equity incentives granted to directors and senior officers of the Company

☒ Applicable ☐ Not applicable

Unit: Share

Name	Position	Number of stock options held at the beginning of the year	Number of stock options granted during the reporting period	Number of stock options that can be exercised during the reporting period	Number of stock options exercised during the reporting period	Exercise price of stock options exercised during the reporting period (RMB /option)	Number of stock options held at the end of the period	Market price at the end of the reporting period (RMB /option)	Number of restricted stocks held at the beginning of the period	Number of shares unlocked during the period	Number of restricted stocks granted during the reporting period	Grant price of restricted stocks (RMB /stock)	Number of restricted stocks held at the end of the period
Steven Cai	Director & Deputy General Manager	600,000	0	80,000	0		440,000	21.50	0	0	0	0	0
Zhang Hongli	Director	400,000	0	60,000	32,400	18.67	267,600	21.50	0	0	0	0	0
Wang Qiang	Vice General Manager	350,000	0	60,000	0		270,000	21.50	0	0	0	0	0
Zhang Wei	Vice General Manager	250,000	0	60,000	0		210,000	21.50	0	0	0	0	0
Sun Aiming	Vice General Manager	300,000	0	60,000	0		240,000	21.50	0	0	0	0	0
Pan Wang	Secretary of the Board of Directors & Deputy General Manager	250,000	0	60,000	34,200	18.67	175,800	21.50	0	0	0	0	0

	ger (depar ted during the report ing period )												
Total	--	2,150,000	0	380,000	66,600	--	1,603,400	--	0	0	0	--	0
Remark (if any)	Since the exercise conditions for the first exercise period under the 2021 Incentive Plan and the first exercise period for the first batch of stock options granted under the 2022 Incentive Plan have been met, 40% of the stock options were released during the reporting period. Meanwhile, the first exercise period for the stock options granted under the 2021 Incentive Plan has expired on November 14, 2023, and as of the expiration date, none of the incentive objects have exercised the stock options. Therefore, the Company canceled all of the stock options that have not been exercised upon expiration in accordance with relevant rules and regulations.												

#### Evaluation and motivation of senior officers

Senior officers of the Company are uniformly appointed by the Board of Directors. The Board of Directors has a Nomination Committee and a Remuneration and Appraisal Committee, which, as the management organization for the appointment and remuneration appraisal of senior officers of the Company, are responsible for formulating remuneration standards and plans for senior officers, reviewing their performance of duties and conducting annual appraisal, formulating scientific and reasonable remuneration plans and submitting them to the Board of Directors for deliberation.

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

☒Applicable ☐ Not applicable

All ESOPs in force during the reporting period

Scope of employees	Number of employees	Total amount of stocks held	Change	Ratio to total share capital of the listed Company	Source of funds for plan implementation
The Company's directors (excluding independent directors), supervisors, senior officers and core employees or employees in key positions identified by the Board of Directors as having made outstanding contributions to the development of the Company	268	0	18 holders under the ESOP (Phase II) were disqualified as holders due to voluntary resignation during the reporting period, and their shares were reclaimed by the Company. Meanwhile, the ESOP has expired on November 18, 2023. As of the end of the reporting period, all 7,570,800 shares held under the ESOP have been sold.	0.00%	Legal remuneration and self-raised funds of participants.
The Company's directors (excluding independent	98	3,133,684	7 holders under the ESOP (Phase III) were disqualified as holders due to	0.18%	Legal remuneration and self-raised funds of participants.

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			voluntary resignation during the reporting period, and their shares were reclaimed by the Company, and a portion of the shares were granted to other qualified employees.		
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Stocks held by directors, supervisors and senior officers under the ESOP during the reporting period

Name	Position	Number of shares held at the beginning of the reporting period	Number of shares held at the end of the reporting period	Ratio to the total share capital of the Company
Steven Cai	Director	350,472	50,000	0.00%
Zhang Hongli	Director	110,094	50,000	0.00%
Yang Dafa	Chairman of the Board of Supervisors	29,014	20,000	0.00%
Wu Yibing	Supervisor	20,000	20,000	0.00%
Wang Qisui	Vice General Manager	120,047	90,000	0.01%
Wang Qiang	Vice General Manager	150,236	0	0.00%
Zhang Wei	Vice General Manager	173,194	50,000	0.00%
Sun Aiming	Vice General Manager	50,000	50,000	0.00%
Li Chen	Vice General Manager (departed during the reporting period)	50,000	50,000	0.00%

Changes of asset management institutions during the reporting period

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

Exercise of shareholders' rights during the reporting period

During the reporting period, the ESOP (Phase II) and the ESOP (Phase III) attended the shareholders' meeting for four times and exercised voting rights at the meetings through its representative respectively.

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

☐ Applicable ☒ Not applicable

Changes in the members of the ESOP Management Committee

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

Termination of the ESOP during the reporting period

☒ Applicable ☐ Not applicable

During the reporting period, the duration of the ESOP (Phase II) was automatically terminated upon its expiration on November 18, 2023. For more details, please refer to the "Announcement on the Expiration and

*Termination of the Duration of the ESOP (Phase II)*” (Announcement No.: 2023-090) disclosed by the Company on the cninfo network.

### 1. ESOP (Phase II)

(1) The Company held the 15th meeting of the eighth Board of Directors on November 26, 2021, deliberating and passing the *Proposal on the Achievement of Indicators for Performance Appraisal of 2020 under the Company's ESOP (Phase II)*. Since the indicators for performance appraisal for the second unlocking period under the ESOP (Phase II) were not achieved, the funds obtained from selling the underlying shares corresponding to the period (i.e., 3,785,363 shares) were owned by 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.

(2) The Company held the 2nd meeting of the ninth Board of Directors on April 26, 2023, deliberating and passing the *Proposal on the Achievement of the Unlocking Conditions for the Third Unlocking Period of the ESOP (Phase II)*. According to the *Auditor's Report* issued by Suyajincheng CPA LLP numbered “Su Ya Shen [2023] 773”, the indicators for performance appraisal for the third unlocking period under the ESOP (Phase II) have been achieved, and the number of unlocked underlying shares was 3,785,363; the funds obtained from selling the underlying shares for this period were distributed according to the shares held by the holders after deducting relevant taxes in accordance with the law, and the remaining income (if any) belonged to the Company.

(3) The Company disclosed the *Announcement on the “Completion of the Sale of the Shares under the ESOP (Phase II) (2023-107)”* (Announcement No.: 2023-107) on December 30, 2023. The 7,570,800 company shares held by the ESOP (Phase II) (including the 74 shares that were not sold in the first unlocking period) have been fully sold through block trading. As of the disclosure date of this report, the Management Committee of the ESOP (Phase II) has completed asset liquidation and income distribution.

### 2. ESOP (Phase III)

(1) On December 22, 2022, the Company held the 21st meeting of the eighth Board of Directors on December 20, 2022, deliberating and passing the *Proposal on the Achievement of the Conditions for Unlocking the First Batch of Shares under the ESOP (Phase III)*. The conditions for unlocking the first batch of shares under the ESOP (Phase III) have been met, and the unlocking ratio is 40% of the total number of shares held under the ESOP (Phase III) (i.e., 1,253,473 shares). The first lockup period of the ESOP (Phase III) has expired on January 17, 2023, the Management Committee will choose to sell the underlying stocks during the term of existence, and distribute the cash assets obtained from the sale of the shares held under the ESOP (Phase III) according to the proportion of shares held by the holders after deducting relevant taxes and fees in accordance with the law.

(2) As of the end of this reporting period, the Third Employee Share Ownership Plan holds 3,133,684 shares of the Company..

### 3. Other employee incentive measures

☐ Applicable ☒ Not applicable

## XII. Construction and implementation of internal control system during the reporting period

### 1. Internal control construction and implementation

The Company has established and constantly improved internal control system in strict accordance with the *Company Law*, the *Basic Standards for Enterprises' Internal Control* and its supporting guidelines, as well as relevant internal control regulatory requirements of the CSRC and the SZSE, and taking into consideration the actual situation, characteristics, and management needs of the Company, and ensured the effective operation of such system. Meanwhile, the Company carried out all kinds of special internal control evaluation work and annual internal control evaluation work regularly or irregularly every year, and included important subsidiaries, key business-related matters and high-risk areas in the evaluation scope. By reviewing, analyzing and evaluating the internal control design and implementation every year, the Company has effectively prevented risks in operation and management, and continuously optimized the internal control system and achieved internal control objectives.

In the Company's identification of significant deficiencies in its internal control, no significant deficiencies were found in the Company's internal control for financial reporting or non-financial reporting as of the benchmark date of the internal control evaluation report.

### 2. Details of major defects in internal control discovered during the reporting period

☐ Yes ☒ No

## XIII. Management of and control over subsidiaries during the reporting period

Company name	Combination plan	Combination progress	Problems encountered in the combination	Solutions adopted	Progress of solution	Follow-up solution
Jiangxi Huayou Mining Co., Ltd.	A holding subsidiary of the Company acquired 65.00% equity of Jiangxi Huayou Mining Co., Ltd., achieving a combination not under common control	Completed	None	Not applicable	Not applicable	Not applicable
Gotion Argentina Co., Ltd.	A holding subsidiary of the Company acquired 95.00% equity of Gotion Argentina Co., Ltd., achieving a combination not under common	Completed	None	Not applicable	Not applicable	Not applicable

	control					
PT Konawe Alam Energi (Indonesia)	A holding subsidiary of the Company acquired 70% equity of PT Konawe Alam Energi, achieving a combination not under common control	Completed	None	Not applicable	Not applicable	Not applicable
PT Intan Perdhana Puspa	A holding subsidiary of the Company acquired 99.99% equity of PT Intan Perdhana Puspa, achieving a combination not under common control	Completed	None	Not applicable	Not applicable	Not applicable

#### XIV. Internal control evaluation report or internal control audit report

##### 1. Internal control evaluation report

Disclosure date of the internal control evaluation report	April 20, 2024	
Disclosure place of the internal control evaluation report	For details, please refer to the <i>Internal Control Self-Evaluation Report of 2023</i> published by the Company on cninfo website on April 20, 2024.	
Ratio of the total assets of the entities included in the evaluation scope to the total assets of the Company’s consolidated financial statements	100.00%	
Ratio of the operating income of the entities included in the evaluation scope to the operating income of the Company’s consolidated financial statements	100.00%	
Defect identification standards		
Category	Financial report	Non-financial report
Qualitative standards	Major defect: It is reasonably possible that a deficiency in internal control, either alone or in combination with other defects, will result in the failure to prevent or detect and correct a material misstatement in the consolidated financial statements in a timely manner, such as: (1) Directors, supervisors and management commit the fraudulent acts that have a significant impact on financial reports; (2) The published financial reports are corrected; (3) Major misstatements in the current financial report are not discovered by the Company’s internal control system; (4) The Company’s internal control	In case of following circumstances, they can be identified as major defects: (1) The Company lacks democratic decision-making procedures, such as the lack of collective decision-making procedures; (2) The Company’s decision-making procedures are unscientific, such as decision-making errors; (3) The Company violates national laws and regulations, such as occurrence of major work safety or environmental pollution accidents; (4) The management personnel or technical personnel in key positions are left; (5) The results of internal control evaluation, especially for major or important defects, have not

	supervision is invalid. Important defects: it is reasonably possible that a defect in internal control, either alone or in combination with other defects, will result in the failure to prevent or detect and correct, in a timely manner, the misstatements in financial reporting that do not meet or exceed the important level but that still attract the attention of the Board of Directors and management. General defects: internal control defects that do not constitute major defects and important defects.	been rectified; (6) The important business lacks system control or the system fails systematically. Other circumstances are determined as important defects or general defects according to the degree of impact.
Quantitative standards	(1) Quantitative judgment based on sales revenue: misstatement > 5% of the revenue is identified as a major defect, misstatement < 1% of the revenue is identified as a general defect, and others are identified as important defects. (2) Quantitative judgment based on net profit, total assets or owner's equity: misstatement > 5% of the above base is identified as a major defect, misstatement < 2% of the above base is identified as a general defect, and others are identified as important defects.	After considering compensatory control measures and actual deviation rate, based on the actual amount involved, the major defects are those that cause direct property losses which account for 1% of the Company's total assets, the important defects are those that cause direct property losses which account for 0.5% of the Company's total assets, and others are general defects.
Number of major defects in financial reports		0
Number of major defects in non-financial reports		0
Number of important defects in financial reports		0
Number of important defects in non-financial reports		0

## 2. Internal control audit report

☒ Applicable ☐ Not applicable

Audit opinions in the internal control audit report	
Suyajincheng CPA LLP. ratifies that the Company has maintained effective internal control over financial reporting in all material aspects as of December 31, 2023 in accordance with the <i>Basic Standards for Enterprise Internal Control</i> and relevant regulations.	
Disclosure condition of the internal control audit report	Disclosed
Disclosure date of the internal control audit report	April 20, 2024
Disclosure website of the internal control audit report	Please refer to the "2023 Internal Control Audit Report" published by the Company on cninfo website on April 20, 2024.
Types of audit opinions on the internal control audit report	Standard unqualified opinions
Are there major defects in the non-financial reports	None

Does the accounting firm issue an internal control audit report with non-standard opinions

☐ Yes ☒ No

Is the internal control audit report issued by the accounting firm consistent with the self-evaluation report of the Board of Directors

☒ Yes ☐ No



## **XV. Self-inspection and rectification of problems in the special action on governance of the Company**

The corporate governance of the Company as a whole meets the requirements and there are no major issues that need to be rectified. During the reporting period, there was no significant difference between the current state of corporate governance and relevant regulations of the CSRC on corporate governance for listed companies. The Company will further enhance its corporate governance level, improve its corporate governance structure in accordance with laws and regulations and regulatory requirements to promote high-quality development of the Company.

## Section V Environmental and Social Responsibility

### I. Major environmental issues

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

☒ Yes ☐ No

Policies and industry standards related to environmental protection

During the reporting period, the Company and those subsidiaries which are key units subject to environmental supervision strictly complied with the requirements of the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Soil Pollution*, the *Law of the People's Republic of China on Environmental Impact Assessment* and other related laws and regulations to protect the environment and prevent pollution, and discharged exhaust gas, waste water and solid waste in strict accordance with the *Emission Standard of Pollutants for Battery Industry* (GB 30484), the *Integrated Wastewater Discharge Standard* (GB 8978), the *Integrated Emission Standard of Air Pollutants* (GB 16279), the *Emission Standard of Air Pollutants for Boilers* (GB 13271), the *Emission Standard for Industrial Enterprises Noise at Boundary* (GB 12348), the *Standard for Pollution Control on the Non-Hazardous Industrial Solid Waste Storage and Landfill* (GB 18599), the *Standard for Pollution Control on Hazardous Waste Storage* (GB 18597), the Emission standards of pollutants for inorganic chemical industry (GB31573) and other standards.

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

Environmental protection administrative license

During the reporting period, the Company and its subsidiaries observed relevant national laws and regulations on environmental protection, completed environmental impact assessment procedures for new, renovation, and expansion projects in accordance with the law, obtained government approval documents on time. and strictly complied with the national “three simultaneous” system on environmental protection (construction projects and environmental protection facilities are designed, constructed and put into production and use simultaneously). All construction projects carried out by them comply with the environmental impact assessment system and environmental protection administrative licensing requirements, and there are no unlicensed projects. In addition, they constructed pollution prevention and control equipment and facilities for waste water, exhaust

gas, noise, hazardous waste, etc. in strict accordance with the requirements of the environmental impact assessment in respect of the projects, regularly maintained the facilities to ensure their normal operation, strictly controlled the concentration of pollutant emissions to achieve standard emissions, and developed pollutant reduction measures, so as to contribute to the protection and improvement of the ecological environment.

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

Name of the Company or its subsidiary	Type of main pollutants and particular pollutants	Name of main pollutants and particular pollutants	Discharge method	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration	Pollutant discharge standards	Total discharge	Approved total discharge	Excessive discharge
Yichun Kefeng New Materials Co., Ltd.	Air pollutant	Sulfur dioxide	Organized discharge	2	Exhaust gas discharge outlet of electric baking furnace; exhaust gas discharge outlet of drying furnace	45.2mg/m <sup>3</sup>	Other discharge standards as set forth in Table 3 of the <i>Emission Standards of Pollutants for Inorganic Chemical Industry</i> (GB31573-2015): 100mg/m <sup>3</sup>	15.448t/a	42.74t/a	None
Yichun Kefeng New Materials Co., Ltd.	Air pollutant	Nitrogen oxide	Organized discharge	2	Exhaust gas discharge outlet of electric baking furnace; exhaust gas discharge outlet of drying furnace	109.5mg/m <sup>3</sup>	Other discharge standards as set forth in Table 3 of the <i>Emission Standards of Pollutants for Inorganic Chemical Industry</i> (GB31573-2015): 200mg/m <sup>3</sup>	31.178t/a	50.99t/a	None
Yichun Kefeng	Water pollutant	COD	Indirect discharge	1	General sewage	13.8mg/l	Indirect discharge	0.774t/a	1.74t/a	None

New Material s Co., Ltd.			e		discharge outlet		e standards as set forth in Table 3 of the <i>Emission Standards of Pollutants for Inorganic Chemical Industry</i> (GB31573-2015): 200mg/L			
Yichun Kefeng New Material s Co., Ltd.	Water pollutant	Ammonia nitrogen	Indirect discharge	1	General sewage discharge outlet	3.4mg/L	Indirect discharge standards as set forth in Table 3 of the <i>Emission Standards of Pollutants for Inorganic Chemical Industry</i> (GB31573-2015): 40mg/L	0.192t/a	0.26t/a	None
Hefei Gotion High-tech Power Energy Co., Ltd.	Water pollutant	COD	Indirect discharge	1	General sewage discharge outlet	13.3mg/L	Indirect discharge standard as set forth in Table 2 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB30484-2013): 150mg/L	0.394t/a	3.184t/a	None
Hefei Gotion High-	Water pollutant	Ammonia nitrogen	Indirect discharge	1	General sewage discharge	0.32mg/L	Indirect discharge	0.01t/a	0.531t/a	None

tech Power Energy Co., Ltd.					e outlet		standard as set forth in Table 2 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB30484-2013): 30mg/L			
Hefei Gotion High-tech Power Energy Co., Ltd.	Air pollutant	Non-methane hydrocarbon	Organized discharge	2	Organic waste gas discharge outlet	2.90mg/m <sup>3</sup>	Air pollutant emission limit for newly built enterprises as set forth in Table 5 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB30484-2013): 50mg/m <sup>3</sup>	0.18t/a	13.828t/a	None
Tangshan Gotion Battery Co., Ltd.	Air pollutant	Non-methane hydrocarbon	Organized discharge	3	Organic waste gas discharge outlet	2.0mg/m <sup>3</sup>	Air pollutant emission limit for newly built enterprises as set forth in Table 5 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB30484-2013): 50mg/m <sup>3</sup>	1t/a	11.02t/a	None
Tangshan Gotion Battery Co., Ltd.	Water pollutant	COD	Indirect discharge	1	General sewage discharge outlet	50mg/L	Indirect charge standards as set	0.66t/a	1.223t/a	None

							forth in Table 5 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB30484-2013): 150mg/m <sup>3</sup>			
Tangshan Gotion Battery Co., Ltd.	Water pollutant	Ammonia nitrogen	Indirect discharge	1	General sewage discharge outlet	5.0mg/L	Indirect charge standards as set forth in Table 5 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB30484-2013): 30mg/m <sup>3</sup>	0.066t/a	0.1t/a	None
Hefei Gotion Battery Co., Ltd.	Water pollutant	COD	Indirect discharge	1	General sewage discharge outlet	43.0mg/L	Indirect charge standards as set forth in Table 5 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB30484-2013): 150mg/m <sup>3</sup>	1.08t/a	2.843t/a	None
Hefei Gotion Battery Co., Ltd.	Water pollutant	Ammonia nitrogen	Indirect discharge	1	General sewage discharge outlet	10.05mg/L	Indirect charge standards as set forth in Table 5 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB30484-2013): 150mg/m <sup>3</sup>	0.169t/a	0.204t/a	None

							<i>ts for Battery Industry (GB30484-2013): 30mg/m<sup>3</sup></i>			
Hefei Gotion Battery Co., Ltd.	Air pollutant	Non-methane hydrocarbon	Organized discharge	7	Organic waste gas discharge outlet	9.10mg/m <sup>3</sup>	Air pollutant emission limit for newly built enterprises as set forth in Table 5 of the <i>Emission Standard of Pollutants for Battery Industry (GB30484-2013): 50mg/m<sup>3</sup></i>	1.2854t/a	3.93t/a	None
Hefei Gotion Battery Co., Ltd.	Air pollutant	Nitrogen oxide	Organized discharge	1	Outlet for boiler exhaust gas discharge	34.3mg/m <sup>3</sup>	Special emission limits for gas pollutants as set forth in Table 3 of the <i>Emission Standard of Air Pollutants for Boiler (GB13271-2014): 150mg/m<sup>3</sup></i>	3.1t/a	4.08t/a	None
Hefei Gotion Battery Co., Ltd.	Air pollutant	Sulfur dioxide	Organized discharge	1	Outlet for boiler exhaust gas discharge	2.50mg/m <sup>3</sup>	Special emission limits for gas pollutants as set forth in Table 3 of the <i>Emission Standard of Air Pollutants for Boiler</i>	0.2t/a	1.08t/a	None

							(GB13271-2014): 50mg/m <sup>3</sup>			
Hefei Gotion Battery Co., Ltd.	Air pollutant	Particulate matter	Organized discharge	1	Outlet for boiler exhaust gas discharge	1.20mg/m <sup>3</sup>	Special emission limits for gas pollutants as set forth in Table 3 of the <i>Emission Standard of Air Pollutants for Boiler</i> (GB13271-2014): 20mg/m <sup>3</sup>	0.072t/a	2.59t/a	None
Nanjing Gotion Battery Co., Ltd.	Water pollutant	Total nitrogen	Indirect discharge	1	General sewage discharge outlet	17.8(mg/L)	Indirect discharge standard as set forth in Table 2 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB30484-2013): 40mg/L	0.02t/a	0.259t/a	None
Nanjing Gotion Battery Co., Ltd.	Water pollutant	Ammonia nitrogen	Indirect discharge	1	General sewage discharge outlet	1.2(mg/L)	Indirect discharge standard as set forth in Table 2 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB30484-2013): 30mg/L	0.002t/a	0.194t/a	None
Nanjing Gotion Battery	Water pollutant	COD	Indirect discharge	1	General sewage discharge	35.0(mg/L)	Indirect discharge	0.026t/a	0.972t/a	None



Co., Ltd.					e outlet		standard as set forth in Table 2 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB30484-2013): 150mg/L			
Nantong Aston Electric Appliance Manufacturing Co., Ltd.	Air pollutant	Particulate matter	Organized discharge	1	Plastic coating dust outlet	17.0mg/m <sup>3</sup>	Emission concentration of air pollutants from new pollution sources (other) as set forth in Table 2 of the <i>Integrated Emission Standard of Air Pollutants</i> (GB16297-1996): 120mg/m <sup>3</sup>	11.6t/a	20t/a	None
Nantong Aston Electric Appliance Manufacturing Co., Ltd.	Air pollutant	Non-Methane hydrocarbon	Organized discharge	1	Spray painting exhaust gas outlet	1.50mg/m <sup>3</sup>	Emission concentration of air pollutants from new pollution sources (other) as set forth in Table 2 of the <i>Integrated Emission Standard of Air Pollutants</i>	0.9t/a	1.0t/a	None

							ts (GB162 97- 1996): 120mg/ m <sup>3</sup>			
Nantong Aston Electric Appliance Manufacturing Co., Ltd.	Air pollutant	Sulfuric acid mist	Organized discharge	1	Pickling exhaust gas outlet	0.50mg/ m <sup>3</sup>	Emission concentration of air pollutants from new pollution sources (other) as set forth in Table 2 of the <i>Integrated Emission Standard of Air Pollutants</i> (GB162 97- 1996): 45mg/m <sup>3</sup>	0.9t/a	2t/a	None

## Treatment of pollutants

During the reporting period, the pollution prevention and control facilities and systems of the Company have been functioning normally. The production wastewater and domestic sewage were treated and discharged to the standard. The production exhaust gas was treated and discharged to the standard by the corresponding exhaust gas treatment facilities. The solid wastes were collected and stored separately according to the relevant regulations, among which the domestic wastes were handed over to the sanitation department for disposal, the general industrial solid wastes were handed over to the recycler with technical ability for recycling, and the hazardous wastes were handed over to the unit with hazardous waste management license for disposal. The Company prepares a hazardous waste management plan every year and promptly submit it to the local ecological and environmental department for filing. Noise equipment were treated with sound insulation, noise reduction, sound absorption, vibration damping and other measures to reduce noise emissions, and the noise of the factory boundary were in compliance with the relevant emission standards.

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

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

#### Environmental self-monitoring plan

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

#### Emergency plan for environmental emergencies

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

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

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

#### Measures taken to reduce carbon emissions during the reporting period and their effects

☒Applicable ☐ Not applicable

During the reporting period, the Company actively took technological upgrades, energy structure optimization and energy-saving and emission reduction measures, effectively reduced carbon emissions, demonstrated a win-win situation of environmental responsibility and economic benefits, and it will continuously plan its future emission reduction strategies to address challenges.

During the reporting period, the Company organized an internal examination of greenhouse gas carbon emission, which involved 15 subsidiaries and 2 research institutes. According to the ISO14064-1 standard, the examination covered direct greenhouse gas emissions, indirect greenhouse gas emissions and upstream greenhouse gas emissions from the use of raw materials. After the examination, an annual carbon emission examination report was prepared to provide data support for the Company's subsequent carbon reduction efforts.

During the reporting period, the Company actively responded to the national policy of "carbon peaking and carbon neutrality", promoted energy-saving and consumption reduction measures. Subsidiaries of the Company advanced a total of 133 energy-saving and carbon reduction projects, taken measures such as equipment

optimization and renovation to reduce greenhouse gas emissions by 70,600 tons of carbon dioxide equivalent. In addition, the Company actively increased the proportion of usage of renewable energy, reduced greenhouse gas emissions by 19,000 tons of carbon dioxide equivalent through photovoltaic power generation.

Administrative punishment received for environmental issues during the reporting period

Name of the Company or its subsidiaries	Reason for punishment	Description of non-compliance	Result of punishment	Impact on the production and operation of the Company	Rectification measures of the Company
Yichun Kefeng New Materials Co., Ltd.	Environmental pollution	Rainwater and sewage were not separated, that is, wastewater containing fluorine was discharged into the environment through the rainwater pipe network	It is required to make immediate rectification, and pay a penalty of RMB 780,000.	No material impact	<ol style="list-style-type: none"> <li>1. To initiate emergency response and treat the polluted water to the discharge standard.</li> <li>2. To build a new sewage station within the factory area and treat and discharge the wastewater after reaching the standard.</li> <li>3. To establish and improve management systems, construct general outlets for rainwater and sewage in the factory area, and achieve the separation of rainwater and sewage.</li> <li>4. To install online monitoring devices at rainwater and sewage outlets for real-time monitoring and warning.</li> </ol>

Other environmental information that should be disclosed

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

Other environmental protection related information

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

## II. Social responsibility

The Company always kept in mind the original mission of “Let green energy serve mankind”, continuously promoted the sound and healthy development of the Company, and strove to achieve customer satisfaction, employee happiness, shareholder appreciation and social recognition, so as to achieve the coordinated, unified and orderly development of the interests of customers, employees, shareholders and society. The Company continued to optimize the customer structure, improved the industrial chain layout, expanded the international market, and continuously enhanced the global competitiveness. It devoted itself to technology research and development, focused on lean manufacturing, and constantly created more battery products with high quality and low price for the society. It focused on cost reduction and efficiency improvement to promote clean energy, optimized the production process, and explored the construction of a zero-carbon base to contribute to the “carbon peak and carbon neutrality” strategy with practical actions. It continued to carry forward the excellent traditional Chinese charity culture, supported education development, helped rural revitalization, helped vulnerable groups in society, cared employees in multiple ways, so as to inject cohesion and centripetal force for the Company’s development.

For details, please refer to the “2023 Annual Social Responsibility Report (ESG Report)” of the Company published on cninfo website on April 20, 2024.

## III. Consolidating and expanding the achievements of poverty alleviation and rural revitalization

### 1. Plan for consolidating and expanding the achievements of poverty alleviation and rural revitalization

In 2023, the Company has, in response to the national call actively, taken multiple measures to alleviate poverty and assist rural construction based on local conditions, and contribute to the effective linkage between the achievements in poverty alleviation and rural revitalization.

(1) Basic strategy: Adhere to the concept of symbiosis between fulfilling social responsibility and enterprise operation and development, maintain good interaction with relevant government departments, fully mobilize existing resources, actively promote the work of targeted poverty alleviation of the Company, and fully serve the overall situation of poverty alleviation work.

(2) Overall objective: Take measures and coordinate resource to alleviate poverty based on local conditions and according to the overall deployment and specific requirements of governmental departments on rural revitalization, and follow the strategic direction of taking participation in rural revitalization to promote common prosperity in the Company’s practice social responsibility

(3) Main task: Under the guidance of the basic strategy and overall objectives, carry out village-enterprise cooperation through various forms such as consumption assistance, education assistance, employment assistance, industry assistance, to consolidate poverty alleviation achievements and assist in rural revitalization.

(4) Safeguard measures: Give full play to the political core and leading role of the Company’s party committee and with party mass trade union organizations as the main responsible department, incorporate rural revitalization into the Company’s social welfare main work, clarify the division of responsibilities and provide financial support.

## **2. Outline of the work to consolidate the achievements of poverty alleviation and help rural revitalization**

In 2023, the Company's party committee, party organizations at all levels, and trade union organizations carried out public welfare activities such as donating funds and materials to help students go to schools, promoting village-enterprise cooperation by procuring material from villages, and promoting community co-construction to help the needed. At the same time, they also provided assistance to the disabled, either by hiring disabled employees or by donating money and materials to them, truly did substantive work to help the people, contributed to rural construction and showed the Company's corporate accountability and public welfare sentiments. During the reporting period, the total amount of donations made by the Company was RMB 12.0124 million.

Details of the Company's work to consolidate the achievements of poverty alleviation and help rural revitalization during the reporting period can be found in the *ESG Report 2023* disclosed by the Company on April 20, 2024 on the cninfo network.

## **3. Follow-up work plan**

In 2024, the Company will, according to the actual operation and development, continue to take the partner construction as the starting point, and focus on various public welfare activities to help and rescue the poor and vulnerable individuals and groups in urban and rural areas, so as to make due contribution to the consolidation of achievements in poverty alleviation and rural revitalization.

### **(1) Help vulnerable groups**

Relying on party committees and trade unions and giving full play to the pioneering, leading and driving role of party members, the Company will care and help the disadvantaged groups in society, pay attention to various differentiated needs for assistance, especially, targeting revolutionary old areas and poverty-stricken mountainous areas, formulate and implement timely the assistance measures in response to the real needs of the vulnerable groups.

### **(2) Assistance through recruitment and procurement**

The Company will, based on various production bases, link the assistance work in communities and rural areas, take the initiative to recruit local disadvantaged and disadvantaged persons to alleviate their family difficulties, irregularly purchase agricultural products to help farmers, support the development of characteristic industries in rural areas, drive farmers to increase production and income.

### **(3) Assistance in rural education**

The Company will continue to work with the Hope Project and other organizations to carry out the activities of "Realizing dreams and helping students through public welfare education", spread its love by setting up scholarships, donating money, goods and teaching aids, help schools improve the educational environment, help poor students complete their studies, and create a virtuous cycle between rural education and rural revitalization.

## Section VI Major Matters

### I. Performance of commitments

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

☒Applicable ☐ Not applicable

Reasons for commitment	Party making the commitment	Type of commitment	Content of commitment	Commitment time	Commitment period	Performance
Commitments made in the acquisition report or equity change report	Volkswagen China	Commitment to not sell shares	According to the <i>Share Transfer Agreement</i> , Volkswagen China undertakes that "except as stipulated in laws, regulations, regulatory documents or as required by regulatory authorities, Volkswagen China will not transfer the shares of the Company acquired through the share transfer within 18 months after the completion of the share transfer."	May 20, 2020	November 30, 2021 to May 29, 2023	Completed
	Volkswagen China	Commitments regarding horizontal competition, related party transactions and occupation of funds	"In order to regulate the related party transactions between Volkswagen China and the Company, Volkswagen China undertakes that: 1. Volkswagen China will make its best efforts to avoid unnecessary related party transactions with the Company; 2. If there is a need for related party transactions, Volkswagen China will deal with such related party transactions with the Company in strict accordance with the laws and regulations as well as the provisions of the Articles of Association and other internal management policies; 3. To ensure the fairness of the related party transactions, the pricing of the related party transactions between Volkswagen China and the Company will strictly comply with the principle of market pricing; in the absence of market price, the transaction price will be determined by both parties on the basis of fair and reasonable	May 26, 2020	Long term	Under normal performance

			consultations on an equal basis.”			
	Volkswagen China	Other commitments	<p>“In order to maintain the independence of the Company after the completion of the transaction, Volkswagen China undertakes that: 1. The transaction will have no impact on the independence of personnel, asset integrity and financial independence of the Company; 2. After the completion of the transaction, the Company will still have the ability to operate independently, have the status of an independent legal entity and continue to maintain the independence or integrity of its management structure, assets, personnel, production and operation, and finances; 3. Volkswagen China will strictly comply with the relevant regulations of the CSRC on the independence of listed companies and maintain and preserve the independence of the Company.”</p>	May 26, 2020	Long term	Under normal performance
	Volkswagen China	Other commitments	<p>“According to the <i>Shareholders’ Agreement</i>, 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 in respect 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 Holdings, Li Zhen and Li Chen together being the founding shareholders). If the termination or end of the undertaking to waive voting rights will result in Volkswagen China becoming a controlling shareholder of the Company, Volkswagen China shall satisfy all procedures and requirements for the change of control of the Company and becoming a controlling shareholder of the Company as required by the then applicable laws and</p>	May 20, 2020	Effective as of December 15, 2021	Under normal performance



			regulations, rules of the stock exchange and securities regulatory authorities, including but not limited to the applicable regulatory requirements on information disclosure, horizontal competition, conflict of interest and connected transactions, etc.”			
	Volkswagen China	Other commitments	“According to the <i>Shareholders’ Agreement</i> , subject to Volkswagen China’s shareholding in the Company being not less than 15%, Volkswagen China shall not directly or indirectly (including through any of its holding subsidiaries) acquire control over any enterprise within China which is engaged in the automobile power lithium battery production business in China other than the listed company and its subsidiaries. If Volkswagen China does not become a controlling shareholder of the listed company for any reasons within five years after the completion of the strategic investment, this clause shall expire upon the completion of five years of the strategic investment. From the date of the Agreement, Volkswagen China and its holding subsidiaries shall not invest directly or indirectly in 24M Technologies, Inc., MCC Ramu New Energy Technology Co., Ltd. or Hefei Senior New Energy Materials Co., Ltd., unless implemented through the listed company or its subsidiaries or agreed with the listed company in advance.”	May 20, 2020	Long term from December 15, 2021	Under normal performance
Commitments made during asset reorganization	Gotion Holding, Li Zhen, Li Chen	Commitments regarding horizontal competition, related party transactions and occupation of funds	“After the completion of this transaction, the Company/I will, in strict accordance with the requirements of laws, regulations, regulatory documents and the relevant provisions of the articles of association of the listed company, continue to exercise shareholders’ rights or urge the directors to exercise directors’ rights, and perform the obligation to avoid voting on the related party transactions involving the Company/me. After the completion of this transaction, the Company/I and other	September 5, 2014	Long term	Under performance

			companies controlled by the Company/me will minimize related party transactions with the listed company to avoid funds occupation. When conducting related party transactions that are really necessary and unavoidable, ensure the fair operations based on the principles of marketization and fair prices, and perform relevant approval procedures and information disclosure obligations in accordance with relevant laws, regulations and regulatory documents, and ensure that the legitimate rights and interests of listed company and other shareholders will not be harmed by related party transactions and funds occupation.”			
	Gotion Holding, Li Zhen	Other commitments	“After the completion of this transaction, it is ensured that the listed company will continue to be completely separated from the controlling shareholder, actual controller and other enterprises controlled by it in terms of personnel, assets, finance, organization and business, and maintain the independence of the listed company in terms of personnel, assets, finance, organization and business.”	September 5, 2014	Long term	Under performance
Commitments made during IPO or refinancing	Gotion Holding, Li Zhen, Li Chen	Commitments regarding horizontal competition, related party transactions and occupation of funds	“(1) On the date of the commitment letter, neither the party making the commitment nor the sub-enterprise (except the issuer and its holding subsidiaries, the same below) directly or indirectly controlled by it has not produced or developed any products that compete with or constitute a competition with the products produced by the issuer, or directly or indirectly operated any business that competes with or constitute a competition with the business operated by the issuer, and does not participate in any investment in any other enterprises that compete with or constitute a competition with the products or business of the issuer; (2) During the period of being the controlling shareholder and actual controller of the issuer, neither the party making the commitment nor the sub-enterprise directly or	December 24, 2018	Long term	Under performance

			indirectly controlled by it will not produce or develop any products that compete with or constitute a competition with the products produced by the issuer, or directly or indirectly operate any business that competes with or constitutes a competition with the business operated by the issuer, and will not participate in any investment in any other enterprises that compete with or constitute a competition with the products or business of the issuer; (3) If the issuer further expands its products and business scope during the period of being the controlling shareholder and actual controller of the issuer, neither the party making the commitment nor the sub-enterprise directly or indirectly controlled by it will not compete with the issuer's expanded products or business; if there is any such competition, the party making the commitment nor the sub-enterprise directly or indirectly controlled by it will avoid the horizontal competition by ceasing the production or operation of such products or business or by including such business into the business scope of the issuer or by transferring such business to any unrelated third parties; (4) If, during the period of being the controlling shareholder and actual controller of the issuer, the party making the commitment and the sub-enterprise directly or indirectly controlled by it will face or may obtain in the future investment opportunities or other business opportunities that compete with or may constitute a competition with the products or business of the issuer, the issuer shall be given the right of first refusal to such investment opportunities or other business opportunities; (5) If the commitment letter proves to be untrue or not complied with, the party making the commitment will compensate the issuer for all direct and indirect losses."			
	Gotion Holding, Li Zhen	Other commitment	"Commitments of controlling shareholder, the actual	May 20, 2020	Long term	Under perform

		s	controller regarding the measures for making up the diluted returns for the current term due to the non-public offering of shares in 2020: (1) Not to interfere with the operation and management activities of the Company beyond their authority and not to encroach on the interests of the Company. (2) To effectively implement the measures formulated by the Company to make up for the related returns as well as this commitment, and in case of breach of or failure to perform this commitment causing losses to the Company or shareholders, agree to assume corresponding legal liabilities in accordance with the relevant provisions of laws, regulations and securities regulators; and (3) From the date of this commitment to the completion of the implementation of the current non-public offering of shares of the Company, if the CSRC makes other new regulatory requirements regarding the measures for making up the returns and the commitments thereof, and if the above commitments cannot satisfy such requirements of the CSRC, the Company/I commit to issue additional commitments at that time in accordance with the latest requirements of the CSRC.”			ance
	Li Zhen, Wang Qiang, Lei Guang, Steven Cai, Zhang Hongli, Rao Yuanyuan, Qiao Yun, Wang Zhitai, Sheng Yang, Ma Guifu, Zhang Wei, An Dongliang, Hou Fei, Wang Chengkui, Pan Wang	Other commitments	“Commitments of all directors and senior officers regarding the measures for making up the diluted returns for the current term due to the non-public offering of shares in 2020: (1) Not to transfer benefits to other units or individuals without consideration or on unfair terms, or to use other means to harm the interests of the Company; (2) To exercise restraint on my consumption behavior for my duties; (3) Not to use the Company’s assets for investment or consumption activities unrelated to the performance of the duties; (4) The remuneration system to be established by the Board of Directors or the Remuneration Committee is linked to the implementation of the	May 28, 2020	Long term	Under performance

			measures for making up the returns of the Company; (5) The exercise conditions of the Company's equity incentive (if any) to be announced are linked to the implementation of the measures for making up the returns of the Company; (6) From the date of this commitment to the completion of the implementation of the current non-public offering of shares of the Company, if the CSRC makes other new regulatory requirements regarding the measures for making up the returns and the commitments thereof, and if the above commitments cannot satisfy such requirements of the CSRC, I commit to issue additional commitments at that time in accordance with the latest requirements of the CSRC. (7) To effectively implement the measures formulated by the Company to make up for the related returns as well as the commitment, and in case of my breach of or failure to perform this commitment causing losses to the Company or investors, I agree to assume the liability to compensate the Company and the investors according to law."			
	Gotion Holding, Gotion High-tech, Li Zhen	Other commitments	"With regard to the matter that no financial support or compensation has been provided, directly or through the relevant stakeholders, to the investors who participate in the subscription of the non-public offering of Gotion High-tech in 2020, it is committed as follows: The Company/I do not make any promise of guaranteed return or disguised guaranteed return to the offering recipients; the Company/I do not provide financial assistance or compensation to the investors who participate in the subscription directly or through the stakeholders."	May 28, 2020	Long term	Under performance
	Volkswagen China	Other commitments	"In accordance with the relevant provisions of the <i>Strategic Cooperation Agreement</i> , Volkswagen China undertakes that: (1) For the corresponding products developed by Gotion High-tech and/or its relevant	May 28, 2020	Long term	Under performance

			<p>subsidiaries in accordance with the agreed terms and product specifications, Volkswagen China will use commercially reasonable efforts to strengthen Gotion High-tech's competitiveness through cooperation and to support Gotion High-tech to obtain the appointment as a supplier of Volkswagen China and its related affiliates, as well as Volkswagen's joint ventures in China (FAW Volkswagen, SAIC Volkswagen and Volkswagen Anhui) upon the final purchasing decision to be made by the related affiliates of Volkswagen China and Volkswagen's joint ventures on their own. The parties agree that the "commercially reasonable efforts" of Volkswagen China under this commitment means that Volkswagen China will support Gotion High-tech to be designated as a supplier (including specific product models and demand for procurement) through its influence in the joint procurement meeting or other joint meeting with the related parties and Volkswagen Joint Venture, provided that the products meet the agreed product quality and technical parameters and that the supply price, delivery period, quantity and other supply conditions are considered to be competitive. (2) Volkswagen China will promote and support potential future cooperation between Gotion High-tech and the Volkswagen Joint Venture in a manner to be determined by separate consultations between Gotion High-tech and the Volkswagen Joint Venture."</p>			
	Volkswagen China	Other commitments	<p>"According to the <i>Commitment on Ensuring Adequate Provision of Important Strategic Resources to the Listed Company</i> issued by Volkswagen China: As of the date of the commitment, other than this transaction, Volkswagen China is not currently engaged in and has no plans in the next three years to participate as a strategic investor in non-</p>	February 10, 2021	February 10, 2021 to February 9, 2024	Under performance

			public offerings of other domestic listed companies engaged in the production of automotive power lithium batteries. Due to the strategic importance of this transaction, Volkswagen China will perform its necessary duties and make every effort to ensure that its important strategic resources shall be adequately provided to Gotion High-tech under the principle of equality, willingness and fairness.”			
	Volkswagen China	Other commitments	<p>“To further implement the strategic cooperation, Volkswagen China, as a strategic investor of Volkswagen China, undertakes that: (1) Volkswagen China will send a team of experts to help Gotion High-tech improve its overall technology in the areas of battery simulation and validation, manufacturing process, quality control and data analysis; (2) Volkswagen China will use its experience in R&amp;D to help Gotion High-tech further improve its R&amp;D system and optimize its R&amp;D process; after passing the audit of Volkswagen, the laboratory of Gotion High-tech will be able to undertake more R&amp;D work of Volkswagen in the field of battery; (3) Volkswagen China will cooperate with Gotion High-tech in R&amp;D in areas such as battery PACK design, as well as battery system thermal management, crash, sealing, thermal runaway and other areas of active or passive battery safety; (4) Volkswagen China will provide training to Gotion High-tech’s on-site management personnel to help improve its product manufacturing process and quality management level; (5) Volkswagen China will open up the relevant testing standards to Gotion High-tech in full and help Gotion High-tech further improve the battery testing system; (6) Volkswagen China will make use of Volkswagen Group’s global human resources channels to help Gotion High-tech select more professional talents worldwide and</p>	March 24, 2021	Long term	Under performance

			enhance Gotion High-tech's management and R&D capabilities; (7) Volkswagen China will help Gotion High-tech further improve its technology R&D, raw materials supply, manufacturing and quality control system by sending expert team, etc., so as to enhance Gotion High-tech's own competitiveness. On this basis, Gotion High-tech will be able to reach the leading level of the battery industry and the relevant requirements for designated suppliers of Volkswagen."			
	Volkswagen China	Commitment to not sell shares	"Volkswagen China undertakes that it will not transfer the shares of Gotion High-tech subscribed in this non-public offering within 36 months from the date of listing of the shares in this non-public offering, except as stipulated in laws, regulations, regulatory documents or as required by regulatory authorities. After the closing of this non-public offering, the above share lock-up arrangement shall also apply to shares acquired as a result of the distribution of share dividends and conversion of capital reserves by the Company."	November 12, 2021	December 15, 2021 to December 14, 2024	Under normal performance
Whether the commitments are performed on time	Yes					
Elaborate the specific reasons for failure to perform any commitment on time and the work plan for the next step	Not applicable					

**2. Where there is a period during which the Company's assets or projects are forecast to generate profit and the reporting period is still within the forecast period, the Company shall provide an explanation on the assets or projects reaching the original profit forecast and the reasons therefor.**

☐ Applicable ☒ Not Applicable

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

☐ Applicable ☒ Not Applicable

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



**III. Illegal guarantee**

☐ Applicable ☒ Not Applicable

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

**IV. Explanations of the Board of Directors on the latest “non-standard auditors’ report”**

☐ Applicable ☒ Not Applicable

**V. Explanations of the Board of Directors, Board of Supervisors and independent directors (if any) on the “non-standard auditors’ report” issued by the Accounting Firm for this reporting period**

☐ Applicable ☒ Not Applicable

**VI. Explanations on changes in accounting policies, accounting estimates or corrections of significant accounting errors compared to the financial report of the previous year**

☐ Applicable ☒ Not Applicable

During the reporting period, the Company had no changes in accounting policies, accounting estimates or corrections of significant accounting errors.

