

**2024 Annual Report  
of  
Gotion High-Tech Co., Ltd.**



**April 2025**

# 2024 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 (inclusive of tax) per 10 shares will be paid to all shareholders, and bonus shares will be given out as 0 shares (inclusive of tax), and the Company will not increase share capital with reserved fund.

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### **Directory of Reference Documents**

- I. The original 2024 annual report and its summary signed by the legal representative of the Company and sealed by the Company;
- II. The financial statements signed and sealed by the legal representative of the Company, accounting principal of the Company, head of the accounting department;
- III. The original 2024 annual 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 the media and websites designated by the Company 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.
Supplementary Agreement to Shareholders Agreement	mean(s)	the Supplementary Agreement to the Shareholders Agreement regarding Gotion High-Tech Co., Ltd.
Hefei Gotion	mean(s)	Hefei Gotion High-Tech Power Energy 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, 2024, to December 31, 2024.

## Section II Company Overview and Major Financial Indicator

### I. Company profile

Stock name	Gotion High-Tech	Stock Code	002074
Stock name before change (if any)	Dongyuan Electrical		
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 business since its listing (if any)	In 2015, the Company's major asset restructuring was approved by the CSRC and 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. In December 2021, Volkswagen China made a strategic investment, thereby becoming the largest shareholder of the Company. 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 Tower, No. 159 Taishan Road, Jianye District, Nanjing, Jiangsu Province
Names of the undersigned accountants	Luo Zhenxiong, Chen Qian

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
Guotai Haitong Securities Co., Ltd.	Bohua Plaza, No. 669 Xinzha Road, Jing'an District, 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

	2024	2023	Changes compared to previous year (%)	2022
Operating revenue (RMB)	35,391,817,095.44	31,605,490,020.32	11.98%	23,051,701,484.60
Net profit attributable to shareholders of the listed company (RMB)	1,206,790,129.59	938,726,847.76	28.56%	311,576,431.81
Net profit attributable to shareholders of the listed company after deducting non-	262,543,788.91	116,241,267.75	125.86%	-515,170,864.59

recurring profits and losses (RMB)				
Net cash flows from operating activities (RMB)	2,705,571,729.01	2,418,690,817.29	11.86%	801,270,839.12
Basic earnings per share (RMB/share)	0.68	0.53	28.30%	0.18
Diluted earnings per share (RMB/share)	0.68	0.53	28.30%	0.18
ROEWA	4.77%	3.87%	0.90%	1.50%
	As at the end of 2024	As at the end of 2023	Changes compared to the end of previous year (%)	As at the end of 2022
Total assets (RMB)	107,839,685,095.13	93,592,652,122.38	15.22%	72,627,365,266.66
Net assets attributable to owners of the listed company (RMB)	25,960,092,558.63	25,066,839,997.17	3.56%	23,512,253,186.21

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 audited total profit, net profit and net profit after deducting the non-recurring profit and loss (whichever is the lowest) in the most recent fiscal year 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	7,507,913,610.08	9,285,959,050.57	8,380,978,043.46	10,216,966,391.33
Net profit attributable to	69,137,964.65	202,004,529.97	141,199,488.22	794,448,146.75



the shareholders of the listed company				
Net profit attributable to the shareholders of the listed company after deducting non-recurring profits and losses	10,603,410.15	38,457,828.72	8,111,571.95	205,370,978.09
Net cash flows from operating activities	72,153,011.58	107,968,844.73	63,430,151.44	2,462,019,721.26