**VII. Explanation on the changes in the scope of consolidation compared with the financial report of the previous year**

☒ Applicable ☐ Not applicable

**1. Business combination not under common control**

(1) In September 2022, Yichun Gotion Lithium Co., Ltd., a subsidiary of the Company, signed a *Capital Increase Agreement* with Jiangxi Huayou Mining Co., Ltd. and its sole shareholder Jiangxi Yunwei New Materials Co., Ltd. According to the agreement, Yichun Gotion Lithium Co., Ltd. shall subscribe for 65% of the equity of Jiangxi Huayou Mining Co., Ltd. at a price of RMB 81.7614 million, of which RMB 5.5714 million shall be used as the newly increased registered capital of the company. As of April 2023, the company has completed the transfer of property rights and the procedures for registration of equity changes, and Yichun Gotion Lithium Co., Ltd. has fulfilled its obligations in accordance with relevant provisions of the agreement, and the provision of the agreement regarding the invalidation of equity capital increase has been extinguished. Due to the fact that the book assets of Jiangxi Huayou Mining Co., Ltd. mainly are mining rights and the company has no productive or operative assets, this acquisition does not constitute a business combination.

(2) In March 2023, GOTION INC. signed an *Equity Transfer Agreement* with Yun Yo Lin and Fernando Maximiliano Lin respectively, to acquire 55% and 40% of the equity held by them in Gotion Argentina S.A. for a consideration of 165,000 and 120,000 pesos, and completed the transfer of property rights on the same day.

Starting from March 2023, the company was included in the consolidation scope of financial statements of the Company.

(3) In April 2023, PT. Gotion Indonesia Materials signed an *Equity Transfer Agreement* with ADITYA SETIAWAN, ANTHONY SURYAJAYA, etc., (former shareholders of PT Konawe Alam Energi) respectively, to acquire 70% of the equity held by them in PT Konawe Alam Energi for a consideration of IDR 392,377,860,000. By April 2023, the company has completed the transfer of property rights and the procedures for the registration of equity change. Starting from the same month, the company was included in the consolidation scope of financial statement consolidation of the Company. Since the book assets of PT Konawe Alam Energi and its controlling subsidiary PT Intan Perdhana Puspa (holding 99.99% of the equity and being a mining rights holding company) are mainly mining rights and they have no productive or operative assets, this acquisition does not constitute a business combination.

## 2. Disposal of subsidiaries

On November 28, 2023, the subsidiary Jiangsu Dongyuan Electric Group Co., Ltd. signed an *Equity Transfer Agreement* with Suzhou Longchuang Technology Co., Ltd. According to the agreement, Jiangsu Dongyuan Electric Group Co., Ltd. sold its 100% equity in Suzhou Dongyuan Tianli Electric Co., Ltd. to Suzhou Longchuang Technology Co., Ltd. As of December 31, 2023, both parties have completed the transfer of asset and the procedures for the registration of equity change.

## 3. New establishment of subsidiaries

Name of newly established subsidiaries	Date of establishment	Registered capital (RMB'0,000)	Remarks
Jinzhai Gotion New Energy Co., Ltd.	2023.3	100,000	The subsidiary Hefei Gotion High-tech Power Energy Co., Ltd. holds 100% equity
Chuzhou Gotion New Energy Power Co., Ltd.	2023.4	100,000	The subsidiary Hefei Gotion High-tech Power Energy Co., Ltd. holds 100% equity
Hefei Zhengyi Testing Technology Co., Ltd.	2023.4	100	The subsidiary Hefei Gotion High-tech Power Energy Co., Ltd. holds 100% equity
Shanghai Xuanmei Remote Control New Energy Co., Ltd.	2023.1	60,000	The subsidiary Hefei Gotion High-tech Power Energy Co., Ltd. holds 100% equity
Weihai Gotion New Energy Technology Co., Ltd.	2023.10	20,000	The subsidiary Hefei Gotion High-tech Power Energy Co., Ltd. holds 100% equity
Yichun Guangxuan New Energy Vehicle Transportation Co., Ltd.	2023.3	1,000	The subsidiary Yichun Gotion Lithium Industry Co., Ltd. holds 51% equity
Beijing Xuanyi New Energy Technology Co., Ltd.	2023.8	120,000	The subsidiary Shanghai Xuanyi New Energy Development Co., Ltd. holds 100% equity
Tangshan Xuanteng Energy Storage Technology Co., Ltd.	2023.9	10,000	The subsidiary Tangshan Gotion Battery Co., Ltd. holds 100% equity
Indonesia Gotion Trading Co., Ltd.	2023.2	IDR 10 billion	The subsidiary Indonesia Gotion New Materials Co., Ltd. holds 98% equity
Gotion Singapore Materials Holdings Limited	2023.4	SGD 1000	The subsidiary Indonesia Gotion New Materials Co., Ltd. holds 100% equity
Gotion New Energy (Hong Kong) Limited	2023.8	HKD 50 million	The subsidiary Beijing Xuanyi New Energy Technology Co., Ltd. holds 100% equity
333 Nance Prus Co., Ltd. (USA)	2023.10		The subsidiary Gotion High-tech (USA) Co., Ltd. holds 100% equity
New Energy Real Estate Holdings Limited (USA)	2023.10		The subsidiary Gotion High-tech (USA) Co., Ltd. holds 100% equity
Singapore Technology Co., Ltd.	2023.1	USD 100	The subsidiary Shanghai Gotion New Energy Co., Ltd. holds 100% equity
Gotion Luxembourg Technology Co., Ltd.	2023.1	EUR 12,000	The subsidiary Singapore Technology Limited holds 100% equity
Gotion Illinois New Energy Co., Ltd.	2023.12		The subsidiary Gotion High-tech (USA) Co., Ltd. holds 100% equity

## VIII. Appointment and dismissal of accounting firm

The accounting firm currently appointed

Name of the domestic accounting firm	Suyajincheng CPA LLP
Remuneration of the domestic accounting firm (RMB ‘0,000)	180
Consecutive years of audit services provided by the domestic accounting firm	4
Names of the CPAs of the domestic accounting firm	Luo Zhenxiong, Li Zhenzhen
Consecutive years of the audit services provided by the CPAs of the domestic accounting firm	4

Whether a new accounting firm was appointed in the current period?

☐Yes ☒No

Appointment of internal control auditing accounting firm, financial consultant or sponsor

☒Applicable ☐ Not Applicable

The Company’s internal control audit accounting firm is the Company’s auditor, Suyajincheng CPA LLP.

## IX. Delisting after the disclosure of the annual report

☐ Applicable ☒Not Applicable

## X. Matters related to bankruptcy and reorganization

☐ Applicable ☒Not Applicable

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

## XI. Major litigation and arbitration

☒Applicable ☐ Not applicable

General information of litigation (arbitration)	Amount involved (RMB ‘0,000)	Whether estimated liabilities are formed	Progress in litigation (arbitration)	Result of litigation (arbitration) and impact thereof	Enforcement of litigation (arbitration) judgments	Disclosure date	Disclosure website
Case of construction contract dispute between Tongzhou General Construction Group Co., Ltd. and CHTC (Anhui) Architectural Design and Research Institute Co., Ltd. v.	4,002.39	No	Under enforcement	No material impact	Under enforcement		

Tianjin CHTC New Energy Automobile Research Institute Co., Ltd.							
Case of sales contract disputes between Hefei Gotion High-tech Power Energy Co., Ltd. v. Jiangsu Zhongkun Automobile Industry Co., Ltd.	4,765.86	No	Under enforcement	No material impact	Under enforcement		
Case of financial loan dispute between Tianjin Branch of SPD Bank v. Tianjin CHTC New Energy Automobile Research Institute Co., Ltd. and Beijing CHTC Xinneng New Energy Automobile Technology Co., Ltd.	16,428.03	No	Under enforcement	No material impact	Under enforcement		
Case of sales contract dispute between Hefei Gotion High-tech Power Energy Co., Ltd. v. Hubei Xinchufeng Automobile Co., Ltd.	16,443.99	No	In the process of restructuring	No material impact	Under enforcement		
Petition for bankruptcy reorganization of Hubei Xinchufeng Automobile Co., Ltd. by Tianjin CHTC New Energy Automobile Research Institute Co.,	25,437.89	No	In the process of restructuring	No material impact	Closed		

Ltd.							
Case of purchase contract dispute between Hefei Gotion High-tech Power Energy Co., Ltd. v. Shanghai Shenlong Bus Co., Ltd.	9,717.68	No	Under enforcement	No material impact	Under enforcement		
Case of equity transfer dispute between Hunan Lixing Mining Technology Co., Ltd. v. Yichun Kefeng New Materials Co., Ltd.	43,158.86	No	Under trial	No material impact	Not enforced yet		
Case of equity transfer contract dispute between Zhuzhou Zhaofu Growth Venture Investment Co., Ltd. v. Yichun Kefeng New Materials Co., Ltd., Pingxiang Sanxin Investment Holdings Co., Ltd., Lu Wenjun, and Jiangxi Hzone-li Technology Co., Ltd.	2,672.67	No	Under enforcement	No material impact	Under enforcement		
Case of sales contract dispute between Hefei Gotion High-tech Power Energy Co., Ltd. v. Weltmeister New Energy Auto Parts (Wenzhou)	8,371.84	No	Under enforcement	No material impact	Under enforcement		

Co., Ltd.							
Case of loan contract dispute between China CHTC Group Co., Ltd. v. Tianjin CHTC New Energy Automobile Research Institute Co., Ltd., Hefei Gotion High tech Power Energy Co., Ltd., Beijing CHTC Xinneng New Energy Automobile Technology Co., Ltd. and others totaling eight defendants	7,000	No	Under trial	No material impact	Not enforced yet		
Case of loan contract dispute between Yichun Branch of Industrial Bank Co., Ltd. v. Jiangxi Hzone-li Technology Co., Ltd. in 2019	2,632.31	No	Under enforcement	No material impact	Under enforcement		
Case of dispute over right of recourse between Yichun Jinyuan Investment Co., Ltd. v. Jiangxi Hzone-li Technology Co., Ltd. in 2020	2,850.58	No	Under enforcement	No material impact	Under enforcement		
Case of sales contract disputes between Hefei Gotion High-tech Power Energy Co., Ltd. v. Letin (Shandong) Supply Chain	3,347.36	No	Under trial	No material impact	Not enforced yet		

Management Co., Ltd. and Letin Automobile Group Co., Ltd.							
Case of sales contract disputes between Hefei Gotion High-tech Power Energy Co., Ltd. v. Sichuan Yema Automobile Co., Ltd. and Weifang Branch of Sichuan Yema Automobile Co., Ltd. and Mianyang Branch of Sichuan Yema Automobile Co., Ltd.	2,765.93	No	Under trial	No material impact	Not enforced yet		
Case of sales contract disputes between Hefei Gotion High-tech Power Energy Co., Ltd. v. Anhui Dongjiang New Energy Technology Co., Ltd., Anhui Dajiang New Energy Technology Co., Ltd., Shenzhen Dongjin Power Technology Co., Ltd., Hefei Baijiixin Technology Consulting Co., Ltd., Shen Jun, Chen Zhenji, Wang Haixia and Zheng Jiajiang	6,454.82	No	Under trial	No material impact	Not enforced yet		
Case of contract dispute	2,508.06	No	Under trial	No material impact	Not enforced yet		

between Zhongjian Dongfang Decoration Co., Ltd. and Anhui Gotion New Energy Vehicle Technology Co., Ltd.							
Case of sales contract disputes between Hefei Gotion New Materials Technology Co., Ltd. v. Sanfa (Guangzhou) Materials Technology Co., Ltd., Wang Sheng, and Yue Qing	8,256.24	No	Under trial	No material impact	Not enforced yet		
Case of construction engineering contract disputes between Ye Xuelin v. Anhui Zhenkui Construction Engineering Co., Ltd., Inner Mongolia Gotion Zero Carbon Technology Co., Ltd., Feidong Gotion New Materials Co., Ltd.	5,402.46	No	Under trial	No material impact	Not enforced yet		
Case of sales contract disputes between Feidong Gotion New Materials Co., Ltd. v. Zhejiang Yongtai Technology Co., Ltd.	20,253.92	No	Case accepted	No material impact	Not enforced yet		
Case of sales contract disputes between Zhejiang	31,118.3	No	Case accepted	No material impact	Not enforced yet		



Yongtai Technology Co., Ltd. v. Feidong Gotion New Materials Co., Ltd. and Hefei Qianrui Technology Co., Ltd.							
Claim for liability of damage to company interests between Yichun Kefeng New Materials Co., Ltd. v. Li Xinhai	5,500	No	Under trial	No material impact	Not enforced yet		
Case of sales contract disputes between Hefei Gotion High-tech Power Energy Co., Ltd. v. Henan Yujie Times Automobile Co., Ltd.	5,601.77	No	Under enforcement	No material impact	Under enforcement		
Case of sales contract disputes between Nantong Gotion New Energy Technology Co., Ltd. v. Letin (Shandong) Supply Chain Management Co., Ltd. and Letin Automobile Group Co., Ltd.	14,719.16	No	In the process of bankruptcy reorganization	No material impact	In the process of bankruptcy reorganization		
Case of loan contract dispute between Jiangxi Kefeng Lithium Industry Co., Ltd. v. Yichun Kefeng New Materials Co., Ltd. Case	4,010.02	No	Under enforcement	No material impact	Under enforcement		

Other enforcement cases	20,923.86	No	Under enforcement	No material impact	Under enforcement		
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## XII. Punishment and rectification

☒Applicable ☐ Not Applicable

Name	Type	Reason	Type of investigation and punishment	Conclusion (if any)	Disclosure date	Disclosure index
Gotion High-tech Co., Ltd.	Others	Disclosure of the signing of the REV subsidy agreement between the Company and the Illinois government in the United States was not timely.	The CSRC adopted administrative supervision measures	A warning letter was issued	December 9, 2023	Refer to the <i>Announcement on the Receipt of the Decision on Taking Administrative Regulatory Measures from Anhui Securities Regulatory Bureau by the Company and Related Personnel</i> (Announcement No.: 2023-098) disclosed on cninfo website for details
Li Zhen, Pan Wang	Officer	The same as above	The CSRC adopted administrative regulatory measures	A regulatory talk was had.	December 9, 2023	——

Explanation of the rectification situation

☒Applicable ☐ Not applicable

As for the above matters, the Company has fulfilled its information disclosure obligations on October 12, 2023. The Company and relevant responsible personnel attached great importance to the problems pointed out in the said decision, earnestly drew lessons from the incidents and self-examined the shortcomings in its standardized operation and information disclosure, strengthened the study of relevant laws, regulations and normative documents, and will continue to improve the awareness of standardized operation, strengthen information disclosure management, effectively improve the level of corporate governance, so as to prevent such incidents from happening again, safeguard the legitimate rights and interests of the Company and all shareholders, and promote the healthy and sustainable development of the Company.

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

☒Applicable ☐ Not applicable

After inquiring the major credit information systems such as the Securities and Futures Market Dishonest Record Inquiry Platform of the China Securities Regulatory Commission, the Enterprise Credit Information Publicity System of the State Administration for Market Regulation, the Information Bulletin of the State Administration of Taxation on Major Tax Violations and Dishonest Cases, and the Platform for Disclosing and Querying Information about the List of Dishonest Persons Subject to Enforcement Issued by the courts, it is found that the Company, its controlling shareholder and actual controller have no illegal or dishonest behaviors during the reporting period.

### XIV. Major related party transactions

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

☒Applicable ☐ Not applicable

Related party	Related relationship	Type of related party transaction	Contents of related party transaction	Pricing principles for related party transactions	Price of related party transaction	Amount of related party transaction (RMB '0,000)	Proportion in amount of similar transactions	Approved transaction quota (RMB '0,000)	Is the approved limit exceeded	Settlement method of related party transactions	Available market price for similar transactions	Disclosure date	Disclosure website
Anhui Tongguan Copper Foil Group Co., Ltd.	A company in which Li Chen, one of the controlling shareholders, has served as a director in the past twelve months	Purchase of materials	Copper foil	Market pricing	Market price	24,068.17	16.37%	30,000	No	Currency	24,068.17	April 28, 2023	Announcement on Estimated Daily Related-Party Transactions in 2023 (No. 2023-032) on cninfo website.
MCC Ramu New Energy Technology Co.,	A company in which Hefei Gotion High-	Purchase of materials	Ternary precursor	Market pricing	Market price	16,774.03	51.37%	50,000	No	Currency	16,774.03	April 28, 2023	Announcement on Estimated Daily Related-

Ltd.	tech Power Energy Co., Ltd. holds 30% equity, and Wang Qiang, the Deputy General Manager of the Company, serves as a director												<i>Party Transactions in 2023 (No. 2023-032) on cninfo website.</i>
Hefei Qianrui Technology Co., Ltd.	A company controlled by the actual controller	Purchase of materials	Electrolyte, dimethyl carbonate	Market pricing	Market price	40,613.23	29.92%	60,000	No	Currency	40,613.23	April 28, 2023	<i>Announcement on Estimated Daily Related-Party Transactions in 2023 (No. 2023-032) on cninfo website.</i>
Anhui Chiyu New Materials Technology Co., Ltd.	A company controlled by the actual controller	Purchase of goods and materials	Battery box and accessories	Market pricing	Market price	15,341.21	14.65%	10,000	Yes	Currency	15,341.21	April 28, 2023	<i>Announcement on Estimated Daily Related-Party Transactions in 2023 (No. 2023-032) on cninfo website.</i>

Anhui Gotion Xianglu Technology Co., Ltd.	A company controlled by the actual controller	Purchase of goods and materials	Battery box and accessories	Market pricing	Market price	54,933.48	36.51%	50,000	Yes	Currency	54,933.48	April 28, 2023	Announcement on Estimated Daily Related-Party Transactions in 2023 (No. 2023-032) on cninfo website.
Hefei Yuan Yuan Technology Co., Ltd.	A company controlled by the actual controller	Purchase of materials	Aluminum foil and conductive paste	Market pricing	Market price	17,027.21	32.48%	45,000	No	Currency	17,027.21	April 28, 2023	Announcement on Estimated Daily Related-Party Transactions in 2023 (No. 2023-032) on cninfo website.
Gotion Holdings Group Co., Ltd. and its subsidiaries	Companies controlled by the actual controller	Purchase of materials	Raw materials and battery accessories	Market pricing	Market price	12,616.84	2.18%	10,000	Yes	Currency	12,616.84	April 28, 2023	Announcement on Estimated Daily Related-Party Transactions in 2023 (No. 2023-032) on cninfo website.
Nanjing Gotion Holdings	Companies controlled by the	Purchase of materials	Battery accessories	Market pricing	Market price	21,648.94	11.48%	10,000	Yes	Currency	21,648.94	April 28, 2023	Announcement on Estimated

ng Group Co., Ltd. and its subsidiaries	actual controller												<i>Daily Related-Party Transactions in 2023 (No. 2023-032) on cninfo website.</i>
Volkswagen (China) Investment Co., Ltd. and its related parties	The largest shareholder of the Company	Sales of goods	Battery cells and battery pack	Market pricing	Market price	17,270.06	1.60%	50,000	No	Currency	17,270.06	April 28, 2023	<i>Announcement on Estimated Daily Related-Party Transactions in 2023 (No. 2023-032) on cninfo website.</i>
Innovative (Suzhou) New Energy Technology Co., Ltd.	A joint venture of Volkswagen (China) Investment Co., Ltd.	Sales of goods	Battery pack	Market pricing	Market price	5,603.95	6.50%	35,000	No	Currency	5,603.95	April 28, 2023	<i>Announcement on Estimated Daily Related-Party Transactions in 2023 (No. 2023-032) on cninfo website.</i>
Tata Components Gotion Green Energy Application Co.,	A joint venture of the Company, in which Li Chen,	Sales of goods	Battery cells	Market pricing	Market price	69,963.48	2.90%	180,000	No	Currency	69,963.48	April 28, 2023	<i>Announcement on Estimated Daily Related-Party Transactions</i>

Ltd.	one of the controlling shareholders, once served as a director												<i>s in 2023 (No. 2023-032) on cninfo website.</i>
Nanji ng Gotion Holding Group Co., Ltd. and its subsidiaries	Companies controlled by the actual controller	Sales of goods	Battery cells and power transmission and distribution products, etc	Market pricing	Market price	3,037.44	0.19%	0	Yes	Currency	3,037.44	April 28, 2023	<i>Announcement on Estimated Daily Related-Party Transactions in 2023 (No. 2023-032) on cninfo website.</i>
Gotion Holding Group Co., Ltd. and its subsidiaries	Companies controlled by the actual controller	Sales of goods	Battery cells, battery modules, and energy storage products	Market pricing	Market price	54,164.85	3.29%	100,000	No	Currency	54,164.85	April 28, 2023	<i>Announcement on Estimated Daily Related-Party Transactions in 2023 (No. 2023-032) on cninfo website.</i>
Gotion Holding Group Co., Ltd. and its subsidiaries	Companies controlled by the actual controller	Acceptance of labor services	Leasing of factories and houses, property services, entrusted hotel and cafe	Market pricing	Market price	21,919.36	92.74%	30,000	No	Currency	21,919.36	April 28, 2023	<i>Announcement on Estimated Daily Related-Party Transactions in 2023 (No. 2023-</i>

			ria mana geme nt, entrus ted raw materi al proces sing, entrus ted collec tion and paym ent of water and electri city fees , confer ence servic es, etc										032) on cninfo websit e.
Nanji ng Gotio n Holdi ng Group Co., Ltd. and its subsidi aries	Comp anies contro lled by the actual contro ller	Accep tance of labor servic es	Leasi ng of factori es and house s, entrus ted collec tion and paym ent of water and electri city fees , car rental servic es, etc.	Marke t pricin g	Marke t price	154.2 9	1.31%	20,00 0	Yes	Curre ncy	154.2 9	April 28, 2023	<i>Annou nceme nt on Estim ated Daily Relate d- Party Trans action s in 2023 (No. 2023- 032) on cninfo websit e.</i>
Volks wagen (Chin a) Invest ment Co., Ltd. and its relate d partie s	The larges t shareh older of the Comp any	Rende ring of labor servic es	Devel opme nt servic es, consul ting servic es	Marke t pricin g	Marke t price	19,81 3.43	56.14 %	30,00 0	No	Curre ncy	19813 .43	April 28, 2023	<i>Annou nceme nt on Estim ated Daily Relate d- Party Trans action s in 2023 (No. 2023- 032)</i>



													on cninfo websit e.
Total				--	--	394,9 49.97	--	710,0 00	--	--	--	--	--
Details of large sales return	No												
If the total amount of daily related party transactions to occur in the current period is estimated by category, the actual performance (if any) during the reporting period	The difference between the actual and expected related party transactions of the Company in 2023 is caused mainly due to market changes, the Company's business development, and changes in customer demand. The actual related party transactions between the Company and its related parties in 2023 are in line with the actual production and operation needs of the Company, with fair pricing and no harm to the interests of the Company and its shareholders. Besides, the Company and its subsidiaries adjusted the estimated total amount of various related transactions between related parties under the same control based on the actual situation.												
Reasons for large difference between the transaction price and the market reference price (if applicable)	Not applicable												

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

☐ Applicable ☒ Not Applicable

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

## 3. Related party transactions related to joint investment

☐ Applicable ☒ Not Applicable

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

## 4. Related creditor's rights and debts

☐ Applicable ☒ Not Applicable

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

## 5. Transactions with related finance company

☐ Applicable ☒ Not Applicable

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

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

☐ Applicable ☒ Not Applicable

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

**7. Other major related party transactions**

☐ Applicable ☒ Not Applicable

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

**XV. Major contracts and the performance thereof****1. Trusteeship, contracting and lease matters****(1) Trusteeship**

☐ Applicable ☒ Not applicable

The Company had no trusteeship matters during the reporting period.

**(2) Contracting**

☐ Applicable ☒ Not applicable

The Company had no contracting matters during the reporting period.

**(3) Lease**

☒ Applicable ☐ Not applicable

Description of lease

S/N	Lessee	Lessor	Way of financial leasing	Year of lease commencement	Lease principal (RMB'0,000)	Rent paid on schedule or not	Fully performed or not	Remarks
1	Hefei Gotion High-tech Power Energy Co., Ltd.	EverBright Financial Leasing Co., Ltd.	Sale-leaseback	2022	20,000.00	Yes	No	
2	Hefei Gotion High-tech Power Energy Co., Ltd.	Haitong Unitrust International Leasing Co., Ltd.	Sale-leaseback	2022	32,000.00	Yes	No	
3	Gotion New Energy (Lujiang) Co., Ltd.	EverBright Financial Leasing Co., Ltd.	Sale-leaseback	2022	20,000.00	Yes	No	
4	Hefei Gotion High-tech Power Energy Co., Ltd., Nanjing Gotion Battery Co., Ltd.	EverBright Financial Leasing Co., Ltd.	Sale-leaseback	2022	20,000.00	Yes	No	Joint rental
5	Hefei Gotion Battery Material Co., Ltd.	China Development Bank Financial Leasing Co., Ltd.	Sale-leaseback	2022	37,000.00	Yes	No	

6	Tangshan Gotion Battery Co., Ltd., Hefei Gotion High-tech Power Energy Co., Ltd.	Bank of Communications Financial Leasing Co., Ltd.	Sale-leaseback	2022	27,000.00	Yes	No	Joint rental
7	Qingdao Gotion Battery Co., Ltd., Hefei Gotion High-tech Power Energy Co., Ltd.	Bank of Communications Financial Leasing Co., Ltd.	Sale-leaseback	2022	20,000.00	Yes	No	Joint rental
8	Hefei Gotion Cycle Technology Co., Ltd.	Far Eastern International Financial Leasing Co., Ltd.	Equipment leasing	2022	3,045.00	Yes	No	
9	Inner Mongolia Gotion Zero Carbon Technology Co., Ltd.	Huishang Bank Financial Leasing Co., Ltd.	Equipment leasing	2022	28,001.28	Yes	No	
10	Inner Mongolia Gotion Zero Carbon Technology Co., Ltd.	Chongqing Xinyu Financial Leasing Co., Ltd.	Equipment leasing	2023	1,260.47	Yes	No	
11	Yichun Gotion Battery Co., Ltd.	Far Eastern Hongxin (Tianjin) Financial Leasing Co., Ltd.	Sale-leaseback	2022	4,000.00	Yes	No	
12	Tangshan Gotion Battery Co., Ltd.	Bank of Communications Financial Leasing Co., Ltd.	Sale-leaseback	2023	30,000.00	Yes	No	
13	Tangshan Gotion Battery Co., Ltd.	China Development Bank Financial Leasing Co., Ltd.	Sale-leaseback	2023	33,000.00	Yes	No	
14	Tangshan Gotion Battery Co., Ltd.	China Merchants Group Financial Leasing (Tianjin) Co., Ltd.	Sale-leaseback	2023	15,000.00	Yes	No	
15	Tangshan Gotion Battery Co., Ltd.	China Merchants Group Financial Leasing (Tianjin) Co., Ltd.	Sale-leaseback	2023	20,000.00	Yes	No	

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

☐ Applicable ☒ Not Applicable

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

## 2. Major guarantee

☒ Applicable ☐ Not applicable

Monetary Unit: RMB '0,000

Guarantee provided by the Company and its subsidiaries for other (excluding the guarantees provided for its subsidiaries)										
Name of guaranteed entity	Disclosure date of relevant announcement on guarantee amount	Guarantee amount	Actual date of occurrence	Actual guarantee amount	Guarantee type	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Performance completed or not	Related party guarantee or not
MCC Ramu New Energy Technology Co., Ltd.	April 28, 2023	30,000.00	January 31, 2019	9,000.00	Joint and several liability guarantee	None	Counter guarantee provided	4 years	Yes	Yes
MCC Ramu New Energy Technology Co., Ltd.	April 28, 2023	18,000.00	January 5, 2022	11,850.00	Joint and several liability guarantee	None	None	8.25 years	No	Yes
Shanghai Electric Gotion New Energy Technology Co., Ltd.	April 28, 2023	38,514.00	November 22, 2018 - May 9, 2020	34,489.00	Joint and several liability guarantee	None	Counter guarantee provided	8-10 years	No	No
Hefei Xingyuan New Energy Materials Co., Ltd.	April 28, 2023	10,200.00	January 10, 2022 - June 23, 2022	9,800.00	Joint and several liability guarantee	None	Counter guarantee provided	1 year	Yes	No
Hefei Xingyuan New Energy Materials Co., Ltd.	April 28, 2023	19,374.00	January 14, 2022 - July 5, 2022	12,658.00	Joint and several liability guarantee	Corresponding collateral	Counter guarantee provided	6-9 years	No	No
Total amount of guarantee approved to be provided for others (excluding subsidiaries) during the reporting period (A1)		0		Total amount of guarantee actually provided for others (excluding subsidiaries) during the reporting period (A2)		4,245.99				
Total amount of guarantee approved to be provided for others (excluding		75,888.00		Balance of the amount of guarantee actually provided for others (excluding		58,997.00				

subsidiaries) as at the end of the reporting period (A3)			subsidiaries) as at the end of the reporting period (A4)							
Guarantees provide by the Company for its subsidiaries										
Name of guaranteed entity	Disclosure date of relevant announcement on guarantee amount	Guarantee amount	Actual date of occurrence	Actual guarantee amount	Guarantee type	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Performance completed or not	Related party guarantee or not
Chuzhou Gotion New Energy Power Co., Ltd.	April 28, 2023	300,000.00	November 17, 2023	42,584.58	Joint and several liability guarantee	None	None	10 years	No	No
Gotion New Energy (Lujiang ) Co., Ltd.	April 28, 2023	185,500.00	May 27, 2022 - April 25, 2023	76,335.10	Joint and several liability guarantee	None	None	0.5-1 year	Yes	No
Gotion New Energy (Lujiang ) Co., Ltd.	April 28, 2023	185,500.00	June 29, 2021-December 5, 2023	131,104.54	Joint and several liability guarantee	Corresponding collateral	None	3.5-7 years	No	No
Hefei Gotion Battery Materials Co., Ltd.	April 28, 2023	165,100.00	June 20, 2022-May 24, 2023	41,950.00	Joint and several liability guarantee	None	None	0.5-1 year	Yes	No
Hefei Gotion Battery Materials Co., Ltd.	April 28, 2023	165,100.00	March 25, 2022 - December 21, 2023	131,089.66	Joint and several liability guarantee	Corresponding collateral	None	3.5-11 years	No	No
Hefei Gotion Battery Technology Co., Ltd.	April 28, 2023	320,000.00	March 17, 2023	96,663.05	Joint and several liability guarantee	None	None	10 years	No	No
Hefei Gotion Battery Co., Ltd.	April 28, 2023	104,950.00	August 29, 2020	9,500.00	Joint and several liability guarantee	None	None	3 years	Yes	No
Hefei Gotion Battery Co., Ltd.	April 28, 2023	104,950.00	December 19, 2020-March 18, 2022	76,171.96	Joint and several liability guarantee	Corresponding collateral	None	7-9 years	No	No
Hefei Gotion High-tech Power	April 28, 2023	2,258,239.10	April 30, 2020-June 16, 2023	1,012,645.00	Joint and several liability guarantee	None	None	0.5-3 years	Yes	No

Energy Co., Ltd.										
Hefei Gotion High-tech Power Energy Co., Ltd.	April 28, 2023	2,258,239.10	March 26, 2021 - December 29, 2023	1,675,633.43	Joint and several liability guarantee	Corresponding collateral	None	2.5-10 years	No	No
Hefei Gotion Kehong New Energy Technology Co., Ltd.	April 28, 2023	277,900.00	December 15, 2022	5,000.00	Joint and several liability guarantee	None	None	1 year	Yes	No
Hefei Gotion Kehong New Energy Technology Co., Ltd.	April 28, 2023	277,900.00	April 29, 2022-September 20, 2023	131,802.96	Joint and several liability guarantee	Corresponding collateral	None	4-11 years	No	No
Hefei Gotion New Materials Technology Co., Ltd.	April 28, 2023	56,500.00	June 27, 2022-March 10, 2023	34,010.19	Joint and several liability guarantee	Corresponding collateral	None	5-11 years	No	No
Hefei Gotion Recycling Technology Co., Ltd.	April 28, 2023	13,045.00	March 24, 2023	5,000.00	Joint and several liability guarantee	None	None	0.75 years	Yes	No
Hefei Gotion Recycling Technology Co., Ltd.	April 28, 2023	13,045.00	September 13, 2022-August 1, 2023	6,218.00	Joint and several liability guarantee	Corresponding collateral	None	4-5 years	No	No
Jiangsu Dongyu an Electrical Group Co., Ltd.	April 28, 2023	40,650.00	January 17, 2022 - June 26, 2023	39,400.00	Joint and several liability guarantee	None	None	0.5-1 year	Yes	No
Jiangsu Dongyu an Electrical Group Co., Ltd.	April 28, 2023	40,650.00	January 10, 2023 - December 18, 2023	35,400.00	Joint and several liability guarantee	None	None	3-4 years	No	No
Jiangsu Gotion New Energy Technology Co., Ltd.	April 28, 2023	200,000.00	September 28, 2022	192,917.23	Joint and several liability guarantee	Corresponding collateral	None	11 years	No	No

Jiangxi Weihong Lithium Co., Ltd.	April 28, 2023	5,000.00	January 30, 2022	5,000.00	Joint and several liability guarantee	None	None	1 year	Yes	No
Jiangxi Gotion New Energy Technology Co., Ltd.	April 28, 2023	20,000.00	October 12, 2022	18,000.00	Joint and several liability guarantee	Corresponding collateral	None	6 years	No	No
Jinzhai Gotion New Energy Co., Ltd.	April 28, 2023	10,000.00	November 30, 2023	7,000.00	Joint and several liability guarantee	None	None	4 years	No	No
Liuzhou Gotion Battery Co., Ltd.	April 28, 2023	196,449.00	March 30, 2022 - November 23, 2022	19,586.00	Joint and several liability guarantee	None	None	1 year	Yes	No
Liuzhou Gotion Battery Co., Ltd.	April 28, 2023	196,449.00	September 14, 2021 - November 21, 2023	135,562.06	Joint and several liability guarantee	Corresponding collateral	None	4-11 years	No	No
Nanjing Gotion Battery Co., Ltd.	April 28, 2023	133,900.00	March 18, 2022 - April 25, 2023	56,800.00	Joint and several liability guarantee	None	None	0.5-1 year	Yes	No
Nanjing Gotion Battery Co., Ltd.	April 28, 2023	133,900.00	October 31, 2022 - December 31, 2023	101,635.00	Joint and several liability guarantee	None	None	3-5 years	No	No
Nanjing Gotion New Energy Co., Ltd.	April 28, 2023	228,000.00	April 29, 2022 - June 20, 2023	61,999.50	Joint and several liability guarantee	None	None	0.5-1 year	Yes	No
Nanjing Gotion New Energy Co., Ltd.	April 28, 2023	228,000.00	September 2, 2020 - December 31, 2023	143,749.50	Joint and several liability guarantee	Corresponding collateral	None	3-8 years	No	No
Nantong Aston Electric Appliance Manufacturing Co., Ltd.	April 28, 2023	2,900.00	June 17, 2022 - June 27, 2023	3,900.00	Joint and several liability guarantee	None	None	0.5-1 year	Yes	No
Nantong Aston Electric Appliance Manufacturing Co., Ltd.	April 28, 2023	1,000.00	December 12, 2023	1,000.00	Joint and several liability guarantee	None	None	4 years	No	No

Nantong Gotion New Energy Technology Co., Ltd.	April 28, 2023	33,000.00	June 29, 2022- June 30, 2023	19,000.00	Joint and several liability guarantee	None	None	0.5-1 year	Yes	No
Nantong Gotion New Energy Technology Co., Ltd.	April 28, 2023	33,000.00	February 27, 2023 - December 19, 2023	24,500.00	Joint and several liability guarantee	None	None	4 years	No	No
Inner Mongolia Gotion Zero Carbon Technology Co., Ltd.	April 28, 2023	144,248.02	April 2, 2022- December 25, 2023	88,904.51	Joint and several liability guarantee	Corresponding collateral	None	4-8 years	No	No
Qingdao Gotion Battery Co., Ltd.	April 28, 2023	157,500.00	January 13, 2022 - October 28, 2022	108,000.00	Joint and several liability guarantee	None	None	1 year	Yes	No
Qingdao Gotion Battery Co., Ltd.	April 28, 2023	157,500.00	January 17, 2023 - November 21, 2023	92,000.00	Joint and several liability guarantee	None	None	4-5 years	No	No
Shanghai Xuanyi New Energy Development Co., Ltd.	April 28, 2023	138,950.00	December 31, 2019- December 25, 2020	78,917.07	Joint and several liability guarantee	Corresponding collateral	None	12.75-13 years	No	No
Tangshan Gotion Battery Co., Ltd.	April 28, 2023	358,900.00	July 15, 2022- July 22, 2022	15,000.00	Joint and several liability guarantee	None	None	1 year	Yes	No
Tangshan Gotion Battery Co., Ltd.	April 28, 2023	358,900.00	August 15, 2022 - December 22, 2023	216,166.03	Joint and several liability guarantee	Corresponding collateral	None	4-10 years	No	No
Tongcheng Gotion New Energy Technology Co., Ltd.	April 28, 2023	478,700.00	November 24, 2022	3,000.00	Joint and several liability guarantee	None	None	1 year	Yes	No
Tongcheng Gotion New Energy Technology Co., Ltd.	April 28, 2023	478,700.00	March 24, 2022 - November 22, 2023	227,889.28	Joint and several liability guarantee	None	None	3-8.5 years	No	No



Yichun Gotion Battery Co., Ltd.	April 28, 2023	310,000.00	June 30, 2022-September 26, 2022	32,679.96	Joint and several liability guarantee	None	None	1 year	Yes	No
Yichun Gotion Battery Co., Ltd.	April 28, 2023	310,000.00	January 19, 2022 - June 20, 2023	193,061.69	Joint and several liability guarantee	Corresponding collateral	None	5-11 years	No	No
Yichun Gotion Lithium Industry Co., Ltd.	April 28, 2023	10,000.00	November 24, 2023	10,000.00	Joint and several liability guarantee	None	None	4.5 years	No	No
Yifeng Gotion Lithium Industry Co., Ltd.	April 28, 2023	30,000.00	October 17, 2022	22,000.00	Joint and several liability guarantee	None	None	1 year	Yes	No
Yifeng Gotion Lithium Industry Co., Ltd.	April 28, 2023	24,500.00	March 14, 2023	24,497.59	Joint and several liability guarantee	None	None	4 years	No	No
Total amount of guarantee approved to be provided for subsidiaries during the reporting period (B1)		3,881,329.10		Total amount of guarantee actually provided for subsidiaries during the reporting period (B2)		2,816,516.03				
Total amount of guarantee approved to be provided for subsidiaries as at the end of the reporting period (B3)		6,167,031.12		Balance of the amount of guarantee actually provided for subsidiaries as at the end of the reporting period (B4)		3,916,478.33				
Guarantee provided by a subsidiary for another subsidiary										
Name of guaranteed entity	Disclosure date of relevant announcement on guarantee amount	Guarantee amount	Actual date of occurrence	Actual guarantee amount	Guarantee type	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Performance completed or not	Related party guarantee or not
Nanjing Gotion Battery Co., Ltd.	April 30, 2019	10,000.00	June 23, 2022	5,000.00	Joint and several liability guarantee	None	None	1 year	Yes	No
Total amount of guarantee approved to be provided for subsidiaries during the reporting period (C1)		0.00		Total amount of guarantee actually provided for subsidiaries during the reporting period (C2)		0.00				
Total amount of guarantee approved to be provided for subsidiaries as at the end of the reporting		0.00		Balance of the amount of guarantee actually provided for subsidiaries as at the end of the reporting		0.00				

period (C3)		period (C4)	
Total amount of guarantee provided by the Company (i.e., sum of the three items above)			
Total amount of guarantee approved to be provided during the reporting period (A1+B1+C1)	3,881,329.10	Total amount of guarantee actually provided during the reporting period (A2+B2+C2)	2,820,762.02
Total amount of guarantee approved to be provided as at the end of the reporting period (A3+B3+C3)	6,242,919.12	Balance of the amount of guarantee actually provided as at the end of the reporting period (A4+B4+C4)	3,975,475.33
Proportion of the total actual amount of guarantee (i.e., A4+B4+C4) to the Company's net assets		158.59%	

Description of the use of composite guarantees

### 3. Entrusted others to manage cash assets

#### (1) Entrusted wealth management

☒Applicable ☐Not Applicable

Overview of entrusted wealth management during the reporting period

Monetary Unit: RMB '0,000

Specific type	Source of funds for entrusted wealth management	Amount of entrusted wealth management	Unexpired balance	Amount overdue yet uncollected	Impairment provision for the amount overdue yet uncollected
Bank financial products	Raised funds	30,564.46	200,878.85	0	0
Others	Self-owned funds	57,024.4	181,814.54	0	0
Total		87,588.86	382,693.39	0	0

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

☐Applicable ☒Not Applicable

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

☐Applicable ☒Not Applicable

#### (2) Entrusted loan

☐Applicable ☒Not Applicable

There were no entrusted loans during the reporting period.

### 4. Other major contracts

☐Applicable ☒Not Applicable

There are no major contracts during the reporting period.

## XVI Other major events

☒Applicable ☐Not Applicable

1. The Company held the 2nd meeting of the ninth Board of Directors and the 2nd meeting of the ninth Board of Supervisors on April 26, 2023, deliberating and approving the *Proposal for the Change of Accounting Policies*. For more details, please refer to the *Announcement on the Change of Accounting Policies* (Announcement No. 2023-033) disclosed by the Company on designated information disclosure media on April 28, 2023.

2. The Company held the 2nd meeting of the ninth Board of Directors and the 2nd meeting of the ninth Board of Supervisors respectively on April 26, 2023, deliberating and approving the *Proposal for the Change of the Business Scope and Amendment to Relevant Provisions of the Articles of Association of the Company*. Due to the needs of business development and strategic planning, the Company changed its business scope by adding the item of “engaging in investment activities with its self-owned funds” and amended the corresponding provisions of Articles of Association. The matter has been deliberated and approved at the 2022 annual shareholders’ meeting held by the Company on May 25, 2023, and the Company has completed the procedures for the registration of change with the administration for industry and commerce. For more details, please refer to the *Announcement on the Completion of Registration of Change with the Administration for Industry and Commerce* (Announcement No. 2023-055) disclosed by the Company on the designated information disclosure media on August 23, 2023.

3. The Company held the 4th meeting of the ninth Board of Directors and the 4th meeting of the ninth Board of Supervisors respectively on October 26, 2023, deliberating and approving the *Proposal for the Registration and Issuance of Collective Short-Term Financing Bonds*. The Company planned to apply to the National Association of Financial Market Institutional Investors to register and issue collective short-term financing bonds for advanced manufacturing enterprises in the Yangtze River Delta area, with an issuance scale no more than RMB 500 million. The matter has been deliberated and approved at the third extraordinary general meeting of 2023 held by the Company on November 16, 2023. On December 26, 2023, the first phase of collective short-term financing bonds for advanced manufacturing enterprises in the Yangtze River Delta area, in which the Company participated, was successfully issued. The total amount bonds in the collective issuance was RMB 700 million, RMB 400 million of which was issued by the Company. For more details, please refer to the *Announcement on the Results of Issuance of Collective Short-Term Financing Bonds* (Announcement No.: 2023-104) disclosed by the Company on designated information disclosure media on December 27, 2023.

4. The Company held the 5th meeting of the ninth Board of Directors and the 5th meeting of the ninth Board of Supervisors respectively on December 4, 2023, deliberating and approving the *Proposal for the Repurchase of Company Shares*. It was agreed that the Company would use its own funds to repurchase some of the Company’s public shares, with a repurchase price of no more than RMB 34.00 per share, and a total repurchase amount of no less than RMB 300 million and no more than RMB 600 million. For more details, please refer to the *Announcement on Share Repurchase Scheme* (Announcement No. 2023-094) disclosed by the Company on designated information disclosure media on December 6, 2023.

## XVII Major events of the subsidiaries

☒Applicable ☐Not applicable

1. Hefei Gotion High-tech Power Energy Co., Ltd., a wholly-owned subsidiary of the Company, received a procurement letter from VOLKSWAGENWERK AG, stating that the Company will become a designated overseas supplier of Volkswagen to supply Volkswagen's "Unified Cell" power lithium battery products. For more details, please refer to the *Announcement on the Receipt of the Procurement Designation Letter from Volkswagen Group by a Wholly-Owned Subsidiary* (Announcement No. 2023-042) disclosed by the company on designated information disclosure media on May 11, 2023.

2. GOTION, INC., a wholly-owned subsidiary of the Company, concluded REV Tax Credit Agreement and other relevant agreements with the Illinois government and other third parties, for the construction of a lithium-ion battery project in Illinois, USA. Meanwhile, Illinois will provide tax subsidies for the project based on the previously passed REV Subsidy Law that specifically subsidizes new energy and tram enterprises. For more details, please refer to the *Announcement on the Construction of Illinois Lithium Battery Project* (Announcement No. 2023-076) disclosed by the Company on designated information disclosure media on October 12, 2023.

3. GOTION, INC., a wholly-owned subsidiary of the Company, concluded REV Critical Industry Program Grant Agreement, the Strategic Site Readiness Program Development Agreement and other relevant agreements with the state government of Michigan and other third-party partners on October 24, 2023. According to the agreements, the Company plans to build a battery material project in Michigan, USA, and the Michigan government will provide special subsidies based on the project investment plan. For more details, please refer to the *Reminder Announcement on the Construction of Michigan Battery Materials Project* (Announcement No. 2023-078) disclosed by the Company on designated information disclosure media on October 26, 2023.