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	2024	2023	2022	Note
Gains or losses from disposal of non-current assets (including the reversal of accrued impairment losses on assets)	-14,411,144.14	-1,743,644.32	23,418,461.07	
Government grants included into the current profit or loss (excluding the government grants that are closely related to the Company's business, compliant to national policies and regulations, are granted in accordance with established criteria with ongoing effects on the Company's profits and losses)	990,000,989.16	972,703,634.39	921,336,197.19	
In addition to the effective hedging business related to the operating 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	244,347,107.67	84,807,677.28	-144,147,447.39	
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	
Other non-operating income and expenses	-16,953,239.75	-20,477,166.95	8,822,578.14	
Other profit or loss items complying with the definition of non-recurring profit or losses	100,811,727.98		143,837,777.24	
Less: impact amount of income tax	288,688,389.16	246,784,875.36	202,146,428.95	
Impact amount of minority equity (after tax)	70,860,711.08	-33,979,954.97	-24,198,370.97	
Total	944,246,340.68	822,485,580.01	826,747,296.40	--

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 during the reporting period

The power and transportation sectors have become key areas for carbon reduction as the energy transition accelerates. The global new energy vehicle industry continues to develop rapidly, with the power battery sector accelerating its integration driven by technological innovation and scale effect. The lithium iron phosphate technology route dominates the new energy vehicle market due to its high cost-performance ratio, while high-nickel ternary and semi-solid batteries are quickly iterating to penetrate the high-end market. Energy storage benefits from the global energy transition and the demand for grid stability, with large-capacity battery cores and long cycle life becoming core trends. The accelerated penetration of industrial, commercial, and residential energy storage scenarios enables the industry to enter a phase of large-scale expansion. The transmission and distribution equipment industry is upgrading towards extra-high voltage flexible transmission, smart substations, and digital dispatching in response to the demand for integrating new energy sources into the grid.

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

In 2024, the global power lithium battery industry is entering a phase of accelerated technological iteration, characterized by continuous optimization of battery casing structure design, ongoing enhancements in energy density, and significant improvements in charging speed. These advancements are driving high-quality development within the power lithium battery sector, resulting in a steadily increasing penetration rate of new energy vehicles in the market. According to statistics from SNE Research, the global shipment volume of power lithium batteries in 2024 reached 998 GWh, marking a year-on-year increase of 15.4%. According to statistics from the China Association of Automobile Manufacturers, domestic sales of new energy vehicles in 2024 reached 11.582 million units, representing a year-on-year growth of 39.7% and accounting for 45.3% of total domestic automobile sales. Specifically, domestic sales of new energy passenger vehicles totaled 11.05 million units, reflecting a year-on-year increase of 40.2% and constituting 48.9% of passenger vehicle sales. Meanwhile, domestic sales of new energy commercial vehicles reached 532,000 units, marking a year-on-year growth of 28.9% and representing 17.9% of commercial vehicle sales. Technological innovation will lead the industry forward, with cooperation and competition among enterprises also contributing to the advancement of the industry chain.

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

Driven by the global energy transition and industrial upgrading, the energy storage battery industry has welcomed significant development opportunities. With the increasing global demand for renewable energy and

the orderly implementation of carbon reduction targets in various countries, the energy storage battery industry has emerged as a key pillar in the energy sector, enhancing the stability of the power grid frequency and facilitating the transition of the power energy market. According to data from EVTank, global energy storage lithium battery shipments reached 369.8 GWh in 2024, representing a year-on-year increase of 64.9%. According to data from the National Energy Administration, the cumulative installed capacity of newly built energy storage projects in China has reached 73.76 GW/168 GWh. This is approximately 20 times the capacity at the end of the 13th Five-Year Plan and has increased by over 130% compared to the end of 2023. As industrial policies at home and abroad continue to bear fruit, the acceleration of global renewable energy installations is driving a surge in energy storage demand, particularly in the (grid-side) energy storage sectors in Europe and the United States, as well as in China's commercial and industrial energy storage market. Portable energy storage has also become a new growth point, and the global energy storage battery market maintains a steady growth trend.

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

The power transmission and distribution equipment industry is a core component of the power system. It serves as a vital support mechanism for safeguarding people's livelihoods and fostering economic development. In the context of a global commitment to sustainable development, nations are progressively diminishing their reliance on conventional fossil fuels and expediting the transition to clean energy sources, thereby elevating the significance of electricity within the energy framework. Furthermore, investments in the development of smart grids are on the rise, significantly enhancing the operational efficiency of power systems. The ongoing advancement of the social economy, coupled with the consistent improvement of living standards, is driving a sustained increase in electricity demand. Consequently, the power transmission and distribution equipment industry is entering a new phase characterized by technological advancements and market expansion. National policies, such as the *Guiding Opinions on Energy Work in 2024*, the *Report on the Work of the Government in 2024*, the "14th Five-Year" *Development Plan for Renewable Energy*, and the *Action Plan for Carbon Dioxide Peaking Before 2030*, clearly propose the goal of accelerating the construction of a new energy system and a new power system, which will comprehensively promote investment and construction in power infrastructure. At the same time, policies, such as the *Action Plan for Accelerating the Green and Low-Carbon Innovative Development of Power Equipment*, will further promote the development of transmission and distribution and control equipment towards intelligence, energy efficiency, and environmental sustainability. These efforts promote sustained growth in downstream demand and bring new development opportunities for the industry.

In 2024, the Company continued to make technological 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 optimizing its product structure, increasing the R&D of key products, making full

use of high-quality 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 improved its market competitiveness.

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

The Company primarily focuses on the R&D, manufacturing and marketing of power battery systems, energy storage battery systems, and transmission and distribution equipment within the new energy sector. According to the *Industrial Classification and Codes for National Economic Activities* (GB/T4754-2017) released by the National Bureau of Statistics, the Company is engaged in an industry under the “C38 electrical machinery and equipment manufacturing”, a subcategory of “C manufacturing”.

### (I) Outline of primary business

As a high-tech enterprise deeply engaged in the new energy field for many years, the Company has always embraced technological innovation as its core driving force. The Company is committed to the technological innovation and application expansion of power battery systems, energy storage battery systems, and transmission and distribution equipment. During the reporting period, the Company closely aligned with the national green and low-carbon development strategy and deeply engaged in the upstream and downstream of the new energy industry chain. This strategic move solidified its leading position in the power battery and energy storage battery markets, actively laid out emerging application scenarios, such as low-altitude flight, construction machinery, electric ships, and portable energy storage, and committed to achieving comprehensive breakthroughs from technology research and development to product application.

### (II) Main Products and applications

The Company’s main products consist of power battery system, energy storage battery system and power transmission and distribution equipment. Specifically:

#### 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 products are mainly lithium iron phosphate materials and battery cores, ternary materials and battery cores, and power battery packs. The Company has maintained long-term strategic cooperation relations with many well-known international enterprises in the new energy vehicle, and its products are widely used in fields such as pure electric passenger cars, commercial vehicles, special vehicles, heavy trucks, 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 products mainly 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, etc., which meet the needs of multiple scenarios such as centralized power storage, commercial and industrial energy storage, and household energy storage, and have obtained certifications such as compulsive standards GB in China, the UL safety standards in US, the international IEC, CSA and other standard certifications. The Company focuses on key layouts in four major energy storage fields (i.e., power generation side, grid side, power side and user side), covering the international energy storage market.

#### 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.

### **(III) Business model**

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

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

In terms of R&D strategic layout, the Company has established an innovation system driven by “dual engines,” focusing deeply on the integrated innovation of materials science and digital science. It aims to achieve innovative breakthroughs around the four core main materials: cathodes, anodes, separators, and electrolytes, while building a technological reserve in cutting-edge functional materials such as solid-state electrolytes. The Company is dedicated to promoting the application and empowerment of digital technology, with the aim of developing high-security, low-cost, and long-life platform cores, thus accelerating the technological upgrading and innovation of the entire chain, from cores to products, manufacturing, and applications. The Company enhances and upgrades its trial production and validation equipment and facilities by leveraging top talent in the battery industry, collaborating with renowned international universities and key enterprises in the industrial chain. These efforts ensure the advancement of its R&D support capabilities and the successful implementation of technologies and products.