## Section VII Change of Shares and Information of Shareholders

### I. Changes in shares

#### 1. Changes in shares

Unit: Share

	Prior to the change		Increase/decrease in the change					After the change	
	Number	Proportion	Shares newly issued	Shares granted	Shares converted from capital reserve	Others	Subtotal	Number	Proportion
I. Shares subject to sales restriction	540,343,210	30.38%	58,500	0	0	- 78,369,127	- 78,310,627	462,032,583	25.88%
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	540,343,210	30.38%	58,500	0	0	- 78,369,127	- 78,310,627	462,032,583	25.88%
Including: shares held by domestic legal persons	440,630,983	24.77%	0	0	0	- 56,467,637	- 56,467,637	384,163,346	21.52%
Shares held by domestic natural persons	99,712,227	5.61%	58,500	0	0	- 21,901,490	- 21,842,990	77,869,237	4.36%
4. Shares held by foreign subjects	0	0.00%	0	0	0	0	0	0	0.00%
Including: shares held by	0	0.00%	0	0	0	0	0	0	0.00%

foreign legal persons									
Shares held by foreign natural persons	0	0.00%	0	0	0	0	0	0	0.00%
II. Shares not subject to sales restriction	1,238,531,625	69.62%	6,253,497	0	0	78,369,127	84,622,624	1,323,154,249	74.12%
1. RMB ordinary shares	1,238,531,625	69.62%	6,253,497	0	0	78,369,127	84,622,624	1,323,154,249	74.12%
2. Shares listed at home and held by foreign subjects	0	0.00%	0	0	0	0	0	0	0.00%
3. Shares listed overseas and held by foreign subjects	0	0.00%	0	0	0	0	0	0	0.00%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total number of shares	1,778,874,835	100.00%	6,311,997	0	0	0	6,311,997	1,785,186,832	100.00%

Reasons for shares change

☒ Applicable ☐ Not applicable

The Company disclosed the *Reminder Announcement on the Adoption of Autonomous Exercise Mode for the First Exercise Period for the First Batch of Stock Options Granted under the 2022 Stock Option Incentive Plan* (Announcement No.: 2023-068) on September 19, 2023. The first exercise period for the first batch of stock options granted under the 2022 Incentive Plan is from September 20, 2023 to July 19, 2024. During the reporting period, a total of 6,311,997 shares subject to autonomous exercise in the first exercise period were granted to the incentive objects under the 2022 Incentive Plan, and the total share capital of the Company increased from 1,778,874,835 shares to 1,785,186,832 shares.

Approval of shares change

☒ Applicable ☐ Not applicable

The Company held the 3rd meeting of the ninth Board of Directors and the 3rd meeting of the ninth Board of Supervisors on August 30, 2023, deliberating and passing the *Proposal on the Achievement of the Exercise Conditions for the First Exercise Period for the First Batch of Stock Options Granted under the 2022 Stock Option Incentive Plan*. The exercise conditions for the first exercise period for the first batch of stock options granted under the 2022 stock option incentive plan were achieved. There were a total of 1,571 incentive objects

who met the exercise conditions, and a total of 17.396 million stock options became exercisable, with an exercise price of RMB 18.67/share.

Ownership transfer with respect to the shares change

☐ Applicable ☒ Not applicable

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

☒ Applicable ☐ Not applicable

As of the end of the reporting period, the total number of company shares has increased from 1,778,874,83 at the beginning to 1,778,874,835 shares. The impact of this share change on the financial indicators such as basic earnings per share, diluted earnings per share, and net assets per share for the year 2023 is as follows:

Item	Calculated based on the beginning-of-year capitalization (RMB/Share)	Calculated by year-end capitalization (RMB/Share)
Basic earnings per share - 2023 fiscal year	0.5277	0.5258
Diluted earnings per share - 2023 fiscal year	0.5264	0.5245
Net asset per share - End of 2023	13.63	13.58

Due to the increase in share capital in this period, basic earnings per share and diluted earnings per share have decreased. However, the net assets per share increased at the end of the year due to the fact that the exercise price was higher than the net asset per share at the beginning of the year. The impact on diluted earnings per share is the same as that on basic earnings per share.

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 the period	Number of shares with sales restriction newly imposed in this period	Number of shares with sales restriction released in this period	Number of shares subject to sales restriction at the end of period	Reasons for sales restriction	Date of sales restriction released
Li Zhen	77,457,112	0	0	77,457,112	Locked-up shares of senior officers	Subject to relevant laws and regulations of the CSRC and the SZSE
Li Chen	21,354,298	0	21,354,298	0	The expiry for the limited sales period of departed senior officers	September 28, 2023
Zhang Hongli	105,450	24,300	0	129,750	Locked-up shares of senior	Subject to relevant laws

					officers	and regulations of the CSRC and the SZSE
Wang Qiang	219,675	0	0	219,675	Locked-up shares of senior officers	Subject to relevant laws and regulations of the CSRC and the SZSE
Wang Qisui	9,000	0	0	9,000	Locked-up shares of senior officers	Subject to relevant laws and regulations of the CSRC and the SZSE
Wu Yibing	19,500	0	0	19,500	Locked-up shares of senior officers	Subject to relevant laws and regulations of the CSRC and the SZSE
Volkswagen (China) Investment Co., Ltd.	440,630,983	0	56,467,637	384,163,346	The Company made a private placement of 384,163,346 shares to strategic investors, Volkswagen China; the shares subscribed by Volkswagen China shall not be transferred within 36 months from the date of listing. Volkswagen China acquired a total of 56,467,637 unrestricted outstanding shares from Mr. Li Zhen and Gotion Holdings. Volkswagen China undertook that it would not transfer the shares obtained through the share transfer within 18 months from the completion of the transaction.	The lock-up for directed issue of 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.
Pan Wang	0	34,200	0	34,200	Locked-up shares of departed senior officers	Subject to relevant laws and regulations of the CSRC and the SZSE



Hou Fei	217,500	0	217,500	0	The expiry for the limited sales period of departed senior officers	June 19, 2023
Ma Guifu	174,330	0	174,330	0	The expiry for the limited sales period of departed senior officers	June 19, 2023
An Dongliang	155,362	0	155,362	0	The expiry for the limited sales period of departed senior officers	June 19, 2023
Total	540,343,210	58,500	78,369,127	462,032,583	--	--

## II. Securities issuance and listing

### 1. Issuance of securities (excluding preferred shares) during the reporting period

☒ Applicable ☐ Not applicable

Name of the stock and its derivative securities	Issuance date	Issuance price (or interest rate)	Quantity of issuance	Listing date	Number of approved listed transactions	Transaction termination date	Disclosure Index	Date of Disclosure
Stocks								
RMB ordinary shares		18.67	6,311,997		6,311,997		Please refer to the <i>Reminder Announcement on the Adoption of Autonomous Exercise Mode for the First Exercise Period for the First Batch of Stock Options Granted under the 2022 Stock Option Incentive Plan</i> (Announcement No.: 2023-068) disclosed on the cninfo.	September 19, 2023
Convertible corporate bonds, convertible corporate bonds with separate transactions, corporate debt categories								
Other derivative securities								

Description of the issuance of securities (excluding preferred shares) during the reporting period

For a description of securities issued during the reporting period, please refer to “I. Changes in Shares” in this section of the report.

## 2. Explanations of the changes in the total number of shares and the shareholder structure of the Company as well as the changes in the structure of the Company’s assets and liabilities

☒Applicable ☐ Not applicable

For the total number of shares and changes in the shareholder structure of the Company, please refer to “I. Changes in Shares” in this section of this report.

## 3. Status of existing staff shares

☐ Applicable ☒Not applicable

## III. Shareholder or actual controller

### 1. Number of shareholders and shareholding status

Unit: Share

Total number of shareholders holding ordinary shares at the end of the reporting period	139,774	Number of common shareholders at the end of the preceding month before the disclosure date of the annual report.	148,811	Total number of preferred shareholders whose voting rights have been restored by the end of the reporting period (if any) (refer to Note VIII)	0	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 (excluding shares lent through refinancing business)								
Name of shareholder	Nature of shareholder	Ownership ratio	Number of shares held at the end of the reporting period	Increase and decrease during the reporting period	Number of restricted shares held	Number of shares held without unlimited sales condition	Being pledged, marked or frozen	
							Share status	Number
Volkswagen (China) Investment Co., Ltd.	Domestic non-state-owned legal person	24.68%	440,630,983	0.00	384,163,346	56,467,637	N/A	0
Nanjing Gotion Holding Group Co., Ltd.	Domestic non-state-owned legal person	9.56%	170,751,887	0.00	0	170,751,887	Pledged	104,880,000
Li Zhen	Domestic natural person	5.79%	103,276,150	0.00	77,457,112	25,819,038	Frozen	286,147

Hong Kong Securities Clearing Co., Ltd.	Overseas legal person	2.49%	44,537,171	24,346,034.00	0	44,537,171	N/A	0
Li Chen	Domestic natural person	1.59%	28,472,398	0.00	0	28,472,398	N/A	0
Industrial and Commercial Bank of China Limited - Qianhai Kaiyuan New Economy Flexible Allocation Hybrid Securities Investment Fund	Others	1.38%	24,576,569	3,399,633.00	0	24,576,569	N/A	0
Galaxy Derivatives Financial Service Co.Ltd.	Domestic non-state-owned legal person	1.20%	21,441,718	21,441,718.00	0	21,441,718	N/A	0
Citibank, National Association	Overseas legal person	1.19%	21,280,100	21,940,600.00	0	21,280,100	N/A	0
CITIC Securities Co., Ltd.	State-owned legal person	1.07%	19,096,798	1,731,513.00	0	19,096,798	N/A	0
China Construction Bank Corporation - Qianhai Kaiyuan Public Utility Industry Equity Securities Investment Fund	Others	1.01%	18,056,616	2,804,496.00	0	18,056,616	N/A	0
Circumstances where strategic investors or general legal persons become the top 10 shareholders holding shares due to the placement of new shares (if any) (refer to Note III)		N/A						
Explanations on the related relationship or concerted actions of the said shareholders		<p>1. Shareholders Li Zhen, Li Chen and Gotion Holding are persons acting in concert (Li Zhen is the Controlling Shareholder, legal representative, and executive director of Gotion Holding; and Li Chen is the son of Li Zhen).</p> <p>2. During the reporting period, Gotion Holding implemented a capital increase plan and conducted over-the-counter derivative trading with Galaxy Derivatives Financial Service Co.Ltd. ("Galaxy Derivatives"). Galaxy Derivatives accumulatively purchased 21,373,518 shares of the Company's shares from the secondary market through the securities trading system of the SZSE, but Gotion</p>						

	Holding has no related relationship with Galaxy Derivatives; 3. Except for the aforesaid matters, 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> .		
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 statement of repurchase accounts among the top 10 shareholders (if any) (see Note 10)	Not applicable		
Shareholding status of top ten shareholders without limited sales condition			
Name of shareholder	Number of shares held without limited sales condition at the end of the reporting period	Share class	
		Share class	Number
Nanjing Gotion Holding Group Co., Ltd.	170,751,887	RMB ordinary shares	170,751,887
Volkswagen (China) Investment Co., Ltd.	56,467,637	RMB ordinary shares	56,467,637
Hong Kong Securities Clearing Co., Ltd.	44,537,171	RMB ordinary shares	44,537,171
Li Chen	28,472,398	RMB ordinary shares	28,472,398
Li Zhen	25,819,038	RMB ordinary shares	25,819,038
Industrial and Commercial Bank of China Limited - Qianhai Kaiyuan New Economy Flexible Allocation Hybrid Securities Investment Fund	24,576,569	RMB ordinary shares	24,576,569
Galaxy Derivatives Financial Service Co.Ltd.	21,441,718	RMB ordinary shares	21,441,718
Citibank, National Association	21,280,100	RMB ordinary shares	21,280,100
CITIC Securities Co., Ltd.	19,096,798	RMB ordinary shares	19,096,798
China Construction Bank Corporation - Qianhai Kaiyuan Public Utility Industry Equity Securities Investment Fund	18,056,616	RMB ordinary shares	18,056,616
Explanations on the related relationship or concerted actions among the top 10 shareholders holding outstanding	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). 2. During the reporting period, Gotion Holding implemented a capital increase plan and conducted over-the-counter derivative trading with Galaxy Derivatives. Galaxy Derivatives accumulatively purchased 21,373,518 shares of the Company’s shares from the secondary market through the		

shares not subject to sales restriction, and that between the top 10 shareholders holding outstanding shares not subject to sales restriction and the top 10 shareholders	securities trading system of the SZSE, but Gotion Holding has no related relationship with Galaxy Derivatives. 3. Except for the aforesaid matters, it is unknown whether there is any other related relationship among the top 10 shareholders holding outstanding shares not subject to sales restriction, or between the top 10 shareholders holding outstanding shares not subject to sales restriction and the top 10 shareholders, or whether there are any persons acting in concert as stipulated in the Measures for the Administration of the Takeover of Listed Companies.
Explanation of the top 10 shareholders holding ordinary shares who participate in securities margin trading (if any) (refer to Note IV)	The shareholder Gotion Holding holds 14,550,000 shares of the Company through the credit securities account.

Whether the top 10 shareholders participate in the lending of shares through refinancing business

☐ Applicable ☒ Not applicable

Any change in the top 10 shareholders compared to the previous period

☐ Applicable ☒ Not applicable

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

☐ Yes ☒ No

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

## 2. Controlling Shareholders of the Company

Nature of the controlling shareholder: controlled by a natural person

Controlling shareholder type: legal person

Name of controlling shareholder	Legal Representative/Responsible Person	Date of incorporation	Organization code	Main business
Nanjing Gotion Holding Group Co., Ltd., and Li Zhen and Li Chen	Li Zhen	April 15, 2005	91440400775081600P	General business: Technical service, technology development, technical consultation, technical exchange, technology transfer and technology promotion, sales of new vehicles, wholesale and retail of auto parts, sales of new energy vehicles, electric replacement facilities for new energy vehicles, and production and testing equipment for new energy vehicles, R&D of auto parts, domestic trade agent, trade broker, sales agent, and engagement in investment activities with its own funds (In addition to items subject to approval by

				the laws, the business activities shall be independently carried out according to the Business License)
Controlling shareholder's equity in other domestic or foreign listed companies controlled or participated during the reporting period	Not applicable			

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.

### 3. Actual Controller of the Company and Persons Acting in Concert

Actual controller nature: Domestic natural person

Type of actual controller: natural person

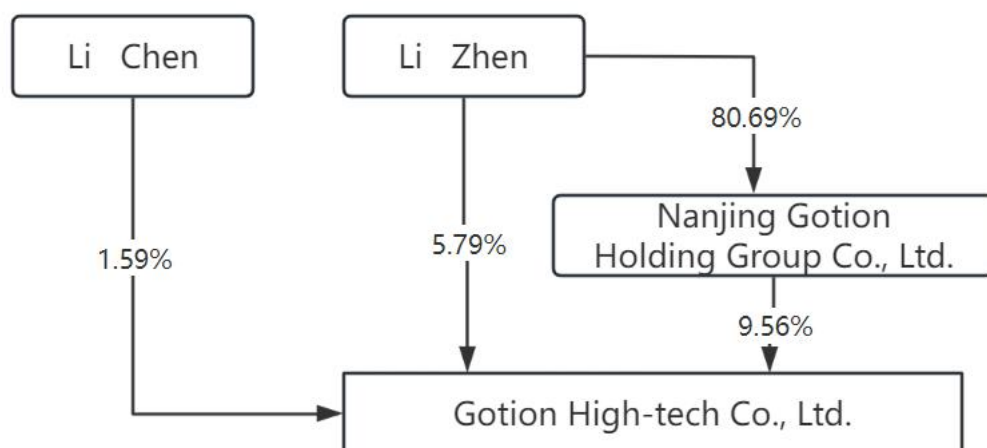
Actual controller name	Relationship with actual controller	Nationality	Obtained the right of residence in any other country or region or not
Li Zhen	In person	China	No
Li Chen	Concerted action (including agreement, relatives, and common control)	China	No
Main occupation and position	Mr. Li Zhen mainly acts as the President and General Manager of the Company, Executive Director of Nanjing Gotion Holding Group Co., Ltd., and Executive Director of Gotion Holding Group Co., Ltd.		
Domestic or foreign listed companies controlled in the past 10 years	None		

Change of the actual controller during the reporting period.

☐ Applicable ☒ Not applicable

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

Block diagram of the property and control relationship between the Company and the actual controller



The actual controller controls the Company through a trust or other asset management methods.

☐ Applicable ☒ Not applicable

**4. The number of shares pledged by the controlling shareholder or largest shareholder and its concerted actors accounts for 80% of the shares held by it in the Company.**

☐ Applicable ☒ Not applicable

**5. Other corporate shareholders holding more than 10% of shares**

☒ Applicable ☐ Not applicable

Name of legal shareholder	Legal representative/responsible person	Date of incorporation	Registered capital	Major business operations or management activities
Volkswagen (China) Investment Co., Ltd.	RALF BRANDSTAETTER	February 4, 1999	USD 130,414,960	(I) To lawfully invest in the fields where foreign investment is permitted by the Chinese government; (II) To provide the following services for the enterprises invested by it as entrusted by such enterprises in writing (unanimously approved by the board of directors): 1. Assist or act on behalf of the enterprises invested by it to purchase the self-used machinery and equipment, office equipment as well as the raw materials, components and spare parts required for production from domestic and foreign markets, and sell the products manufactured

				<p>by such enterprises in the way of distribution in the domestic and foreign markets (except for finished automobiles), and provide after-sales service; 2. Balance foreign exchange among such enterprises with the consent and under the supervision of the Administration of Foreign Exchange; 3. Provide such enterprises with technical support, staff training, internal personnel management and other services in the process of product manufacturing, sales and market development; 4. Assist such enterprises in seeking loans and provide guarantees for them; (III) To establish a research and development center or department in China to engage in the research and development of new products as well as high and new technologies, transfer the research findings, and provide corresponding technical services; (IV) To provide consulting services for its investors and consulting services regarding market information and investment policies related to its investment for its affiliates; (V) To purchase the products manufactured by the enterprises invested by it for system integration and sell the system integration in domestic and international markets. If the products manufactured by the enterprises invested by it cannot fully meet the needs of system integration, it will be allowed to purchase the auxiliary products of system integration</p>
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				<p>from domestic and international markets. Nevertheless, the value of the auxiliary products of system integration purchased shall not exceed 50% of the value of all the products required for system integration;</p> <p>(VI) To provide relevant technical training for the domestic distributors and agents of the products manufactured by the enterprises invested by it and for the domestic companies and enterprises that have signed technology transfer agreements with the investment company, its parent companies or affiliated companies; (VII) To provide operational leasing services of machinery and office equipment for the enterprises invested by it, or to establish an operational leasing company in accordance with law; (VIII) To act as a service outsourcer for domestic and foreign enterprises; (IX) To engage in warehousing, logistics and distribution services in accordance with relevant regulations; (X) To establish a finance company with the approval of the China Banking Regulatory Commission in order to provide relevant financial services for the investment company and the enterprises invested by it; (XI) To engage in overseas project contracting business and overseas investment, establish a financial leasing company and provide related services with the approval of the Ministry of Commerce; (XII) To entrust other enterprises in China to</p>
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				<p>produce/process its products (except for finished automobiles) or its parent company's products (except for finished automobiles) and sell them in domestic and international markets;</p> <p>(XIII) To distribute the spare parts, raw and auxiliary materials, equipment and special tools needed for automobile maintenance services by means of wholesale and retail (without stores) and commission agency (except for auction), and to provide corresponding vehicle display, marketing and after-sales services; To wholesale daily necessities, Class II medical devices; (XIV) To engage in technology development, technology popularization, technology transfer, technology consultation and technology services. (The market entities shall independently choose business projects and carry out business activities according to law. Any business which requires ratification as stipulated by laws and regulations cannot be engaged until all required approval documents have been granted by the relevant departments. The Company shall not engage in any business prohibited or restricted by the State or local industrial policies.</p>
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**6. Restricted reductions of the shares held by the controlling shareholder, actual controller, restructuring party and other commitment subjects**

☐ Applicable ☒ Not applicable

#### IV. Implementation of share repurchase in the reporting period

Implementation progress of share repurchase

☒ Applicable ☐ Not applicable

Scheme disclosure time	Number of shares to be repurchased	Proportion of total share capital	Amount to be repurchased (RMB '0,000)	Proposed repurchase period	Purposes of repurchase	Number of shares repurchased (shares)	Proportion of the number of shares repurchased to the underlying shares covered by the equity incentive plan (if any)
December 6, 2023	It is planned to use no less than RMB 300,000,000 (included) and no more than RMB 600,000,000 (included) to repurchase its Shares. Based on the repurchase price limit of RMB 34.00/ share, the number of shares to be repurchased this time is approximately 8,823,500 to 17,647,100.	0.4943% to 0.9885%	No less than RMB 300,000,000 and no more than RMB 600,000,000	Within 12 months from the date when the Board of Directors deliberated and approved the share repurchase plan (December 4, 2023)	Implementation of employee stock programs or equity incentive plans	0	

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

☐ Applicable ☒ Not applicable

### **Section VIII Preferred Shares**

☐Applicable ☒Not applicable

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

## Section IX Bonds

☒Applicable ☐Not applicable

## I Corporation bonds

☒Applicable ☐Not applicable

## 1. Basic information of corporation bonds

Monetary Unit: RMB '0,000

Name of bond	Name abbreviation	Bond code	Issue date	Date of value	Maturity date	Balance of bonds	Interest rate	Method of repayment of principal and interest	Place of trade
2018 the first phase of Gotion High-tech Green Bonds	18 Gotion Green Bond 01	1880001	April 12, 2018	April 13, 2018	April 13, 2023	0	6.50%	The interest shall be paid once a year, the principal shall be repaid when it becomes due (The bonds have matured and been redeemed)	Inter-bank 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 trading mechanism			Inter-bank bond market: Bond transactions shall go through three steps, i.e. independent quotation, formatting price inquiry and deal confirmed						
Whether there is any risk in the termination of listing and if any, the countermeasures to cope with such risks			None.						

## Bonds with overdue payment

☐Applicable ☒Not applicable

## 2 Trigger and enforcement of option provisions and investor protection provisions with respect to the Issuer or Investor;

☐Applicable ☒Not applicable

## 3. Information of Intermediaries

Name of bond project	Name of the intermediary	Business Address	Name of Signing Accountant	Intermediary's Contact Person	Tel.
2018 Gotion High-tech Green Bonds Phase I	Tianfeng Securities Co., Ltd. (lead underwriter)	No. 36 Tonglinge Road, Xicheng District, Beijing	—	Li Jiajia, Zhang Yanling	010-59833016
2018 Gotion High-tech Green Bonds Phase I	Rongcheng Accounting Firm (Special General Partnership)	27/F - 30/F, Tower A, The Landmark, 288 Huaining Road, Shushan District, Hefei City	Fang Changshun, Wan Yunlong	Fang Changshun, Wan Yunlong	0551-63475800
2018 Gotion High-tech Green Bonds Phase I	Lianhe Credit Rating Co., Ltd.	17/F, Building 2, 2 Jian Guo Men Wai Avenue, Chaoyang District, Beijing	—	Liu Qiang, Yang Han and Liu Ran	010-85679696
2018 Gotion High-tech Green Bonds Phase I	Shanghai Llinks Law Offices	16/F and 19/F Times Financial Center, 68 Yincheng Middle Road, Pudong New Area, Shanghai	—	Huang Yan , XIA Huijun	021-31358666

Whether there is any change in the aforesaid institutions during the reporting period?

☐ Yes ☒ No

#### 4. Use of raised capital

Monetary Unit: RMB '0,000

Name of bond project	Total amount of raised capital	Amount spent	Balance	Operation of the special account for the raised funds (if any)	Rectification of illegal use of raised funds (if any)	Whether the used of funds is consistent with the purpose, use plan and other agreements agreed in the fundraising instructions
2018 Phase I Gotion High-tech Green Bonds	50,000	50,000	0	no	no	yes

Whether the raised funds are used for construction projects

☒ Applicable ☐ Not applicable

By issue of 2018 Phase I Gotion High-tech Green Bonds, the Company raised capital up to RMB 500 million, of which RMB 250 million was invested into the “Qingdao Gotion power battery project with an annual output of 1 billion AH”, and another RMB 250 million was used as working capital.

Whether the Company has changed the use of the funds raised by issuing the above bonds during the reporting

period.

☐ Applicable ☒ Not applicable

## 5. Adjustment of credit rating results during the reporting period

☐ Applicable ☒ Not applicable

## 6. The guarantee, debt repayment plan, and other debt security plans during the reporting period and their impacts on the rights and interests of bond investors

☒ Applicable ☐ Not applicable

The Company's "18 Gotion Green Bond 01" has completed the redemption and delisting on April 13, 2023, with a total of 5,000,000 bonds and a total of RMB522.5 million (inclusive of tax) in principal and interest to be paid out. For details, please refer to the "Announcement on the Payment of Principal and Interest and Delisting of 18 Guoxuan Green Bond 01" (Announcement No. 2023-019) disclosed by the Company on Cninf website on April 11, 2023 for details.

## II Corporate bonds

☐ Applicable ☒ Not applicable

The Company has no corporate bonds during the reporting period.

## III Debt financing instruments of non-financial enterprises

☒ Applicable ☐ Not applicable

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

Monetary Unit: RMB '0,000

Name of bond	Name abbreviation	Bond code	Issue date	Date of value	Maturity date	Balance of bonds	Interest rate	Method of repayment of principal and interest	Place of trade
2022 Phase I Gotion High-tech Green Bond (Technological Innovation Debt Financing Plan)	22 Wan Gotion High-tech ZRGN001 (Technological Innovation)	22CFGN0838	November 25, 2022	November 25, 2022	November 24, 2025	40,000	4.0%	The interest shall be paid once a season and the principal shall be repaid each half year, the remaining principal	Beijing Financial Asset Exchange

								and interest are paid in full at maturity.	
Phase I Collective Short-term Financing Bonds for Advanced Manufacturing Enterprises in the Yangtze River Delta in 2023	23Yangtze River Delta Collective CP001	042380753	December 22, 2023	December 25, 2023	September 20, 2024	40,000	2.98%	Repayment of principal and interest at one time after maturity	Inter-bank bond market
Investor Suitability Arrangements (if any)	Qualified investors of Beijing Financial Asset Exchange (excluding investors prohibited by national laws and regulations) and domestic qualified institutional investors who have opened accounts at the Shanghai Clearing House respectively.								
Applicable trading mechanism	Not applicable.								
Whether there is any risk in the termination of listing and if any, the countermeasures to cope with such risks	None.								

**Bonds with overdue payment**

☐ Applicable ☒ Not applicable

**2. Trigger and enforcement of option provisions and investor protection provisions with respect to the Issuer or Investor;**

☐ Applicable ☒ Not applicable

**3. Information of Intermediaries**

Name of bond project	Name of the intermediary	Business Address	Name of Signing Accountant	Intermediary's Contact Person	Tel.
2022 Phase I Gotion High-tech Green Bond (Technological Innovation Debt Financing Plan)	Guangdong Development Bank Co., Ltd.	713 Dongfeng East Road, Yuexiu District, Guangzhou City, Guangdong Province	-	Huang Peiwu	0551-65955552
2022 Phase I Gotion High-tech Green Bond (Technological Innovation)	Shanghai Links Law Offices	19th Floor, Times Financial Center, 68 Yincheng Middle Road,	-	Xia Huijun, Zheng Jianwen	021-31358666



Debt Financing Plan		Shanghai			
2022 Phase I Gotion High-tech Green Bond (Technological Innovation ) Debt Financing Plan	Suyajincheng CPA LLP	Floors 14-16, Building A, Zhengtai Center, 159 Taishan Road, Jianye District, Nanjing City	Lin Lei, Luo Zhenxiong	Lin Lei, Luo Zhenxiong	025-83231630
Phase I Collective Short-term Financing Bonds for Advanced Manufacturing Enterprises in the Yangtze River Delta in 2023	Shanghai Pudong Development Bank Co., Ltd. (lead underwriter)	No. 12 Zhongshan East 1st Road, Shanghai		Li Yansun	021-31884090
Phase I Collective Short-term Financing Bonds for Advanced Manufacturing Enterprises in the Yangtze River Delta in 2023	China Chengxin International Credit Rating Co. Ltd. (CCXI)	Building 5, Galaxy SOHO5, No. 2 Nanzhugan Hutong, Chaoyangmennei Street, Dongcheng District, Beijing		Lv Zhuolin and Wang Xi	010-66428877
Phase I Collective Short-term Financing Bonds for Advanced Manufacturing Enterprises in the Yangtze River Delta in 2023	China Bond Insurance Co., Ltd.	Rooms 801, 901, and 1001, Building 6, Courtyard 1, Yuetan South Street, Xicheng District, Beijing		Liu Danxing	010-88007608
Phase I Collective Short-term Financing Bonds for Advanced Manufacturing Enterprises in the Yangtze River Delta in 2023	Anhui Heyuan Law Firm	27/F, Tower D, New City International, Intersection of Qianshan Road and South Second Ring Road, Hefei Municipal Government District		Bu Yongxin and Wang Mei	0551-65639320

Whether there is any change in the aforesaid institutions during the reporting period?

☐ Yes ☒ No

#### 4. Use of raised capital

Monetary Unit: RMB '0,000

Name of bond project	Total amount of raised capital	Amount spent	Balance	Operation of the special account for the raised funds (if any)	Rectification of illegal use of raised funds (if any)	Whether the used of funds is consistent with the purpose, use plan and other agreements agreed in the fundraising instructions
2022 Phase I Gotion High-tech Green Bond (Technological Innovation ) Debt Financing Plan	50,000	50,000	0	None	None	Yes
Phase I Collective Short-term Financing Bonds for Advanced Manufacturing Enterprises in the Yangtze River Delta in 2023	40,000	40,000	0	None	None	Yes

Whether the raised funds are used for construction projects

☒Applicable ☐ Not applicable

During the reporting period, the Company has changed the use of the funds raised by issue the above bonds

☐ Applicable ☒Not applicable

#### 5. Adjustment of credit rating results during the reporting period

☐ Applicable ☒Not applicable

#### 6. The guarantee, debt repayment plan, and other debt security plans during the reporting period and their impacts on the rights and interests of bond investors

☐ Applicable ☒Not applicable

#### IV Convertible corporate bond

☐ ☒Applicable ☐ ☒Not applicable

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

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

☐ Applicable ☒ Not applicable

**VI Overdue interest-bearing debts (other than bonds) at the end of the reporting period**

☐ Applicable ☒ Not applicable

**VII Is there any violation of rules and regulations during the reporting period**

☐ Applicable ☒ Not applicable

**VIII The major accounting data and financial indicators of the Company in the past two years up to the end of the reporting period.**

Unit: RMB 10,000

Item	End of reporting period	End of previous year	Increase or decrease, compared between the end of the reporting period and end the previous year
Current ratio	0.94	1.09	-13.76%
Debt-to-asset ratio	71.90%	66.27%	5.63%
Quick ratio	0.73	0.87	-16.09%
	This reporting period	Same Period as in Previous year	Increase or decrease, compared between the end of the reporting period and end of the previous year
Net profit after deducting non-recurring gains and losses	11,624.13	-51,517.09	122.56%
EBITDA-to-total debt ratio	5.87%	4.84%	1.03%
Interest coverage ratio	1.47	1.27	15.75%
Cash interest coverage ratio	1.72	0.88	95.45%
EBITDA interest coverage ratio	2.81	2.39	17.57%
Loan repayment rate	100.00%	100.00%	0.00%
Interest payment coverage ratio	100.00%	100.00%	0.00%

## Section X Financial Report

### I. Auditors' report

Type of audit opinions	Standard unqualified opinion
Signature date of the audited report	April 18, 2024
Name of the Auditor	Suyajincheng CPA LLP
No. of the audited report	Suya Audit (2024) No. 654
Name of certified public accountant	Luo Zhenxiong, Li Zhenzhen

Text of the Auditors' Report

### Auditors' Report

To all shareholders of Gotion High-tech Co., Ltd.,

### I. Audit Opinions

We have audited the financial statements of Gotion High-tech Co., Ltd. (hereinafter referred to as "Gotion High-tech"), including the consolidated balance sheet and the balance sheet as of December 31, 2023, consolidated profit statements and profit statements, consolidated cash flow statements and cash flow statements, consolidated statements of changes in stockholder's equity and statements of changes in stockholder's equity, and relevant notes to financial statements of 2023.

In our opinion, the attached financial statements are prepared, in all material respects, in accordance with the *Accounting Standards for Businesses* and present fairly the financial position of Gotion High-tech as of December 31, 2023, and its operating results and cash flow of 2023.

### II. Basis of Opinions

We implemented the audit in accordance with the stipulations of the *Auditing Standards for Chinese Certified Public Accountants*. Our responsibilities under those standards are further explained in the part of "Auditor's Responsibility for the Financial Statements" under the audit report. We are independent of Gotion High-tech in accordance with the Code of Ethics for Chinese CPA and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence which we have acquired is sufficient and appropriate, which offers a basis for the provision of audit opinions.

### III. Key Items to be Audited

Key items to be audited are those that we, in our professional judgment, consider being the most important for the audit of the financial statements for the current period. These items shall be addressed in the context of the audit of the overall financial statements and formation of the audit opinion, and we will not express an opinion on these items separately.

1. Recognition of income	
Key items to be audited	How to deal with the matters in the audit
Please refer to the accounting policies set forth in Item 27 of Note III "Important Accounting Policies and	

Estimates of the Company” and Item 47 of Note V “Notes to the Main Items in the Consolidated Financial Statements”	
<p>Gotion High-tech mainly engages in R&amp;D, manufacturing and marketing of batteries and the auxiliary products. Its prime operating revenue amounted to RMB30,799,621,800 in 2023. As revenue is one of the key performance indicators of Gotion High-tech, the Company has a particular risk that the management of the Company (the "Management ") may manipulate revenue recognition in order to achieve expected targets. Therefore, we took revenue recognition as a key audit matter.</p>	<p>(1) Learned the internal controls related to revenue recognition, evaluated the design of these controls, and tested the effectiveness of the operation of the key controls;</p> <p>(2) Obtained the sales contracts signed by Gotion High-tech and its important customers through sampling, checked the key terms and conditions of the contracts, and evaluated whether the Company's revenue recognition was in conformity with the provisions of Accounting Standards for Business Enterprises and its business essence, including but not limited to identifying the obligations of contract performance and determining the appropriateness of the timing of the transfer of commodity control rights, etc.;</p> <p>(3) Selected a sample from the transactions generating operating revenues recorded in this year, checked the invoice, sales contract, outbound delivery order, proof of delivery and other data of revenue recognition, and evaluated the authenticity and accuracy of the recognition of relevant operation revenues;</p> <p>(4) Substantive analysis was carried out on the operating revenues and gross profit rate based on business types to analyze the rationality of changes and to identify whether there were significant or abnormal fluctuations;</p> <p>(5) Carried out external confirmation for a sample selected, and checked its sales amount through external confirmation to verify the authenticity of the operating revenue;</p> <p>(6) Selected a sample based on the revenues recognized before and after the balance sheet date, carried out the cutoff test on the supporting documents to evaluate whether the revenue is recorded in the appropriate accounting period;</p> <p>(7) Checked whether the information related to revenue had been properly presented and disclosed in the financial statements.</p>
<b>2. Recoverability of accounts receivable</b>	
<b>Key items to be audited</b>	<b>How to deal with the matters in the audit</b>
Please refer to the accounting policies set forth in Item 12 of Note III “Important Accounting Policies and Estimates of the Company” and the Item4 of Note V “Notes to the Main Items in the Consolidated Financial Statements”	

<p>The ending balance of Gotion High-tech's accounts receivable is RMB14,768,567,100, and the amount of its bad-debt provision is RMB1,857,671,000. The book value is relatively high. If the accounts receivable fail to be collected on schedule or cannot be collected at all, the bad debts caused thereby will have a significant impact on the financial statements. Therefore, we determined that the recoverability of accounts receivable was a key audit matter.</p>	<p>(1) Learned, evaluated, and tested the design and operating effectiveness of internal controls related to the daily management of accounts receivable and the assessment on their collectability; (2) Analyzed the rationality of accounting estimates of bad debt provision of accounts receivable; for the accounts receivable whose expected credit loss was measured based on single items, we obtained and reviewed the management's forecast for the cash flow expected to be collected, evaluated the rationality of key assumptions and the accuracy of data used in the forecast; for the accounts receivable whose expected credit loss was measured based on portfolios, we evaluated the rationality of portfolios divided by management according to the characteristics of credit risk, evaluated the rationality of the expected credit loss rate determined by management based on the experience in historical credit loss and forward-looking estimates; tested the accuracy and completeness of the data used by management (including the age of overdue accounts receivable, etc.) and the accuracy of the calculation of bad debt provision;</p> <p>(3) Carried out external confirmation for the sales amount and the balance of accounts receivable of the key accounts in the current period;</p> <p>(4) Checked the collection conditions of the accounts receivable after the period and evaluated the rationality of the credit loss of the accounts receivable.</p> <p>(5) Evaluated whether the management's disclosure of bad debt provision for accounts receivable in the financial reports is appropriate.</p>
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#### IV. Other Information

The Management of Gotion High-tech ( hereinafter referred to as Management ) shall be responsible for other information. The other information comprises the information included in the 2023 annual report of the Company, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### V. Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Management is responsible for preparing the financial statements in accordance with the requirements of Accounting Standards for Business Enterprises to achieve a fair presentation, and responsible for designing, implementing and maintaining internal control that is necessary to ensure that the financial statements are free from material misstatements, whether due to frauds or errors.

In preparing the financial statements, the management is responsible for assessing the Company's going-concern ability, disclosing the matters related to going concern and using the going-concern assumption, unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **VI. Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud, or error, and to issue an audit report that includes the audit opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with audit standards will always detect a material misstatement when it exists. The misstatement might be caused by fraud or errors. If each or all of the misstatements could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements, it is generally deemed as a material misstatement.

As part of an audit in accordance with the Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. Meanwhile, we also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management of the Company.
- (4) Conclude on the appropriateness of using the going concern assumption by the management of the Company. And conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Gotion High-tech's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required by the Auditing Standards to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the information available as of the date of our auditor's report. However, future events or conditions may cause Gotion High-tech to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient and appropriate audit evidence regarding the financial information of Gotion High-tech in entities and business activities to provide audit opinions on the financial statements. We are responsible for the guidance, supervision and implementation of the group audit and take full responsibility for the audit opinions.

We have communicated with those charged with governance regarding the planned scope and timing of the audit, and significant audit matters, including any significant audit deficiencies in internal control that we identify during our audit.

We have also provided a statement to those charged with governance that we have complied with professional ethics requirements relating to independence, communicated with them all relationships and other matters that may reasonably be considered to affect our independence, as well as relevant preventive measures.

Of the matters communicated with those charged with governance, we determine which matters are most important to the audit of the Financial Statements of the current period, and thus form the critical audit matters. We describe these matters in the Auditors' Report, unless the public disclosure of these matters is prohibited by laws and regulations, or in very few cases, if it is reasonably expected that the negative consequences caused by communication of certain matters in the Auditors' Report outweigh the benefits generated in the public interest, we confirm that the matters shall not be communicated in the Auditors' Report.

Suyajincheng CPA LLP:

(LLP)

Chinese Certified Public Accountant:

Chinese Certified Public Accountant:

(Project Partner)

Nanjing, China

April 18, 2024



## 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.

December 31, 2023

Monetary Unit: RMB

Item	December 31, 2023	January 1, 2023
Current assets:		
Cash and cash equivalents	14,513,081,982.66	14,122,371,543.66
Balances with clearing companies		
Loans to banks and other financial institutions		
Financial assets held for trading	4,707,054,011.26	3,514,006,212.53
Derivative financial assets		
Notes receivable	129,078,415.05	94,321,000.00
Accounts receivable	12,910,896,108.05	8,642,345,823.74
Financing funds receivable	482,376,009.97	731,403,441.49
Advances to suppliers	349,076,416.53	517,497,410.29
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivable	499,878,057.48	285,857,879.41
Including: interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	5,678,694,206.58	7,584,033,662.25
Contract assets		
Assets held for sale		
Non-current assets maturing within one year	69,311,028.19	103,648,896.04
Other current assets	3,089,771,842.51	1,891,378,028.14
Total current assets	42,429,218,078.28	37,486,863,897.55
Non-current assets:		
Disbursement of loans and advances		
Creditor's right investment		
Other creditor's right investments	4,957,890.00	4,875,220.00
Long-term receivable		9,110,443.63
Long-term equity investment	1,504,967,335.07	1,085,613,368.72
Other equity instrument investment	1,525,336,830.09	510,468,495.43

Other non-current financial assets	1,567,541,000.00	1,000,000,000.00
Investment properties		
Fixed assets	21,856,847,448.98	11,785,279,959.06
Construction in progress	15,820,621,504.09	11,669,257,989.53
Productive biological assets		
Oil and gas assets		
Use right assets	133,933,797.18	52,798,126.55
Intangible assets	4,684,099,777.48	2,902,902,087.53
Development expense	396,375,241.69	620,378,001.34
Goodwill	498,539,014.91	512,038,244.65
Long-term deferred expenses	103,409,367.31	101,405,214.69
Deferred income tax assets	1,053,587,652.39	795,565,257.24
Other non-current assets	2,013,217,184.91	4,090,808,960.74
Total non-current assets	51,163,434,044.10	35,140,501,369.11
Total assets	93,592,652,122.38	72,627,365,266.66
Current liabilities:		
Short-term borrowings	16,236,958,673.37	10,820,704,180.47
Borrowings from the central bank		
Loans from banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	6,127,727,697.37	5,515,753,934.77
Accounts payable	13,407,264,616.09	11,814,791,449.62
Advances from customers		
Contract liabilities	1,025,880,130.88	603,577,134.25
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	456,686,794.98	326,141,584.15
Taxes and surcharges payable	287,512,174.60	356,949,077.68
Other payable	938,044,051.99	930,833,382.04
Including: interest payable		
Dividends payable	2,033,891.80	2,033,891.80
Handling charges and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities maturing within one year	5,377,525,617.76	3,633,466,234.89
Other current liabilities	1,508,427,177.57	366,860,818.60
Total current liabilities	45,366,026,934.61	34,369,077,796.47
Non-current liabilities:		
Provision for insurance contracts		

Long-term borrowings	18,159,844,604.65	10,688,953,878.75
Bonds payable	296,796,432.95	394,159,870.29
Including: preferred shares		
Perpetual bonds		
Lease liabilities	229,098,013.94	163,978,672.33
Long-term payable	2,234,411,193.68	1,822,657,855.39
Long-term employee compensation payable		
Estimated liabilities	497,666,911.03	385,641,072.27
Deferred income	239,950,247.83	186,513,101.09
Deferred income tax liabilities	272,976,747.84	118,608,811.42
Other non-current liabilities		
Total non-current liabilities	21,930,744,151.92	13,760,513,261.54
Total liabilities	67,296,771,086.53	48,129,591,058.01
Owner's equity:		
Share capital	1,785,186,832.00	1,778,874,835.00
Other equity instruments		
Including: preferred shares		
Perpetual bonds		
Capital reserves	19,036,728,674.44	18,191,023,725.17
Less: treasury stock	341,698,364.73	404,574,459.45
Other comprehensive income	-87,404,801.14	209,751,958.34
Special reserves	1,271,151.96	2,809,129.24
Surplus reserves	199,754,672.38	188,051,476.38
General risk reserve		
Undistributed profit	4,473,001,832.26	3,546,316,521.53
Total equity attributable to owners of the parent company	25,066,839,997.17	23,512,253,186.21
Minority equity	1,229,041,038.68	985,521,022.44
Total owners' equity	26,295,881,035.85	24,497,774,208.65
Total liabilities and owner's equity	93,592,652,122.38	72,627,365,266.66

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

## 2. Balance sheet of the parent company

Monetary Unit: RMB

Item	December 31, 2023	January 1, 2023
Current assets:		
Cash and cash equivalents	1,821,666,374.55	2,281,527,315.85
Financial assets held for trading	419,564,721.28	157,713,521.76
Derivative financial assets		
Notes receivable		
Accounts receivable		12,760,231.61
Financing funds receivable		
Advances to suppliers		
Other receivable	1,489,764,873.56	4,432,206,570.74
Including: interest receivable		
Dividends receivable	230,000,000.00	110,000,000.00
Inventories	5,807,714.00	
Contract assets		

Assets held for sale		
Non-current assets maturing within one year		
Other current assets	15,186,598.20	656,362.84
Total current assets	3,751,990,281.59	6,884,864,002.80
Non-current assets:		
Creditor's right investment		
Other creditor's right investments		
Long-term receivable		
Long-term equity investment	21,539,635,999.55	16,357,532,579.84
Other equity instrument investment	214,067,143.41	
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	18,903,571.39	37,964,314.35
Other non-current assets		
Total non-current assets	21,772,606,714.35	16,395,496,894.19
Total assets	25,524,596,995.94	23,280,360,896.99
Current liabilities:		
Short-term borrowings		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	1,271,720.00	
Advances from customers		
Contract liabilities		
Employee compensation payable	19,128,845.83	13,623,729.10
Taxes and surcharges payable	356,496.58	1,187,630.41
Other payable	1,518,244,759.79	607,372,651.88
Including: interest payable		
Dividends payable	2,033,891.80	2,033,891.80
Liabilities held for sale		
Non-current liabilities maturing within one year	101,600,000.00	621,918,862.53
Other current liabilities	400,085,037.37	
Total current liabilities	2,040,686,859.57	1,244,102,873.92
Non-current liabilities:		
Long-term borrowings		
Bonds payable	296,796,432.95	394,159,870.29
Including: preferred shares		

Perpetual bonds		
Lease liabilities		
Long-term payable		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income		
Deferred income tax liabilities	19,150,084.84	
Other non-current liabilities		
Total non-current liabilities	315,946,517.79	394,159,870.29
Total liabilities	2,356,633,377.36	1,638,262,744.21
Owner's equity:		
Share capital	1,785,186,832.00	1,778,874,835.00
Other equity instruments		
Including: preferred shares		
Perpetual bonds		
Capital reserves	21,362,574,111.95	20,018,624,007.18
Less: treasury stock	282,698,364.73	345,574,459.45
Other comprehensive income	-4,304,690.71	
Special reserves		
Surplus reserves	106,641,495.66	94,938,299.66
Undistributed profit	200,564,234.41	95,235,470.39
Total owners' equity	23,167,963,618.58	21,642,098,152.78
Total liabilities and owner's equity	25,524,596,995.94	23,280,360,896.99

### 3. Consolidated income statement

Monetary Unit: RMB

Item	2023	2022
I. Total operating income	31,605,490,020.32	23,051,701,484.60
Including: operating income	31,605,490,020.32	23,051,701,484.60
Interest income		
Premiums earned		
Income from handling charges and commissions		
II. Total operating cost	31,492,006,260.65	23,008,493,738.62
Including: operating cost	26,257,211,896.71	18,949,696,156.70
Interest expense		
Handling charge and commission expenses		
Surrender value		
Net amount of compensation payout		
Net withdrawal of reserve for insurance responsibility contracts		
Policy dividend payment		
Reinsurance costs		
Taxes and surcharges	234,006,085.59	160,906,052.34
Selling expenses	655,873,164.37	470,787,204.57
General and administrative expenses	1,736,182,411.89	1,310,944,094.51

R&D expenditures	2,061,239,509.23	1,793,487,955.55
Finance costs	547,493,192.86	322,672,274.95
Including: interest expense	1,157,597,132.73	711,026,372.60
Interest income	409,536,378.71	188,393,528.29
Plus: other income	1,273,011,389.98	921,506,579.63
Investment income ("-" for losses)	68,684,999.79	217,176,009.98
Including: income from investment in associates and joint ventures	-280,539.33	72,123,623.61
Income from derecognition 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)	105,890,866.72	-139,873,696.89
Losses from credit impairment ("-" for losses)	-339,427,877.73	-489,028,288.57
Losses from asset impairment ("-" for losses)	-244,368,569.77	-372,034,562.78
Income from disposal of assets ("-" for losses)	-1,849,074.44	17,739,719.00
III. Operating profits ("-" for losses)	975,425,494.22	198,693,506.35
Plus: non-operating income	14,317,843.90	73,147,097.87
Less: non-operating expense	41,583,600.33	12,876,731.60
IV. Total profits ("-" for total losses)	948,159,737.79	258,963,872.62
Less: income tax expense	-20,939,135.12	-106,676,285.40
V. Net profit ("-" for net losses)	969,098,872.91	365,640,158.02
(I) Classified by operating sustainability		
1. Net profit from continued operation ("-" for net losses)	979,474,841.22	365,640,158.02
2. Net profit from discontinued operation ("-" for net losses)	-10,375,968.31	
(II) Classified by ownership		
1. Net assets attributable to shareholders of the parent company	938,726,847.76	311,576,431.81
2. Minority interest income	30,372,025.15	54,063,726.21
VI. Other comprehensive income, net of tax	-314,354,265.61	-258,973,723.50
Other comprehensive income, net of tax attributable to owners of the parent company	-297,495,100.51	-258,641,257.87
(I) Other comprehensive income that cannot be reclassified into profit or loss	-274,307,708.72	-274,368,302.67
1. Changes in re-measurement of the defined benefit plan	-15,935,574.64	31,125,340.56
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	-258,372,134.08	-305,493,643.23
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	-23,187,391.79	15,727,044.80
1. Other comprehensive income that can be transferred to profits or losses under the equity method	327,938.84	809,206.81
2.Changes in the fair value of the 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	-23,515,330.63	14,917,837.99
7. Others		
Other comprehensive income, net of tax attributable to minority shareholders	-16,859,165.10	-332,465.63
VII. Total comprehensive income	654,744,607.30	106,666,434.52
Total comprehensive income attributable to owners of the parent company	641,231,747.25	52,935,173.94
Total comprehensive income attributable to minority shareholders	13,512,860.05	53,731,260.58
VIII. Earnings per share		
(I) Basic earnings per share	0.53	0.18
(II) Diluted earnings per share	0.53	0.18

In the case of a business combination under common control during the current period, net profit of the consolidated recognized before the combination was RMB 0.00, and net profit of the consolidated recognized in the prior period was RMB 0.00.