In terms of the supply assurance, the Company is committed to building an internationally integrated supply chain management system, establishing strict and unified supplier qualification certification and access standards, and orderly constructing localized supply chain systems and capabilities in various international regions; Concurrently, the Company is fortifying and enhancing its collaborative mechanism for strategic suppliers. It jointly developed a standardized supplier quality evaluation system to encourage suppliers to continuously improve their quality levels, ensuring the efficient and stable operation of the supply chain.

In terms of production and manufacturing, the Company creates a benchmark for lighthouse factories that is centered on meeting customer requirements. Through the application of AI, digital manufacturing, and big data technology, the Company can accurately plan production, deepen lean production, optimize management processes, continuously reduce energy consumption in production, enhance delivery quality and efficiency, and strengthen the vitality and competitiveness of enterprises.

In terms of marketing, the Company adopts a customer demand-oriented strategy. On the one hand, it conducts an in-depth analysis of strategic target enterprises, diligently addresses core projects, and strengthens the cooperation adhesion of existing customers, thereby fostering the development of new initiatives across both the depth and breadth of its business operations. On the other hand, the Company maintains a focus on industrial trends and strategically positions itself within emerging sectors, including low-altitude flight, humanoid robotics, and electric construction machinery, while finalizing product planning and proposal development. At the same time, the Company is committed to enhancing the capabilities of the marketing “iron triangle” and expediting the establishment of a comprehensive “market, after-sales, recycling” trinity network layout in overseas regions. This approach aims to continuously optimize sales, delivery, and after-sales service capabilities, thereby significantly improving customer satisfaction, reinforcing the foundation for collaboration, and facilitating the Company’s pursuit of stable growth and breakthroughs amidst intense market competition.

## 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.

### (IV) Performance drivers and market position

#### 1. Performance drivers

##### (1) Industrial policy incentives

Several factors are driving the rapid development of the industry, including the acceleration of the global carbon neutrality process, the new energy industry plan outlined in China's "14th Five-Year Plan", and the energy storage subsidy policy in Europe and the United States. In the domestic context, guided by the ambitious "dual carbon" goals, the purchase tax exemption for new energy vehicles persists. Additionally, policies that encourage the trade-in, streamline the grid connection process, and optimize the scheduling of new energy storage are being rigorously executed. These measures are poised to unlock substantial market potential for transformative energy structure initiatives. During the reporting period, the Company seized policy opportunities and successfully undertook domestic new power system upgrades and overseas energy decarbonization demands based on energy storage station projects.

##### (2) Surge in market demand

In 2024, the global demand for new energy vehicles remained robust. According to statistics from EVTank, global sales of new energy vehicles reached 18.236 million units in 2024, a year-on-year increase of 24.4%. China accounted for over 70% of these sales. At the same time, global demand for wind and solar energy storage is surging, and the industry is experiencing large-scale expansion, with rapid release of demand in the new energy storage market. According to EVTank statistics, global energy storage lithium battery shipments reached 369.8 GWh in 2024, representing a year-on-year increase of 64.9%. Notably, Chinese companies accounted for 345.8 GWh, which is 93.5% of the global energy storage battery shipments. It is predicted that by 2030, global shipments of energy storage batteries will approach 1,550 GWh. The demand for power batteries and energy storage batteries exhibits a "spiral ascent" characteristic, thereby promoting the continuous growth of the lithium battery market.

##### (3) Support by technical advantages

The Company's technological breakthroughs are driven by a dual engine of "material science plus digital science", which elevates the product power to new heights. During the reporting period, significant advancements were made in the compaction density and low-temperature performance of lithium iron phosphate materials, and the Company's proprietary Pack technology and battery thermal management technology are leading in China. New generation of high-performance batteries, such as UC, Qichen and G Ke, fully demonstrate the Company's leading battery technology capabilities, and the UC battery core was the first to be designated by Volkswagen on a global scale. In addition, the Company has led or participated in the development of numerous national and industry standards, with global intellectual property breakthroughs exceeding 10,000 items, continuously strengthening its technological discourse power. Guided by a dual technology route of high-cost performance lithium iron phosphate batteries and high-nickel ternary batteries, the Company's business demand will continue to grow with the rapid advancement of the Company's international

layout, the continuous growth of the R&D team, and the increasingly sound of the R&D management system.