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	2023	2022
I. Operating income	30,473,809.90	22,227,830.27
Less: operating cost	15,640,139.80	11,472,534.44
Taxes and surcharges	2,298,051.07	144,431.50
Selling expenses		
General and administrative expenses	200,251,673.09	108,477,948.42
R&D expenditures		
Finance costs	-176,289,163.35	-177,343,317.99
Including: interest expense	26,550,595.96	2,303,161.70
Interest income	82,598,394.73	29,216,800.90
Plus: other income	105,081.34	208,128.20
Investment income ("-" for losses)	42,908,667.57	73,660,833.55
Including: income from investment in associates and joint ventures	-72,442,737.23	-36,339,166.45
Termination recognition of financial assets at amortized cost (loss is indicated with "-")		

”)		
Income from net exposure hedging (“-” for losses)		
Gains from the changes in fair value (“-” for losses)	123,886,789.12	-47,286,449.76
Losses from credit impairment (“-” for losses)	-70,859.50	309,725.97
Losses from asset impairment (“-” for losses)		
Income from disposal of assets (“-” for losses)		
II. Operating Profit (Mark “-” for Loss)	155,402,787.82	106,368,471.86
Plus: non-operating income		9,992,349.89
Less: non-operating expense	160,000.00	1,319.27
III. Total Profit (Mark “-” for Total Loss)	155,242,787.82	116,359,502.48
Less: income tax expense	38,210,827.80	19,227,769.19
IV. Net Profit (Mark “-” for Net Loss)	117,031,960.02	97,131,733.29
(I) Net Profit as a Going Concern (Mark “-” for Net Loss)	117,031,960.02	97,131,733.29
(II) Net Profit of Discontinued Operation (Mark “-” for Net Loss)		
V. Net Amount of Other Comprehensive Incomes After Tax	-4,304,690.71	
(I) Other comprehensive income that cannot be reclassified into profit or loss	-4,304,690.71	
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 the 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	112,727,269.31	97,131,733.29
VII. Earnings Per Share		
(I) Basic earnings per share		
(II) Diluted earnings per share		



## 5. Consolidated cash flow statement

Monetary Unit: RMB

Item	2023	2022
I. Cash flows generated from operating activities:		
Cash receipts from the sale of goods and rendering of services	18,315,383,345.54	14,140,115,980.96
Net increase in deposit from customers and interbank		
Net increase in loans from the Central Bank		
Net increase in capital borrowed from other financial institutions		
Cash receipts from premiums under direct insurance contracts		
Net cash receipts from re-insurance business		
Net cash receipts from policyholders' deposits and investments		
Cash receipts from interest, handling fees and commissions		
Net increase in capital borrowed from banks		
Net increase in repurchase business capital		
Net cash received from agency trading of securities		
Cash receipts from tax refunds	750,840,111.56	713,344,956.08
Other cash received relating to operating activities	1,507,199,653.28	1,162,544,070.74
Subtotal of cash inflow from operating activities	20,573,423,110.38	16,016,005,007.78
Cash payments for goods acquired and services received	12,293,263,825.98	10,968,813,739.05
Net increase in customer loans and advances		
Net increase in deposits in central bank and interbank		
Cash payments for original insurance contract claims		
Net increase in capital lending		
Cash payments for interest, handling fees and commissions		
Cash payments for insurance policyholder dividends		
Cash payments to employees and on behalf of employees	2,809,365,586.13	1,765,068,669.29
Cash payments for taxes	846,241,941.02	650,387,530.72
Other cash payments relating to operating activities	2,205,860,939.96	1,830,464,229.60
Subtotal of cash outflows generated from operating activities	18,154,732,293.09	15,214,734,168.66
Net cash flow from operating activities	2,418,690,817.29	801,270,839.12
II. Cash flows generated from investing activities:		
Cash receipts from investment withdrawal	4,466,661,189.91	256,875,773.25
Cash received from returns on	68,671,519.52	1,527,214.49

investments		
Net cash recovered from the disposal of fixed assets, intangible assets and other long-term assets	110,117,808.19	28,510,166.06
Net cash received from the disposal of subsidiaries and other business units	3,383,285.61	
Other cash received relating to investing activities		47,631,373.07
Subtotal of cash inflow in investment activities	4,648,833,803.23	334,544,526.87
Cash payments for the acquisition or construction of fixed assets, intangible assets and other long-term assets	13,129,650,583.44	13,409,304,306.05
Cash payments to acquire investments	7,814,772,822.02	4,450,289,721.40
Net increase in pledge loans		
Net cash payments for acquisition of subsidiaries and other business units	178,960,824.23	
Other cash paid relating to investing activities		
Subtotal of cash outflows generated from investment activities	21,123,384,229.69	17,859,594,027.45
Net cash flow generated from investing activities	-16,474,550,426.46	-17,525,049,500.58
III. Cash flows generated from financing activities		
Cash receipts from investments by others	365,072,518.99	4,881,447,987.40
Including: Cash received from the investment of minority shareholders from subsidiary	247,227,535.00	262,000,000.00
Cash receipts from borrowings	31,015,851,135.80	21,341,002,137.59
Other cash received in connection with financing activities		1,862,558,517.70
Subtotal of cash inflow in financing activities	31,380,923,654.79	28,085,008,642.69
Cash paid for repayment of debts	15,730,510,789.07	7,819,959,076.00
Cash payments for distribution of dividends, profits, or cash payments for interest expenses	1,556,613,626.98	1,079,310,400.01
Including: Dividends and profits paid to minority shareholders by subsidiaries	42,911,769.39	
Other cash paid related to financing activities	205,599,426.59	881,249,824.07
Subtotal of cash outflows generated from financing activities	17,492,723,842.64	9,780,519,300.08
Net cash flow generated from financing activities	13,888,199,812.15	18,304,489,342.61
IV. Effect of foreign exchange rate changes on cash and cash equivalents	253,832,843.86	222,151,854.55
V. Net increase in cash and cash equivalents	86,173,046.84	1,802,862,535.70
Including: balance of cash and cash equivalents at the beginning of the	11,242,032,512.47	9,439,169,976.77
VI. Balance of cash and cash equivalents at the end of the period	11,328,205,559.31	11,242,032,512.47

## 6. Cash flow statement of the parent company

Monetary Unit: RMB

Item	2023	2022
I. Cash flows generated from operating activities:		

Cash receipts from the sale of goods and rendering of services	68,225,086.72	11,446,322.99
Cash receipts from tax refunds		9,636,717.22
Other cash received relating to operating activities	1,068,547,877.12	72,726,984.96
Subtotal of cash inflow from operating activities	1,136,772,963.84	93,810,025.17
Cash payments for goods acquired and services received	29,877,831.15	9,837,193.72
Cash payments to employees and on behalf of employees	102,828,448.97	39,939,819.11
Cash payments for taxes	17,872,547.80	144,431.50
Other cash payments relating to operating activities	55,810,986.45	19,551,225.72
Subtotal of cash outflows generated from operating activities	206,389,814.37	69,472,670.05
Net cash flow from operating activities	930,383,149.47	24,337,355.12
II. Cash flows generated from investing activities:		
Cash receipts from investment withdrawal		
Cash received from returns on investments		326,769,081.20
Net cash recovered from the disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from the disposal of subsidiaries and other business units		
Other cash received relating to investing activities	3,127,259,968.17	
Subtotal of cash inflow in investment activities	3,127,259,968.17	326,769,081.20
Cash payments for the acquisition or construction of fixed assets, intangible assets and other long-term assets		
Cash payments to acquire investments	4,486,551,044.52	6,144,998,771.52
Net cash payments for acquisition of subsidiaries and other business units		
Other cash paid relating to investing activities	4,648,595.20	4,061,560,971.00
Subtotal of cash outflows generated from investment activities	4,491,199,639.72	10,206,559,742.52
Net cash flow generated from investing activities	-1,363,939,671.55	-9,879,790,661.32
III. Cash flows generated from financing activities		
Cash receipts from investments by others	117,844,983.99	4,619,447,987.40
Cash receipts from borrowings	398,979,597.90	493,912,264.15
Other cash received in connection with financing activities		11,049,598.98
Subtotal of cash inflow in financing activities	516,824,581.89	5,124,409,850.53
Cash paid for repayment of debts	600,000,000.00	
Cash payments for distribution of dividends, profits, or cash payments for interest expenses	22,714,956.36	166,470,676.17
Other cash paid related to financing activities	40,737,725.43	273,430,839.13
Subtotal of cash outflows generated from financing activities	663,452,681.79	439,901,515.30
Net cash flow generated from financing activities	-146,628,099.90	4,684,508,335.23
IV. Effect of foreign exchange rate changes on cash and cash equivalents	120,323,680.68	150,621,805.95

V. Net increase in cash and cash equivalents	-459,860,941.30	-5,020,323,165.02
Including: balance of cash and cash equivalents at the beginning of the	2,281,527,315.85	7,301,850,480.87
VI. Balance of cash and cash equivalents at the end of the period	1,821,666,374.55	2,281,527,315.85

## 7. Consolidated statement of changes in owners' equity

Amount of this period

Monetary Unit: RMB

Item	2023														
	Equity attributable to owners of the parent company													Min ority equit y	Total own ers' equit y
	Shar e capit al	Other equity instruments			Capi tal reser ves	Less: treas ury stock	Othe r com preh ensiv e inco me	Spec ial reser ves	Surp lus reser ves	Gene ral risk reser ve	Undi strib uted profi t	Othe rs	Subt otal		
		Prefe rred share s	Perp etual bond s	Othe rs											
I. Bala nce at the end of the perio d of the previ ous year:	1,778,874,835.00				18,191,023,725.17	404,574,459.45	209,751,958.34	2,809,129.24	188,051,476.38		3,546,316,521.53		23,512,253,186.21	985,521,022.44	24,497,774,208.65
Inclu ding: chan ges in acco untin g polic ies															
Corr ectio n of error s from previ ous perio ds															
Othe rs															
II. Begi ning	1,778,874,835				18,191,023.7	404,574,459.	209,751,958.	2,809,129.24	188,051,476.		3,546,316,521.53		23,512,253,186.21	985,521,022.	24,497,774.2

balance of the current year	5.00				25.17	45	34		38		1.53		86.21	44	08.65
III. Changes for the Current Year (decrease is indicated with "-")	6,311,997.00				845,704,949.27	-62,876,094.72	-297,156,759.48	-1,537,977.28	11,703,196.00		926,685,310.73		1,554,586,810.96	243,520,016.24	1,798,106,827.20
(I) Total comprehensive income							-297,495,100.51				938,726,847.76		641,231,747.25	13,512,860.05	654,744,607.30
(II) Capital injection and reduction by owners	6,311,997.00				845,704,949.27	-62,876,094.72							914,893,040.99	272,918,925.58	1,187,811,966.57
1. Common stock invested by owners	6,311,997.00				101,801,696.61								108,113,693.61	247,227,535.00	355,341,228.61
2. Capital invested by holders of other equity instruments															

3. Amo unt of share - base d pay ment s reco rde d into the own ers' equit y					593, 012, 326. 17								593, 012, 326. 17		593, 012, 326. 17
4. Othe rs					150, 890, 926. 49	- 62,8 76,0 94.7 2							213, 767, 021. 21	25,6 91,3 90.5 8	239, 458, 411. 79
(III) Profi t distri butio n									11,7 03,1 96.0 0		- 11,7 03,1 96.0 0			- 42,9 11,7 69.3 9	- 42,9 11,7 69.3 9
1. Appr opria tion of surpl us reser ve									11,7 03,1 96.0 0		- 11,7 03,1 96.0 0				
2. Appr opria tion of the gene ral risk reser ve															
3. Distr ibuti on to own ers (or share hold ers)														- 42,9 11,7 69.3 9	- 42,9 11,7 69.3 9
4. Othe rs															

(IV) Inter nal carry over of own ers' equit y							338, 341. 03				- 338, 341. 03				
1. Con versi on of capit al reser ves to incre ased capit al (or capit al stock )															
2. Con versi on of surpl us reser ves to incre ased capit al (or capit al stock )															
3. Reco very of losse s by surpl us reser ves															
4. Amo unt of chan ges in the defin ed bene															

fit plan carri ed over to the retai ned earn ings															
5. Othe r com preh ensiv e inco me carri ed over to retai ned earn ings															
6. Othe rs							338, 341. 03				- 338, 341. 03				
(V) Spec ial reser ve								- 1,53 7,97 7.28					- 1,53 7,97 7.28		- 1,53 7,97 7.28
1. With draw al in this perio d								4,53 8,98 2.40					4,53 8,98 2.40		4,53 8,98 2.40
2. Utili zatio n in the curre nt perio d								- 6,07 6,95 9.68					- 6,07 6,95 9.68		- 6,07 6,95 9.68
(VI) Othe rs															
IV. Bala nce at the end of the	1,78 5,18 6,83 2.00				19,0 36,7 28,6 74.4 4	341, 698, 364. 73	- 87,4 04,8 01.1 4	1,27 1,15 1.96	199, 754, 672. 38		4,47 3,00 1,83 2.26		25,0 66,8 39,9 97.1 7	1,22 9,04 1,03 8.68	26,2 95,8 81,0 35.8 5



current period															
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Amount in the previous period

Monetary Unit: RMB

Item	2022														
	Equity attributable to owners of the parent company													Min ority equit y	Total own ers' equit y
	Shar e capit al	Other equity instruments			Capit al reser ves	Less: treas ury stock	Othe r com preh ensiv e income	Spec ial reser ves	Surp lus reser ves	Gene ral risk reser ve	Undi strib uted profit	Othe rs	Subt otal		
		Prefe rred shares	Perp etual bonds	Othe rs											
I. Bala nce at the end of the perio d of the previ ous year:	1,66 4,70 7,83 5.00				13,1 94,3 67,0 10.8 0	139, 123, 513. 00	495, 912, 480. 89		178, 338, 303. 05		3,38 3,40 4,67 4.54		18,7 77,6 06,7 91.2 8	596, 677, 727. 66	19,3 74,2 84,5 18.9 4
I nclu ding: chan ges in acco untin g polic ies															
orre cti on of error s from previ ous perio ds															
thers															
II. Begi ning bala nce of the	1,66 4,70 7,83 5.00				13,1 94,3 67,0 10.8 0	139, 123, 513. 00	495, 912, 480. 89		178, 338, 303. 05		3,38 3,40 4,67 4.54		18,7 77,6 06,7 91.2 8	596, 677, 727. 66	19,3 74,2 84,5 18.9 4

current year															
III. Changes for the Current Year (decrease is indicated with "-")	114,167,000.00				4,996,656,714.37	265,450,946.45	-286,160,522.55	2,809,129.24	9,713,173.33		162,911,846.99		4,734,646,394.93	388,843,294.78	5,123,489,689.71
(I) Total comprehensive income							-258,641,257.87				311,576,431.81		52,935,173.94	53,731,260.58	106,666,434.52
(II) Capital injection and reduction by owners	114,167,000.00				4,988,907,860.57	257,702,092.65		2,779,426.82					4,848,152,194.74	335,112,034.20	5,183,264,228.94
1. Common stock invested by owners	114,167,000.00				4,435,034,292.97								4,549,201,292.97	262,000,000.00	4,811,201,292.97
2. Capital Invested by Holders of Other Equity Instruments															
3. Amo					569,827,								569,827,		569,827,

unt of share - base d pay ment s recor ded into the own ers' equit y					920. 95								920. 95		920. 95
4. Othe rs					- 15,9 54,3 53.3 5	257, 702, 092. 65		2,77 9,42 6.82					- 270, 877, 019. 18	73,1 12,0 34.2 0	- 197, 764, 984. 98
(III) Profi t distri butio n								9,71 3,17 3.33			- 176, 183, 849. 50		- 166, 470, 676. 17		- 166, 470, 676. 17
1. Appr opria tion of surpl us reser ve								9,71 3,17 3.33			- 9,71 3,17 3.33				
2. Appr opria tion of the gene ral risk reser ve															
3. Distr ibuti on to own ers (or share hold ers)											- 166, 470, 676. 17		- 166, 470, 676. 17		- 166, 470, 676. 17
4. Othe rs															
(IV) Inter nal					7,74 8,85	7,74 8,85	- 27,5				27,5 19,2				

carry over of owners' equity					3.80	3.80	19,264.68				64.68				
1. Conversion of capital reserves to increased capital (or capital stock)															
2. Conversion of surplus reserves to increased capital (or capital stock)															
3. Recovery of losses by surplus reserves															
4. Amount of changes in the defined benefit plan															

ed over to the retained earnings															
5. Other comprehensive income carried over to retained earnings															
6. Others					7,748,853.80	7,748,853.80	-27,519,264.68				27,519,264.68				
(V) Special reserve								29,702.42					29,702.42		29,702.42
1. Withdrawal in this period								2,688,191.69					2,688,191.69		2,688,191.69
2. Utilization in the current period								-2,658,489.27					-2,658,489.27		-2,658,489.27
(VI) Others															
IV. Balance at the end of the current	1,778,874,835.00				18,191,023,725.17	404,574,459.45	209,751,958.34	2,809,129.24	188,051,476.38		3,546,316,521.53		23,512,253,186.21	985,521,022.44	24,497,774,208.65

period															
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## 8. Statement of changes in owners' equity of the parent company

Amount of this period

Monetary Unit: RMB

Item	2023											
	Share capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Others	Total owners' equity
		Preferr ed shares	Perpet ual bonds	Others								
I. Balance at the end of the period of the previous year:	1,778,874,835.00	0.00	0.00	0.00	20,018,624,007.18	345,574,459.45	0.00		94,938,299.66	95,235,470.39		21,642,098,152.78
In cludin g:chan ges in account ing policie s												
orrecti on of errors from previo us period s												
thers												
II. Beginni ng balanc e of the current year	1,778,874,835.00	0.00	0.00	0.00	20,018,624,007.18	345,574,459.45	0.00		94,938,299.66	95,235,470.39		21,642,098,152.78
III. Chang es for the Curren t Year (decre ase is indicat	6,311,997.00	0.00	0.00	0.00	1,343,950,104.77	- 62,876,094.72	- 4,304,690.71		11,703,196.00	105,328,764.02		1,525,865,465.80

ed with “-”)												
(I) Total comprehensive income							- 4,304,690.71			117,031,960.02		112,727,269.31
(II) Capital injection and reduction by owners	6,311,997.00				1,343,950,104.77	- 62,876,094.72			0.00	0.00		1,413,138,196.49
1. Common stock invested by owners	6,311,997.00				101,801,696.61							108,113,693.61
2. Capital Invested by Holders of Other Equity Instruments												
3. Amount of share-based payments recorded into the owners' equity					1,173,571,770.20							1,173,571,770.20
4. Others					68,576,637.95	- 62,876,094.72						131,452,732.67
(III) Profit distribution									11,703,196.00	- 11,703,196.00		
1. Appropriation of surplus reserve									11,703,196.00	- 11,703,196.00		
2. Distrib												

ution to owners (or shareh olders)												
3. Others												
(IV) Interna l carryo ver of owners , equity												
1. Conve rsion of capital reserve s to increas ed capital (or capital stock)												
2. Conve rsion of surplus reserve s to increas ed capital (or capital stock)												
3. Recov ery of losses by surplus reserve s												
4. Amou nt of change s in the define d benefit plan carried over to the retaine d												



earnings												
5. Other comprehensive income carried over to retained earnings												
6. Others												
(V) Special reserve												
1. Withdrawal in this period												
2. Utilization in the current period												
(VI) Others												
IV. Balance at the end of the current period	1,785,186,832.00	0.00	0.00	0.00	21,362,574,111.95	282,698,364.73	-4,304,690.71		106,641,495.66	200,564,234.41		23,167,963,618.58

Amount in the previous period

Monetary Unit: RMB

Item	2022											
	Share capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
I. Balance at the end of the period of the previous 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

In cludin g:chan ges in accoun ting policie s												
orrecti on of errors from previo us period s												
thers												
II. Begini ng balanc e of the current year	1,664, 707,83 5.00				15,530 ,081,9 61.02	80,123 ,513.0 0			85,225 ,126.3 3	174,28 7,586. 60		17,374 ,178,9 95.95
III. Chang es for the Curren t Year (decre ase is indicat ed with “- ”)	114,16 7,000. 00				4,488, 542,04 6.16	265,45 0,946. 45			9,713, 173.33	- 79,052 ,116.2 1		4,267, 919,15 6.83
(I) Total compr ehensi ve incom e										97,131 ,733.2 9		97,131 ,733.2 9
(II) Capital injecti on and reducti on by owners	114,16 7,000. 00				4,480, 793,19 2.36	257,70 2,092. 65						4,337, 258,09 9.71
1. Comm on stock investe d by owners	114,16 7,000. 00				4,435, 034,29 2.97							4,549, 201,29 2.97
2. Capital Investe												

d by Holder s of Other Equity Instru ments												
3. Amou nt of share- based payme nts record ed into the owners , equity					45,319 ,315.0 0							45,319 ,315.0 0
4. Others					439,58 4.39	257,70 2,092. 65						- 257,26 2,508. 26
(III) Profit distrib ution									9,713, 173.33	- 176,18 3,849. 50		- 166,47 0,676. 17
1. Appro priatio n of surplus reserve									9,713, 173.33	- 9,713, 173.33		
2. Distrib ution to owners (or shareh olders)										- 166,47 0,676. 17		- 166,47 0,676. 17
3. Others												
(IV) Intern al carryo ver of owners , equity					7,748, 853.80	7,748, 853.80						
1. Conve rsion of capital reserve s to increas ed capital (or												

capital stock)												
2. Conversion of surplus reserves to increased capital (or capital stock)												
3. Recovery of losses by surplus reserves												
4. Amount of changes in the defined benefit plan carried over to the retained earnings												
5. Other comprehensive income carried over to retained earnings												
6. Others					7,748,853.80	7,748,853.80						
(V) Special reserve												
1. Withdrawal in this period												
2.												

Utilization in the current period												
(VI) Others												
IV. Balance at the end of the current period	1,778,874,835.00				20,018,624,007.18	345,574,459.45			94,938,299.66	95,235,470.39		21,642,098,152.78

### III. Company profile

Gotion High-tech Co., Ltd. (formerly known as Jiangsu Dongyuan Electrical Group Co., Ltd., hereinafter referred to as “the Company” or “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 Electrical Group Co., Ltd.* (Su Zheng Fu [1998] No. 30). After the changes, it will be RMB 1,136,650,819 as of December 31, 2018.

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 canceled 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), 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 18,500,000 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 1,359,844,824.85), 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.* (Securities Regulatory License [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 6,846,691,739.62 is included in the capital reserve (capital premium). After the change, the Company's shares were changed to 1,664,707,835 shares, and the registered capital was changed to RMB 1,664,707,835.

According to the resolution of the 17th meeting of the 8th Board of Directors of the Company held on May 5, 2022, the resolution of the annual general meeting of 2021 held on May 23, 2022, and the approval of the *Reply of the China Securities Regulatory Commission regarding the Approval of the Initial Public Offering of Global Depositary Receipts and Listing on the Swiss Stock Exchange by Gotion High-tech Co., Ltd.* (Securities Regulatory License [2022] No.1610), the Company was approved to issue a certain number of Global Depositary Receipts ("GDRs") to foreign investors. On July 28, 2022, Zurich time, the Company successfully issued 22,833,400 GDRs (with an issue price of USD 30.00 per GDR, each GDR representing 5 A shares of the Company, corresponding to 114,167,700,000 A shares) and listed them on the SIX Swiss Exchange. A total of USD 685.002 million (equivalent to RMB4,619,447,987.4) was raised in this GDR issuance, of which RMB 114.1670 million was included in the share capital and the remaining amount was included in the capital reserve (capital surplus) after deduction of the issuance expenses. After this change, the Company's share capital was changed to 1,778,874,835 shares and the registered capital shall be changed to RMB1,778,874,835.

On August 28, 2023, the 3rd meeting of the ninth Board of Directors and the 3rd meeting of the ninth Board of Supervisors of the Company respectively deliberated and approved the *Proposal on the Achievement of the Exercise Conditions for the First Exercise Period of the Stock Options First Granted under the 2022 Stock Option Incentive Plan*. The Board of Directors believed that the exercise conditions for the first exercise period of the stock options first granted under the 2022 stock option incentive plan had been achieved, and 1,571 incentive objects met the exercise conditions. The number of exercisable stock options was 17.396 million, and the exercise price was RMB 18.67 per share. As of December 31, 2023, the said persons have exercised 6,311,997 shares in total and completed the registration of ownership and put the shares for circulation in the market. The registered capital of the Company has been changed to RMB 1,785,186,832.

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

The main business scope of the Company and its subsidiaries is the research, production and sales for power batteries system, energy storage batteries system and the battery materials, and the sales for transmission and distribution equipment.

## IV. Basis for preparing the financial statement

### 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. Significant accounting polices and accounting estimates

Remark to the detailed accounting policies and accounting estimates:

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.

### 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. Method for determining "major" and selection criteria

☒Applicable ☐Not applicable

Item	Criteria of determining "major"
Major non-wholly-owned subsidiaries	Non-wholly-owned subsidiaries whose total assets account for more than 10% of the total assets of the Company at the end of the consolidation period, or total profits account for more than

	10% of the total consolidated profits of the Company
Major joint ventures or associates	Joint ventures or associates the book value of whose long-term equity investments accounts for more than 5% of the Company's net assets at the end of the consolidation period, or whose investment income under the equity method accounts for more than 10% of the Company's consolidated net profit
Major construction in progress	Any construction in progress the investment amount in which is more than 1% of the total assets of the Company at the end of the consolidation period
Major accounts receivable	The amount of write-offs of individual receivables and the amount of recovery or reversal of bad debt provision for individual receivables is more than 5% of the Company's total receivables at the end of the consolidated period
Major prepayments aging over 1 year	The amount of an individual prepayment is greater than 0.5% of the Company's total assets at the end of the consolidated period.
Major other receivables aging over 1 year	The amount of an individual item is greater than 0.5% of the Company's total assets at the end of the consolidated period.
Major accounts payable aging over 1 year	The amount of an individual item is greater than 0.5% of the Company's total liabilities at the end of the consolidated period.
Major other payables aging over 1 year	The amount of an individual item is greater than 0.5% of the Company's total liabilities at the end of the consolidated period.

## 6. 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 the business combination under common control at the book value of the assets and liabilities of the consolidated 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 consolidated 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 combined cost shall be determined in the following ways:

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

(2) For a business combination achieved step by step through multiple transactions, the combined 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 combined 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 a business combination, if their future economic benefits possibly flow into the Company and their fair value can be reliably measured, such assets shall be separately recognized and measured at fair value.

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

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

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

(5) When the Company allocates the combined 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 combined 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 combined 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 combined 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 combined cost shall be re-examined;

② After re-examination, if the combined 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.

## **7. Criteria for judging control and methods for preparing consolidated financial statements**

### **(I) Criteria for judging control**

The consolidation scope of the consolidated financial statements is determined on the basis of control. Control means that the investor has the power over the investee and enjoys the variable return through participating in activities related to the investee, and has the ability to affect its return by using the power over the investee. Once the change in relevant facts and circumstances leads to a change in relevant elements involved in the control, a reassessment will be conducted.

### **(II) Basis for preparing the 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.

## 2. 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.

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

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

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

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

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

During the reporting period, if the Company 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 of 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.

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

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

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 the 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.

## **9. 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.

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

### (I) Method for accounting foreign currency transactions

#### 1. Initial recognition of foreign currency transactions

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

① For foreign currency non-monetary items measured at historical cost, the Company shall still translate 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 the functional currency according to the ending exchange rate, and then compares it with the inventory cost reflected in functional currency when determining the ending value of the inventory.

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

## 11. 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 derecognized, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income and included in the 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 derecognized, 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 derecognized, 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 the 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 derecognition 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 derecognition 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 derecognized; 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 derecognized, 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 derecognition 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 derecognition; 2) the sum of the consideration for the financial asset transferred and the amount of the derecognized 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 derecognition 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) Derecognition of financial liabilities**

When the current obligation of a financial liability (or part thereof) has been relieved, the Company shall derecognize 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 make settlement with net amounts, or to cash the financial assets and settle the financial liability simultaneously.

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

## **(VI) Equity instruments**

Equity instruments refer to contracts that can prove the ownership of the remaining equity of the Company's assets after the deduction of all liabilities. The Company 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 transactions shall be deducted from the value of equity. The Company shall treat the distribution to holders of equity instruments as profit distribution, and the stock dividends 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 an external credit rating above “investment grade”), the Company shall assume that its credit risk has not increased significantly since the initial recognition, and measure the provision for loss according to the expected credit losses in the next 12 months.

### (2) Simplified treatment method

For accounts receivable, contract assets, lease receivable 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.

For accounts receivable or contract assets that contain significant financing components, and lease receivable specified in the *Enterprise Accounting Standard No. 21- Leases*, provision for losses shall always be made at an amount equivalent to the expected credit loss during the entire term.

### 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 receivable 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 a portfolio, the Company shall calculate expected credit losses by the exposure at default and the expected credit loss rate for the entire duration by reference to the historical credit loss experience and in combination with the current situation and the forecast of future economic conditions.
Account receivable portfolio 1 (Credit risk portfolio such as accounts receivable) Account receivable portfolio 2 (receivable from related parties within the consolidation scope)	For the accounts receivable classified into portfolio 1 and portfolio 2, the Company shall calculate expected credit losses by preparing a comparison table of the aging of accounts receivable and the expected credit loss rate for the entire duration by reference to the historical credit loss experience and in combination with the current situation and the forecast of future economic conditions.
Other receivable portfolio 1 (Portfolios of credit risks such as deposit receivable, margin, advances, current account, etc.) Other receivable portfolio 2 (receivable from related parties within the consolidation scope and current accounts with government departments due to export tax rebate, sales, etc.)	For the other receivable classified into portfolio 1 and portfolio 2, the Company calculates expected credit losses by the exposure at default and the expected credit loss rate within the next 12 months or for the entire duration by reference to the historical credit loss experience and in combination with the current situation and the forecast of future economic conditions.

The Company shall include the loss 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.

The Company does not provide for bad debts for the portfolio of related parties within the scope of consolidation, and a comparison of the expected credit loss rates for the entire duration of the accounts receivable portfolio 1 is shown below:

Age	Expected credit loss ratio on accounts receivable (%)
not overdue	5.00
Overdue for less than 1 year	10.00
Overdue for 1-2 years	30.00
Overdue for 2-3 years	50.00
Overdue for 3-4 years	80.00
Overdue for more than 4 years	100.00

## 12. Notes receivable

See “11. Financial instruments” for details.

**13. Accounts receivable**

See “11. Financial instruments” for details.

**14. Financing funds receivable**

See “11. Financial instruments” for details.

**15. Other receivable**

See “11. Financial instruments” for details.

**16. Contract assets**

Contract assets refer to the right of the Company to receive consideration for the goods it has transferred to its customers, and such right depends on factors other than the passage of time. The contract assets of the Company mainly include completed and unsettled assets and a 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 “(VIII) Impairment of Financial Assets” of Note 11.

**17. Inventories****(I) Classification of inventories**

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

**(II) Method for measuring inventories dispatched**

Inventories sent out are accounted for by weighted average method.

**(III) Criteria for determining and method for making provision for inventory depreciation**

Inventories are valued at the lower of their costs or net realizable values on the balance sheet date. If the net realizable value of an inventory is less than its cost, provision for inventory depreciation will be made.

(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) Provision made on an individual basis

The Company makes provision for inventory depreciation at the difference of cost of the individual inventory higher than its net realizable value.

### (2) Provision made by inventory categories

Provision for impairment losses of inventory is made by category for raw materials, revolving materials, goods in progress with large quantity and low unit price. For inventories for which provision for impairment losses of inventory is made by category, the Company determines the amount of impairment losses of inventory by taking into account factors such as the storage status and age of the inventories, their utilization in production and operation, their availability and estimated selling price.

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

## (IV) Inventory system

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

## (V) Method for amortizing revolving materials

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

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

### 2. Method for amortizing packaging materials

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

## 18. Assets held for sale

### (I) Assets held for sale

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

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

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

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

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

(1) According to the general practice for selling such kind of asset or disposed asset portfolio in a similar transaction, the asset or portfolio can be immediately sold in the 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 a 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 control over a subsidiary due to the sale of its investment in the subsidiary or other reasons, whether the Company retains part of equity investments after the sale, when the investment in the subsidiary to be sold satisfies the conditions for classifying as the assets held for sale, the investment in the subsidiary will be wholly divided into the category of the assets held for sale in individual financial statements of the parent company, and all assets and liabilities of the subsidiary will be classified into the category of assets and liabilities held for sale in the consolidated financial statements.

## (II) Discontinued operation

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

1. the component represents a separate major line of business or geographical area of operations;

2. the component is a part of the plan for 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 investment

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

1. For the long-term equity investments formed by business combination, their initial investment costs shall be determined following the accounting treatment method of business combination under common control and that not under common control under (VI) of Note 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 the issuance of equity securities (equity instruments), their initial investment cost shall be the fair value of the issued equity securities (equity instruments). If there is conclusive evidence that the fair value of a long-term equity investment obtained is more reliable than that of the equity security (equity instrument) issued, the initial investment cost shall be determined based on the fair value of the long-term equity investment invested by the investor. The expenses directly related to the issuance of equity securities (equity instruments), including handling charges and commissions, shall be offset by the issuance premium. If the premium is insufficient to offset, the surplus reserve and undistributed profit shall be offset in turn. The long-term equity investments obtained through the issuance of debt securities (debt instruments) shall be treated as if through the issuance of equity securities (equity instruments).

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

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

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

No matter how the Company obtains a long-term equity investment, the cash dividends or profits declared but not distributed included in the 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 the fair value of identifiable net assets of the investee while acquiring the investment, the Company should confirm such share after adjusting the investee's net book profit. However, if the Company is unable to reasonably determine the fair value of the investee's identifiable assets at the time of obtaining the investment, or the difference between the fair value of the investee's identifiable assets at the time of investment and its book value is small, or the relevant information of the investee cannot be obtained due to other reasons, the Company shall directly calculate and recognize the investment profit and loss on the basis of the net book profit and loss of the investee. The Company shall, in the light of the cash dividends or profits that the investee declares to distribute, calculate the part it should share and reduce the book value of the long-term equity investment correspondingly. For other changes in owner's equity of the investee excluding net losses or profits, other comprehensive income, or profit distribution, the Company shall adjust the book value of the long-term equity investment and include it in owner's equity.

When the Company recognizes the investment income generated from the investment in joint ventures and associates, the gain and loss of internal transactions that are not realized arising among the Company, the associates, and joint ventures shall be offset at the part attributable to the Company and the investment income shall be recognized on that basis. Where the losses from internal transactions between the Company and the investee fall into the scope of assets impairment loss, the full amount of such losses shall be recognized. The Company shall also offset the unrealized internal transaction profits and losses between the subsidiaries



included in the consolidation scope and their associates and joint ventures according to the above principles, and recognize the investment profits and losses on this basis.

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

### **(III) Basis for determining whether there is a common control or significant influence over the investee**

#### **1. Basis for determining whether 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 operations rather than joint ventures.

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

Significant influence refers to the power to participate in making decisions on the financial and operating policies of the investee, but not the power to control, or jointly control, 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 is 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 a 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 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 Year	5%	2.71-9.50%
Machinery equipment	Straight-line method	8-15 Year	5%	6.33-11.88%
Transportation equipment	Straight-line method	5-8 Year	5%	11.88-19.00%
Electronic equipment and others	Straight-line method	3-8 Year	5%	11.88-31.67%

1. 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.

2. 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 a change of accounting estimates

## 22. Construction in progress

#### (I) Classification of construction in progress

Construction in progress is measured on an individual basis.

#### (II) Criteria and timing for conversion of construction in progress into fixed assets

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

capitalization conditions incurred before the project funded by borrowed money reaches the working conditions for its intended use shall be capitalized and included in the cost of construction in progress.

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

#### **(IV) Determination of the capitalized amount of borrowing costs**

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

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

(1) As for special borrowings for the acquisition and construction or production of assets eligible for capitalization, the capitalized amount of interests shall be determined 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 a discount or premium, the to-be-amortized discount or premium in each accounting period shall be recognized by the effective interest rate method, and the interest for each period shall be adjusted.

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. Intangible assets

### (1) Useful life and its determination basis, estimated situation, amortization method or review procedure

#### (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 of an intangible asset is delayed beyond the normal credit conditions and it is of the financing nature, the cost of the intangible asset shall be determined on the basis of the present value of the purchase price. The difference between the actual price and the present value of the purchase price shall be included in the current profit and loss within the credit period, except for those that should be capitalized.

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

2. 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 expenses, the research and development expenses 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.

##### 1. 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	Annual amortization rate (%)
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		ratio (%)	
Land use rights	50		2.00
Non-patented technology	10		10.00
Computer software	2-10		10.00-50.00
Mining rights	Expected exploitable life		
Patent right	5-10		10.00-20.00

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.

## (2) Scope of R&D expenditures and related accounting treatment

(I) Specific criteria for classifying the research phase and the development phase of internal R&D projects of the Company

### 1. Scope of R&D expenditures

They usually include R&D personnel salary expenses, direct input expenses, depreciation expenses and long-term deferred expenses, design expenses, equipment debugging expenses, intangible asset amortization expenses, commissioned external R&D expenses, other expenses, etc., including expensed R&D expenses and capitalized development expenses.

### 2. Specific criteria for classifying research phase and development phase

Based on its business model and characteristics of its R&D projects, the Company classifies R&D projects into those in research phase and those in 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. Expenditures incurred during the research phase of internal R&D projects will be written off to current profit or loss.

## (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.

3. Expenditure in the development phase meets the specific conditions for capitalization and time point recognized

Expenditures in the development phase of internal R&D projects shall be capitalized only when the following conditions are met simultaneously: It is feasible technically to finish intangible assets for use or sale; It is intended to finish and use or sell the intangible asset; 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; 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 The expenditure attributable to the development phase of the intangible asset can be reliably measured. After the Company's R&D projects meet the above conditions and have passed the technical feasibility and economic feasibility analysis (generally Sample B trial production and validation are in compliance with the set requirements, and have sufficient technical and financial support), the research and development enters the development stage.

Expenditures in the development stage that have been capitalized are listed as development expenditure on the balance sheet and are transferred to intangible assets from the date when the project achieves its intended use.

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

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

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

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

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

## **27. 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 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.

## **28. Employee compensation**

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

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

Short-term compensation specifically includes employee wages, bonuses, allowances and subsidies, cost of employee benefits, cost of social insurance such as medical insurance, work-related injury insurance and maternity insurance, housing 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**

Post-employment benefits - defined contribution plan. 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 dismissal 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.

## **29. 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) For the contingencies involving a single item, it will be determined according to the amount most likely to occur.

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

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

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

### **(I) Accounting treatment on the grant date**

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

### **(II) Accounting treatment on each balance sheet date during the waiting period**

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

For share-based payments with market conditions, as long as the employee meets all other non-market conditions, the services that have been obtained shall be recognized. If the performance conditions are non-market conditions, and after the 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**

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.

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 stock 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.

## 31. Income

Disclosure of accounting policies adopted for recognizing and measuring income by business type

### (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 canceled, renewed or changed.

### (II) Specific policies on the recognition of income

#### 1. Sales of goods

A. Domestic sales: The control right 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 are 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

## 32. 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.

### **35. Government subsidies**

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

Government subsidies refer to monetary or non-monetary assets received by the Company from the government free of charge, including 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:

The Company can meet the conditions attached to the government subsidies;

2. The Company can receive 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 write 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 stages by a reasonable and systematic method within the useful life of the relevant asset. Government subsidies measured at a nominal amount are directly included in the current profit or loss.

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.

#### 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.

#### 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 affects 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 leases as a lessee**

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

**(I) Accounting treatment of right-of-use assets**

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

**1. Initial measurement**

The Company initially measures right-of-use assets at cost on the commencement date of the lease term. Such cost includes: 1) the initial measurement amount of lease liabilities; 2) in case of lease incentive in the lease payment paid on or before the commencement date of lease term, relevant amount of the lease incentive that has been enjoyed shall be deducted; 3) the initial direct expenses incurred, i.e., the incremental costs incurred in reaching the lease; 4) 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, except for those incurred for the production of inventory.

**2. Subsequent measurement**

After the commencement date of lease term, the Company adopts a cost model to measure the right-of-use assets, i.e., a method to measure the right-of-use assets at cost minus accumulated depreciation and accumulated impairment losses. If the Company re-measures lease liabilities in accordance with relevant leasing standards, the book value of the right-of-use assets will be adjusted accordingly.

The Company will depreciate the right-of-use assets from the commencement date of lease term. The right-of-use assets shall be depreciated as of the month following the lease term. The depreciation amount provisioned will be included in the cost of the asset or in the current profit and loss based on the purpose of the right-of-use asset. The Company adopts the straight-line method to depreciate the right-of-use assets based on the expected consumption of economic benefits related to the right-of-use assets. If a right-of-use asset is impaired, the Company will carry out subsequent depreciation based on the book value of the right-of-use asset after deducting impairment loss.

**(II) Accounting treatment of lease liabilities****1. Initial measurement**

The Company initially measures a lease liability according to the present value of the unpaid lease payment on the commencement date of the lease term.



The lease payment refers to the amount paid by the Company to the lessor related to the right to use the leased asset during the lease term, including: 1) Fixed payment and substantial fixed payment, if there is lease incentive, after deducting relevant amount of lease incentive; 2) the variable lease payment depending on the index or ratio, which is determined at the initial measurement based on the index or ratio on the commencement date of the lease term; 3) The Company reasonably determines the exercise price of the call option when exercising it; 4) where the lease term reflects that the Company will exercise the option to terminate the lease, the lease payment includes the amount to be paid for exercising the option to terminate the lease; 5) the expected payment according to the residual value of the guarantee provided by the Company.

When calculating the present value of lease payments, the Company uses the implicit interest rate of the lease as the discount rate. If the implicit interest rate cannot be determined, the Company uses the incremental loan interest rate as the discount rate. The incremental loan interest rate refers to the interest rate that the Company must pay for borrowing funds under similar collateral conditions during a similar period in order to obtain assets with similar value to the right-of-use assets in a similar economic environment. The Company obtains the incremental loan interest rate after making adjustment to the bank loan interest rate after taking into account relevant factors.

## 2. Subsequent measurement

After the commencement date of the lease term, the Company will measure the lease liabilities in accordance with the following principles: 1) increase the carrying amount of a lease liability when confirming the interest on the lease liability; 2) reduce the carrying amount of a lease liability when paying lease payments; ③ re-measure the carrying amount of a lease liability when the lease payment amount changes due to re-valuation or lease changes.

If the following situations occur after the commencement date of the lease term, the Company will re-measure the book value of the lease liability concerned based on the present value of the changed lease payment and adjust the book value of the right-of-use asset accordingly. If the book value of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, the remaining amount will be included in the current profit or loss.

1) The substantial fixed payment has changed;

2) The expected payable amount of the guarantee residual value has changed;

3) The index or ratio used to determine lease payments has changed;

④ The evaluation results or actual exercise of the call option, renewal option, or termination option have changed.

5) The interest expenses for each period during the lease term are recognized in the current profit or loss, except for those that should be capitalized.

## (III) Judgment basis and accounting treatment of short-term leases and low-value asset leases

A "short-term lease" refers to a lease with a lease term of no more than 12 months. Leases that include call options are not considered short-term leases.

A "low-value asset lease" is a lease the value of which is low when it was a brand-new asset. Where the Company sub-leases or anticipates sub-leasing a leased asset, the original lease is not recognized as a low-value asset lease.

The Company adopts a simplified treatment method for short-term leases and low-value asset leases, and uses the straight-line method or other systematic and reasonable methods to record the lease payments of short-term leases and low-value asset leases in the asset costs or current profit or loss for each period of the lease term, and will not recognize right-of-use assets and lease liabilities.

## **(2) Accounting treatment of leases as a lessor**

### **(I) Classification criteria and accounting treatment of leases as a lessor**

#### **1. Classification criteria for leases**

As the lessor, the Company classifies the leases into financing lease and operating lease on the commencement date of the lease term.

A lease under which almost all the risks and rewards relevant to the ownership of the asset are materially transferred is recognized as a financing lease. Its ownership may or may not be transferred in the end.

Operating leases refer to the leases other than financing leases.

#### **2. Accounting treatment method**

##### **(1) 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 a fixed periodical interest rate during each period of the lease term. Variable lease payment acquired by the Company which is not included in net investment 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 that satisfy the following conditions, the Company shall treat such change as a separate lease: 1) the change results in the expansion of the lease scope through the increase of the right to use one or more leased assets; 2) the increased consideration is equivalent to the price corresponding to the expanded part of the lease as adjusted according to the relevant provisions.

##### **(2) Operating lease**

The assets held by the Company for operating leases are included in 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 receivable relating to the lease before such change shall be deemed as receipts relating to the new lease.

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

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

The shares repurchased by the Company will be managed as treasury stock before cancellation or transfer, and all expenses incurred in the repurchase will be transferred to the cost of treasury stock. For the consideration and transaction costs paid in share repurchases, the corresponding amount is deducted from owner's equity, and no gains or losses will be recognized when repurchasing, transferring or canceling the Company's shares.

When treasury stock is transferred, the difference between the actual amount received and the book value of the treasury stock shall be included in the capital reserve. If the capital reserve is insufficient to offset, the surplus reserve and undistributed profits shall be offset. When treasury stock is canceled, share capital will be reduced based on the face value and the number of the canceled stock, capital reserves will be written off based on the difference between the book balance and face value of the canceled treasury stock. If the capital reserve is insufficient to offset, the surplus reserve and undistributed profits shall be offset.

### **37. Changes in significant accounting policies and accounting estimates**

#### **(1) Changes in significant accounting policies**

☐ Applicable ☒ Not applicable

#### **(2) Changes in significant accounting estimates**

☐ Applicable ☒ Not applicable

#### **(3) Adjustments for relevant items of the financial statements in the year 2023 when the new accounting standards were firstly implemented**

☐ Applicable ☒ Not applicable

## 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 taxes	Residual value of the property or rental income	1.2%、12%

Information about taxpayers applying different enterprise income tax rates:

Name of taxpayer	Income tax rate
Gotion High-Tech Co., Ltd.	25%
Jiangsu Dongyuan Electrical Group Co., Ltd.	15%
Nantong Aston Electric 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%
Gotion New Energy (Lujiang) Co., Ltd.	25%
Hefei Gotion Kehong New Energy Technology Co., Ltd.	25%
Hefei Gotion Precision Coating Material Co., Ltd.	25%
Hefei Jiachi Technology Co., Ltd.	25%
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%
Hefei Gotion Battery Co., Ltd.	15%
Liuzhou Gotion Battery Co., Ltd.	15%
Tongcheng Gotion New Energy Co., Ltd.	15%
Jiangsu Gotion New Energy Technology Co., Ltd.	25%
Feidong Gotion New Material Co., Ltd.	25%
Hefei Gotion Cycle Technology Co., Ltd.	15%
Hefei Gotion New Material Technology Co., Ltd.	25%
Inner Mongolia Gotion Zero Carbon Technology Co., Ltd.	25%
Beijing Xuanyi New Energy Co., Ltd.	25%
Hefei Gotion Battery Technology Co., Ltd.	25%
Hefei Gotion Battery Technology Co., Ltd.	25%
Tianjin CHTC New Energy Automobile Research Institute Co., Ltd.	15%
Tianjin Gotion New Energy Technology Co., Ltd.	15%
Hefei Xuanyi Equity Investment Co., Ltd.	25%
Nanjing Gotion Battery Research Institute Co., Ltd.	Not officially open for business
Jiangxi Gotion New Energy Technology Co., Ltd.	25%
Yichun Gotion Battery Co., Ltd.	15%
Yichun Gotion Lithium Co., Ltd.	25%
Fengxin Gotion Lithium Co., Ltd.	25%

Yifeng Gotion Lithium Co., Ltd.	25%
Jiangxi Weihong Lithium Co., Ltd.	25%
Yichun Kefeng New Material Co., Ltd.	25%
Jiangxi Hzone Lithium Industry Technology Co., Ltd.	25%
Jiangxi Lixing Technology Collaborative Innovation Co., Ltd.	25%
Yichun Gotion Mining Co., Ltd.	25%
Yifeng County Hua Lithium Mining Development Co., Ltd.	25%
Gotion (Yichun) New Materials Co., Ltd.	25%
Hefei Gotion Runhui New Energy Technology Co., Ltd.	25%
Hefei Gotion Yuneng New Energy Technology Co., Ltd.	25%
Tangshan Xuanteng International Trade Co., Ltd.	25%
Tongcheng Gotion Battery Technology Co., Ltd.	25%
Tangshan Xuanteng Energy Storage Technology Co., Ltd.	25%
Jinzhai Gotion New Energy Co., Ltd.	25%
Chuzhou Gotion New Energy Power Co., Ltd.	25%
Hefei Zhengyi Testing Technology Co., Ltd.	25%
Shanghai Xuanmei Remote Control New Energy Co., Ltd.	25%
Weihai Gotion New Energy Technology Co., Ltd.	Not officially open for business
Yichun Guangxuan New Energy Vehicle Transportation Co., Ltd.	25%
Jiangxi Huayou Mining Co., Ltd.	25%
Beijing Xuanyi New Energy Development Co., Ltd	25%
GOTION, INC.	Subject to local laws
Gotion Japan Co., Ltd.	Subject to local laws
GOTION SINGAPORE PTE. Ltd.	Subject to local laws
Indonesia Gotion New Materials Co., Ltd.	Subject to local laws
Indonesia Gotion Green Energy Application Co., Ltd.	Subject to local laws
Gotion High-tech (HK) Limited	Subject to local laws
Gotion Germany Battery GmbH	Subject to local laws
German Gottingen GmbH	Subject to local laws
Indonesia Gotion Trading Co., Ltd.	Subject to local law
Gotion Singapore Materials Holdings Co., Ltd.	Subject to local law
Konawe Natural Energy Co., Ltd. (Indonesia)	Subject to local law
Intampere Co., Ltd. (Indonesia)	Subject to local law
Gotion New Energy (Hong Kong) Co., Ltd.	Subject to local law
Gotion Argentina Co., Ltd.	Subject to local law
333 South Spruce LLC (USA)	Subject to local law
New Energy Properties Holdings LLC (U.S.)	Subject to local law
Gotion Illinois New Energy Limited (U.S.A.)	Subject to local law
Singapore Technologies Co., Ltd.	Subject to local law
Gotion Luxembourg Technology Co., Ltd.	Subject to local law

## 2. Tax preference

Preferential income tax rates available for the report period

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

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

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

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

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

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

(7) On November 9, 2023, Qingdao Gotion Battery Co., Ltd., a subsidiary of the Company, was recognized as a high-tech enterprise and obtained a Certificate of High-tech Enterprise numbered GR202037101611 valid for three years. Since January 1, 2023, Qingdao Gotion Battery Co., Ltd. has been enjoying relevant national tax preference as a high-tech enterprise and paying the enterprise income tax at a preferential rate of 15% for three consecutive years in accordance with the Enterprise Income Tax Law of the People's Republic of China.

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

(9) On November 22, 2023, Hefei Gotion Battery Co., Ltd., a subsidiary of the Company, was recognized as a high-tech enterprise and obtained a Certificate of High-tech Enterprise numbered GR202336001163, valid for three years. Since January 1, 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.

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

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

(12) On November 18, 2021, Tianjin CHTC New Energy Automobile Research Institute Co., Ltd., a subsidiary of the Company, was recognized as a high-tech enterprise and obtained a Certificate of High-tech Enterprise numbered GR202312001762, valid for three years. Since January 1, 2023, Tianjin CHTC New Energy Automobile Research Institute 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.

(13) On November 18, 2021, Tianjin Gotion New Energy Technology Co., Ltd., a subsidiary of the Company, was recognized as a high-tech enterprise and obtained a Certificate of High-tech Enterprise numbered GR202312001999, valid for three years. Since January 1, 2023, Tianjin Gotion New Energy Technology Co., Ltd. has been enjoying relevant national tax preference as a high-tech enterprise and paying the enterprise income tax at a preferential rate of 15% for three consecutive years in accordance with the Enterprise Income Tax Law of the People's Republic of China.

(14) On November 18, 2021, Yichun Gotion Battery Co., Ltd., a subsidiary of the Company, was recognized as a high-tech enterprise and obtained a Certificate of High-tech Enterprise numbered GR202336001163, valid for three years. Since January 1, 2023, Yichun 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.

(15) On November 18, 2021, Tongcheng 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 GR202334006876, valid for three years. Since January 1, 2023, Tongcheng 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.

(16) On November 18, 2021, Hefei Gotion Cycle Technology Co., Ltd., a subsidiary of the Company, was recognized as a high-tech enterprise and obtained a Certificate of High-tech Enterprise numbered GR202334005122, valid for three years. Since January 1, 2023, Hefei Gotion Cycle Technology 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. Other tax credits and exemptions available for the reporting period

According to the document *Announcement of the Ministry of Finance and the State Administration of Taxation on the Policy of Additional Value-added Tax Credits and Deductions for Advanced Manufacturing Enterprises* (Announcement No. 43 [2023] of the Ministry of Finance and the State Administration of Taxation), advanced manufacturing enterprises are allowed to deduct the value-added tax payable at an additional 5% of the deductible input tax for the current period, and some subsidiaries of the Company may enjoy the aforesaid preferential tax policies during the reporting period, if they are in the specific list of advanced manufacturing enterprises determined by the relevant authorities.

## 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	155,682.62	312,411.62
Deposit in bank	12,485,073,288.92	12,188,582,519.17
Other cash and cash equivalents	2,027,853,011.12	1,933,476,612.87
Total	14,513,081,982.66	14,122,371,543.66
Including: total amount of overseas deposits	2,361,910,174.66	3,052,143,782.07

Other remarks:

Of which, restricted currency funds in the ending balance:

Item	Amount (RMB)	Remarks
Deposit in bank		
Loan pledge or bank's acceptance bill	1,012,510,500.00	
Judicial freezing	162,609,083.64	
Other cash and cash equivalents		
Security deposit for issuance of bank acceptance bill	1,689,413,364.42	
Security deposit for issuance of other bills and others	320,343,475.29	
Total	3,184,876,423.35	



Besides that, no monetary fund at the end of the period is restricted by mortgage, pledge or freezing or has similar potential recovery risks.

## 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	4,707,054,011.26	3,514,006,212.53
Including:		
Structural deposits	2,681,807,468.12	1,929,757,162.62
Short and medium-term wealth management products	1,145,126,435.39	1,021,288,121.44
Equity investment in listed companies	684,225,531.84	449,668,340.54
Equity of unlisted enterprises	162,931,486.76	64,730,691.96
Trust products - claims	32,374,597.55	48,561,895.97
Others	588,491.60	
Including:		
Total	4,707,054,011.26	3,514,006,212.53

Other remarks:

## 3. Notes receivable

### (1) Notes receivable presented by categories

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Commercial acceptance bill	129,078,415.05	94,321,000.00
Total	129,078,415.05	94,321,000.00

### (2) Disclosure by bad debt provision method

Monetary Unit: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Proportion	Amount	Provision made		Amount	Proportion	Amount	Provision made	
Including:										
Portfolio of commercial acceptance bill	135,872,015.85	100.00%	6,793,600.80	5.00%	129,078,415.05	117,712,000.00	100.00%	23,391,000.00	19.87%	94,321,000.00
Notes										

receivable with provision for bad debt made by portfolio										
Including:										
Portfolio of commercial acceptance bill	135,872,015.85	100.00%	6,793,600.80	5.00%	129,078,415.05	117,712,000.00	100.00%	23,391,000.00	19.87%	94,321,000.00
Total	135,872,015.85	100.00%	6,793,600.80	5.00%	129,078,415.05	117,712,000.00	100.00%	23,391,000.00	19.87%	94,321,000.00

Provision for bad debt made by portfolio: 6,793,600.80

Monetary Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debt	Provision made
Commercial Acceptances Portfolio	135,872,015.85	6,793,600.80	5.00%

Basis for determining the portfolio:

In case the provision for bad debt is made with respect to notes receivable according to the general model of expected credit loss:

☐ Applicable ☒ Not applicable

### (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

Category	Beginning balance	Amount of change in the current period				Ending balance
		Provision	Recovered or reversed	Written-off	Others	
Provision for bad debt of notes receivable	23,391,000.00	-16,597,399.20				6,793,600.80
Total	23,391,000.00	-16,597,399.20				6,793,600.80

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

☐ Applicable ☒ Not applicable

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

Monetary Unit: RMB

Item	Recognized amount terminated at the end of the period	The confirmed amount unrecognized at the end of the period
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Commercial acceptances		51,178,205.30
Total		51,178,205.30

#### 4. Accounts receivable

##### (1) Disclosure by aging

Monetary Unit: RMB

Aging	Ending Book Balance	Beginning Book Balance
Within 1 year (inclusive)	12,240,029,783.27	7,514,706,365.68
1 to 2 years	1,196,230,074.63	1,201,055,879.98
2 to 3 years	448,746,355.11	662,696,209.10
More than 3 years	883,560,873.58	838,273,597.21
3 to 4 years	367,899,607.51	134,644,442.81
4 to 5 years	26,473,947.90	361,897,506.20
More than 5 years	489,187,318.17	341,731,648.20
Total	14,768,567,086.59	10,216,732,051.97

##### (2) Disclosure by bad debt provision method

Monetary Unit: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Proportion	Amount	Provision made		Amount	Proportion	Amount	Provision made	
Accounts receivable with provision for bad debt made on an individual basis	755,131,972.06	5.11%	633,060,195.57	83.83%	122,071,776.49	495,175,497.84	4.85%	400,045,877.06	80.79%	95,129,620.78
Including:										
Accounts receivable with provision for bad debt made by portfolio	14,013,435,114.53	94.89%	1,224,610,782.97	8.74%	12,788,824,331.56	9,721,556,554.13	95.15%	1,174,340,351.17	12.08%	8,547,216,202.96
Including:										
Portfolio 1	14,013,435,114.5	94.89%	1,224,610,782.97	8.74%	12,788,824,331.5	9,721,556,554.13	95.15%	1,174,340,351.17	12.08%	8,547,216,202.96

	3				6					
Total	14,768,567,086.59	100.00%	1,857,670,978.54	12.58%	12,910,896,108.05	10,216,732,051.97	100.00%	1,574,386,228.23	15.41%	8,642,345,823.74

Provision for bad debt made on an individual basis: 633,060,195.57

Entity name	Beginning balance		Ending balance			
	Book balance	Provision for bad debt	Book balance	Provision for bad debt	Proportion	Reason for provision
Customer 1	172,092,593.00	120,464,815.10	172,092,593.00	137,674,074.40	80.00%	Expected to be partially irrecoverable
Customer 2	0.00	0.00	103,814,398.37	72,670,078.86	70.00%	Expected to be partially irrecoverable
Customer 3	94,471,070.10	94,471,070.10	94,471,070.10	94,471,070.10	100.00%	Not expected to be recovered
Customer 4	0.00	0.00	82,864,337.80	58,005,036.46	70.00%	Expected to be partially irrecoverable
Customer 5	61,881,050.52	49,504,840.42	61,063,450.52	61,063,450.52	100.00%	Not expected to be recovered
Customer 6	56,550,165.08	4,799,286.23	56,017,737.12	39,212,415.98	70.00%	Expected to be partially irrecoverable
Customer 7	32,206,070.59	32,206,070.59	31,874,992.66	31,874,992.66	100.00%	Not expected to be recovered
Customer 8	15,517,403.72	15,517,403.72	31,485,501.84	31,485,501.84	100.00%	Not expected to be recovered
Other total	62,457,144.83	83,082,390.90	121,447,890.65	106,603,574.75	87.78%	Expected to be partially irrecoverable
Total	495,175,497.84	400,045,877.06	755,131,972.06	633,060,195.57		

Provision for bad debt made by portfolio: 1,224,610,782.97

Monetary Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debt	Provision made
Accounts receivable with provision for bad debt made by portfolio	14,013,435,114.53	1,224,610,782.97	8.74%
Total	14,013,435,114.53	1,224,610,782.97	

Basis for determining the portfolio:

In case the provision for bad debt is made with respect to accounts receivable according to the general model of expected credit loss:

☐ Applicable ☒ Not applicable

### (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

Category	Beginning balance	Amount of change in the current period				Ending balance
		Provision	Recovered or reversed	Written-off	Others	
Provision for bad debt of accounts receivable	1,574,386,228.23	294,026,250.93		2,799,856.36	7,941,644.26	1,857,670,978.54
Total	1,574,386,228.23	294,026,250.93		2,799,856.36	7,941,644.26	1,857,670,978.54

**(4) Accounts receivable actually written off in the current period**

Monetary Unit: RMB

Item	Amount written off
Accounts receivable actually written off	2,799,856.36

**(5) Top five accounts receivable and contract assets in terms of ending balances grouped by debtor**

Monetary Unit: RMB

Entity name	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Percentage of total ending balance of accounts receivable and contract assets	Ending balance of provision for bad debts in accounts receivable and impairment of contract assets
1st Place	995,788,168.85	0.00	995,788,168.85	6.74%	49,789,408.44
2nd Place	760,343,268.97	0.00	760,343,268.97	5.15%	38,017,163.45
3rd Place	728,144,663.68	0.00	728,144,663.68	4.93%	38,797,016.69
4th Place	633,745,430.89	0.00	633,745,430.89	4.29%	31,687,271.54
5th Place	593,154,299.52	0.00	593,154,299.52	4.02%	29,657,714.98
Total	3,711,175,831.91	0.00	3,711,175,831.91	25.13%	187,948,575.10

**5. Financing funds receivable****(1) Financing funds receivable presented by categories**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Bank acceptance bill	482,376,009.97	731,403,441.49
Total	482,376,009.97	731,403,441.49

**(2) Financing funds receivable pledged at the end of the period**

Item	Pledged amount by the end of a period
Bank acceptance bill	41,895,942.58
Total	41,895,942.58

**(3) Financing funds receivable at the end of the period that has been endorsed or discounted by the Company and is not yet due at the balance sheet date**

Monetary Unit: RMB

Item	Recognized amount terminated at the end of the period	The confirmed amount unrecognized at the end of the period
Bank acceptance bill	8,092,219,804.61	
Total	8,092,219,804.61	

**6. Other receivable**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Other receivable	499,878,057.48	285,857,879.41
Total	499,878,057.48	285,857,879.41

**(1) Other receivable**

**1) Classification of other receivable by nature of funds**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Guarantees and deposits	96,036,584.20	41,027,571.82
Temporary payments and loans	9,354,291.87	14,761,513.63
Disposal long-term assets	105,918,877.18	155,104,637.00
Other receivable	439,775,100.42	167,454,752.52
Less: provision for bad debts	-151,206,796.19	-92,490,595.56
Total	499,878,057.48	285,857,879.41

**2) Disclosure by aging**

Monetary Unit: RMB

Aging	Ending book balance	Beginning book balance
Within 1 year (inclusive)	224,690,155.83	184,708,241.11
1 to 2 years	295,261,583.21	109,371,271.49
2 to 3 years	59,825,215.57	9,901,773.51
More than 3 years	71,307,899.06	74,367,188.86
3 to 4 years	9,810,758.94	58,296,601.85
4 to 5 years	51,792,283.18	2,370,591.48
More than 5 years	9,704,856.94	13,699,995.53
Total	651,084,853.67	378,348,474.97

**3) Disclosure by provision for bad debt**

☒ Applicable ☐ Not applicable

Monetary Unit: RMB

Provision for bad debts is made on the basis of a general model of expected credit losses:

Monetary Unit: RMB

Provision for bad debt	Phase I	Phase II	Phase III	Total
	Expected credit losses for the next 12 months	Expected credit losses over life (credit impairment not happened)	Expected credit losses over lifetime (credit impairment incurred)	
Balance at January 1, 2023	34,588,837.96		57,901,757.60	92,490,595.56
Balance at January 1, 2023 in the current period				
Provision in the current period	21,673,465.38		37,580,741.89	59,254,207.27
Write-offs in the current period	7,610.00			7,610.00
Other changes	530,396.64			530,396.64
Balance at December 31, 2023	55,724,296.70		95,482,499.49	151,206,796.19

Basis of classification of stages and percentage of provision for bad debts

Changes in the carrying amount of the provision for losses that are material during the period

☐ Applicable ☒ Not applicable**4) Provision for bad debt made, recovered or reserved in the current period**

Provision for bad debt made in the current period:

Monetary Unit: RMB

Category	Beginning balance	Amount of change in the current period				Ending balance
		Provision	Recovered or reversed	Written-off	Others	
Provision for bad debt of other receivable	92,490,595.56	59,254,207.27		7,610.00	530,396.64	151,206,796.19
Total	92,490,595.56	59,254,207.27		7,610.00	530,396.64	151,206,796.19

Remarks: Other changes are caused by changes in the scope of consolidation and changes in exchange rates.

**5) Other receivable actually written off in the current period**

Monetary Unit: RMB

Item	Amount written off
Other receivable written off	7,610.00

Write-off of other major receivable:

Monetary Unit: RMB

Entity name	Nature of other receivable	Amount written off	Reason for the write-off	Write-off procedure executed	Arising from a related party transaction or not
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Remarks on the write-off of other receivable:

## 6) Top 5 other receivable in terms of ending balance grouped by debtor

Monetary Unit: RMB

Entity name	Nature of funds	Ending balance	Aging	Proportion in the total ending balance of other receivable	Ending balance of provision for bad debt
Unit I	Other funds to be received	200,000,000.00	1-2 years	30.72%	20,000,000.00
Unit II	Equity liquidation amount of the second phase of ESOP	65,487,392.74	Within 1 year	10.06%	
Unit III	Payment for housing	43,361,320.40	4-5 years	6.66%	34,689,056.32
Unit IV	Funds from disposal of assets	41,880,000.00	1-2 years	6.43%	4,188,000.00
Unit V	Others	38,871,900.69	2-3 years	5.97%	31,097,520.55
Total		389,600,613.83		59.84%	89,974,576.87

## 7) Listed in other accounts receivable due to centralized management of funds

Monetary Unit: RMB

Other remarks :

## 7. Prepayments

### (1) Prepayments by aging

Monetary Unit: RMB

Aging	Ending book balance		Beginning book balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	332,381,970.71	95.22%	508,753,614.68	98.31%
1 to 2 years	11,376,489.43	3.26%	5,177,536.17	1.00%
2 to 3 years	2,825,935.22	0.81%	2,585,245.66	0.50%
More than 3 years	2,492,021.17	0.71%	981,013.78	0.19%
Total	349,076,416.53		517,497,410.29	

Remarks on reasons for failure in timely settling the prepayment with the aging over 1 year and major amount:

None.



**(2) Top 5 prepayments in terms of ending balance grouped by advance recipients**

Entity name	Ending balance (RMB)	Percentage of total ending balance of prepayments (%)
1st Place	74,892,792.43	21.24
2nd Place	23,849,523.68	6.76
3rd Place	20,217,762.00	5.73
4th Place	15,802,468.86	4.48
5th Place	12,440,847.91	3.53
Total	147,203,394.88	41.74

Other remarks:

**8. Inventories**

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

Yes

**(1) Classification of inventories**

Monetary Unit: RMB

Item	Ending balance			Beginning balance		
	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	1,181,977,340.04	1,072,921.95	1,180,904,418.09	2,624,716,145.00	25,071,495.84	2,599,644,649.16
Goods in production	644,744,894.16	2,456,004.44	642,288,889.72	831,113,012.16	10,611,641.75	820,501,370.41
Goods in stock	1,989,556,225.21	82,807,043.44	1,906,749,181.77	2,827,323,894.39	73,941,255.01	2,753,382,639.38
Revolving materials	1,041,732.29		1,041,732.29	1,634,349.78		1,634,349.78
Goods dispatched	2,123,768,657.13	176,058,672.42	1,947,709,984.71	1,681,022,017.53	272,151,364.01	1,408,870,653.52
Total	5,941,088,848.83	262,394,642.25	5,678,694,206.58	7,965,809,418.86	381,775,756.61	7,584,033,662.25

**(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	Others	Reversed or charged-off	Others	
Raw materials	25,071,495.84	895,851.47		24,894,425.36		1,072,921.95

Goods in production	10,611,641.75	213,612.48			8,369,249.79	2,456,004.44
Goods in stock	73,941,255.01	76,876,760.94		53,737,282.64	14,273,689.87	82,807,043.44
Goods dispatched	272,151,364.01	131,568,690.86		227,661,382.45		176,058,672.42
Total	381,775,756.61	209,554,915.75		306,293,090.45	22,642,939.66	262,394,642.25

**(3) Remarks on ending balance of inventory containing amounts capitalized for borrowing costs**

N/A

**(4) Remarks on the amount of amortization of contract performance costs for the period**

N/A

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

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Long-term receivable maturing within one year	69,311,028.19	103,648,896.04
Total	69,311,028.19	103,648,896.04

**(1) Creditor's rights investment maturing within one year**☐ Applicable ☒ Not applicable**(2) Other creditor's rights investment maturing within one year**☐ Applicable ☒ Not applicable**10. Other current assets**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Deductible input tax	3,059,088,147.45	1,869,087,947.23
Prepaid taxes	29,820,047.32	21,355,923.01
Other	863,647.74	934,157.90
Total	3,089,771,842.51	1,891,378,028.14

Other remarks:

**11. Other debt investment****(1) Details of other debt investment**

Monetary Unit: RMB

Item	Beginnin	Accrued	Interest adjustmen	Changes in fair	Ending	Cost	Accumula ted	Accumula ted	Remarks
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	g balance	interest	t	value in the current period	balance		changes in fair value	provision for loss recognized in other comprehensive income	
Convertible bond of GRU ENERGY	4,875,220.00				4,957,890.00	4,567,430.00			
Total	4,875,220.00				4,957,890.00	4,567,430.00			

## 12. Investments in other equity instruments

Monetary Unit: RMB

Item	Ending balance	Opening balance	Gains included in other comprehensive income in the current period	Loss included in other comprehensive income in the current period	Gains accumulated in other comprehensive income at the end of the current period	Loss accumulated in other comprehensive income at the end of the current period	Dividend income recognized in the current period	Reason for designating a measurement at fair value with its variation included in other comprehensive income
Equity investment in listed enterprises	1,103,300,128.41		0.00	191,651,705.71	0.00	191,651,705.71		
Equity investment in listed enterprises	422,036,701.68	510,468,495.43	223,032.94	66,943,461.31	106,221,493.31	9,431,418.00		
non-Total	1,525,336,830.09	510,468,495.43	223,032.94	258,595,167.02	106,221,493.31	201,083,123.71		

There is derecognition in the current period

Monetary Unit: RMB

Item	Accumulated gains transferred to retained earnings	Accumulated losses transferred to retained earnings	Reason for derecognition
Baic EV R&D Silico		338,341.03	The entity has completed the liquidation and deregistration procedures

Disclosure of non-trading equity instrument investment in the current period by item

Monetary Unit: RMB

Item	Dividend income recognized	Accumulated gains	Accumulated losses	Amounts transferred from other comprehensive income to retained earnings	Reason for designating a measurement at fair value with its variation included in other comprehensive income	Reasons for transfer of other comprehensive income to retained earnings
Ningbo Meishan Bonded Port Area Guoxuan Gaoke New Energy Automotive Industry Investment Center (L.P.)			-9,431,418.00		Non-trading strategic investments	
New Energy Vehicle Technology Innovation(Hefei)Equity Investment Partnership(L.P.)		79,442,214.78			Non-trading strategic investments	
Anhui Jintong New Energy Automobile Fund(Phase I)Partnership(L.P.)		19,004,935.28			Non-trading strategic investments	
Baic EV R&D Silico				338,341.03	Non-trading strategic investments	disposal
Hefei Guoke Xinneng Equity Investment Management Partnership (Limited Partnership)		7,774,343.25			Non-trading strategic investments	
Chebai Think Tank Automotive Industry Research Institute (Hefei) Co., Ltd.					Non-trading strategic investments	
Vinfast Auto PTE. Ltd.			- 187,347,015.00		Non-trading strategic investments	
Anhui Jintong Zhihui New Energy Vehicle					Non-trading strategic investments	

Investment Management Partnership (Limited Partnership)						
TUHU Car Inc.			-4,304,690.71		Non-trading strategic investments	

Other remarks:

### 13. Long-term receivable

#### (1) Details of long-term receivable

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				9,589,940.66	479,497.03	9,110,443.63	
Total				9,589,940.66	479,497.03	9,110,443.63	

#### (2) Disclosure by bad debt provision method

Monetary Unit: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Proportion	Amount	Provision made		Amount	Proportion	Amount	Provision made	
Including:										
Provision for bad debts by portfolio						9,589,940.66	100.00%	479,497.03	5.00%	9,110,443.63
Including:										
Portfolio 1						9,589,940.66	100.00%	479,497.03	5.00%	9,110,443.63
Total						9,589,940.66	100.00%	479,497.03	5.00%	9,110,443.63

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

Monetary Unit: RMB

Category	Beginning	Amount of change in the current period	Ending balance
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	balance	Provision	Recovered or reversed	Written-off	Others	
Provision in the portfolio	479,497.03		479,497.03			
Total	479,497.03		479,497.03			

#### 14. Long-term equity investment

Monetary Unit: RMB

Investee	Beginning balance (book value)	Beginning balance of provision for impairment	Increase/decrease in the current period								Ending balance (book value)	Ending balance of provision for impairment
			Additi onal invest ment	Reduc ed invest ment	Profit and loss on invest ment recogn ized under the equity metho d	Adjust ment of other compr ehensi ve incom e	Other equity change s	Cash divide nds or profits declare d for distrib ution	Provisi on of the provisi on for impair ment	Others		
I. Joint Ventures												
V_G HIGH-TECH Energy Solutions Co., Ltd.	40,427,490.79		336,356,289.77		-4,465,585.83					685,536.38	373,003,731.11	
NV Gotion Company Limited			74,912,077.37		-3,468,373.33	1,243,307.00					72,687,011.04	
Subtotal	40,427,490.79		336,356,289.77		-4,465,585.83					685,536.38	373,003,731.11	
II. Associates												
Hefei Xingyuan New Energy Materials Co., Ltd.	183,121,570.70				12,628,581.96						195,750,152.66	
MCC Ramu New Energy Technology	340,662,107.13				59,660,044.20	-299,086.44					400,023,064.89	

Co., Ltd.												
Beijing Full-Service Oil & Gas Technology Co., Ltd.		34,217,439.93										34,217,439.93
Jiangxi Ewinway New Material Co., Ltd.	129,438,218.38				8,691,212.66			-6,600,000.00			131,529,431.04	
Huabei Aluminum New Material Technology Co., Ltd.	116,880,872.63				665,219.31	-107,147.50					117,438,944.44	
Litong Energy Technology Co., Ltd.	1,833,369.57				919,562.13				-2,752,931.70			2,752,931.70
Beijing Gotion Weisi Light Storage and Charging Technology Co., Ltd.		9,228,535.85										9,228,535.85
Shanghai Gotion Wuyang Ship Technology Co., Ltd.		1,926,553.35										1,926,553.35
Tongli	16,182		17,500		-						31,214	

ng Anxua nda New Energy Techn ology Co., Ltd.	,989.2 4		,000.0 0		2,468, 463.20						,526.0 4	
Shang hai Electri c Gotion New Energy Techn ology Co., Ltd.	185,35 0,210. 81				- 70,501 ,846.2 9						114,84 8,364. 52	
Anhui Anwa New Energy Techn ology Co., Ltd.	64,738 ,972.8 7				- 1,940, 890.94		2,185, 244.10				64,983 ,326.0 3	
Tata Comp onents Gotion Green Energy Applic ation Co., Ltd.	6,977, 566.60								- 3,488, 783.30		3,488, 783.30	3,488, 783.30
NV Gotion Compa ny Limite d			74,912 ,077.3 7		- 3,468, 373.33	1,243, 307.00					72,687 ,011.0 4	
Subtot al	1,045, 185,87 7.93	45,372 ,529.1 3	92,412 ,077.3 7	0.00	4,185, 046.50	837,07 3.06	2,185, 244.10	- 6,600, 000.00	- 6,241, 715.00	0.00	1,131, 963,60 3.96	51,614 ,244.1 3
Total	1,085, 613,36 8.72	45,372 ,529.1 3	428,76 8,367. 14	0.00	- 280,53 9.33	837,07 3.06	2,185, 244.10	- 6,600, 000.00	- 6,241, 715.00	685,53 6.38	1,504, 967,33 5.07	51,614 ,244.1 3

Recoverable amount determined as fair value less costs of disposal

☐Applicable ☒Not applicable

Recoverable amount determined as the present value of estimated future cash flows

☐Applicable ☒Not applicable



**15. Other non-current financial assets**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Equity investment in unlisted enterprises	1,567,541,000.00	1,000,000,000.00
Total	1,567,541,000.00	1,000,000,000.00

Other remarks:

**16. Fixed assets**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Fixed assets	21,856,847,448.98	11,761,398,349.72
Disposal of fixed assets		23,881,609.34
Total	21,856,847,448.98	11,785,279,959.06

**(1) Details of fixed assets**

Monetary Unit: RMB

Item	Houses and buildings	Machinery equipment	Transportation equipment	Electronic equipment and others	Total
I. Original book value:					
1. Beginning balance	6,246,590,779.30	8,222,917,976.02	138,511,458.66	624,045,091.31	15,232,065,305.29
2. Increase in the current period	3,152,927,695.58	8,222,223,248.70	193,553,217.05	213,700,733.48	11,782,404,894.81
(1) Purchase	76,648,049.41	120,061,308.68	13,028,041.98	111,780,929.80	321,518,329.87
(2) Transfer from construction-in-progress	3,071,755,054.16	8,100,049,710.46	180,465,487.21	101,859,173.30	11,454,129,425.13
(3) Increase from the business combination					
Translation of statements in foreign currency	4,524,592.01	2,112,229.56	59,687.86	60,630.38	6,757,139.81
3. Decrease in the current period	40,425,745.82	146,092,489.03	3,226,007.64	23,733,905.68	213,478,148.17
(1) Disposal or scrapping		117,461,562.56	2,816,007.64	22,776,287.86	143,053,858.06
(2) Decrease in enterprise merger	40,425,745.82	28,630,926.47	410,000.00	957,617.82	70,424,290.11
4. Ending balance	9,359,092,729.06	16,299,048,735.69	328,838,668.07	814,011,919.11	26,800,992,051.93
II. Accumulated depreciation					
1. Beginning	599,702,136.82	2,482,432,460.77	60,599,485.82	313,474,372.16	3,456,208,455.57

balance					
2. Increase in the current period	294,366,299.94	1,200,980,506.81	15,874,397.89	82,926,512.64	1,594,147,717.28
(1) Provision	294,155,533.28	1,200,584,414.96	15,870,142.80	82,905,852.47	1,593,515,943.51
(2) Increase from the business combination					
(3) Translation of statements in foreign currency	210,766.66	396,091.85	4,255.09	20,660.17	631,773.77
3. Decrease in the current period	23,061,279.92	84,031,120.36	2,617,398.67	18,841,205.95	128,551,004.90
(1) Disposal or scrapping		57,019,615.76	2,227,898.67	17,931,651.52	77,179,165.95
(2) Decrease in enterprise merger	23,061,279.92	27,011,504.60	389,500.00	909,554.43	51,371,838.95
4. Ending balance	871,007,156.84	3,599,381,847.22	73,856,485.04	377,559,678.85	4,921,805,167.95
III. Provision for impairment					
1. Beginning balance			14,458,500.00		14,458,500.00
2. Increase in the current period			7,880,935.00		7,880,935.00
(1) Provision			7,880,935.00		7,880,935.00
(2) Increase from the business combination					
3. Decrease in the current period					
(1) Disposal or scrapping					
(2) Increase in enterprise merger					
4. Ending balance			22,339,435.00		22,339,435.00
IV. Book value					
1. Ending book value	8,488,085,572.22	12,699,666,888.47	232,642,748.03	436,452,240.26	21,856,847,448.98
2. Beginning book value	5,646,888,642.48	5,740,485,515.25	63,453,472.84	310,570,719.15	11,761,398,349.72

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

Monetary Unit: RMB

Item	Book value	Reasons for the failure to obtain title certificate
Nanjing Gotion Phase II factory building	119,120,645.10	In progress
Nanjing New Energy factory building	355,142,418.23	In progress
Jiangsu New Energy factory building	682,353,567.71	In progress
Hefei New Material factory building	105,610,400.39	In progress
Lujiang Kehong factory building	151,964,839.00	In progress
Yichuan Battery Phase I factory building	533,670,667.74	In progress

Jiangxi Weihong Lithium Industry raw material warehouse	20,900,283.54	In progress
Tianjin CHTC Phase I factory building	158,075,991.68	In progress
Liuzhou Phase I factory building	496,401,285.27	In progress
Tongcheng Gotion Phase I factory building	480,249,035.01	In progress
Tangshan Gotion Phase I, II and III plants	226,603,944.30	In progress
Inner Mongolia Gotion plant	153,386,578.71	In progress
Yifeng Gotion Lithium I plant	272,220,288.04	In progress
Hefei Gotion Battery Technology Phase I plant	721,308,722.62	In progress
Jingkai Gotion Phase II plant	183,163,297.60	In progress
Gotion High-tech Baohai Headquarters Building	685,711,711.59	In progress
Hefei Gotion supporting buildings A, B, C, D	56,027,091.74	In progress
Hefei Gotion Shanghai Pudong property	71,020,309.48	In progress
Indonesia Gotion office building	40,605,301.90	In progress
Total	5,513,536,379.65	

Other remarks:

**(3) Impairment testing of fixed assets**☐ Applicable ☒ Not applicable**(4) Liquidation of fixed assets**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Liquidation of fixed assets		23,881,609.34
Total		23,881,609.34

Other remarks:

**17. Construction in progress**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Construction in progress	15,820,621,504.09	11,669,257,989.53
Total	15,820,621,504.09	11,669,257,989.53

**(1) Details of construction in progress**

Monetary Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for	Book value	Book balance	Provision for	Book value

		impairment			impairment	
Jiangsu Gotion's new energy intelligent manufacturing base and ancillary projects	1,893,159,588. 61		1,893,159,588. 61	2,451,807,532. 56		2,451,807,532. 56
Lujiang Kehong's annual output of 200,000 tons of high-end cathode materials project	896,239,123.26		896,239,123.26	531,454,056.87		531,454,056.87
Lujiang Material's high- nickel ternary materials project with an annual output of 30,000 tons	431,087,528.01		431,087,528.01	436,373,601.26		436,373,601.26
Jingkai Gotion's annual output of 4GWh lithium iron phosphate soft pack battery and new energy battery production base project	824,139,011.67		824,139,011.67	763,646,816.57		763,646,816.57
Hefei Gotion Battery Technology's annual output of 20GWh Volkswagen standard electric core project	2,837,898,971. 75		2,837,898,971. 75	222,334,521.73		222,334,521.73
Hefei Gotion Battery Technology's annual output of 20GWh power battery project	1,385,493,936. 92		1,385,493,936. 92	324,006.22		324,006.22
Chuzhou Gotion's high- performance razor blade battery project	568,113,426.70		568,113,426.70			
Inner Mongolia Gotion's 100,000 tons annual output of lithium battery anode	660,284,106.99		660,284,106.99	544,813,390.19		544,813,390.19

material construction project						
Shanghai XuanYi's production base project in Lot 1702 WaiGang Town Jiading District Shanghai	1,335,214,755.09		1,335,214,755.09	1,034,560,065.93		1,034,560,065.93
Tongcheng New Energy's 20GWh power battery project Phase II	658,103,717.36		658,103,717.36			
Tongcheng New Energy's 20GWH power battery project Phase I	13,339,203.21		13,339,203.21	1,719,030,395.06		1,719,030,395.06
Yichun Battery's 10GWH lithium battery and pack production base construction project	293,323,924.18		293,323,924.18	2,030,306,490.09		2,030,306,490.09
US Gotion's real estate property project	1,046,750,803.71		1,046,750,803.71			

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

Monetary Unit: RMB

Item	Budget	Beginning balance	Increase in the current period	Amount transferred into fixed assets in the current period	Other amount decrease in the current period	Ending balance	Proportion of accumulated engineering investment in budget	Project progress	Accumulated amount of interest capitalization	Including: the amount of capitalization of interest in the current period	Interest capitalization rate in the current period	Sources of funds
Jiangsu Gotion's new energy intelligent manufacturing base and		2,451,807,532.56	1,864,165,668.54	2,422,813,612.49		1,893,159,588.61			108,303,717.40	92,407,355.10	4.15%	Other

ancillary projects												
Lujian g Kehon g's annual output of 200,000 tons of high-end cathode materials project		531,454,056.87	1,047,138,160.04	682,353,093.65		896,239,123.26			54,667,959.87	28,993,775.03	4.20%	Other
Jingkai Gotion's annual output of 4GWh lithium iron phosphate soft pack battery and new energy battery production base project		763,646,816.57	222,159,212.99	161,667,017.89		824,139,011.67			61,709,524.68	1,750,892.19	4.45%	Other
Hefei Gotion Battery Technology's annual output of 20GWh Volks wagen standard electric core project		222,334,521.73	3,340,748,681.45	725,184,231.43		2,837,898,971.75						Fundraising
Hefei Gotion		324,006.22	1,738,929,61	353,759,682.		1,385,493,93			19,356,473.6	19,356,473.6	3.40%	Other

Battery Technology's annual output of 20GWh power battery project			3.45	75		6.92			2	2		
Chuzhou Gotion's high-performance razor blade battery project			568,300,019.62	186,592.92		568,113,426.70			849,082.10	849,082.10	3.40%	Other
Inner Mongolia Gotion's 100,000 tons annual output of lithium battery anode material construction project		544,813,390.19	450,965,773.53	335,495,056.73		660,284,106.99			61,018,702.82	48,830,858.65	4.88%	Other
Shanghai XuanYi's production base project in Lot 1702 WaiGang Town Jiading District Shanghai		1,034,560,065.93	302,059,641.59	1,404,952.43		1,335,214,755.09			98,161,332.28	34,953,627.61	4.24%	Other
Tongcheng New Energy's			658,103,717.36			658,103,717.36			5,866,278.94	5,866,278.94	3.79%	Other

20GW h power battery project Phase II												
Tongc heng New Energy 's 20GW H power battery project Phase I		1,719, 030,39 5.06	205,81 4,374. 95	1,911, 505,56 6.80		13,339 ,203.2 1			39,434 ,257.1 4	- 1,414, 422.45	3.95%	Other
Yichu n Batter y's 10GW H lithium battery and pack produc tion base constr uction project		2,030, 306,49 0.09	458,41 5,261. 39	2,195, 397,82 7.30		293,32 3,924. 18			38,588 ,995.8 0	7,289, 440.30	4.75%	Other
US Gotion 's real estate propert y project			1,046, 750,80 3.71			1,046, 750,80 3.71						Raised funds
Total		9,734, 650,87 6.48	12,189 ,630,2 36.34	9,081, 133,01 5.36	0.00	12,843 ,148,0 97.46			508,30 2,366. 34	249,68 8,236. 10		

**(3) Provision for impairment of construction projects under construction in the current year**

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Reason for provision
Other engineering projects		3,210,853.98		3,210,853.98	Recoverable amount less than book value
Total		3,210,853.98		3,210,853.98	

Other remarks:



**(4) Impairment testing of construction in progress**

☐ Applicable ☒ Not applicable

**18. Use right assets****(1) Details of use right assets**

Monetary Unit: RMB

Item	Building and construction	Machinery equipment	Total
I. Original book value			
1. Beginning balance	31,317,002.67	28,567,840.53	59,884,843.20
2. Increase in the current period	96,389,690.04	224,964.81	96,614,654.85
(1) New leasing	95,581,825.19	218,721.83	95,800,547.02
(2) Increase from the business combination			
(3) Foreign currency statement conversion	807,864.85	6,242.98	814,107.83
3. Decrease in the current period			
(1) Expiration of lease			
(2) Decrease in enterprise merger			
(3) Others			
4. Ending balance	127,706,692.71	28,792,805.34	156,499,498.05
II. Accumulated depreciation			
1. Beginning balance	6,655,539.68	431,176.97	7,086,716.65
2. Increase in the current period	12,436,744.48	3,042,239.74	15,478,984.22
(1) Provision	12,207,459.69	3,037,317.20	15,244,776.89
(2) Increase in the current period			
(3) Foreign currency statement conversion	229,284.79	4,922.54	234,207.33
3. Decrease in the current period			
(1) Disposal			
3. Increase in the current period	19,092,284.16	3,473,416.71	22,565,700.87
3. Decrease in the current period			
(1) Disposal			
4. Increase in the current period			
3. Decrease in the current period			
(1) Disposal			
4. Ending balance			

IV. Book value			
1. Ending book value	108,614,408.55	25,319,388.63	133,933,797.18
2. Beginning book value	24,661,462.99	28,136,663.56	52,798,126.55

## (2) Impairment testing of use right assets

☐ Applicable ☒ Not applicable

Other remarks:

## 19. Intangible assets

### (1) Details of intangible assets

Monetary Unit: RMB

Item	Land use rights	Patent right	Non-patented technology	Right of mining	Software and others	Total
I. Original book value						
1. Beginning balance	2,033,494,312.78		1,056,952,510.76	42,157,840.05	83,865,372.57	3,216,470,036.16
2. Increase in the current period	342,492,238.77		967,523,726.48	682,797,893.92	31,053,111.84	2,023,866,971.01
(1) Purchase	336,753,197.26		36,707,444.91	682,797,893.92	30,692,121.52	1,086,950,657.61
(2) Internal R&D			930,763,136.57			930,763,136.57
(3) Increase from the business combination						
(4) Translation of statements in foreign currency	5,739,041.51		53,145.00		360,990.32	6,153,176.83
3. Decrease in the current period	8,881,859.94				2,800,196.22	11,682,056.16
(1) Disposal					2,800,196.22	2,800,196.22
(2) Decrease in enterprise merger	8,881,859.94					8,881,859.94
(3) Others						
4. Ending balance	2,367,104,691.61		2,024,476,237.24	724,955,733.97	112,118,288.19	5,228,654,951.01
II. Accumulated Amortization						
1. Beginning balance	127,445,225.38		154,366,335.88	1,798,201.71	29,958,185.66	313,567,948.63

2. Increase in the current period	43,686,987.71		137,519,879.27	25,354,114.66	30,402,843.52	236,963,825.16
(1) Provision	43,686,987.71		137,506,595.27	25,354,114.66	30,341,131.81	236,888,829.45
(2) Increase from the business combination						
(3) Translation of statements in foreign currency			13,284.00		61,711.71	74,995.71
3. Decrease in the current period	3,176,404.04				2,800,196.22	5,976,600.26
(1) Disposal					2,800,196.22	2,800,196.22
(2) Decrease in enterprise merger	3,176,404.04					3,176,404.04
4. Ending balance	167,955,809.05		291,886,215.15	27,152,316.37	57,560,832.96	544,555,173.53
III. Provision for impairment						
1. Beginning balance						
2. Increase in the current period						
(1) Provision						
(2) Increase from the business combination						
3. Decrease in the current period						
(1) Disposal						
4. Ending balance						
IV. Book value						
1. Ending book value	2,199,148,882.56		1,732,590,022.09	697,803,417.60	54,557,455.23	4,684,099,777.48
2. Beginning book value	1,906,049,087.40		902,586,174.88	40,359,638.34	53,907,186.91	2,902,902,087.53

The 37.22% of the intangible assets generated via internal R&D of the Company in the intangible assets balance at the end of the current period.