#### (4) Continuous improvement of competitiveness

The Company has built a complete industrial chain system from raw materials to battery production and product application, and then to battery recycling. This initiative has led to a self-supply rate of key raw materials exceeding 40%, significantly strengthening the Company's resilience against cost fluctuations. In terms of market expansion, a new group of international strategic customers has been added, and sales of passenger vehicles, commercial vehicles, and energy storage batteries have reached new heights. In terms of base construction, the bases in Thailand and Vietnam have been put into operation, and other overseas bases and related supporting industrial bases are also accelerating their construction, with localized production accelerating to break through trade barriers. In terms of operational management, the Company has made efforts to promote the process and information construction, vigorously advancing organizational flattening and dynamic optimization. Concurrently, the Company has enhanced its green manufacturing capabilities, leveraging continuous transformation of resource efficiency advantages into sustainable profit momentum, thereby promoting stable development.

#### 2. Market position

During the reporting period, the Company's power lithium battery business maintained a steady and progressive development trend. According to the statistics from SNE Research, the global installed capacity of lithium iron phosphate of the Company ranked third in 2024, with a market share of 6.18%, and the installed global power lithium batteries of the Company achieved a year-on-year growth of 73.8% and a market share of 3.2%, ranking eighth globally. Data from the China Automotive Power Battery Industry Alliance indicates that in 2024, the Company's power lithium battery installation volume reflected a year-on-year increase of 48% and a market share of 4.59%, positioning the Company fourth, an improvement of one rank from 2023.

According to statistics from SNE Research, the shipment volume of energy storage battery of the Company in 2024 reflected a year-on-year increase of 200%, with a market share of 6%. Furthermore, according to statistics from GGII, the Company ranked seventh in global energy storage battery shipments in 2024, and second in the communication energy storage sector. Looking ahead, the Company is committed to fulfilling its mission of promoting global green, low-carbon, and sustainable development. It plans to increase R&D investments to continuously enhance the performance and efficiency of energy storage technologies, thereby expanding the scale of its energy storage business and providing the market with more efficient, safer, and environmentally friendly energy storage solutions.

### III. Analysis of core competence

#### (I) Rich technical reserves

Technological innovation is the core driving force for the Company's continuous development. The Company has always adhered to the concept of "technology-based enterprise". After many years of extensive experience in the industry, the Company has established significant technical barriers that cover the entire life cycle of batteries. Concurrently, the Company has exhibited a commitment to challenging limits, consistently fostering technological innovation and key breakthroughs.



The Company continues to advance technological innovation and product application in the fields of material research and digital research. In terms of materials, the Company has established an independent R&D system and capability covering the whole chain of mineral processing, positive electrodes, negative electrodes, diaphragm, electrolytes, and other auxiliary materials. The Company has developed an LMFP material that has shown significant improvements in compaction density and low-temperature performance. Concurrently, the Company is expediting the research and development of pivotal materials for solid-state batteries, persistently surmounting industry technical barriers, and further consolidating its technological advantages. In terms of the digital field, the Company focuses on big data and artificial intelligence. The launch of the AI control tower platform automates and monitors the entire production process, enhancing production efficiency and product quality. Additionally, the Company continues to optimize the big data intelligent early warning system, enabling real-time monitoring and safe operation of vehicle-mounted and energy storage systems, with the aim of achieving digital management of the entire product life cycle and process.

The Company strategically integrates high-quality international R&D resources and has established eight major R&D centers worldwide, including those in Shanghai and Hefei, Tsukuba, Singapore, Silicon Valley, and Cleveland. These centers specialize in various fields, such as material systems, product design, testing and verification, and next-generation battery system R&D. Through strategic partnerships and collaborations with prominent enterprises and scientific research institutions, the Company is able to accelerate the pace of technological innovation. Concurrently, the Company assimilates and gains insights from the management experience of advanced technology, continuously enhancing the competitiveness of its battery technology and the efficacy of its R&D system.