## (2) The situation of land use right without a proper certificate of title

Monetary Unit: RMB

Item	Book value	Reasons for the failure to obtain title certificate
Fengxin Lithium land use rights	23,759,010.02	In process
Yichun Battery land use rights	86,407,424.16	In process
Total	110,166,434.18	

Other remarks:

### (3) Impairment testing of land use right

☐ Applicable ☒ Not applicable

## 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 Electrical Group Co., Ltd.	80,427,604.58					80,427,604.58
Tianjin CHTC New Energy Automobile 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
Jiangxi Weihong Lithium Co., Ltd.	809,254.33					809,254.33
Yichun Kefeng New Material Co., Ltd.	396,368,743.11					396,368,743.11
Gotion Argentina Company Limited		441,170.30				441,170.30
Total	545,786,319.00	441,170.30				546,227,489.30

### (2) Impairment provision for 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
		Provision		Disposal		

Tianjin CHTC New Energy Automobile Research Institute Co., Ltd.	33,748,074.35	13,499,229.74				47,247,304.09
Gotion Argentina Company Limited [Note] <sup>1</sup>		441,170.30				441,170.30
Total	33,748,074.35	13,940,400.04				47,688,474.39

Note: 1 is a shell company newly acquired by the Company in the current period. The Company recognized the share of the consideration paid and the net book assets obtained as the goodwill, and recognized the impairment provision at the same amount.

### (3) Information about the asset group or combination of asset groups of goodwill

Entity Name	Composition and basis of the asset group or portfolio to which it belongs	Operating segments and basis	Consistency with prior years
Jiangsu Dongyuan Electrical Group Co., Ltd.	There is no major change to the operating assets within the consolidated scope of the company as compared with those on the date of merger and acquisition, and the operating assets of the company are classified as asset group in relation to the goodwill. The production and operation are independent and are able to generate independent cash flow.		Yes
Tianjin CHTC New Energy Vehicle Research Institute Co., Ltd.	There is no major change in the operating assets of the company compared with those on the date of merger and acquisition, and its operating assets are classified as asset group related to the goodwill; and the production and operation are independent and can generate independent cash flow.		Yes
Yifeng County Hua Lithium Mining Development Co., Ltd.	There is no major change in the operating assets of the company compared with those on the date of merger and acquisition, and its operating assets are classified as asset group related to the goodwill; and the production and operation are independent and can generate independent cash flow.		Yes

Jiangxi Weihong Lithium Industry Co., Ltd.	There is no major change in the operating assets of the company compared with those on the date of merger and acquisition, and its operating assets are classified as asset group related to the goodwill; and the production and operation are independent and can generate independent cash flow.		Yes
Yichun Kefeng New Material Co., Ltd.	There is no major change in the operating assets of the company compared with those on the date of merger and acquisition, and its operating assets are classified as asset group related to the goodwill; and the production and operation are independent and can generate independent cash flow.		Yes
Guoxuan Argentina Company Limited			

## Change in asset group or combination of asset groups

Name	Composition before the change	Composition after the change	Objective facts leading to the change and the basis
Asset group of Jiangsu Dongyuan Electrical Group Co., Ltd	Long-term assets	Long-term assets (excluding the long-term assets of Suzhou Dongyuan Tianli Electric Co., Ltd)	In December 2023, Jiangsu Dongyuan Electrical Group Co., Ltd transferred all the shares of Suzhou Tianli

## Other remarks

The Company shall adopt the market method to calculate the recoverable amount of the asset group of Dongyuan Electrical Group Co., Ltd in Jiangsu Province; and adopt the method of estimated present value of future cash flow to calculate the recoverable amount of the asset group with respect to other asset groups: The management prepares the financial budget based on past performance and its expectation of market development, and cash flow in the next 5 years is predicted on the basis of the financial budget. In subsequent years, cash flow will be the same as that in the 5th year, and will not exceed the long-term average growth rate of the business of the asset group. The pre-tax discount rate for calculating the present value of future cash flows 11.09% - 12.79%; According to the results of impairment test, the amount of provision for goodwill impairment provision in the current period is RMB 13,940,400.04 (RMB 33,748,074.35 at the end of the previous period).

**(4) Specific determination of recoverable amount**

The recoverable amount is determined as the net fair value less costs of disposal

☐ Applicable ☒ Not applicable

Monetary Unit: RMB

Item	Book value	Recoverable amount	Impairment amount	Determination of fair value and disposal costs	Key parameters	Basis of determination of key parameters
Asset group of Jiangsu Dongyuan Electrical Group Co., Ltd	737,888,870.67	1,265,300,000.00	0.00	Market approach	Value ratios, gross margins, lack of liquidity discounts, disposal costs	The value ratio was determined based on industry characteristics and the conditions of enterprises. The gross profit margin was determined based on the data of the current period as of the base date. The lack of liquidity discount was selected from the listed companies in Shanghai and Shenzhen in the PRC that were in the same or similar business as the appraised entity as the comparable companies, whereas the appraised entity was an unlisted company, whose equity transactions were subject to restriction in terms of competitive pricing and the degree of active trading, and was not able to have the same systematic market trading and pricing mechanism as stock transactions in the stock market.

						Therefore, an evaluation of the above calculation should take into account the illiquidity discount. The disposal fee was determined with reference to the State-owned property transaction service fee.
Yichun Kefeng New Material Co., Ltd	968,760,116.56	979,967,000.64	0.00	Income approach	Forecast period growth rate, stabilization period growth rate, profit margin, discount rate, forecast period	At the balance sheet date, the Company conducted an impairment test for goodwill arising from the above non-identical controlled business acquisition. In the measurement, the asset group was first identified, and then the corresponding method was selected to measure the recoverable amount of the asset group that did not contain goodwill, and the recoverable amount of the asset group was compared with the carrying value of the asset group to determine whether the asset group was impaired. Then the asset group that contained goodwill was tested for



						impairment, and the recoverable amount of the asset group was compared with the carrying value of the asset group including the business reputation apportioned thereto, so as to determine whether the business reputation is impaired.
Total	1,706,648,987.23	2,245,267,000.64	0.00			

Recoverable amount is determined as the present value of the expected future cash flows

☒ Applicable ☐ Not applicable

Monetary Unit: RMB

Item	Book value	Recoverable amount	Impairment amount	Years of the projection period	Key parameters for the forecast period	Key parameters for the stabilization period	Basis of determination of key parameters for the stabilization period
Tianjin Hengtian New Energy Vehicle Research Institute Co., Ltd	332,148,513.35	310,857,531.82	21,290,981.53	2024~2028 (followed by stabilization period)	Revenue, cost, period expense, discount rate	Revenue, cost, period expense, discount rate	Calculated based on projected revenues, costs, expenses
Total	332,148,513.35	310,857,531.82	21,290,981.53				

## (5) Completion of performance commitments and corresponding impairment of goodwill

Performance commitments existed at the time of goodwill formation and the reporting period or the previous period of the reporting period was within the performance commitment period

☒ Applicable ☐ Not applicable

Other remarks:

## 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	78,225,869.68	10,049,410.60	20,719,281.70		67,555,998.58
Landscape project	6,042,647.45	12,003,416.34	2,961,527.38		15,084,536.41
Equipment retrofit	17,136,697.56	12,206,599.41	8,574,464.65		20,768,832.32
Total	101,405,214.69	34,259,426.35	32,255,273.73		103,409,367.31

## 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 impairment of assets	264,518,331.89	41,213,020.51	363,799,226.59	55,611,385.90
Provision for bad debts	2,104,604,921.43	325,729,840.75	1,728,028,906.65	264,438,581.96
Estimated liabilities	497,014,118.95	74,552,117.83	385,641,072.27	57,846,160.84
Deferred income	164,795,747.17	28,544,535.62	180,202,583.83	30,726,332.58
Unrealized profit from intergroup transactions	194,276,167.66	35,562,725.77	110,691,121.38	16,628,406.41
Deductible losses	2,254,846,053.91	444,157,076.97	1,488,517,855.65	269,080,326.06
Share-based payment	295,954,065.58	51,286,878.05	343,361,956.00	57,778,392.49
Changes in the fair value of trading financial assets	61,747,822.65	9,262,173.40	85,581,789.56	17,565,913.41
Difference between revenues recognized according to tax law and based on accounting items	194,257,988.44	43,279,283.49	89,135,681.08	25,889,757.59
Total	6,032,015,217.68	1,053,587,652.39	4,774,960,193.01	795,565,257.24

### (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 the business combination not under common control	420,061,182.37	97,191,873.41	154,137,991.33	35,000,602.55
Installment collection differences	5,142,696.19	771,404.43	15,374,896.56	2,306,234.48
Fixed assets depreciation differences	626,350,469.14	104,754,423.58	272,811,038.60	55,377,742.11

Changes in fair value of financial assets held for trading	104,023,086.38	24,306,700.20	3,143,835.62	785,958.90
Investment income from the conversion of long-term equity investments measured by equity method to trading financial assets	142,103,199.17	21,315,479.88	142,103,199.17	21,315,479.88
Differences arise between income recognition for tax purposes and accounting standards, as well as other factors.	94,217,673.88	24,636,866.34	25,485,290.00	3,822,793.50
Total	1,391,898,307.13	272,976,747.84	613,056,251.28	118,608,811.42

**(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		1,053,587,652.39		795,565,257.24
Deferred income tax liabilities		272,976,747.84		118,608,811.42

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

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Provision for bad debts of accounts receivable	31,820,027.30	80,247,671.61
Provision for depreciation of inventory	1,416,060.36	17,976,530.02
Provision for impairment of long-term equity investment	51,614,244.13	45,372,529.13
Provision for impairment of fixed assets	22,339,435.00	14,458,500.00
Provision for impairment of construction in progress	3,210,853.98	
Deferred income	75,154,500.66	1,125,546.91
Projected liabilities	652,792.08	
Deductible losses	538,415,285.75	555,011,882.64
Stock option	1,722,060.31	41,912,619.00
Loss on changes in fair value of financial assets held for trading	9,475,576.30	67,533,239.94
Bad-debt provision written off	119,498,355.69	119,498,355.69
Total	855,319,191.56	943,136,874.94

**(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
2023		10,907,161.73	
2024	4,284,804.18	23,221,412.73	

2025	60,806,264.23	74,525,116.27	
2026	133,354,991.35	148,879,433.39	
2027	125,504,379.40	146,059,222.49	
2028 and subsequent years' recoverable losses	214,464,846.59	151,419,536.03	
Total	538,415,285.75	555,011,882.64	

Other remarks:

Pursuant to the Announcement of the State Administration of Taxation on Issues Relating to Enterprise Income Tax Treatment on the Extension of the Loss Carry-forward Compensation Period for High-tech Enterprises and Science and Technology-Based Small and Medium-sized Enterprises (Announcement No. 45 of 2018), some of the Company's high-tech enterprises have extended the loss carry-forward compensation period to 10 years; as well as some of its overseas subsidiaries, in accordance with the provisions of the local laws and regulations, are allowed to compensate for the loss for a period of 20 years or can be permanently carried forward to the subsequent years for deduction under the specified range of conditions.

### 23. Other non-current assets

Monetary Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Advance payment for project equipment	1,226,411,453.39		1,226,411,453.39	3,108,594,906.43		3,108,594,906.43
Expenditure on exploration rights	434,951,088.28		434,951,088.28	615,144,093.65		615,144,093.65
Advance payment for land and houses	258,000,000.00		258,000,000.00	254,760,300.00		254,760,300.00
Advance payment for equity investment	60,696,555.21		60,696,555.21	78,690,000.00		78,690,000.00
Net assets of benefit program	26,312,768.29		26,312,768.29	26,774,340.92		26,774,340.92
Unsecured residual value arising from the financial leasing of self-owned products	6,845,319.74		6,845,319.74	6,845,319.74		6,845,319.74
Total	2,013,217,184.91		2,013,217,184.91	4,090,808,960.74		4,090,808,960.74

Other remarks:

### 24. Assets with restricted ownership or use

Monetary Unit: RMB

Item	End of period				Beginning of period			
	Book	Book value	Type of	Details of	Book	Book value	Type of	Details of

	balance		restriction	restriction	balance		restriction	restriction
Cash and bank balances	3,184,876,423.35	3,184,876,423.35	Pledged & frozen	Including RMB2,009,756,839.71 for security deposit, RMB1,012,510,500.00 pledged for financing, and RMB162,609,083.64 judicially frozen	2,880,339,031.19	2,880,339,031.19	Pledged & frozen	RMB1,931,345,782.15 is deposit, RMB948,348,051.64 is pledged for financing, and RMB645,197.40 is judicially frozen.
Notes receivable	51,178,205.30	48,619,295.04	Transferred but not fully derecognized	Endorsed unmatured and unrecognized notes	52,712,000.00	52,712,000.00	Transferred but not fully derecognized	Endorsed notes not yet matured and not yet terminally recognized
Fixed assets	1,974,442,897.75	1,577,334,986.61	Mortgage	Mortgage for financing	3,091,069,967.90	2,131,165,624.55	Mortgage	Mortgage for financing
Intangible assets	769,538,867.20	691,788,371.87	Mortgage	Mortgage for financing	706,540,148.39	625,688,886.94	Mortgage	Mortgage for financing
receivable Financing	41,895,942.58	41,895,942.58	Pledge	Pledge for financing	254,800,029.49	254,800,029.49	Pledge	Pledge for financing
Held-for-trading financial assets	272,943,397.26	272,943,397.26	Pledge	Pledge for financing	226,613,327.00	226,613,327.00	Pledge	Pledge for financing
Fixed assets	2,580,507,584.06	1,397,667,519.75	Mortgage	Property rights for financing	1,518,556,589.70	875,318,605.62	Mortgage	Property rights for financing
Right-of-use assets	27,130,584.06	24,553,178.57	Mortgage	Property rights for financing	27,130,584.06	27,130,584.06		Leased asset
Construction in progress	1,588,095,939.38	1,588,095,939.38	Mortgage	Mortgage for financing	544,813,390.19	544,813,390.19	Mortgage	Property rights for financing
Construction in progress	215,038,453.28	215,038,453.28	Mortgage	Property rights for financing				
Other non-current assets					240,823,273.53	240,823,273.53	Mortgage	Property rights for financing
Equity in subsidiaries				Equity interests in subsidiaries pledged				

				for financing [Note]				
Total	10,705,648, 294.22	9,042,813,5 07.69			9,543,398, 341.45	7,859,404,7 52.57		

Other remarks:

[Note] Jiangxi Gotion New Energy Technology Co., Ltd., a subsidiary of the Company, pledged 184,426,200 shares of equity interest in Yichun Kefeng New Materials Co., Ltd., a subsidiary of the Company, for the purpose of borrowing money; and Yichun Gotion Lithium Co., Ltd., a subsidiary of the Company, pledged 45,500,000 shares of equity interest in Jiangxi Weihong Lithium Industry Co.

## 25. Short-term borrowings

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

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Pledged borrowing	720,000,000.00	732,000,000.00
Mortgaged borrowing	272,538,992.15	208,520,577.49
Guaranteed borrowing	15,017,988,800.00	9,830,139,960.01
Credit borrowing	6,123,098.28	
Plus: interest outstanding on short-term borrowings	41,807,782.94	35,936,142.97
Factoring borrowings	178,500,000.00	14,107,500.00
Total	16,236,958,673.37	10,820,704,180.47

Remarks on the classification of short-term borrowings:

## 26. Notes payable

Monetary Unit: RMB

Type	Ending balance	Beginning balance
Commercial acceptance bill	829,149,309.52	805,290,037.66
Bank acceptance bill	5,298,578,387.85	4,710,463,897.11
Total	6,127,727,697.37	5,515,753,934.77

The total amount of notes payable that become due but unpaid yet at the end of the current period is 0.00 RMB, and the reason for failure to pay when due is:

## 27. Accounts payable

### (1) Details of accounts payable

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Payable for goods	7,705,516,017.85	7,280,704,913.78
Payable for construction and equipment	5,701,748,598.24	4,534,086,535.84
Total	13,407,264,616.09	11,814,791,449.62

## 28. Other accounts payable

Monetary Unit: RMB

Item	Item	Beginning balance
Dividends payable	2,033,891.80	2,033,891.80
Other payable	936,010,160.19	928,799,490.24
Total	938,044,051.99	930,833,382.04

### (1) Dividends payable

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Cash dividend	2,033,891.80	2,033,891.80
Total	2,033,891.80	2,033,891.80

Other remarks, including material dividends payable unpaid for more than one year, the reason for non-payment should be disclosed:

### (2) Other payable

#### 1) Other accounts payable presented by nature of payment

Monetary Unit: RMB

Item	Ending balance	Ending balance
Obligation for repurchase of restricted shares	22,964,323.31	89,804,639.14
Accrued expenses	242,950,453.07	154,364,887.26
receivable and payable	45,800,640.94	54,516,939.60
Amount of repurchase of minority shares of the company	63,291,055.57	87,753,271.53
Guarantee	104,694,901.23	91,020,836.17
Borrowings from non-financial institutions	421,004,268.62	421,490,309.22
Others	35,304,517.45	29,848,607.32
Total	936,010,160.19	928,799,490.24

## 29. Contract liabilities

Item	Ending balance	Beginning balance
Advanced receipts from sales of products	1,025,880,130.88	603,577,134.25
Advanced receipts from lease		
Total	1,025,880,130.88	603,577,134.25

Major contractual liabilities aging over 1 year

Monetary Unit: RMB

Item	Ending balance	Reason for failure to repay or carry forward
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Amounts and reasons for major changes in book value during the reporting period

Monetary Unit: RMB

Item	Amount of change	Reason for change
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**30.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	323,957,648.53	3,300,215,094.25	3,172,473,175.90	451,699,566.88
II. Post-employment benefits - defined contribution plan	2,183,935.62	247,581,765.17	244,778,472.69	4,987,228.10
III. Dismissal benefit		1,038,438.57	1,038,438.57	
Total	326,141,584.15	3,548,835,297.99	3,418,290,087.16	456,686,794.98

**(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	312,170,409.32	2,881,452,374.34	2,746,958,936.81	446,663,846.85
2. Employee welfare expenses		190,621,648.70	190,621,648.70	
3. Social insurance premiums	1,228,060.69	112,222,137.42	111,035,812.37	2,414,385.74
Including: medical insurance	531,520.08	101,150,252.49	99,761,385.37	1,920,387.20
Work-related injury insurance	637,655.63	7,582,204.39	8,022,350.78	197,509.24
Maternity insurance fee	58,884.98	3,195,543.62	2,972,013.51	282,415.09
Social security paid for overseas companies		294,136.92	280,062.71	14,074.21
4. Housing provident funds	1,752,158.90	72,752,279.54	72,302,990.94	2,201,447.50
5. Trade union funds	1,164,721.93	31,326,374.86	32,071,210.00	419,886.79



and employee education funds				
8. Others	7,642,297.69	11,840,279.39	19,482,577.08	
Total	323,957,648.53	3,300,215,094.25	3,172,473,175.90	451,699,566.88

**(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	1,991,575.05	240,473,261.12	237,664,756.80	4,800,079.37
2. Unemployment insurance	192,360.57	7,108,504.05	7,113,715.89	187,148.73
Total	2,183,935.62	247,581,765.17	244,778,472.69	4,987,228.10

Other remarks:

**31. Taxes payable**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
VAT	80,545,763.33	221,094,203.97
Enterprise income tax	132,914,014.22	77,375,277.48
Personal income tax	5,448,426.26	2,445,412.69
Urban maintenance and construction tax	698,625.69	1,473,947.95
Educational surcharge and local education surcharge	890,965.06	1,917,406.30
Property taxes	23,185,333.84	17,940,415.20
Urban land use tax	11,761,823.39	9,798,318.39
Others	32,067,222.81	24,904,095.70
Total	287,512,174.60	356,949,077.68

Other remarks:

**32. Non-current liabilities due within one year**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Long-term borrowings due within one year	4,046,164,710.94	2,305,807,077.23
Bonds payable due within one year	100,000,000.00	600,000,000.00
Long-term payable due within one year	1,115,132,118.08	605,488,835.22
Lease debt due within one year	87,904,229.06	76,938,153.84
Long-term payable interest due within one year	26,724,559.68	23,313,306.07
Interest on bonds payable due within one year	1,600,000.00	21,918,862.53
Total	5,377,525,617.76	3,633,466,234.89

**33. Other current liabilities**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Short-term bonds payable	400,085,037.37	
Unrealized profits of internal sales corresponding to the inventory committed to repurchase	4,464,531.65	4,464,531.65
Output VAT to be transferred	101,473,539.49	55,456,084.62
Accounts payable which are not derecognized (payment for part of the unmatured mercantile papers)	992,248,955.00	296,785,088.27
Others	10,155,114.06	10,155,114.06
Total	1,508,427,177.57	366,860,818.6

Increase/decrease of short-term bonds payable:

Monetary Unit: RMB

Bond name	Nominal value	Coupon rate	Issuance date	Nominal value	Issuance amount	Beginning balance	Amount issued in the current period	Interest accrued by face value	Amortization of premiums or discounts	Amount repaid in the current period		Ending balance	Whether or not in default
2023 No.1 Collective Short-term Financing Bonds for YRD Advanced Manufacturing Enterprises	400,000,000.00	2.98%	2023-12-25	270 天	398,979,597.90		398,979,597.90	993,333.33	112,106.14			400,085,037.37	No
Total													

Other remarks:

**34. Long-term borrowings****(1) Classification of long-term borrowings**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Pledged borrowing	194,850,000.00	222,950,000.00

Mortgaged borrowing	6,146,099,199.76	4,203,976,277.43
Guaranteed borrowing	15,691,730,115.83	8,488,786,213.00
Credit borrowings	118,900,000.00	
Factoring borrowings	54,430,000.00	78,130,000.00
Plus:Interests not due on long-term borrowings		918,465.55
Less: long-term borrowings maturing within one year	-4,046,164,710.94	-2,305,807,077.23
Total	18,159,844,604.65	10,688,953,878.75

Remarks on the classification of long-term borrowings:

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

### 35. Bonds payable

#### (1) Bonds payable

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Green (Science and Technology Innovation Board) Bond 1 in 2022	296,796,432.95	394,159,870.29
Total	296,796,432.95	394,159,870.29

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

Monetary Unit: RMB

Bond name	Nominal value	Coupon rate	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 in the current period	Interest paid in the current period	Non-current liabilities reclassified into those due within one year	Ending balance	Whether or not in default
18 Gotion Green Bond 01 <sup>1</sup>	500,000,000.00		2018/4/12	5 年	500,000,000.00			12,087,500.00	549,193.03	500,000,000.00	32,500,000.00			No
Green (Science and Tech	500,000,000.00		2022/11/25	3 年	500,000,000.00	394,159,870.29		18,799,999.99	2,636,562.66	100,000,000.00	17,199,999.99	101,600,000.00	296,796,432.95	No

nology Innovation Board) Bond 01 <sup>2</sup> . in 2022														
Total					1,000,000.00	394,159,870.29		30,887,499.99	3,185,755.69	600,000.00	49,699.99	101,600.00	296,796.43	2.95

Note: 1. The amount of the current period represents the increase or decrease of the portion due within one year; the opening balance of the portion reclassified to be due within one year is RMB 519,863,306.97.

2. The payment of nominal value of RMB 100,000,000.00 in the current period represents the portion reclassified to maturity within one year in the previous period.

### 36. Lease liabilities

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Lease liabilities – lease payment amount	371,329,171.91	263,569,795.34
Less: Lease liabilities – unrecognized financing expenses	-54,326,928.91	-22,652,969.17
Less: Lease liabilities due within one year	-87,904,229.06	-76,938,153.84
Total	229,098,013.94	163,978,672.33

Other remarks:

### 37. Long-term payable

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Long-term payable	2,226,062,224.05	1,802,705,480.32
Special payable	8,348,969.63	19,952,375.07
Total	2,234,411,193.68	1,822,657,855.39

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

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Payable for assets purchase or lease (nominal rent but actual mortgage)	2,440,708,260.00	1,712,312,012.53
Payable for equity repurchase	900,486,082.13	695,882,303.01
Less: long-term payable maturing within one year	-1,115,132,118.08	-605,488,835.22
Total	2,226,062,224.05	1,802,705,480.32

Other remarks:

**(2) Special payable**

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Reason for formation
Reserves for the work-related injury or separation compensations for employees (of overseas companies)	19,952,375.07		11,603,405.44	8,348,969.63	
Total	19,952,375.07		11,603,405.44	8,348,969.63	

Other remarks:

**38. Estimated liabilities**

Monetary Unit: RMB

Item	Ending balance	Beginning balance	Reason for formation
Product quality assurance	497,666,911.03	385,641,072.27	Estimated quality assurance expense
Total	497,666,911.03	385,641,072.27	

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

**39. 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	186,513,101.09	92,786,200.00	39,349,053.26	239,950,247.83	Related to assets
Total	186,513,101.09	92,786,200.00	39,349,053.26	239,950,247.83	--

Other remarks:

**40. Share capital**

Monetary Unit: RMB

	Beginning balance	Increase/decrease					Ending balance
		Shares newly issued	Shares granted	Shares converted from capital reserve	Others	Subtotal	
Total number of shares	1,778,874,835.00	6,311,997.00				6,311,997.00	1,785,186,832.00

Other remarks:

According to the *Resolution regarding the Fulfillment of Exercise Conditions for the First Exercise Period of the First Grant of the 2022 Stock Option Incentive Plan* approved on August 28, 2023 at the Company's third meeting of the ninth Board of Directors and third meeting of the ninth Board of Supervisors, the exercise conditions for the first exercise period of 2022 Share Option Incentive Plan of the Company have been fulfilled. The incentive recipients eligible for the exercise of the options this time numbered 1,571, and the number of exercisable options was 17.396 million, and the exercise price was RMB18.67 per share. Until December 31, 2023, the said persons had accumulatively exercised 6,311,997 shares independently, which, after deduction of the exercise registration fees, had been accounted into the share capital of RMB6,311,997.00 and capital reserve (capital premium) of RMB111,532,986.99. The total number of shares of the Company was changed to 1,785,186,832 shares.

#### 41. 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)	17,527,543,022.16	1,012,101,327.68	9,731,290.38	18,529,913,059.46
Other capital reserves	663,480,703.01	595,197,570.27	751,862,658.30	506,815,614.98
Total	18,191,023,725.17	1,607,298,897.95	761,593,948.68	19,036,728,674.44

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

##### (1) Share capital premium:

Increase in the current period: ① See Annotation 40. Explanation to Capital Stock; ② the carried forward equity interests generated from the exercise or unlocking of the second and third employee stock ownership plans and the 2021 and 2022 share option incentive plans during each exercise period shall be transferred for other capital surplus in the amount of RMB 751,862,658.30; ③ the Company's net identifiable assets increased by a total of RMB 82,314,288.54 as calculated by shareholding ratio because of the different proportions of capital increase by the shareholders of the Company's subsidiaries Liuzhou Gotion Battery Co., Ltd. and Yichun Gotion Lithium Industry Co., Ltd. ④The capital reserve for the invalid part of equity of the liquidation of the second phase of the ESOP was increased by RMB66,391,393.85.

Decrease in the current period: the adjustment (Adjustment of the estimated amount charged to some items in the prior period by the finalized contract amount) in the current period increased the 2022 GDR issuance expenses, and the capital reserve was decreased by RMB9,731,290.38.

##### (2) Other capital reserves:

Increase in the current period: ① The affiliate, Anhui Anwa New Energy Technology Co., Ltd. accepted the capital investment by the other shareholders, resulting in increase of the identifiable net assets entitled to the company in the amount of RMB2,185,244.10; ② The total amount of the option costs ( equity attributable to owners of the parent company ) of the 2021 and 2022 share option incentive plans, the second and third phase employee stock ownership plans was RMB 593,012,326.17.

Decrease in the current period: the carried forward equity interests generated from the exercise or unlocking of the second and third employee stock ownership plans and the 2021 and 2022 share option

incentive plans during each exercise period shall be transferred for other capital surplus in the amount of RMB 751,862,658.30.

#### 42. Treasury stock

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Formation of repurchased shares	257,702,092.65			257,702,092.65
Restrictive Stock Incentive Plan	87,872,366.80		62,876,094.72	24,996,272.08
Equity of the parent company held by subsidiaries	59,000,000.00			59,000,000.00
Total	404,574,459.45		62,876,094.72	341,698,364.73

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

The decrease in the current period is the adjustment and offset of the end of repurchase obligations corresponding to the unlocked part under employee stock option plan in the second and third phases, with the amount of treasury shares adjusted to RMB62,876,094.72.

## 43. 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 into current profits and losses	Less: amount recorded in other comprehensive incomes in the prior period and converted into retained earnings in the current period	Less: income tax expense	Attributable to parent company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive incomes that cannot be reclassified into profit and loss	194,297,503.21	- 274,307,708.72		- 338,341.03		- 273,969,367.69		- 79,671,864.48
Including: amount of changes in the defined benefit plan due to re-measurement	31,125,340.56	- 15,935,574.64				- 15,935,574.64		- 15,189,765.92
Changes in fair value of the other equity instrument investment	163,172,162.65	- 258,372,134.08		- 338,341.03		- 258,033,793.05		- 94,861,630.40
II. Other comprehensive income that will be reclassified to profit and loss	15,454,455.13	- 40,046,556.89				- 23,187,391.79	- 16,859,165.10	- 7,732,936.66
Including: Other comprehensive income that can be transferred to profit and loss	- 622,177.60	837,073.06				327,938.84	509,134.22	- 294,238.76



under the equity method								
Translation differences of financial statements denominated in foreign currencies	16,076,632.73	- 40,883,629.95				- 23,515,330.63	- 17,368,299.32	- 7,438,697.90
Total other comprehensive income	209,751,958.34	- 314,354,265.61		- 338,341.03		- 297,156,759.48	- 16,859,165.10	- 87,404,801.14

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

#### 44. Special reserves

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Safety production fee	2,809,129.24	4,538,982.40	6,076,959.68	1,271,151.96
Total	2,809,129.24	4,538,982.40	6,076,959.68	1,271,151.96

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

#### 45. Surplus reserves

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Statutory surplus reserves	188,051,476.38	11,703,196.00		199,754,672.38
Total	188,051,476.38	11,703,196.00		199,754,672.38

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

#### 46. Undistributed profit

Monetary Unit: RMB

Item	Current period	Previous period
Undistributed profit at the end of the previous period before adjustment	3,546,316,521.53	3,383,404,674.54
Undistributed profit at the beginning of current period after adjustment	3,546,316,521.53	3,383,404,674.54
Plus: net profit attributable to the owner of the parent company in the current period	938,726,847.76	311,576,431.81
Less: withdrawal of statutory surplus reserves	11,703,196.00	9,713,173.33
Dividends payable on ordinary		166,470,676.17

shares		
Plus: proceeds from disposal of other equity instrument investments	-338,341.03	27,519,264.68
Undistributed profit at the end of the period	4,473,001,832.26	3,546,316,521.53

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 RMB .
- 2). Due to change in accounting policy, the undistributed profit at the beginning of the period is affected by RMB .
- 3). Due to correction of major accounting errors, the undistributed profit at the beginning of the period is affected by RMB .
- 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 RMB .
- 5). Due to other adjustments, the undistributed profit at the beginning of the period is affected by RMB .

#### 47. 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	30,799,621,845.39	25,901,537,717.94	22,653,773,606.17	18,850,877,939.34
Other businesses	805,868,174.93	355,674,178.77	397,927,878.43	98,818,217.36
Total	31,605,490,020.32	26,257,211,896.71	23,051,701,484.60	18,949,696,156.70

The audited net profit before and after deducting non-recurring profits and losses, whichever is lower, is negative

☐ Yes ☒ No

#### 48. Taxes and surcharges

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Urban maintenance and construction tax	9,685,743.30	16,045,034.17
Educational surcharges	8,646,759.46	13,125,609.84
Property taxes	66,183,386.02	40,173,611.49
Land use tax	38,867,201.11	28,950,586.90
Stamp tax	63,057,947.65	28,876,539.99
Others	47,565,048.05	33,734,669.95
Total	234,006,085.59	160,906,052.34

Other remarks:

#### 49. Administrative expenses

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
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Payroll	667,152,762.39	509,455,552.40
Depreciation and amortization expenses	268,113,209.04	155,466,527.13
Option fee	338,558,407.21	362,144,466.31
Office and other operating expenses	462,358,033.25	283,877,548.67
Total	1,736,182,411.89	1,310,944,094.51

Other remarks:

## 50. Selling expenses

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Warranty and after sale expenses	363,418,904.40	286,754,916.81
Payroll	148,355,786.67	94,982,759.89
Sales and other operating expenses	144,098,473.30	89,049,527.87
Total	655,873,164.37	470,787,204.57

Other remarks:

## 51. R&D expenses

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
R&D materials expenses	715,729,555.65	663,535,339.83
Employee compensation	773,527,066.99	557,711,816.90
Stock option expenses	260,431,808.22	212,990,640.69
Testing and others	311,551,078.37	359,250,158.13
Total	2,061,239,509.23	1,793,487,955.55

Other remarks:

## 52. Financial expenses

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Interest expense	1,157,597,132.73	711,026,372.60
Less: interest income	-409,536,378.71	-188,393,528.29
Including: exchange losses (less: gains)	-249,957,499.83	-211,051,556.08
Including: Expenses on bank handling fee and others	49,389,938.67	11,090,986.72
Total	547,493,192.86	322,672,274.95

Other remarks:

## 53. Other incomes

Monetary Unit: RMB

Sources generating other incomes	Amount incurred in the current period	Amount incurred in the previous period
Government subsidies	1,002,303,651.06	921,316,197.19
VAT additions and deductions	270,290,584.07	
Others	417,154.85	190,382.44
Total	1,273,011,389.98	921,506,579.63

**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	105,890,866.72	-139,873,696.89
Total	105,890,866.72	-139,873,696.89

Other remarks:

**55. 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	-280,539.33	72,123,623.61
Investment income from disposal of long-term equity investments	6,894,019.60	5,678,742.07
Investment income from disposal of other investment	114,058.54	569,151.63
Investment income from financial assets held for trading	61,957,460.98	-3,298,706.50
Investment income from the conversion of long-term equity investments measured by equity method to trading financial assets		142,103,199.17
Total	68,684,999.79	217,176,009.98

Other remarks:

**56. Credit impairment loss**

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Credit impairment losses of notes receivable	16,597,399.20	-10,067,383.87
Credit impairment losses of accounts receivable	-294,026,250.93	-413,266,573.80
Credit impairment reverses (losses) of other receivable	-59,254,207.27	-57,829,078.54
Credit impairment reverses (losses) of other receivable	479,497.03	819,182.65
Provision for impairment of non-current assets maturing within one year	-3,224,315.76	-8,684,435.01
Total	-339,427,877.73	-489,028,288.57

Other remarks:

**57. Asset impairment loss**

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Loss on depreciation of inventory and impairment of contract performance cost	-209,554,915.75	-311,851,884.45
I. Impairment loss of long-term equity investment	-6,241,715.00	-11,976,103.98
IV. Impairment losses of fixed assets	-7,880,935.00	-14,458,500.00
VI. Impairment loss on construction in progress	-3,210,853.98	
XI. Impairment loss of goodwill	-13,940,400.04	-33,748,074.35
XI. Others	-3,539,750.00	
Total	-244,368,569.77	-372,034,562.78

Other remarks:

## 58. 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
Gains or losses from disposal of fixed assets	-1,849,074.44	17,739,719.00

## 59. 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		20,000.00	
Net income from operating fines and breach of contract	9,926,900.41	7,947,681.16	9,926,900.41
Write-off of current accounts and others	4,222,575.17	3,763,325.97	4,222,575.17
Return of market fees from financial institutions		9,988,302.61	
The difference between the investment cost of the enterprise merger under non-identical control and the share of net identifiable assets of the investee		51,427,788.13	
Other net gain on scrapping of non-current assets	168,368.32		168,368.32
Total	14,317,843.90	73,147,097.87	14,317,843.90

Other remarks:

## 60. 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 gains and losses
External donations	12,012,389.60	5,157,729.80	12,012,389.60
Other net loss on scrapping of fixed assets	6,956,957.80	402,279.08	6,956,957.80

Compensation and penalties expenditure	21,961,957.09	6,439,459.56	21,961,957.09
Others	652,295.84	877,263.16	652,295.84
Total	41,583,600.33	12,876,731.60	41,583,600.33

Other remarks:

## 61. 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	158,884,957.19	82,891,814.63
Deferred income tax expense	-179,824,092.31	-189,568,100.03
Total	-20,939,135.12	-106,676,285.40

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

Monetary Unit: RMB

Item	Amount incurred in the current period
Total profit	948,159,737.79
Income tax expense calculated according to statutory/applicable tax rate	237,039,934.45
Impact from applying different tax rates to subsidiaries	-27,643,176.49
Impact from non-deductible costs, expenses and losses	82,060,994.82
Impact from deductible temporary differences or deductible losses of unrecognized deferred income tax assets in the current period	-18,392,110.37
The impact number of research and development expenses plus and deduction	-294,004,777.53
Income tax expense	-20,939,135.12

Other remarks:

## 62. Other comprehensive income

See Note 43.

## 63. Items in statement of cash flows

### (1) Cash related to operating activities

Other cash received from operating activities

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Government subsidies receivable and payable and others	1,056,157,952.65	947,033,552.22
	451,041,700.63	215,510,518.52
Total	1,507,199,653.28	1,162,544,070.74

Remarks on other cash received from operating activities

Other cash paid for operating activities:

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Selling expenses	133,020,013.59	82,399,086.11
General and administrative expenses	452,976,783.00	282,706,954.65
R&D expenditures	249,367,751.62	215,664,438.94
receivable and payable and others	1,370,496,391.75	1,249,693,749.90
Total	2,205,860,939.96	1,830,464,229.60

Remarks on other cash paid for operating activities:

## (2) Cash related to investment activities

Other cash received from investment-related activities

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Portion of its net cash held on the merger date lower than the consideration paid by the subsidiary		47,631,373.07
Total		47,631,373.07

Remarks on other cash received from investment activities:

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
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Remarks on other cash received from investment-related activities:

Other cash paid for operating activities:

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
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Remarks on major cash paid for investment-related activities:

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
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Remarks on other cash paid for investment-related activities:

## (3) Cash related to financing activities

Other cash received from financing activities

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Financing from non-bank financial institutions		1,761,558,517.70
Payment for share repurchase		101,000,000.00

Total		1,862,558,517.70
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Remarks on other cash received from financing activities:

Other cash paid for financing activities

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Expenses of private placement	40,737,725.44	27,087,935.09
Notes submitted deposit	145,361,701.15	525,408,066.20
Payment for share repurchase		257,702,092.65
Financing from non-bank financial institutions		58,317,483.55
Payment for acquisition of minority shares	19,500,000.00	12,734,246.58
Total	205,599,426.59	881,249,824.07

Remarks on other cash paid for financing activities:

Changes in liabilities arising from financing activities

☐ Applicable ☒ Not applicable

(4) Explanation of cash flow presented on a net basis

Item	Relevant Facts	Basis for presenting on a net basis	Financial Impact
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**(5) Major activities and financial impacts which do not involve current cash receipts and disbursements but affect financial conditions or may affect future cash flows of the Company**

#### 64. Supplementary information to the statement of cash flows

##### (1) Details of supplementary information to the statement of cash flows

Monetary Unit: RMB

Supplementary information	Amount of this period	Amount in the previous period
1. Reconciliation of net profit to cash flows from operating activities		
Net profit	969,098,872.91	365,640,158.02
Plus: provision for asset impairment	583,796,447.50	861,062,851.35
Credit impairment loss	1,593,515,943.51	949,240,730.66
Depreciation of fixed assets, oil and gas assets and productive biological assets	15,244,776.89	
Amortization of intangible assets	236,888,829.45	119,447,365.05
Amortization of long-term deferred expenses	32,255,273.73	24,573,763.86
Loss from disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	1,849,074.44	-17,739,719.00
Loss from scrapping of fixed assets ("-" for gains)	6,788,589.48	402,279.08
Loss on changes in fair value ("-" for gains)	-105,890,866.72	139,873,696.89



Financial expenses (“-” for gains)	907,639,632.90	495,756,417.16
Investment loss (“-” for gains)	-68,684,999.79	-217,176,009.98
Decrease in deferred income tax assets (“-” for increase)	-257,970,296.78	-227,806,610.99
Increase in deferred income tax liabilities (“-” for decrease)	77,850,531.21	43,094,851.79
Decrease in inventories (“-” for increase)	1,991,382,992.32	-3,211,665,876.16
Decrease in operating receivable (“-” for increase)	-7,109,068,959.10	-5,596,813,723.99
Increase in operating payable (“-” for decrease)	3,408,294,868.24	7,146,568,196.58
Others	135,700,107.10	-73,187,531.20
Net cash flow from operating activities	2,418,690,817.29	801,270,839.12
2. Major investing and financing activities that do not involve 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	11,328,205,559.31	11,242,032,512.47
Less: beginning balance of cash	11,242,032,512.47	9,439,169,976.77
Plus: ending balance of cash equivalents		
Less: beginning balance of cash equivalents		
Net increase in cash and cash equivalents	86,173,046.84	1,802,862,535.70

**(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	180,896,450.41
Including:	
Jiangxi Huayou Mining Co., Ltd.	
Gotion Argentina Co., Ltd.	10,256.95
Konawe Natural Energy Co., Ltd.	180,886,193.46
Less: Cash and cash equivalents held by the Company at the date of purchase	1,935,626.18
Including:	
Jiangxi Huayou Mining Co., Ltd.	430,252.72
Gotion Argentina Co., Ltd.	1,501,148.80
Konawe Natural Energy Co., Ltd.	4,224.66
Including:	
Net cash paid for acquisition of subsidiaries	178,960,824.23

Other remarks:

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

Monetary Unit: RMB

Item	Ending balance	Beginning balance
I. Cash	11,328,205,559.31	11,242,032,512.47
Including: cash in hand	155,682.62	312,411.62
Unrestricted bank deposit available for payment	11,309,953,705.28	11,239,589,270.13
Other cash and cash equivalents available for payment at any time	18,096,171.41	2,130,830.72
III. Ending balance of cash and cash equivalents	11,328,205,559.31	11,242,032,512.47

Other remarks:

### 65. Notes on items in the change statement of owner's equity

Explanation of the names of "other" items for adjusting the ending balance of last year and adjustment amounts:

### 66. 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			6,086,622,813.65
Including: USD	834,472,860.36	7.0827	5,910,320,928.07
EUR	8,840,487.45	7.8592	69,479,158.97
HKD	260,472.79	0.9062	236,040.44
JPY	1,356,947,197.00	0.0502	68,136,389.60
Singapore dollar	2,593,927.49	5.3772	13,948,066.90
Argentine peso	22,446,502.34	0.0088	197,529.22
Indonesian Rupiah	52,721,692,946.79	0.0004	24,304,700.45
Accounts receivable			1,143,747,582.16
Including: USD	152,704,785.15	7.0827	1,081,562,181.78
EUR	2,171,644.18	7.8592	17,067,385.94
HKD			
JPY	465,868,163.87	0.0502	23,392,638.11
Indonesian Rupiah	47,126,629,765.88	0.0004	21,725,376.33
Long-term borrowings			513,914,956.67
Including: USD	72,559,187.41	7.0827	513,914,956.67
EUR			
HKD			
Other receivable			58,032,387.23
Including :USD	3,411,140.12	7.0827	24,160,082.13
JPY	191,550.00	0.0502	9,618.30

EUR	224,404.36	7.8592	1,763,638.75
Singapore dollar	201,607.20	5.3772	1,084,082.24
Argentine peso	7,757,838.25	0.0088	68,268.98
Indonesian Rupiah	67,129,494,198.30	0.0004	30,946,696.83
Short-term borrowings			401,497,712.76
Including: USD	721,130.26	7.0827	5,107,549.29
Argentine peso	40,398,750.00	0.0088	355,509.00
HKD	436,883,869.26	0.9062	395,904,162.32
Indonesian Rupiah	283,063,238.00	0.0004	130,492.15
Account payable			39,475,179.17
Including: USD	3,144,646.12	7.0827	22,272,585.07
JPY	627,936.00	0.0502	31,530.55
EUR	2,003,719.87	7.8592	15,747,635.21
Singapore dollar	199,035.31	5.3772	1,070,252.67
Argentine peso	99,392.68	0.0088	874.66
Indonesian Rupiah	764,210,424.95	0.0004	352,301.01
Other payable			47,689,928.81
Including: USD	1,324,100.72	7.0827	9,378,208.17
JPY	135,624,721.00	0.0502	6,810,124.12
EUR	1,383,043.56	7.8592	10,869,615.95
Singapore dollar	141,500.83	5.3772	760,878.26
Argentine peso	3,513,643.56	0.0088	30,920.06
Indonesian Rupiah	43,037,271,705.42	0.0004	19,840,182.25

Other remarks:

## VIII. R&D expenditures

Monetary Unit: RMB

Item	Amount in the current period	Amount in the previous period
R&D material	929,599,549.05	915,897,703.92
Payroll	1,150,227,682.19	844,506,484.04
Option Fee	260,431,808.22	212,990,640.69
Testing and trial production and others	427,740,846.69	442,516,327.78
Total	2,767,999,886.15	2,415,911,156.43
Including: Expensed R&D expenditure	2,061,239,509.23	1,793,487,955.55
Capitalized research and development expenditure	706,760,376.92	622,423,200.88

### 1. Capitalization-eligible R&D projects

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period			Decrease in the current period			Ending balance
		Internal development expenditure	Other		Recognized as intangible assets	Transfer to profit or loss in the current		

					period		
DX-001	66,549,632.32	17,636,189.08			84,185,821.40		
DX-002	89,287,887.96	5,247,537.05			94,535,425.01		
DX-003	98,661,204.75	1,416,427.23			100,077,631.98		
CL-001	77,460,243.82	11,892,076.47			89,352,320.29		
CP-001	34,741,394.86	25,786,282.18			60,527,677.04		
CP-002	15,053,088.10	35,431,435.21			50,484,523.31		
CP-003	43,929,143.82	25,417,475.84			69,346,619.66		
DX-004		61,281,430.09					61,281,430.09
CP-004		47,061,845.30					47,061,845.30
QT-001		67,808,486.90			17,803,175.02		50,005,311.88
CP-005		37,506,195.32			7,871,836.04		29,634,359.28
DX-005		50,604,357.47					50,604,357.47
QT-002		48,835,536.36			47,873,095.61	962,440.75	
QT-003	21,732,726.91				21,732,726.91		
QT-004	39,814,387.44				39,814,387.44		
QT-005		49,373,942.11			48,238,920.69	1,135,021.42	
CP-006	19,298,018.50	34,878,734.38					54,176,752.88
CP-007	26,461,535.29	20,675,231.57			47,136,766.86		
QT-006		23,802,283.59			23,802,283.59		
DX-006		56,117,728.84				35,854,243.71	20,263,485.13
Other item	87,388,737.57	165,606,693.63			153,654,936.78	15,992,794.76	83,347,699.66
Total	620,378,001.34	786,379,888.62			930,763,136.57	79,619,511.70	396,375,241.69

Major capitalized R&amp;D projects

Item	R&D Progress	Expected time of completion	Expected manner of generation of economic benefits	Time of commencement of capitalization	Specific basis for commencement of capitalization
DX-004	At G4 project approval node; 73% budget implementation	December 31, 2024	When applied to production links, it can reduce cell cost and improve	January 1, 2023	Sample B trial production and validation are in line with the

	rate		cell performance		requirements, and meet the design freeze requirements; and have sufficient technical and financial support for project development
CP-004	At G3 design freeze node; 71% budget implementation rate	December 31, 2024	Obtain customer orders	January 1, 2023	Sample B certification is completed to meet the design freeze requirements; and have sufficient technical and financial support for the project research and development
QT-001	At G3 design freeze node; 90% budget implementation rate	December 31, 2024	Pre-lithiation industrialization to reduce cell production costs	April 1, 2023	Sample B validation has been passed to meet the design freeze requirements; and have sufficient technical and financial support for the project research and development
CP-005	At G3 design freeze node; 68% budget implementation rate	December 31, 2024	Obtain orders from customers	July 1, 2023	Completion of testing and certification to meet the design freeze requirements; and have sufficient technical and financial support for the project research and development
DX-005	At G4 project approval node; 80% budget implementation rate	December 31, 2024	According to the cost advantage, match the relevant models of Geely, Chery and other customers, realize the new products to generate revenue	January 1, 2023	Sample B validation has been passed to meet the design freeze requirements; and have sufficient technical and financial support for the project research and development
CP-006	At G5 mass production approval node;	June 30, 2024	Obtain orders from customers	October 1, 2022	Energy density, safety performance and cycling

	97% budget implementation rate				performance have all been verified to meet the design freeze standard; and have sufficient technology and funds to support the project R&D.
DX-006	At G3 design freeze node; 61% budget implementation rate	June 30, 2024	Provide energy type cells for Customer A and power type cells for Customer B	October 1, 2023	Energy density, safety performance and cycling performance have all been verified to meet the design freeze standard; and have sufficient technology and funds to support the project R&D.

## IX. Changes in consolidation scope

### 1. Business consolidation not under common control

#### (1) Business consolidation 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	Cash flow of the acquiree from the acquisition date to period-end
Jiangxi Huayou Mining Co., Ltd.	April 30, 2023	81,761,400.00	65.00%	Capital increase	April 30, 2023	Change of control		- 1,442,376.27	2,679,649.39
Gotion Argentina S.A.	March 3, 2023	10,256.95	95.00%	Acquisition	March 3, 2023	Change of control		- 21,379,373.73	2,373,451.51
PT Konawe Alam Energi	April 30, 2023	180,886,193.46	70.00%	Acquisition	April 30, 2023	Change of control		- 657,808.20	-2,270.14

Other remarks:

(1) In September 2022, a subsidiary company, Yichun Gotion Lithium Industry Co., Ltd., signed a *Capital Increase Agreement* with Jiangxi Huayou Mining Co., Ltd. and its sole shareholder, Jiangxi Ewinway New Materials Co., Ltd., and Yichun Gotion Lithium Industry Co., Ltd. subscribed for 65% equity interest in Jiangxi Huayou Mining Co., Ltd. by way of capital increase at a price of RMB 81,761,400, of which RMB 5,571,400

was used as part of the Company's newly-increased registered capital. By April 2023, the Company has completed the corresponding property right delivery and equity change registration procedures; At the same time, Yichun Gotion Lithium Industry Co., Ltd. has fulfilled the relevant obligations in accordance with the relevant provisions of the contract, and the provisions on invalidation of equity capital increase in the capital increase agreement have been lost. As the book assets of Jiangxi Huayou Mining Co., Ltd. are mainly corresponding mineral rights and there are no production and operation assets, therefore, this acquisition is not a business consolidation.

(2) In March 2023, GOTION INC. signed the *Equity Transfer Agreement* with Yun Yo Lin and Fernando Maximiliano Lin, respectively, to acquire 55% and 40% equity shares of Gotion Argentina S.A. respectively held by them at 165,000 pesos and 120,000 pesos respectively, and completed the delivery of corresponding property rights on the same date. Since March 2023, the Company has been included in the scope of consolidation of the Company's financial statements.

(3) In April 2023, PT. Gotion Indonesia Materials and ADITYA SETIAWAN, ANTHONY SURYAJAYA and others, former shareholders of PT Konawe Alam Energi, signed an *Equity Transfer Agreement* to acquire 70% of the equity interest in PT Konawe Alam Energi held by the aforesaid shareholders at a price of INR 392,377,860,000.00. Up to April 2023, the Company has completed the delivery of corresponding property rights and registration of equity change; From the same month onwards, the Company was included in the scope of consolidation of the Company's financial statements. Because the PT Konawe Alam Energi and its subsidiary, PT Intan Perdana Puspa, whose ownership percentage is 99.99% and is a mining rights holding company, primarily hold mining rights as their book assets, without any production or operational assets, this acquisition does not constitute a business consolidation.

## (2) Consolidation costs and goodwill

Monetary Unit: RMB

Consolidated cost	Huayou Mining	Gotion Argentina	Konawe
--Cash	81,761,400.00	10,256.95	180,886,193.46
--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 consolidated costs	81,761,400.00	10,256.95	180,886,193.46
Less: Share of fair value of	81,761,400.00	-430,913.35	180,886,193.46

identifiable net assets acquired			
Goodwill/consolidated cost less than share of fair value of identifiable net assets acquired		441,170.30	

Method for determining the fair value of the consolidated 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

	Huayou Mining		Gotion Argentina		Konawe	
	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	46,252,552.72	430,252.72	1,501,148.80	1,501,148.80	4,224.66	4,224.66
Accounts receivable						
Inventories						
Fixed assets						
Intangible assets						
Advances to suppliers			314,920.13	314,920.13		
Other receivable	35,939,100.00		427,350.12	427,350.12		
Other current assets			132,161.83	132,161.83		
Other non-current assets	56,722,372.22	4,344,965.37			322,905,652.01	29,733,067.22
Liabilities:						
Borrowings						
Accounts payable			3,444.80	3,444.80		
Deferred income tax liabilities	13,094,351.71				64,498,582.93	
Other current liabilities	32,904.00	32,904.00	412,942.62	412,942.62		
Other payable			2,412,786.46	2,412,786.46		
Net assets	125,786,769.23	4,742,314.09	-453,593.00	-453,593.00	258,411,293.74	29,737,291.88
Less: Minority equity	44,025,369.23		-22,679.65	-22,679.65	77,525,100.28	8,921,187.56
Net assets acquired	81,761,400.00		-430,913.35	-430,913.35	180,886,193.46	20,816,104.32

Method for determining the fair value of identifiable assets and liabilities:

Contingent liability of the acquiree undertaken in a business combination:

Other remarks:



(1) In September 2022, a subsidiary company, Yichun Gotion Lithium Industry Co., Ltd., signed a *Capital Increase Agreement* with Jiangxi Huayou Mining Co., Ltd. and its sole shareholder, Jiangxi Ewinway New Materials Co., Ltd., and Yichun Gotion Lithium Industry Co., Ltd. subscribed for 65% equity interest in Jiangxi Huayou Mining Co., Ltd. by way of capital increase at a price of RMB 81,761,400, of which RMB 5,571,400 was used as part of the Company's newly-increased registered capital. By April 2023, the Company has completed the corresponding property right delivery and equity change registration procedures; At the same time, Yichun Gotion Lithium Industry Co., Ltd. has fulfilled the relevant obligations in accordance with the relevant provisions of the contract, and the provisions on invalidation of equity capital increase in the capital increase agreement have been lost. As the book assets of Jiangxi Huayou Mining Co., Ltd. are mainly corresponding mineral rights and there are no production and operation assets, therefore, this acquisition is not a business consolidation.

(2) In March 2023, GOTION INC. signed the *Equity Transfer Agreement* with Yun Yo Lin and Fernando Maximiliano Lin, respectively, to acquire 55% and 40% equity shares of Gotion Argentina S.A. respectively held by them at 165,000 pesos and 120,000 pesos respectively, and completed the delivery of corresponding property rights on the same date. Since March 2023, the Company has been included in the scope of consolidation of the Company's financial statements.

(3) In April 2023, PT. Gotion Indonesia Materials and ADITYA SETIAWAN, ANTHONY SURYAJAYA and others, former shareholders of PT Konawe Alam Energi, signed an *Equity Transfer Agreement* to acquire 70% of the equity interest in PT Konawe Alam Energi held by the aforesaid shareholders at a price of INR 392,377,860,000.00. Up to April 2023, the Company has completed the delivery of corresponding property rights and registration of equity change; From the same month onwards, the Company was included in the scope of consolidation of the Company's financial statements. Because the PT Konawe Alam Energi and its subsidiary, PT Intan Perdhana Puspa, whose ownership percentage is 99.99% and is a mining rights holding company, primarily hold mining rights as their book assets, without any production or operational assets, this acquisition does not constitute a business consolidation.

#### (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

Other remarks:

## 2. Disposal of subsidiaries

Is there any transaction or event that results in the loss of control of the subsidiary in the current period

☒ Yes/No

Monetary Unit: RMB

Name of subsidi	Dispos al price	Percentage of dispos	Dispos al at the	Point in time when	The basis for	The difference	Proportion of equity	The carryin g	Fair value of	Gains or losses	Methods and key	The amount of
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ary	at the point of loss of control	als at the point of loss of control	point of loss of control	control is lost	judgin g the point of loss of control	between the dispos al price and the share of net assets of the subsidi ary at the level of the consoli dated financi al statem ents corres pondin g to the dispos al of the invest ment	remain ing at the date of loss of control	amount t of the remain ing equity interes t at the level of the consoli dated financi al statem ents at the date of loss of control	remain ing equity interes ts at the level of the consoli dated financi al statem ents at the date of loss of control	arising from remeas urement of residua l equity at fair value	assum ptions for determ ining the fair value of residua l equity at the level of consoli dated financi al statem ents at the date of loss of control	other compr ehensi ve incom e relatin g to the equity invest ment of Atomi c Compa ny transfe rred to profit or loss or retaine d earnin gs of the invest ment
Suzhou Dongyuan Tianli Electric Appliance Co., Ltd.	3,862, 706.52	100.00 %	Sale	Decem ber 8, 2023	The asset deliver y proced ures and share change registr ation proced ures have been compl eted	6,894, 019.60						

Other remarks:

On November 28, 2023, Jiangsu Dongyuan Electric Appliance Group Co., Ltd., a subsidiary, and Suzhou Longchuang Technology Co., Ltd. signed the *Equity (Share) Transfer Agreement*, and Jiangsu Dongyuan Electric Appliance Group Co., Ltd. sold its 100% equity interest in Suzhou Dongyuan Tianli Electric Appliance Co., Ltd. to Suzhou Longchuang Technology Co., Ltd. Up to December 31, 2023, both parties have completed the corresponding asset delivery procedures and share change registration procedures.

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.

#### Newly established company

Company name new established	Incorporation date	Registered capital (RMB '0,000)	Explanations
Jinzhai Gotion New Energy Co., Ltd.	2023.3	100,000	The subsidiary Hefei Gotion Hi-Tech Power Energy Co., Ltd. holds 100% of the shares.
Chuzhou Gotion New Energy Power Co., Ltd.	2023.4	100,000	The subsidiary Hefei Gotion Hi-Tech Power Energy Co., Ltd. holds 100% of the shares.
Hefei Zhengyi Testing Technology Co., Ltd.	2023.4	100	The subsidiary Hefei Gotion Hi-Tech Power Energy Co., Ltd. holds 100% of the shares.
Shanghai Xuanmei Yuankong New Energy Co., Ltd.	2023.6	60,000	The subsidiary Hefei Gotion Hi-Tech Power Energy Co., Ltd. holds 100% of the shares.
Weihai Gotion New Energy Technology Co., Ltd.	2023.10	20,000	The subsidiary Hefei Gotion Hi-Tech Power Energy Co., Ltd. holds 100% of the shares.
Yichun Guangxuan New Energy Vehicle Transportation Co., Ltd.	2023.3	1,000	The subsidiary Yichun Gotion Lithium Industry Co., Ltd. holds 51% of the shares.
Beijing Xuanyi New Energy Technology Co., Ltd.	2023.8	120,000	The subsidiary Shanghai Xuanyi New Energy Development Co., Ltd. holds 100% equity
Tangshan Xuanteng Energy Storage Technology Co., Ltd.	2023.9	10,000	The subsidiary Tangshan Gotion Battery Co., Ltd. holds 100% equity
Indonesia Gotion Trading Co., Ltd.	2023.2	IDR 10 billion	The subsidiary Indonesia Gotion New Materials Co., Ltd. holds 98% equity
Gotion Singapore Materials Holdings Limited	2023.4	SGD 1000	The subsidiary Indonesia Gotion New Materials Co., Ltd. holds 100% equity
Gotion New Energy (Hong Kong) Limited	2023.8	HKB 10,000	The subsidiary Beijing Xuanyi New Energy Technology Co., Ltd. holds 100% equity
333 Nance Prus Co., Ltd. (USA)	2023.10		The subsidiary Gotion High-tech (USA) Co., Ltd. holds 100% equity
New Energy Real Estate Holdings Limited (USA)	2023.10		The subsidiary Gotion High-tech (USA) Co., Ltd. holds 100% equity
Singapore Technology Co., Ltd.	2023.1	USD 100	The subsidiary Shanghai Gotion New Energy Co., Ltd. holds 100% equity
Gotion Luxembourg Technology Co., Ltd.	2023.1	EUR 12,000	The subsidiary Singapore Technology Limited holds 100% equity
Gotion Illinois New Energy Co., Ltd.	2023.12		The subsidiary Gotion High-tech (USA) Co., Ltd. holds 100% equity

## X. Equity in other entities

### 1. Equity in subsidiaries

#### (1) Structure of the enterprise group

Monetary Unit: RMB

Name of subsidiary	Registered capital	Principal place of business	Place of registration	Nature of business	Shareholding ratio		Method of obtaining
					Direct	Indirect	
Jiangsu Dongyuan Electric Appliance Group Co., Ltd.	550,000,000.00	Jiangsu Nantong	Jiangsu Nantong	Industrial production	99.82%	0.18%	Direct investment
Nantong Asitong Electric Appliance Manufacturing Co., Ltd.	53,459,788.86	Jiangsu Nantong	Jiangsu Nantong	Industrial production		100.00%	Direct investment
Nantong Gotion New Energy Technology Co., Ltd.	573,600,000.00	Jiangsu Nantong	Jiangsu Nantong	Industrial production		100.00%	Direct investment
Hefei Gotion Hi-Tech Power Energy Co., Ltd.	10,000,000,000.00	Hefei, Anhui	Hefei, Anhui	Industrial production	100.00%		Reverse purchase
Nanjing Gotion Battery Co., Ltd.	500,000,000.00	Jiangsu Nanjing	Jiangsu Nanjing	Industrial production		100.00%	Reverse purchase
Nanjing Gotion New Energy Co., Ltd.	1,200,000,000.00	Jiangsu Nanjing	Jiangsu Nanjing	Industrial production		100.00%	Direct investment
Anhui Gotion New Energy Vehicle Technology Co., Ltd.	200,000,000.00	Hefei, Anhui	Hefei, Anhui	Industrial production		100.00%	Reverse purchase
Shanghai Xuanyi New Energy Development Co., Ltd.	1,500,000,000.00	Shanghai	Shanghai	research and development		100.00%	Reverse purchase
Hefei Gotion Battery Material Co., Ltd.	1,155,147,058.00	Hefei, Anhui	Hefei, Anhui	Industrial production		95.23%	Reverse purchase
Gotion New	1,000,000,000.00	Hefei, Anhui	Hefei, Anhui	Industrial		100.00%	Direct

Energy (Lujiang) Co., Ltd.	0.00			production			investment
Hefei Gotion Kehong New Energy Technology Co., Ltd.	1,000,000,000.00	Hefei, Anhui	Hefei, Anhui	Industrial production		90.00%	Direct investment
Hefei Gotion Precision Coating Material Co., Ltd.	50,000,000.00	Hefei, Anhui	Hefei, Anhui	Industrial production		100.00%	Direct investment
Hefei Jiachi Technology Co., Ltd.	100,000,000.00	Hefei, Anhui	Hefei, Anhui	Industrial production		90.00%	Direct investment
Shanghai Gotion New Energy Co., Ltd.	200,000,000.00	Shanghai	Shanghai	research and development		100.00%	Direct investment
Shanghai Gotion New Energy (Hefei) Energy Storage Technology Co., Ltd.	20,000,000.00	Hefei, Anhui	Hefei, Anhui	Industrial production		100.00%	Direct investment
Qingdao Gotion Battery Co., Ltd.	500,000,000.00	Qingdao Shandong	Qingdao Shandong	Industrial production		100.00%	Direct investment
Tangshan Gotion Battery Co., Ltd.	1,000,000,000.00	Tangshan, Hebei	Tangshan, Hebei	Industrial production		100.00%	Direct investment
Hefei Gotion Battery Co., Ltd.	1,000,000,000.00	Hefei, Anhui	Hefei, Anhui	Industrial production		100.00%	Direct investment
Liuzhou Gotion Battery Co., Ltd.	474,032,848.00	Liuzhou, Guangxi	Liuzhou, Guangxi	Industrial production		55.96%	Direct investment
Tongcheng Gotion New Energy Co., Ltd.	2,000,000,000.00	Anqing, Anhui	Anqing, Anhui	Industrial production		100.00%	Direct investment
Jiangsu Gotion New Energy Technology Co., Ltd.	1,800,000,000.00	Jiangsu Nanjing	Jiangsu Nanjing	Industrial production	100.00%		Direct investment
Feidong Gotion New Materials Co., Ltd.	800,000,000.00	Hefei, Anhui	Hefei, Anhui	Industrial production	100.00%		Direct investment
Hefei Gotion	50,000,000.00	Hefei, Anhui	Hefei, Anhui	service		100.00%	Direct

Recycling Technology Co., Ltd.	0						investment
Hefei Gotion New Materials Technology Co., Ltd.	50,000,000.00	Hefei, Anhui	Hefei, Anhui	research and development		100.00%	Direct investment
Inner Mongolia Gotion Zero Carbon Technology Co., Ltd.	100,000,000.00	Inner Mongolia Wuhai	Inner Mongolia Wuhai	Industrial production		100.00%	Direct investment
Beijing Xuanyi New Energy Co., Ltd.	2,000,000.00	Fengtai, Beijing	Fengtai, Beijing	research and development		100.00%	Direct investment
Hefei Gotion Battery Technology Co., Ltd.	1,000,000.00	Hefei, Anhui	Hefei, Anhui	Industrial production		100.00%	Direct investment
Hefei Gotion Battery Technology Co., Ltd.	500,000,000.00	Hefei, Anhui	Hefei, Anhui	Industrial production		100.00%	Direct investment
Tianjin CHTC New Energy Automobile Research Institute Co., Ltd.	82,191,780.00	Tianjin binhai	Tianjin binhai	Industrial production		63.50%	Business consolidation not under the same control
Tianjin Gotion New Energy Technology Co., Ltd.	50,000,000.00	Tianjin binhai	Tianjin binhai	Industrial production		100.00%	Direct investment
Hefei Xuanyi Equity Investment Co., Ltd.	50,000,000.00	Hefei, Anhui	Hefei, Anhui	Investment management		100.00%	Direct investment
Nanjing Gotion Battery Research Institute Co., Ltd.	10,000,000.00	Jiangsu Nanjing	Jiangsu Nanjing	research and development		100.00%	Direct investment
Jiangxi Gotion New Energy Technology Co., Ltd.	500,000,000.00	Yichun, Jiangxi	Yichun, Jiangxi	Industrial production	100.00%		Direct investment
Yichun Gotion Battery Co., Ltd.	2,000,000.00	Yichun, Jiangxi	Yichun, Jiangxi	Industrial production		100.00%	Direct investment

Yichun Gotion Lithium Industry Co., Ltd.	285,000,000.00	Yichun, Jiangxi	Yichun, Jiangxi	Mineral mining		43.14%	Direct investment
Fengxin Gotion Lithium Industry Co., Ltd.	50,000,000.00	Yichun, Jiangxi	Yichun, Jiangxi	Mineral mining		43.14%	Direct investment
Yifeng Gotion Lithium Industry Co., Ltd.	600,000,000.00	Yichun, Jiangxi	Yichun, Jiangxi	Mineral mining		43.14%	Direct investment
Jiangxi Weihong Lithium Industry Co., Ltd.	145,000,000.00	Yichun, Jiangxi	Yichun, Jiangxi	Mineral processing		43.14%	Business consolidation not under the same control
Yichun Kefeng New Materials Co., Ltd.	234,426,200.00	Yichun, Jiangxi	Yichun, Jiangxi	Mineral processing		78.67%	Business consolidation not under the same control
Jiangxi Hezong Lithium Technology Co., Ltd.	54,364,028.00	Yichun, Jiangxi	Yichun, Jiangxi	Mineral processing		48.21%	Business consolidation not under the same control
Jiangxi Lixing Technology Co-innovation Co., Ltd.	80,000,000.00	Yichun, Jiangxi	Yichun, Jiangxi	Industrial production		47.25%	Business consolidation not under the same control
Yichun Gotion Mining Co., Ltd.	300,000,000.00	Yichun, Jiangxi	Yichun, Jiangxi	Mineral mining		51.00%	Direct investment
Yifeng Huali Mining Development Co., Ltd.	16,540,000.00	Yichun, Jiangxi	Yichun, Jiangxi	Mineral mining		26.01%	Business consolidation not under the same control
Gotion (Yichun) New Materials Co., Ltd.	106,240,500.00 <sup>1</sup>	Yichun, Jiangxi	Yichun, Jiangxi	Industrial production		59.05%	Direct investment
Hefei Gotion Runhui New Energy Technology Co., Ltd.	50,000,000.00	Hefei, Anhui	Hefei, Anhui	Industrial production		90.00%	Direct investment
Hefei Gotion Yuneng New Energy Technology	50,000,000.00	Hefei, Anhui	Hefei, Anhui	Industrial production		90.00%	Direct investment

Co., Ltd.							
Tongcheng Gotion Battery Technology Co., Ltd.	2,000,000.00	Anqing, Anhui	Anqing, Anhui	Industrial production		100.00%	Direct investment
Tangshan Xuanteng International Trade Co., Ltd.	30,000,000.00	Tangshan, Hebei	Tangshan, Hebei	wholesale business		100.00%	Direct investment
Jinzhai Gotion New Energy Co., Ltd.	100,000,000.00	Anhui Lu 'an	Anhui Lu 'an	Industrial production		100.00%	Direct investment
Chuzhou Gotion New Energy Power Co., Ltd.	1,000,000.00	Chuzhou, Anhui	Chuzhou, Anhui	Industrial production		100.00%	Direct investment
Hefei Zhengyi Testing Technology Co., Ltd.	1,000,000.00	Hefei, Anhui	Hefei, Anhui	technical service		100.00%	Direct investment
Shanghai Xuanmei Yuankong New Energy Co., Ltd.	600,000,000.00	Shanghai	Shanghai	Industrial production		100.00%	Direct investment
Weihai Gotion New Energy Technology Co., Ltd.	200,000,000.00	Weihai, Shandong	Weihai, Shandong	Industrial production		100.00%	Direct investment
Yichun Guangxuan New Energy Vehicle Transportation Co., Ltd.	10,000,000.00	Yichun, Jiangxi	Yichun, Jiangxi	transport		22.00%	Direct investment
Jiangxi Huayou Mining Co., Ltd.	8,571,400.00	Yichun, Jiangxi	Yichun, Jiangxi	Mineral mining		28.04%	Business consolidation not under the same control
Beijing Xuanyi New Energy Technology Co., Ltd.	1,200,000.00	Fengtai, Beijing	Fengtai, Beijing	Industrial production		100.00%	Direct investment
Tangshan Xuanteng Energy Storage Technology Co., Ltd.	100,000,000.00	Tangshan, Hebei	Tangshan, Hebei	Industrial production		100.00%	Direct investment
Gotion Hi-Tech (USA) Co., Ltd.	0.00	United States of America	California, USA	Industrial production		100.00%	Reverse purchase
Gotion Hi-Tech Japan	502,000.00 <sup>2</sup>	Japan	Ibaraki, Japan	research and development		100.00%	Direct investment



Co., Ltd.							
Singapore Gotion Limited	72,331,981.16 <sup>3</sup>	Singapore	Singapore	research and development		59.05%	Direct investment
Indonesia Gotion New Materials Co., Ltd.	168,000,000.00 <sup>4</sup>	Indonesia	Indonesia	Mineral mining		32.48%	Direct investment
Indonesia Gotion Green Energy Application Co., Ltd.	42,496,200.00 <sup>5</sup>	Indonesia	Indonesia	produce		55.95%	Direct investment
Gotion Hi-Tech (Hong Kong) Limited	9,062,000.00 <sup>6</sup>	Hong Kong	Hong Kong	research and development	100.00%		Direct investment
Gotion Hi-Tech (Germany) Co., Ltd.	196,480.00 <sup>7</sup>	Germany	Germany	produce		100.00%	Direct investment
Germany Gotion Battery Co., Ltd.	196,480.00 <sup>8</sup>	Germany	Germany	produce		100.00%	Business consolidation not under the same control
Indonesian Gotion Trading Company Limited	4,000,000.00 <sup>9</sup>	Indonesia	Indonesia	trade		31.83%	Direct investment
Gotion Singapore Materials Holdings Limited	5,377.20 <sup>10</sup>	Singapore	Singapore	trade		32.48%	Direct investment
Conway Natural Energy Limited (Indonesia)	48,220,000.00 <sup>11</sup>	Indonesia	Indonesia	trade		22.73%	Business consolidation not under the same control
Tampell Limited (Indonesia)	42,000,000.00 <sup>12</sup>	Indonesia	Indonesia	Mineral mining		22.73%	Business consolidation not under the same control
Gotion New Energy (HK) Co., Ltd.	9,062.00 <sup>13</sup>	Hong Kong	Hong Kong	trade		100.00%	Direct investment
Gotion Argentina S. A.	0.00	Argentina	Argentina	trade		95.00%	Business consolidation not under the same control
333 South Spruce LLC (USA)	0.00	United States of America	United States of America	service sector		100.00%	Direct investment
New Energy Property Holdings	0.00	United States of America	United States of America	service sector		100.00%	Direct investment

Limited (United States)							
Gotion Illinois new energy Co., Ltd.	0.00	United States of America	United States of America	produce		100.00%	Direct investment
Singapore technology Co., Ltd.	708.27 <sup>14</sup>	Singapore	Singapore	produce		100.00%	Direct investment
Gotion Luxembourg Technology Co., Ltd.	94,310.40 <sup>15</sup>	Singapore	Singapore	produce		100.00%	Direct investment

Note: 1. The registered capital of Gotion (Yichun) New Material Co., Ltd. is \$50 million, which is equivalent to 106,240,500 at the closing exchange rate.

2. The registered capital of Gotion High-tech Japan Co., Ltd. is JPY 10 million, which is equivalent to RMB 502,000.00 at the closing exchange rate.

3. The registered capital of Gotion Singapore Co., Ltd. is SGD 13.451607 million, which is equivalent to RMB 72,331,981.16 at the closing exchange rate.

4. The registered capital of Indonesia Gotion New Materials Co, Ltd. is IDR 420 billion, which is equivalent to RMB 168,000,000 at the closing exchange rate.

5. The registered capital of Indonesia Gotion Green Energy Application Co., Ltd. is \$ 6 million, which is equivalent to RMB 42,496,200 at the closing exchange rate.

6. The registered capital of Gotion High-tech (Hong Kong) Co., Ltd is HKD 10 million, which is equivalent to RMB 9,062,000 at the closing exchange rate.

7. The registered capital of Germany Gotion battery Co., Ltd. is EUR 25,000, which is equivalent to RMB 196,480 at the closing exchange rate.

8. The registered capital of Indonesia Gotion Battery Co., Ltd. is EUR 25,000, which is equivalent to RMB 196,480 at the closing exchange rate.

9. The registered capital of Indonesia Gotion Trading Co., Ltd. is IDR 10 billion, which is equivalent to RMB 4,000,000 at the closing exchange rate.

10. The registered capital of Gotion Singapore Materials Holdings Co., Ltd. is SGD 1,000, which is equivalent to RMB 5,377 at the closing exchange rate.

11. The registered capital of Konawe Natural Energy Co., Ltd. (Indonesia) is IDR 120.55 billion, which is equivalent to RMB 48,220,000 at the closing exchange rate.

12. The registered capital of Intampere Co., Ltd. (Indonesia) is IDR 105 billion, which is equivalent to RMB 42,000,000 at the closing exchange rate.

13. The registered capital of Gotion New Energy (Hong Kong) Co., Ltd. is HKD 10,000, which is equivalent to RMB 9,062 at the closing exchange rate.

14. The registered capital of Singapore Technologies Limited (STL) is \$100, which is equivalent to RMB 708.27 at the closing exchange rate.

15. The registered capital of Gotion Luxembourg Technologies S.A. is EUR 12,000, which is equivalent to RMB 94,310 at the closing exchange rate.

Monetary Unit: RMB

Remarks on 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%	11,765,193.93		522,319,163.95
Hefei Gotion Battery Material Co., Ltd.	4.77%	1,375,438.94		117,999,939.60

Remarks on 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.	4,074,275.64 7.67	2,792,544.82 2.80	6,866,820.47 0.47	3,904,827.11 7.64	1,776,063.32 0.93	5,680,890.43 8.57	3,698,012.47 1.91	2,139,497.82 3.66	5,837,510.29 5.57	3,463,700.70 4.11	1,371,337.53 5.33	4,835,038.23 9.44
Hefei Gotion Battery Material Co., Ltd.	4,783,624.23 7.42	1,431,206.98 5.61	6,214,831.22 3.03	2,597,514.73 3.36	1,145,595.92 8.07	3,743,110.66 1.43	8,905,436.95 5.40	1,284,781.16 5.99	10,190,218.1 21.39	6,436,604.04 1.86	1,323,721.92 5.90	7,760,325.96 7.76

Monetary Unit: RMB

Subsidiary's name	Amount incurred in the current period				Amount incurred in the previous period			
	Operating income	Net profit	Total comprehensive incomes	Cash flows generated from operating activities	Operating income	Net profit	Total comprehensive incomes	Cash flows generated from operating activities
Liuzhou Gotion Battery Co., Ltd.	5,855,659,892.89	26,712,971.25	28,850,316.21		3,944,449,201.60	23,083,316.77	23,083,316.77	
Hefei	4,767,702.6	28,811,037.	28,811,037.		7,986,628.6	-	-	

Gotion Battery Material Co., Ltd.	03.29	65	65		03.92	48,444,756.74	48,444,756.74	
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Other remarks:

## 2. Transactions which results in changes in owner's equity in a subsidiary and remain in control of the subsidiary

### (1) Remarks on the changes in owner's equity in the subsidiary

In December 2023, the controlling subsidiary Yichun Gotion Lithium Industry Co., Ltd. signed a capital increase agreement with its shareholders Yichun Xinrui Ronghe Investment Partnership (Limited Partnership) and Yichun Runxuan New Energy Investment Enterprise (Limited Partnership), and the registered capital of Yichun Gotion Lithium Industry Co., Ltd. increased from RMB 225 million to RMB 285 million, which was fulfilled by Yichun Xinrui Ronghe Investment Partnership (Limited Partnership) and Yichun Runxuan New Energy Investment Enterprise (Limited Partnership) respectively. After this change, Jiangxi Gotion New Energy Technology Co., Ltd. changed its shareholding in Yichun Gotion Lithium Industry Co., Ltd. from 48.88% to 38.60%. As at the end of the reporting period, the contribution of Yichun Runxuan New Energy Investment Enterprise (Limited Partnership) had not been made.

In July 2023, the controlling subsidiary Yichun Gotion Lithium Industry Co., Ltd. and the remaining shareholders of its subsidiary Jiangxi Weihong Lithium Industry Co., Ltd. held a shareholders' meeting to resolve and sign an equity transfer agreement, and the remaining shareholders of Jiangxi Weihong Lithium Industry Co., Ltd. transferred all their equity shares to Yichun Gotion Lithium Industry Co., Ltd. After this change, Yichun Gotion Lithium Co., Ltd. changed its shareholding in Jiangxi Weihong Lithium Co., Ltd. from 86.55% to 100%.

In August 2023, the board of directors of Singapore Gotion Limited, a subsidiary, agreed that Astria Holdings Pte.Ltd would add capital to Singapore Gotion Limited through a rights issue and signed a *Share Subscription Agreement* with it. After this change, Hefei Gotion Hi-Tech Power Energy Co., Ltd. changed its shareholding in Singapore Gotion Co., Ltd. from 100.00% to 59.05%.

## 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	Luijiang, Anhui	Luijiang, Anhui	Industrial		27.69	Equity method

New Energy Materials Co., Ltd.			production			
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
Jiangxi Ewinway 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		17.24%	Equity method
Shanghai Electric Gotion New Energy Technology Co., Ltd.	Shanghai	Shanghai	Industrial production	45.40%		Equity method
Anhui Anwa New Energy Technology Co., Ltd.	Wuhu, Anhui	Wuhu, Anhui	Industrial production	6.49%		Equity method
Beijing Gotion Weisi Light Storage and Charging Technology Co., Ltd.	Beijing	Beijing	Industrial production		25.00%	Equity method
VG HIGH-TECH Energy Solutions Co., Ltd.	Ha Tinh, Vietnam	Ha Tinh, Vietnam	Industrial production		51.00%	Equity method
TATA Gotion Green Energy Co., Ltd.	Pune India	Pune India	Industrial production		40.00%	Equity method
Tongling Anxuanda New Energy Technology Co., Ltd.	Tongling, Anhui	Tongling, Anhui	Industrial production		35.00%	Equity method
Thailand New Gotion Co., Ltd.	Bangkok, Thailand	Bangkok, Thailand	Industrial production		49.00%	Equity method

Remarks on 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:

## XI. Government grants

### 1. Government grants recognized at amounts receivable at the end of the reporting period

☐ Applicable ☒ Not applicable

Reasons for not receiving the expected amount of government grants at the expected time point

☐ Applicable ☒ Not applicable

### 2. Liability items involving government grants

☒ Applicable ☐ Not applicable

Monetary Unit: RMB

Accounting item	Initial balance	The amount of subsidy added in the current period	Amount included in non-operating income in the current period	Amount of other income transferred to the current period	Other changes in current period	Closing balance	Relating to assets/earnings
Deferred income	186,513,101.09	92,786,200.00		39,349,053.26		239,950,247.83	Asset-related

### 3. Government grants recognized in current period profit or loss

☒ Applicable ☐ Not applicable

Monetary Unit: RMB

Accounting item	Current amount incurred	Prior period occurrence
Other income	1,002,303,651.06	921,316,197.19
Non-business income		20,000.00
Total	1,002,303,651.06	921,336,197.19

Other remarks:

## XII. Risks associated with financial instruments

### 1. Various risks arising from financial instruments

The Company's risks associated with financial instruments arise from the various types of financial assets and financial liabilities recognized in the Company's operations, including credit risk, liquidity risk and market risk.

The management objectives and policies for the various types of risks associated with financial instruments are under the responsibility of the Company's management. The management is responsible for day-to-day risk management through functional departments. The Company's internal audit department monitors the implementation of the Company's policies and procedures for risk management on a daily basis and reports relevant findings to the Company's Audit Committee in a timely manner.

The overall risk management objective of the Company is to establish risk management policies that minimize the risks associated with various types of financial instruments, without unduly affecting the Company's competitiveness and resilience.

### 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 receivable, long-term receivable, etc. The credit risk of these financial assets arises from the default of counter parties, 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 receivable and long-term receivable, 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 receivable 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, euros, Singapore dollars or other currencies, the Company's other major operations are settled in RMB.

#### (2) Interest rate risk

The Company's interest rate risk arises mainly from long-term interest-bearing debt such as long-term bank borrowings and bonds payable. Financial liabilities with floating interest rates expose the Company to cash flow interest rate risk, while financial liabilities with fixed interest rates expose the Company to fair value interest rate risk. The Company determines the relative proportion of fixed-rate and floating-rate contracts based on the prevailing market conditions.

The Company's finance department continuously monitors the level of interest rates in the Group. An increase in interest rates could increase the cost of new interest-bearing debt and interest expense on the Company's outstanding interest-bearing debt at floating rates and have a material adverse impact on the Company's financial results, and the management will make timely adjustments based on the latest market conditions.

### XIII. Disclosure of fair value

#### 1. Ending fair value of the assets and liabilities measured at fair value

Monetary Unit: RMB

Item	Ending fair value			
	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) Trading Financial Assets	684,225,531.84		4,022,828,479.42	4,707,054,011.26
1. Financial assets measured at fair value with its changes included in current profits and losses	684,225,531.84		3,989,865,390.27	4,674,090,922.11
(1) Debt instrument investment			1,145,126,435.39	1,145,126,435.39
(2) Equity instrument investment	684,225,531.84		162,931,486.76	847,157,018.60
(4) Structured deposits			2,681,807,468.12	2,681,807,468.12
2. Financial assets that are designated to be measured at fair value through profit or loss in this period			32,963,089.15	32,963,089.15
(1) Debt instrument investment			32,963,089.15	32,963,089.15
(II) Other debt investments			4,957,890.00	4,957,890.00
(III) Other equity instrument investments	1,103,300,128.41		422,036,701.68	1,525,336,830.09
(III) receivable financing			482,376,009.97	482,376,009.97
(VI) Other non-current financial assets			1,567,541,000.00	1,567,541,000.00
Total amount of assets measured at fair value on a continuous basis	1,787,525,660.25		6,499,740,081.07	8,287,265,741.32
II. Non-continuous fair	--	--	--	--



value measurement				
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## 2. Basis for determining the market price for the items subject to the first level of continuous and non-continuous fair value measurement

Item	Fair value	Active market quotation			
		Main market (most favorable market)	Transaction price	History Trading volume	Information Source
Continuous fair value measurement					
Financial assets held for trading:	684,225,531.84				
Anhui Tongguan Copper Foil Group Co., Ltd.	258,093,263.88	Domestic A-share market			Cninif
Jinko SOLAR Co., Ltd.	4,430.00	Domestic A-share market			Cninif
Zotye Automobile Co., Ltd.	15,613,906.68	Domestic A-share market			Cninif
Seres Group Co., Ltd.	300,519,388.80	Domestic A-share market			Cninif
Shenzhen Munster Technology Co., Ltd.	30,289,062.50	Domestic A-share market			Cninif
Wuhan Yifei laser Co., Ltd.	38,294,772.32	Domestic A-share market			Cninif
Jiujiang Defu Technology Co., Ltd.	41,410,707.66	Domestic A-share market			Cninif
Investments in other equity instruments:	1,103,300,128.41				
Vinfast Auto PTE. Ltd.	889,232,985.00	Domestic A-share market			Eastmoney Securities
Touhu Vehicle Co., Ltd.	214,067,143.41	Domestic A-share market			Eastmoney Securities
Total amount of assets measured at fair value on a continuous basis	1,787,525,660.25				

### 3. 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

Structured deposits predict future cash flows with an expected rate of return, and the non-observable estimated value is the expected rate of return. Other debt investments, other equity instrument investments, and financing of accounts receivable shall be determined according to best estimates.

## XIV. Related Parties and Related 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	RMB 19.83 million	9.60%	9.60%

Information of the parent company of the Company

Li Zhen and Li Chen, the person acting in concert, directly hold 103,276,150 shares and 28,472,398 shares of the Company respectively, and control 170,751,887 shares of the Company through Nanjing Gotion Holding Group Co., Ltd. Li Zhen and the persons acting in concert hold 302,500,435 shares of the Company, accounting for 16.95% of the total shares of the Company. Therefore, Li Zhen is the actual controller of the Company.

The ultimate controller of the Company is Li Zhen.

Other remarks:

Volkswagen (China) Investment Co., Ltd. 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) Investment Co., Ltd. holds 12.00% or less of the voting rights of Gotion Hi-tech.

### 2. Information of subsidiaries of the Company

Please refer to Note V.1 for the details of the subsidiaries of the Company.

### 3. Information of joint ventures and associates of the Company

Please refer to Note V.3 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 venture or joint venture	Relationship with the enterprise
Litong Energy Technology Co., Ltd.	The company holds 20.00% of its equity.
Beijing Fuweisi Oil & Gas Technology Co., Ltd.	The company holds 40.00% of its equity.
Beijing Gotion Fuweisi Light Storage & Charging Technology Co., Ltd.	The company holds 25.00% of its equity.
Hefei Xingyuan New Energy Material Co., Ltd.	The company holds 27.69% of its equity.
North China Aluminium New Material Technology Co., Ltd.	The company holds 10.00% of its equity.
Jiangxi Ewinway New Material Co., Ltd.	The company holds 22.00% of its equity.
Shanghai Electric Gotion New Energy Technology Co., Ltd.	The company holds 45.40% of its shares.
Shanghai Moyo Marine Technology Co., Ltd.	The company holds 17.24% of its equity.
Zhongye Ruimu New Energy Technology Co., Ltd.	The company holds 30.00% of its equity.
Anhui Anva New Energy Technology Co., Ltd.	The company holds 6.49% of its shares.
V G High Tech Energy Solutions Co., Ltd.	The company holds 51.00% of its equity.
Tata Components Gotion Green Energy Application Co., Ltd.	The company holds 40.00% of its equity.
Tongling Anxuanda New Energy Technology Co.	The company holds 35.00% of its equity.
Thailand New Gotion Co., Ltd.	The company holds 49.00% of its shares.