The Company is currently engaged in the active development of an international technology cooperation network, with a focus on the enhancement of school-enterprise partnerships. By the end of the reporting period, the Company had established research and innovation and talent training collaborations with several renowned universities both domestically and internationally, including Stanford University, Columbia University, Nanyang Technological University, Hannover University, Tsinghua University, University of Science and Technology of China, Hefei University of Technology, Tongji University, and Anhui University, jointly promoting continuous technological progress in the industry.

The Company places a strong emphasis on the protection and management of its intellectual property. It is an active applicant for patents and participates in the formulation of industry standards. As of the end of the reporting period, the Company had cumulatively filed 10,556 patent applications, including 4,622 invention patents (of which 303 are foreign patents), and has led or participated in the formulation of a total of 92 standards.

**(II) Wide product coverage**

The transition from technology R&D to product implementation is a multifaceted and protracted process. Through meticulous planning and effective management, the Company has established a diverse, high-quality, and secure product portfolio designed to address the varying needs of customers across different scenarios and regions.

In the power sector, with a focus on the passenger car market, the Company's products cover pure electric, plug-in hybrid, and range-extended technology pathways, catering to the requirements of high-end, mid-range, and economy segments. During the reporting period, the Company introduced several high-performance battery products, including the G-Carve battery and Xingchen battery, and released the first generation of all-solid-state "Jadestone" battery, marking a significant advancement in solid-state battery technology. For the commercial vehicle market, the Company launched the Gotion-brand series, which includes heavy trucks, light trucks, loaders, mining trucks, and large buses. Simultaneously, the Company is expediting the R&D as well as mass production of product combinations targeting emerging sub-markets such as low-altitude aircraft, electric vessels, and construction machinery.

In the energy storage sector, the Company's products cover a wide range of application scenarios, including power-side energy storage, grid-side energy storage, industrial and commercial energy storage, household energy storage, and mobile power, including energy storage batteries and system solutions. During the reporting period, the Company introduced several innovative products, such as the 5MWh standard energy storage battery cabin, Gotion EDGE, and Gotion Home, all of which are characterized by their superior safety, durability, and intelligent features. In the consumer market, the portable mobile energy storage devices, Gotion Go300 and Gendome Home 3000, developed by the Company, have garnered significant attention in international markets, thereby providing substantial support for the Company's ongoing growth and development.

**(III) Stable industry chain**

The Company is one of the pioneering battery enterprises to strategically develop its upstream supply chain. It has systematically established a presence in upstream raw materials, including minerals, precursors, positive electrodes, negative electrodes, copper foil, and separators, as well as in battery recycling, thereby maintaining control over essential industrial processes.

In terms of upstream resources, the Company has secured access to critical mineral assets, such as the Yichun lithium mine, Indonesian nickel resources, and Argentine salt lakes. Additionally, it has independently

developed production bases for positive electrodes, negative electrodes, and separators. Through strategic investments and collaborative initiatives, the Company has fostered strong partnerships with various upstream and downstream enterprises, effectively ensuring a reliable supply of key raw materials on both domestic and international fronts. This approach enhances the security and cost efficiency of the supply chain.

In terms of midstream manufacturing, the Company is diligently working to enhance its production capacity and effectively promote the localization of manufacturing processes. As of the end of the reporting period, the Company has established production bases in various domestic regions, including Hefei, Tongcheng, Liu'an, Chuzhou, Nanjing, Tangshan, Qingdao, Yichun, and Liuzhou. Concurrently, it is expediting the construction and operation of factories in international markets across the Asia-Pacific. At the same time, the Company is actively advancing initiatives in smart manufacturing and sustainable production practices, with a commitment to developing a green and low-carbon industrial chain. Notably, during the reporting period, the Jinzhai factory obtained TUV Rheinland certification, marking it as the first zero-carbon facility in the industry dedicated to the manufacturing of lithium iron phosphate energy storage batteries.