Other remarks:

#### 4. Other related parties

Name of other related parties	Relationship between other related parties and the Company
NascentInvestment.LLC	Jerry Lee Holding Company, the son of the actual controller.
Volkswagen AG	Controlling shareholder of Volkswagen (China) Investment Co., Ltd.
PowerCo SE	A subsidiary controlled by Volkswagen AG
Volkswagen (China) investment co., Ltd.	The largest shareholder of the company
Ainuowei (Suzhou) New Energy Technology Co., Ltd.	Joint venture of Volkswagen (China) Investment Co., Ltd.
Volkswagen Automatic Transmission (Tianjin) Co., Ltd.	A company controlled by Volkswagen (China), of which Olaf Korzinovski, a director of the company, is also a director
Volkswagen (Anhui) Parts Co., Ltd.	A company controlled by Volkswagen (China)
Volkswagen Automatic Transmission (Dalian) Co., Ltd.	A company controlled by Volkswagen (China)
Volkswagen Faw Platform Parts Co., Ltd.	A company in which Volkswagen (China) holds a 60.00% stake and in which Olaf Korzinovski, a director of the Company, is also a director in Volkswagen Faw Platform Parts Co., Ltd..
Nanjing Gotion Holding group Co., Ltd.	A company controlled by one of the shareholders and the actual controller.
Hefei Deli New Material Technology Co., Ltd.	Companies controlled by actual controllers
Anhui Chiyu New Material Technology Co., Ltd.	Companies controlled by actual controllers
Anhui Gotion feidong New Energy Technology Co., Ltd.	Companies controlled by actual controllers
Hefei Ganrui Technology Co., Ltd.	Companies controlled by actual controllers
Hefei Yuanyuan Technology Co., Ltd.	Companies controlled by actual controllers
Hebei Xinxuan Transportation Co., Ltd.	Companies controlled by actual controllers
Hebei Xinxuan Transportation Co., Ltd. Xinji Branch	Companies controlled by actual controllers
Huangshan Boulevard New Energy Bus Co., Ltd.	Companies controlled by actual controllers
Jingde County Boulevard New Energy Bus Co., Ltd.	Companies controlled by actual controllers
Lixin County Electric Bus Co., Ltd.	Companies controlled by actual controllers
Linlixin Boulevard Public Transportation Co., Ltd.	Companies controlled by actual controllers
Taihe County Boulevard New Energy Public Transportation Co., Ltd.	Companies controlled by actual controllers

Tunchang Xinhai New Energy Bus Co., Ltd.	Companies controlled by actual controllers
Wenchang Boulevard New Energy Public Transportation Co., Ltd.	Companies controlled by actual controllers
Wucheng County Boulevard New Energy Public Transportation Co., Ltd.	Companies controlled by actual controllers
Yingshang Boulevard New Energy Public Transportation Co., Ltd.	Companies controlled by actual controllers
Chuzhou Guozhi New Energy Technology Co., Ltd.	Companies controlled by actual controllers
Nanjing Shengshi Precision Industry Co., Ltd.	Companies controlled by actual controllers
Anhui Gotion Xiang LV Technology Co., Ltd.	Companies controlled by actual controllers
Anhui Minsheng Property Management Co., Ltd.	Companies controlled by actual controllers
Anhui Tang Chi Movie and Television Cultural Industry Co., Ltd.	Companies controlled by actual controllers
Hefei Dongyu Business Management Co., Ltd.	Companies controlled by actual controllers
Hefei Gotion hotel Management Management Co., Ltd.	Companies controlled by actual controllers
Anhui Jincheng Energy Storage Technology Co., Ltd.	Companies controlled by actual controllers
Hefei Tiansheng Lithium Industry Technology Co., Ltd.	Companies controlled by actual controllers
Shanghai Gotion Digital Energy Technology Co., Ltd.	Companies controlled by actual controllers
Bengbu Jinshi Technology Co., Ltd.	Companies controlled by actual controllers
Hefei Donghuan Real Estate Co., Ltd.	Companies controlled by actual controllers
Hefei Zhuyin Catering Management Co., Ltd.	Companies controlled by actual controllers
Anhui Gotion new Energy Investment Co., Ltd.	Companies controlled by actual controllers
Shanghai Electricity Gotion new Energy Science and Technology (Nantong) Co., Ltd.	Joint venture Shanghai electric Gotion subsidiary
Shanghai Electricity Gotion new Energy Science and Technology (Suzhou) Co., Ltd.	Joint venture Shanghai electric Gotion subsidiary
Anhui Yijianeng Digital Science and Technology Co., Ltd.	The company has held 10.00% of its shares in the past 12 months.
Anhui Tongguan Copper Foil Group Co., Ltd.	A company in which Li Chen, one of the controlling shareholders of the company, served as a director in the past 12 months.

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
Anhui Gotion Xianglv Technology Co., Ltd.	Box and tooling molds, etc.	549,334,773.61	500,000,000.00	Yes	402,729,721.22
Anhui Minsheng Property Management Co., Ltd.	Property service	67,951,164.97			35,321,908.35
Anhui Tangchi Film and Television Cultural Industry Co., Ltd.	Conferences, accommodation fee, and catering fee, etc.	282,975.57			124,363.24

Anhui Tongguan Copper Foil Group Co., Ltd.	Copper foils	240,681,696.67	300,000,000.00	No	268,843,986.48
Shanghai Electronic Gotion New Energy Technology (Suzhou) Co., Ltd.	Module assembly	1,648,481.42			23,754,440.95
Hefei Xingyuan New Energy Materials Co., Ltd.	Separator	258,067,710.34			197,560,639.23
MCC Ramu New Energy Technology Co., Ltd.	Ternary precursor	167,740,278.33	500,000,000.00	No	328,311,750.34
Hefei Qianrui Technology Co., Ltd.	Electrolyte, dimethyl carbonate	406,132,318.98	600,000,000.00	No	491,897,001.76
Huabei Aluminum New Material Technology Co., Ltd.	Aluminum foil	17,668,809.57			74,626,403.11
Shanghai Electronic Gotion New Energy Technology (Nantong) Co., Ltd.	Plug-in frame, graphite, and battery cells, etc.	582,909,374.20			407,159,089.63
Hefei Dongyu Business Management Co., Ltd.	Conferences, accommodation fee, canteen fee, and catering fee, etc.	43,173,745.15			32,108,965.42
Hebei Xinxuan Transportation Co., Ltd.	Accept labor service and car rental service.	1,342,972.09			31,812.66
Anhui Chiyu New Material Technology Co., Ltd.	Battery box and parts	153,412,125.23	100,000,000.00	Yes	18,091,264.80
Anhui Gotion Feidong New Energy Technology Co., Ltd.	electricity bill				1,643,237.36
Hefei Tiansheng Lithium Industry Technology Co., Ltd.	Lithium carbonate and electric carbon processing fee	23,744,631.90			108,116,917.54
Hefei Yuanyuan Technology Co., Ltd.	Carbon coated aluminum foil, etc.	170,272,144.08	450,000,000.00	No	160,526.59
Jiangxi Ewinway New Material Co., Ltd.	Processing fees for lithium hydroxide, lithium carbonate and electric carbon	74,118,631.80			35,646,263.72
Linlixin Boulevard Public Transportation Co., Ltd.	Accept labor service	30,470.80			67,908.87
Volkswagen AG	Accept labor service	4,965,908.64			

Anhui Jincheng Energy Storage Technology Co., Ltd.	Ferrous lithium phosphate, copper foil, etc. and accepting labor services.	82,378,486.45			
Anhui Yijianeng Digital Science and Technology Co., Ltd.	Charging Station	498,495.56			
Bengbu Jinshi Technology Co., Ltd.	Soft row, hard row and other raw materials	100,738,989.79			
Chuzhou Guozhi New Energy Technology Co., Ltd.	electricity bill	88,630.98			
Hefei Zhuyin Catering Management Co., Ltd.	Catering expenses	10,092.00			
Huangshan Boulevard New Energy Bus Co., Ltd.	Batteries	41,201.35			
Jingde County Boulevard New Energy Bus Co., Ltd.	Accept labor service	2,453.09			
Lixin County Electric Bus Co., Ltd.	Accept labor service	8,283.18			
Nanjing Shengshi Precision Industry Co., Ltd.	Raw materials such as battery shell and cover plate.	216,448,218.04			
Shanghai Electricity Gotion New Energy Technology Co., Ltd.	accumulation energy	756,890.45			
Taihe County Boulevard New Energy Public Transportation Co., Ltd.	Accept labor service	10,831.86			
Yingshang Boulevard New Energy Public Transportation Co., Ltd.	Accept labor service	59,274.35			

Sales of merchandise and provision of services

Monetary Unit: RMB

Related party	Contents of related-party transaction	Amount incurred in the current period	Amount incurred in the previous period
Shanghai Electricity Gotion	Power battery system	161,893,309.14	149,251,263.76

New Energy Science and Technology (Suzhou) Co., Ltd.	assembly, battery cell assembly, etc.		
Shanghai Electricity Gotion New Energy Science and Technology (Nantong) Co., Ltd.	Battery core and processing fee, etc.	185,682,593.65	-47,216,725.66
Shanghai Electricity Gotion New Energy Technology Co., Ltd.	Battery core, battery pack, control cabinet, etc.	426,167,437.14	102,241,201.86
Volkswagen Automatic Transmission (Tianjin) Co., Ltd.	Batteries	20,799,642.60	38,140,931.02
Ainuowei (Suzhou) New Energy Technology Co., Ltd.	module	56,039,507.32	162,299,053.10
Anhui Gotion Xiang LV Technology Co., Ltd.	Battery core, module and battery pack	3,806,844.28	
Anhui Gotion New Energy Investment Co., Ltd.	Switch cabinet, etc.		1,844,815.64
Anhui Yijianeng Digital Science and Technology Co., Ltd.	Mobile charging pile and charging cable	117,484.21	208,849.56
Shanghai Wuyang Shipping Technology Co., Ltd.	Energy storage products/batteries		1,101,026.55
Volkswagen AG	Battery, development costs, etc.	151,486,183.42	110,233,281.87
Anhui Jincheng Energy Storage Technology Co., Ltd.	Lithium iron phosphate		6,356,637.18
Volkswagen (China) Investment Co., Ltd.	Development fee and battery/development fee	23,153,706.35	60,291,521.93
Hefei Xingyuan New Energy Material Co., Ltd.	Cells	8,849,755.75	351,718.05
Shanghai Gotion Digital Energy Technology Co., Ltd.	Energy storage and batteries, etc.	536,071,607.60	19,371,751.42
Thailand XinGotion Co., Ltd.	Power battery series products and technical service income	41,347,353.60	
PowerCo SE	Development costs, batteries, etc.	125,465,582.55	
Tata Parts Gotion Green Energy Application Co., Ltd.	Batteries	699,634,814.51	
Anhui Chiyu New Material Technology Co., Ltd.	Raw material	59,808.85	
Bengbu Jinshi Technology Co., Ltd.	Batteries	1,770,053.10	
Volkswagen (Anhui) Parts Co., Ltd.	Batteries	31,584,699.96	
Volkswagen Automatic Transmission (Dalian) Co., Ltd.	Battery core, etc	18,345,125.01	
Hefei Deli New Material Technology Co., Ltd.	Battery core, etc	14,468,340.09	
Hefei Ganrui Technology Co., Ltd.	Batteries	8,885,522.12	
Hefei Yuanyuan Technology Co., Ltd.	Transmission and distribution products	6,960,701.79	

Remarks on 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 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
Nascent Investment. LLC	house/building property					3,654,673.20	3,654,673.20				
Anhui Jincheng Energy Storage Technology Co., Ltd.	Equipment leasing and workshop leasing, etc.	6,962,062.87				6,962,062.87					
Anhui Gotion New Energy Investment Co., Ltd.	Lease of vehicles and factories	20,119,860.55				20,119,860.55					

Remarks on related-party leasing

**(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	Maturity date of guarantee fulfilled or not
Hefei Gotion Hi-Tech Power Energy Co., Ltd. and its subsidiaries	14,098,156,000.00	April 30, 2020 - June 20, 2023	January 2, 2023 - December 29, 2023	Yes
Hefei Gotion Hi-Tech Power Energy Co., Ltd. and its subsidiaries	32,879,691,184.74	December 31, 2019 - December 31, 2023	January 11, 2026 - October 10, 2033	No
Feidong Gotion New	50,000,000.00	March 24, 2023	December 24, 2023	No



Material Co., Ltd. and its subsidiaries				
Feidong Gotion New Material Co., Ltd. and its subsidiaries	1,291,327,021.22	April 2, 2022 - December 25, 2023	March 30, 2027 - June 27, 2033	No
Jiangsu Dongyuan Electric Appliance Group Co., Ltd. and its subsidiaries	623,000,000.00	January 17, 2022 - June 30, 2023	January 4, 2023 - December 19, 2023	No
Jiangsu Dongyuan Electric Appliance Group Co., Ltd. and its subsidiaries	609,000,000.00	January 10, 2023 - December 19, 2023	January 9, 2026 - December 18, 2027	No
Jiangsu Gotion new energy technology co., Ltd.	1,929,172,314.50	September 28, 2022	September 20, 2033	No
Jiangxi Gotion New Energy Technology Co., Ltd. and its subsidiaries	596,799,600.00	January 30, 2022 - October 17, 2022	January 29, 2023 - November 1, 2023	No
Jiangxi Gotion New Energy Technology Co., Ltd. and its subsidiaries	2,455,592,830.00	January 19, 2022 - November 24, 2023	April 24, 2027 - December 21, 2032	No
Nanjing Gotion battery co., Ltd.	50,000,000.00	June 23, 2022	June 23, 2023	No
Zhong ye Rui mu new energy technology co., Ltd.	90,000,000.00	January 31, 2019	January 31, 2023	No
Zhong ye Rui mu new energy technology co., Ltd.	118,500,000.00	January 5, 2022	April 4, 2030	No
Shanghai electricity Gotion new energy technology co., Ltd.	344,890,000.00	November 22, 2018 - May 9, 2020	November 22, 2026 - May 9, 2030	No
Hefei Xingyuan new energy material co., Ltd.	98,000,000.00	January 10, 2022 - June 23, 2022	March 29, 2023 - June 23, 2023	No
Hefei Xingyuan new energy material co., Ltd.	126,580,000.00	January 14, 2022 - July 5, 2022	January 14, 2028 - July 5, 2031	No

Where the Company is the guaranteed party:

Monetary Unit: RMB

Guarantor	Amount of guarantee	Starting date of guarantee	Maturity date of guarantee	Maturity date of guarantee Guarantee fulfilled or not
Guangxi Liuzhou Dongcheng Investment Development Group Co., Ltd.	597,367,884.00	September 14, 2021 - November 21, 2023	October 16, 2025 - January 1, 2033	No
Guangxi Liuzhou Dongcheng Investment Development Group Co., Ltd.	69,815,000.00	March 30, 2022 - November 23, 2022	March 18, 2023 - November 22, 2023	Yes
Li Zhen	90,000,000.00	September 10, 2019	January 31, 2023	No
Li Zhen	50,890,000.00	September 10, 2019	November 22, 2026	No
Shanghai Electricity Gotion New Energy Science and Technology (Nantong) Co., Ltd.	294,000,000.00	May 9, 2020	May 9, 2030	No

Hefei Xingyuan new energy material co., Ltd.	98,000,000.00	January 10, 2022 - June 23, 2022	March 29, 2023 - June 23, 2023	No
Hefei Xingyuan new energy material co., Ltd.	126,580,000.00	January 14, 2022 - July 5, 2022	January 14, 2028 - July 5, 2031	No

Monetary Unit: RMB

Guaranteed party	Amount of guarantee	Starting date of guarantee	Maturity date of guarantee	Maturity date of guarantee Guarantee fulfilled or not
Hefei Gotion Hi-Tech Power Energy Co., Ltd. and its subsidiaries	14,098,156,000.00	April 30, 2020 - June 20, 2023	January 2, 2023 - December 29, 2023	Yes
Hefei Gotion Hi-Tech Power Energy Co., Ltd. and its subsidiaries	32,879,691,184.74	December 31, 2019 - December 31, 2023	January 11, 2026 - October 10, 2033	No
Feidong Gotion New Material Co., Ltd. and its subsidiaries	50,000,000.00	March 24, 2023	December 24, 2023	No
Feidong Gotion New Material Co., Ltd. and its subsidiaries	1,291,327,021.22	April 2, 2022 - December 25, 2023	March 30, 2027 - June 27, 2033	No
Jiangsu Dongyuan Electric Appliance Group Co., Ltd. and its subsidiaries	623,000,000.00	January 17, 2022 - June 30, 2023	January 4, 2023 - December 19, 2023	No
Jiangsu Dongyuan Electric Appliance Group Co., Ltd. and its subsidiaries	609,000,000.00	January 10, 2023 - December 19, 2023	January 9, 2026 - December 18, 2027	No
Jiangsu Gotion new energy technology co., Ltd.	1,929,172,314.50	September 28, 2022	September 20, 2033	No
Jiangxi Gotion New Energy Technology Co., Ltd. and its subsidiaries	596,799,600.00	January 30, 2022 - October 17, 2022	January 29, 2023 - November 1, 2023	No
Jiangxi Gotion New Energy Technology Co., Ltd. and its subsidiaries	2,455,592,830.00	January 19, 2022 - November 24, 2023	April 24, 2027 - December 21, 2032	No
Nanjing Gotion battery co., Ltd.	50,000,000.00	June 23, 2022	June 23, 2023	No
Zhong ye Rui mu new energy technology co., Ltd.	90,000,000.00	January 31, 2019	January 31, 2023	No
Zhong ye Rui mu new energy technology co., Ltd.	118,500,000.00	January 5, 2022	April 4, 2030	No
Shanghai electricity Gotion new energy technology co., Ltd.	344,890,000.00	November 22, 2018 - May 9, 2020	November 22, 2026 - May 9, 2030	No
Hefei Xingyuan new energy material co., Ltd.	98,000,000.00	January 10, 2022 - June 23, 2022	March 29, 2023 - June 23, 2023	No
Hefei Xingyuan new energy material co., Ltd.	126,580,000.00	January 14, 2022 - July 5, 2022	January 14, 2028 - July 5, 2031	No

Where the Company is the guaranteed party:

Monetary Unit: RMB

Guarantor	Amount of guarantee	Starting date of	Maturity date of	Maturity date of
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		guarantee	guarantee	guarantee Guarantee fulfilled or not
Guangxi Liuzhou Dongcheng Investment Development Group Co., Ltd.	597,367,884.00	September 14, 2021 - November 21, 2023	October 16, 2025 - January 1, 2033	No
Guangxi Liuzhou Dongcheng Investment Development Group Co., Ltd.	69,815,000.00	March 30, 2022 - November 23, 2022	March 18, 2023 - November 22, 2023	Yes
Li Zhen	90,000,000.00	September 10, 2019	January 31, 2023	No
Li Zhen	50,890,000.00	September 10, 2019	November 22, 2026	No
Shanghai Electricity Gotion New Energy Science and Technology (Nantong) Co., Ltd.	294,000,000.00	May 9, 2020	May 9, 2030	No
Hefei Xingyuan new energy material co., Ltd.	98,000,000.00	January 10, 2022 - June 23, 2022	March 29, 2023 - June 23, 2023	No
Hefei Xingyuan new energy material co., Ltd.	126,580,000.00	January 14, 2022 - July 5, 2022	January 14, 2028 - July 5, 2031	No

Remarks of related guarantee

**(4) Remuneration of key management personnel**

Monetary Unit: ten thousand RMB

project	Current amount	Amount incurred in the previous period
Compensation of key management personnel	1,715.13	1,711.29

**6. Accounts receivable and payable of related parties****(1) Accounts receivable**

Monetary Unit: RMB

Item name	Related party	closing balance		initial balance	
		book balance	bad-debt provision	book balance	bad-debt provision
Accounts receivable	Shanghai Electricity Gotion New Energy Science And Technology (Suzhou) Co., Ltd.	114,909,929.40	5,745,496.48	48,303,783.16	2,415,189.16
Accounts receivable	Hebei Xinxuan Transportation Co., Ltd. Xinji Branch	1,200,000.00	600,000.00	1,200,000.00	360,000.00
Accounts receivable	Huangshan Boulevard New Energy Bus Co., Ltd.	280,000.00	280,000.00	6,280,000.00	2,024,000.00
Accounts receivable	Jingde County Boulevard New Energy Bus Co.,	182,500.00	146,000.00	1,582,500.00	551,250.00

	Ltd.				
Accounts receivable	Lixin County Electric Bus Co., Ltd.	600,000.00	300,000.00	12,600,000.00	1,980,000.00
Accounts receivable	Linlixin Boulevard Public Transportation Co., Ltd.			1,200,000.00	360,000.00
Accounts receivable	Shanghai Electricity Gotion New Energy Technology Co., Ltd.	284,663,566.93	14,386,025.39	207,473,279.99	15,047,458.52
Accounts receivable	Taihe County Boulevard New Energy Public Transportation Co., Ltd.	5,250,000.00	2,775,000.00	300,000.00	300,000.00
Accounts receivable	Tunchang Xinhai New Energy Bus Co., Ltd.	140,122.00	140,122.00	140,122.00	112,097.60
Accounts receivable	Wenchang Boulevard New Energy Public Transportation Co., Ltd.	49,980.00	24,990.00	49,980.00	14,994.00
Accounts receivable	Wucheng County Boulevard New Energy Public Transportation Co., Ltd.			600,000.00	180,000.00
Accounts receivable	Yingshang Boulevard New Energy Public Transportation Co., Ltd.	3,420,000.00	1,920,000.00	1,420,000.00	426,000.00
Accounts receivable	Volkswagen Automatic Transmission (Tianjin) Co., Ltd.			31,785,953.93	1,589,297.70
Accounts receivable	Ainuowei (Suzhou) New Energy Technology Co., Ltd.	15,946,544.87	797,327.24	13,710,070.14	685,503.51
Accounts receivable	Shanghai Wuyang Shipping Technology Co., Ltd.	2,352,152.00	456,813.60	2,352,152.00	173,007.20
Accounts receivable	Anhui Yijianeng Digital Science And Technology Co., Ltd.	85,386,000.00	25,615,800.00	153,386,000.00	15,326,800.00
Accounts receivable	Anhui Jincheng Energy Storage Technology Co., Ltd.			3,680,000.00	184,000.00

Accounts receivable	Shanghai Gotion Digital Energy Technology Co., Ltd.	234,633,263.44	11,731,663.17	5,777,145.49	288,857.27
Accounts receivable	Thailand XinGotion Co., Ltd.	9,018,450.92	450,922.54		
Accounts receivable	Tata Parts Gotion Green Energy Application Co., Ltd.	208,589,167.29	10,429,458.37		
Accounts receivable	Volkswagen (Anhui) Parts Co., Ltd.	5,936,301.46	296,815.07		
Accounts receivable	Volkswagen (China) Investment Co., Ltd.	24,278,146.45	1,213,907.32		
Accounts receivable	Volkswagen Automatic Transmission (Dalian) Co., Ltd.	20,238,887.60	1,011,944.38		
Accounts receivable	Hefei Deli New Material Technology Co., Ltd.	10,000,024.32	500,001.22		
Accounts receivable	Shanghai Electricity Gotion New Energy Science And Technology (Nantong) Co., Ltd.	30,481,482.63	1,524,074.13		
Accounts receivable	PowerCo SE	45,050,399.20	2,252,519.96		
Advance payment	Anhui Gotion Xiang LV Technology Co., Ltd.			2,238,784.28	
Advance payment	North China Aluminum New Material Technology Co., Ltd.			135,893.59	
Advance payment	Shanghai Electricity Gotion New Energy Technology Co., Ltd.	197,775.41			
Other receivable	Beijing Fuweisi Petroleum Gas Technology Co., Ltd.	4,447,880.00	4,447,880.00	4,447,880.00	4,447,880.00
Other receivable	Shanghai Electricity Gotion New Energy Technology Co.,			72,520.00	21,756.00

	Ltd.				
Other receivable	Volkswagen AG			9,835,164.69	491,758.23
Other receivable	Volkswagen Automatic Transmission (Tianjin) Co., Ltd.			700,000.00	35,000.00
Other receivable	Hefei Deli New Material Technology Co., Ltd.	4,163,761.06	208,188.05		
Total	/	1,111,416,334.98	87,254,948.92	509,271,229.27	47,014,849.19

**(2) Accounts payable**

Monetary Unit: RMB

Item name	Related party	Ending book balance	Opening book balance
Accounts Payable	Anhui Minsheng Property Management Co., Ltd.	1,235,475.00	772,035.00
Accounts Payable	Anhui Tongguan Copper Foil Group Co., Ltd.	119,336,014.53	77,191,189.35
Accounts Payable	Beijing Fuweisi Petroleum Gas Technology Co., Ltd.	23,332.00	23,332.00
Accounts Payable	Hefei Xingyuan New Energy Material Co., Ltd.	142,072,312.81	134,155,180.33
Accounts Payable	Shanghai Dajiang Network Technology Co., Ltd.	808,000.00	808,000.00
Accounts Payable	Anhui Gotion Xiang LV Technology Co., Ltd.	212,257,494.69	
Accounts Payable	North China Aluminum New Material Technology Co., Ltd.	153,180.32	3,198,017.36
Accounts Payable	Zhong Ye Rui Mu New Energy Technology Co., Ltd.	38,769,534.09	30,540,060.31
Accounts Payable	Shanghai Electricity Gotion New Energy Science and Technology (Nantong) Co., Ltd.		127,169,892.13
Accounts Payable	Anhui Chiyu New Material Technology Co., Ltd.	42,036,213.56	24,711,851.33
Accounts Payable	Hefei Ganrui Technology Co., Ltd.	181,616,746.45	173,624,891.63
Accounts Payable	Hefei Tiansheng Lithium Industry Technology Co., Ltd.	17,053,628.86	25,154,316.68
Accounts Payable	Jiangxi Ewinway New Material Co., Ltd.	6,033,404.20	6,783,788.71
Accounts Payable	Anhui Jincheng Energy Storage Technology Co., Ltd.	20,330,957.74	
Accounts Payable	Bengbu Jinshi Technology Co., Ltd.	18,527,518.01	
Accounts Payable	Hefei Dongyu Business Management Co., Ltd.	601,958.70	
Accounts Payable	Hefei Yuanyuan Technology Co., Ltd.	86,277,622.85	
Accounts Payable	Nanjing Shengshi Precision Industry Co., Ltd.	132,912,595.56	
Advance Collections	Beijing Gotion Fu Wei Si	543,506.39	543,506.39

	Guang Chu Chong Technology Co., Ltd.		
Advance Collections	Litong Energy Science and Technology Co., Ltd.	2,344,559.16	2,344,559.16
Advance Collections	Volkswagen AG	23,000,631.10	
Advance Collections	Anhui Gotion Xiang LV Technology Co., Ltd.	738,788.97	
Other payable	Anhui Gotion New Energy Investment Co., Ltd.	19,042,826.00	859,026.00
Other payable	Anhui Minsheng Property Management Co., Ltd.	13,600,612.23	3,671,304.73
Other payable	Hefei Dongyu Business Management Co., Ltd.	5,423,798.92	3,537,796.00
Other payable	Anhui Gotion Feidong New Energy Technology Co., Ltd.	1,856,858.24	1,856,858.24
Other payable	Nanjing Gotion Holding Group Co., Ltd.	1,800,000.00	1,800,000.00
Other payable	Anhui Jincheng Energy Storage Technology Co., Ltd.	39,930,824.55	
Other payable	Volkswagen AG	302.73	
Other payable	Chuzhou Guozhi New Energy Technology Co., Ltd.	88,630.98	
Other payable	Hefei Donghuan Real Estate Co., Ltd.	4,600.00	
Other payable	Hebei Xinxuan Transportation Co., Ltd.	140,000.00	
Total		1,128,561,928.64	618,745,605.35

## XV. Share-based payment

### 1. Overall situation of share-based payment

☒ Applicable ☒ Not applicable

Monetary Unit: RMB

Grant object category	Grant in this period		Exercise in this period		Unlocking in this period		Failure in current period	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Administrative staff			4,452,313	60,151,186.17	9,057,673	198,570,783.10	6,647,200	239,961,304.00
Salesman			580,038	8,304,671.72	1,541,200	34,901,200.00	798,000	30,371,160.00
Research staff			3,960,337	61,690,465.66	11,104,300	251,402,710.00	9,800,000	330,965,620.00
Manufacturing personnel			683,675	9,062,384.34	1,445,100	32,630,574.00	1,214,800	38,771,716.00
Total			9,676,363	139,208,707.89	23,148,273	517,505,267.10	18,460,000	640,069,800.00

Stock options or other equity instruments issued at the end of the period.

☐ Applicable ☒ or not applicable

Other remarks:

Grant object category	Stock options issued at the end of the period	Other equity instruments issued at the end of the
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			period	
	Range of exercise price	Remaining term of contract	Range of exercise price	Remaining term of contract
administrative staff	18.67-39.3 yuan	23-31 months	RMB 12.70	13 months
salesman	18.67-39.3 yuan	23-31 months	RMB 12.70	13 months
research staff	18.67-39.3 yuan	23-31 months	RMB 12.70	13 months
Manufacturing personnel	18.67-39.3 yuan	23-31 months	RMB 12.70	13 months

## 2. Equity-settled share payment

☒ Applicable ☐ Not applicable

Monetary Unit: RMB

Determination method of fair value of equity instruments on grant date	Black-Scholes model
Important parameters of fair value of equity instruments on grant date	Stock closing price, exercise price, annualized volatility, annualized risk-free interest rate, expiration date, etc.
Basis for determining the number of feasible rights and interests instruments	Estimated number of eligible vesting rights on the balance sheet date.
Reasons for the significant difference between the current estimate and the previous estimate	without
Cumulative amount of equity-settled share-based payment included in capital reserve.	1,226,844,783.10
Total expenses confirmed by equity-settled share payment in this period.	598,990,215.43

Other remarks:

## 3. Share payment settled in cash

☐ Applicable ☒ Not applicable

## 4. Share-based payment fees in this period

☒ Applicable ☐ Not applicable

Monetary Unit: RMB

Grant object category	Equity-settled share-based payment fees	Cash-settled share-based payment fees
Research staff	260,431,808.22	
Sales, management and manufacturing personnel	338,558,407.21	
total	598,990,215.43	

Other remarks:



## XVI. Commitments and contingencies

### 1. Important commitments

Important commitment on the balance sheet date

(1) In August 2013, Hefei Gotion externally transferred all the 80% equity interests held by Shanghai Huayue, after the equity transfer, the business scope of Shanghai Huayue changed, in order to divest the original battery business of Shanghai Huayue, according to the equity transfer agreement, Hefei Gotion undertook to repurchase the 10 sets of battery packs held by Shanghai Huayue at the price of RMB10 million (inclusive of tax), as the 10 sets of battery packs have been leased to Shanghai Songjiang Public Transportation Co. Ltd., the lease agreement stipulates that the lease term is 8 years, after the repurchase of the battery packs, the rights and obligations of the relevant lease agreement will be inherited by Hefei Gotion up to the date of this report, the company has not yet fulfilled the corresponding repurchase obligations.

(2) In October 2015, Hefei City Construction Investment Holding Co., Ltd. invested in Gotion Materials with currency funds of RMB 500 million for the construction of 10,000-ton phosphate-based anode material production base of Gotion Materials, with an investment term of 10 years, an average annualized investment return of 1.29% during the investment term, and the equity interests were repurchased by Gotion Materials in accordance with the agreed repurchase plan at the expiry of the investment term.

(3) In February 2016, Hefei City Construction Investment Holding Co., Ltd. invested in Hefei Gotion with currency funds of RMB179.10 million for the construction of production base for Hefei Gotion's 600 million AH lithium battery project, with an investment period of 11 years, an average annualized investment yield of 1.29% during the investment period, and the shareholding of Hefei Gotion repurchased by Hefei Gotion in accordance with the agreed repurchase plan at the expiry of the investment period.

(4) In April 2023, Anhui Hefei Circular Economy Demonstration Park Construction and Investment Co., Ltd. agreed to invest in Feidong Gotion New Material Co., Ltd. with currency funds of RMB 300 million (RMB 100 million actually arrived on May 4, 2023 and RMB 200 million actually arrived on May 16, 2023), which is used for the construction of the production base of the power battery supporting material project of the company. Until no later than January 29, 2027, at a fixed annualized rate of return of 5.58%, Gotion High-tech Company Limited will repurchase the equity in accordance with the agreed repurchase plan.

Except for the above, as of December 31, 2023, the Company has no other important commitments that need to be disclosed.

### 2. Contingencies

#### (1) Important contingencies on the balance sheet date

As of December 31, 2023, the Company has no other material contingencies to disclose.

## XVII. Post-balance sheet events

### 1. The profit distribution

Dividends to be distributed per 10 shares (RMB)	1.00
Dividend shares to be distributed per 10 shares (shares)	0
Number of shares to be distributed per 10 shares transferred (shares)	0
Dividend per 10 shares declared after consideration and	1.00

approval (RMB)	
Dividend shares per 10 shares declared after consideration and approval (shares)	0
Numbers of transfer to reserved capital per 10 shares declared after consideration and approval (shares)	0
The profit distribution plan	<p>The Company intends to distribute a cash dividend of RMB 1.00 (inclusive of tax) per ten shares to all shareholders on the basis of the total share capital registered on the date of registration of shareholdings for the implementation of the equity distribution, less the repurchased shares in the Company's special securities account for repurchase, with no bonus shares to be distributed and no increase of capital from reserved fund. As of April 18, 2024, the total share capital of the Company is 1,785,717,757 shares, less the repurchased shares 18,834,168 shares in the Company's special securities account for repurchase, which is calculated as the total proposed cash dividend of RMB 176,688,358.90 (including tax), accounting for 18.82% of the net profit attributable to shareholders of the listed company for the year 2023. In the period from the date of disclosure of this announcement to the record date of the equity distribution, if there is any change in the total share capital of the Company, or there is any change in the shares held in the Company's repurchase special account due to share repurchase, cancellation of the repurchased shares, or the completion of the non-trading transfer of the repurchased shares transferred to the Employee Stock Ownership Plan, the Company intends to maintain the same amount of the distribution per share and adjust the total amount of the distribution accordingly, and will announce the specific adjustments in a separate announcement.</p>

## **XVIII. Other important matters**

### **1. Other**

1. In January 2022, Feidong Gotion New Materials Company Limited ("Feidong Gotion"), a subsidiary, entered into a Material Purchase Agreement (No. QR&YT 20220117-01) (the "Material Purchase Agreement") for lithium hexafluorophosphate ("LiPF") and vinylidene carbonate ("VC") with Zhejiang Yongtai Science & Technology Company Limited ("Zhejiang Yongtai"), the term of which is up to 30 June 2023. In the same month, Feidong Gotion paid a deposit of RMB200 million to Zhejiang Yongtai in accordance with the contract. After the expiration of the contract, Zhejiang Yongtai failed to return the said deposit on the ground that Feidong Gotion had defaulted on the contract. In November 17, 2023, Feidong Gotion filed a lawsuit and an application for property preservation to the Hefei Intermediate People's Court of Anhui Province, freezing the funds in the bank account belonging to Zhejiang Yongtai in the sum of RMB202,539,167.00. On December 18, 2023, Zhejiang Yongtai filed a lawsuit with Taizhou Intermediate People's Court of Zhejiang Province against Feidong Guoxuan and Hefei Qianrui Technology Company Limited (hereinafter referred to as "Hefei Qianrui", a related party of the Company) as co-defendants on the basis of the corresponding matter of the same sale and purchase contract mentioned above, requesting Feidong Guoxuan and Hefei Qianrui to pay the payment and losses totaling RMB311,183,184.51 to it after deduction of the guarantee deposit of RMB200 million. In view of the fact that the aforesaid case has not yet commenced trial, there is uncertainty as to the impact of the case on the Company's profit for the current period or profit after the period, and it is not possible to ascertain the final actual impact up to the date of disclosure of the financial report for the time being.

2. On April 16, 2021, a fire broke out during the construction and commissioning of the energy storage power station of Beijing Gotion Fowes Optical Storage Technology Co., Ltd. in No. 14 courtyard of No. 4, Ximafang, Yongwai Dahongmen, South Fourth Ring Road, Fengtai District, Beijing, resulting in certain casualties and property damage.

Beijing Jimei Home Market Co., Ltd. filed a joint lawsuit against its subsidiary Hefei Gotion High-tech Power Energy Co. Ltd. (hereinafter referred to as the "Hefei Power", Beijing Jingfeng Guowei Integrated Energy Co., Ltd., Beijing Fuweisi Oil & Gas Technology Co., Ltd., Beijing Jingfeng Jiajing Landscaping Engineering Co., Ltd. and Beijing Ping HD Technology Development Co., Ltd. at the Beijing No. 2 Intermediate People's Court. On November 21, 2022, Beijing No. 2 Intermediate People's Court made a civil ruling No. (2022) Beijing 02 civil ruling No. 26, to implement freezing and preservation measures on the property value of the aforesaid company with a limit of RMB146,339,504.45. From August 29, 2023 until the end of the reporting period, the bank deposits in the account belonging to Hefei Power were frozen for RMB141,357,668.26, and the freezing period was temporarily until January 14, 2025. In view of the fact that the aforesaid case has not yet commenced trial, there is uncertainty as to the impact of the case on the Company's profit for the current period or profit after the period, and it is not possible to ascertain the final actual impact up to the date of disclosure of the financial report for the time being.

As of December 31, 2023, other than the above, the Company has no other material matters to disclose.

## **XIX. Notes to main items in the financial statements of the parent company**

**1. Accounts receivable****(1) Accounts receivable disclosed by aging**

Monetary Unit: RMB

Aging	Ending book balance	Beginning book balance
1 year or less	0.00	12,760,231.61
Total	0.00	12,760,231.61

**(2) Accounts receivable disclosed by the method for making provision for bad debt**

Monetary Unit: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Proportion	Amount	Provision made		Amount	Proportion	Amount	Provision made	
Accounts receivable with provision for bad debt made on an individual basis	0.00		0.00		0.00					
Including:										
Accounts receivable with provision for bad debt made on an individual basis	0.00		0.00		0.00	0.00		0.00		0.00
Accounts receivable with provision for bad debt made by portfolio	0.00		0.00		0.00	12,760,231.61	100.00%			12,760,231.61
Including:										

Portfolio 1	0.00		0.00		0.00					
Portfolio 2	0.00		0.00		0.00	12,760,231.61	100.00%			12,760,231.61
Total	0.00		0.00			12,760,231.61	100.00%			12,760,231.61

Where the provision for bad debt is made with respect to accounts receivable according to the general model of expected credit loss:

☐ Applicable ☒ Not applicable

## 2. Other receivable

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Dividends receivable	230,000,000.00	110,000,000.00
Other receivable	1,259,764,873.56	4,322,206,570.74
Total	1,489,764,873.56	4,432,206,570.74

### (1) Dividend receivable

#### 1) Classification of dividends receivable

Monetary Unit: RMB

Project (or invested unit)	Ending balance	Beginning balance
Hefei Gotion High-tech Power Energy Co., Ltd.	230,000,000.00	110,000,000.00
Total	230,000,000.00	110,000,000.00

#### 2) Dividends receivable disclosed by the method for making provision for bad debt

☐ Applicable ☒ Not applicable

### (2) Other receivable

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

Monetary Unit: RMB

Nature of funds	Ending book balance	Beginning book balance
receivable and payable	1,259,365,594.58	4,321,080,933.62
Security deposit	724,789.00	1,535,299.90
Others	222,494.38	67,482.12
Total	1,260,312,877.96	4,322,683,715.64

#### 2) Other receivable disclosed by aging

Monetary Unit: RMB

Aging	Ending book balance	Beginning book balance
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1 year or less	174,873,992.57	4,322,160,551.64
1 to 2 years	1,084,915,721.39	
Above 3 years	523,164.00	523,164.00
4 to 5 years		500,000.00
Above 5 years	523,164.00	23,164.00
Total	1,260,312,877.96	4,322,683,715.64

### 3) Other receivable disclosed by the method for making provision for bad debt

Monetary Unit: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Proportion	Amount	Provision made		Amount	Proportion	Amount	Provision made	
Including:										
Other receivable with provision for bad debt made by portfolio	1,260,312,877.96		548,004.40		1,259,764,873.56	4,322,683,715.64		477,144.90		4,322,206,570.74
Including:										
Including: Portfolio 1	1,259,324,998.80	99.92%			1,259,324,998.80	4,321,080,933.62	99.96%			4,321,080,933.62
Portfolio 2	987,879.16	0.08%	548,004.40	55.47%	439,874.76	1,602,782.02	0.04%	477,144.90	29.77%	1,125,637.12
Total	1,260,312,877.96	100.00%	548,004.40	55.47%	1,259,764,873.56	4,322,683,715.64	100.00%	477,144.90	29.77%	4,322,206,570.74

Provision for bad debt made by portfolio: 0

Monetary Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debt	Provision ratio
Portfolio 1	1,259,324,998.80	0.00	0.00%
Total	1,259,324,998.80	0.00	

Basis for determining the portfolio:

Provision for bad debts made by portfolio: 548,004.40

Monetary Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debt	Provision ratio
Portfolio 2	987,879.16	548,004.40	55.47%
Total	987,879.16	548,004.40	

Basis for determining the portfolio:

Provision for bad debts made based on the general model of expected credit losses:

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, 2023	477,144.90			477,144.90
Balance as at January 1, 2023 in the current period				
Provisions in the current period	70,859.50			70,859.50
Balance at December 31, 2023	548,004.40			548,004.40

Basis for determining the phases and the ratio of provision for bad debt

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

☐ Applicable ☒ Not applicable

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

Provision for bad debt made in the current period:

Monetary Unit: RMB

Category	Beginning balance	Amount of change in the current period				Ending balance
		Provision	Recovered or reversed	Written-off	Others	
Provision for bad debt of other receivable	477,144.90	70,859.50				548,004.40
Total	477,144.90	70,859.50				548,004.40

#### 5) Top 5 other receivable in terms of ending balance grouped by debtor

Monetary Unit: RMB

Entity name	Nature of funds	Ending balance	Aging	Proportion in the total ending balance of other receivable	Ending balance of provision for bad debt
1st	receivable and payable	744,816,732.00	Within 1 year: RMB 12,419,396.00; 1-2 years: RMB 732,397,336.00	59.10%	
2nd	receivable and payable	405,754,440.00	1-2 years	32.19%	
3rd	receivable and	65,487,392.74	Within 1 year	5.20%	

	payable				
4th	receivable and payable	18,227,054.56	Within 1 year	1.45%	
5th	receivable and payable	6,531,420.49	Within 1 year	0.52%	
Total		1,240,817,039.79		98.46%	

### 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	21,359,804,309.00		21,359,804,309.00	16,107,443,396.16		16,107,443,396.16
Investment in joint ventures and associates	179,831,690.55		179,831,690.55	250,089,183.68		250,089,183.68
Total	21,539,635,999.55		21,539,635,999.55	16,357,532,579.84		16,357,532,579.84

#### (1) Investment in subsidiaries

Monetary Unit: RMB

Investee	Beginning balance (book value)	Beginning balance of provision for impairment	Increase/decrease in the current period				Ending balance (book value)	Ending balance of provision for impairment
			Additional investment	Reduced investment	Provision of the provision for impairment	Others		
Hefei Gotion High-tech Power Energy Co., Ltd.	14,032,363,315.05		3,436,975,934.79				17,469,339,249.84	
Jiangsu Dongyuan Electric Group Co., Ltd.	809,040,881.11		30,919,396.42				839,960,277.53	
Jiangxi Gotion New Energy Technology Co., Ltd.	500,000,000.00		21,757,734.40				521,757,734.40	
Jiangsu Gotion New Energy Technology Co., Ltd.	366,139,200.00		1,638,939,363.87				2,005,078,563.87	
Feidong Gotion New Material Co., Ltd.	399,900,000.00		123,768,483.36				523,668,483.36	
Total	16,107,443,396.16		5,252,360,912.84				21,359,804,309.00	



**(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 the equity method	Adjustment of other comprehensive income	Other equity changes	Cash dividends or profits declared for distribution	Provision of the provision for impairment	Others		
I. Joint Ventures											
II. Associates											
Shanghai Electric Gotion New Energy Technology Co., Ltd.	185,350,210.81				-70,501,846.29					114,848,364.52	
Anhui Anwa New Energy Technology Co., Ltd.	64,738,972.87				-1,940,890.94		2,185,244.10			64,983,326.03	
Subtotal	250,089,183.68				-72,442,737.23		2,185,244.10			179,831,690.55	
Total	250,089,183.68				-72,442,737.23		2,185,244.10			179,831,690.55	

The recoverable amount is determined based on the net amount after deducting disposal expenses from fair value

☐ Applicable ☒ Not applicable

The recoverable amount is determined based on the present value of expected future cash flows.

☐ Applicable ☒ Not applicable

Reasons for significant discrepancies between the said information and the information used in the impairment tests in previous years or external information

Reasons for significant discrepancies between the information used in the impairment tests in previous years and the actual situation of the current year

**4. 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

Other businesses	30,473,809.90	15,640,139.80	22,227,830.27	11,472,534.44
Total	30,473,809.90	15,640,139.80	22,227,830.27	11,472,534.44

## 5. Investment income

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Income from long-term equity investment accounted by the cost method	120,000,000.00	110,000,000.00
Long-term equity investment income accounted by equity method	-72,442,737.23	-36,339,166.45
Others	-4,648,595.20	
Total	42,908,667.57	73,660,833.55

## 6. Others

## XX. Supplementary information

### 1. Details of non-recurring profits and losses in the current period

☒ Applicable ☐ Not applicable

Monetary Unit: RMB

Item	Amount	Explanations
Profit and loss from disposal of non-current assets	-1,743,644.32	
Government subsidies included into the current profit or loss (except for the government subsidies that are closely related to the Company's business, conform to national policies and regulations, are enjoyed according to determined standards, and have a continuous impact on the Company's profits and losses.)	972,703,634.39	
In addition to the effective hedging business related to the normal business of the Company, gains or losses from changes in fair value of financial assets and financial liabilities held by non-financial enterprises, as well as gains or losses from the disposal of financial assets and financial liabilities	84,807,677.28	
Non-operating income and expenses other than the said items	-20,477,166.95	
Less: impact on income tax	246,784,875.36	
Impact on minority equity (after tax)	-33,979,954.97	
Total	822,485,580.01	--

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

Remarks on 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	3.87%	0.53	0.53
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profits and losses	0.48%	0.07	0.07