In terms of downstream application, the Company has forged strategic partnerships with numerous vehicle manufacturers and energy storage system integrators, thereby facilitating sustained growth in scale. Additionally, the Company is in the process of establishing a battery recycling network, which aims to create a sustainable closed-loop system of “production - application - regeneration,” thereby embodying the principles of sustainable development. This comprehensive industrial chain model not only bolsters the Company's resilience against risks but also enhances overall operational efficiency and profitability.

#### **(IV) Internationalization as a priority**

Internationalization constitutes a pivotal element of the Company's strategic framework, with prompt and extensive international expansion propelling its rapid advancement within the international new energy sector.

In terms of market, the Company is proactively pursuing international collaborations across four primary regional markets: China, the Americas, Europe, Africa, and Asia-Pacific. The Company's automotive clientele covers notable names such as VinFast, Rivian, Ebusco, Chery, Geely, SAIC-GM-Wuling, Leapmotor, Changan, Great Wall Motor, Jianghuai, and SANY. In the energy storage sector, key clients include PowerCo, NextEra, Daiwa Energy, Huawei, Longyuan Power, Robestec, China Three Gorges Corporation, and China Resources Power. During the reporting period, the Company was honored with inclusion in the “2024 Fortune China 500” list as well as the “Top 100 Global Automotive Parts Suppliers” list. Numerous products were exhibited at both domestic and international trade shows, thereby continuously enhancing the Company's brand recognition and market competitiveness.

In terms of R&D, the Company has established R&D centers overseas, fostering collaborations with esteemed international enterprises, research institutions, and universities. This integration of resources aims to accelerate innovation, strengthen the technological foundation, and sustain a competitive edge.

In terms of industry, the Company has set up production bases in multiple international regions and will persist in the introduction of advanced equipment and technology to improve production efficiency at each base. During the reporting period, domestic bases underwent renovations and upgrades, renovations and upgrades, achieving significant advancements in capacity. Additionally, overseas factories in Göttingen and Vietnam have successfully commenced operations, while other bases are currently under construction. Furthermore, the Company is expediting the development of an overseas after-sales service system to enhance local service efficiency continuously.

In terms of capital, the Company is actively engaging with international capital markets, broadening its funding sources through the issuance of overseas Global Depositary Receipts (GDRs) and attracting international strategic investors, thereby augmenting the brand's global influence.

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

### **1. Overview**

During the reporting period, the Company achieved an operation income of RMB 35,391.8171 million, a year-on-year increase of 11.98%, realized an operating profit of RMB 1,283.4497 million, a year-on-year increase of 31.58%, achieved total profit of RMB 1,263.1097 million, a year-on-year increase of 33.22%, and achieved a net profit of RMB 1,154.1342 million, a year-on-year increase of 19.09% (in which the net profit attributable to the owner of the parent company was RMB 1,206.7901 million, a year-on-year increase of 28.56%). The main business situation is as follows:

#### **(I) High-Tech leadership and product matrix iteration**

During the reporting period, the Company launched multiple battery products, providing new support for its continued development.

In the passenger vehicle sector, the G-Carve Plug-in Hybrid Electric Vehicle (PHEV) battery system launched by the Company is distinguished by its 4C super-fast charging capability, a design resistant to acid corrosion for up to 480 hours, and efficient insulation that endures extreme temperatures. Additionally, the Company has introduced the first generation of all-solid-state “Jadestone” batteries, which boast an energy

density of up to 350Wh/kg and over 3,000 cycles, characterized by their long endurance, high energy capacity, and enhanced safety features.

In the commercial vehicle sector, the Gotion-brand battery pure electric heavy truck standard package offers a battery capacity of 110kWh, resulting in a 56% increase in energy density within the same spatial constraints. This system supports simultaneous charging with 4 to 6 charging guns, thereby enhancing charging efficiency by 30%. The Gotion-brand battery single-package light truck standard box utilizes large-capacity lithium iron phosphate cells with an integrated design, ensuring stable and reliable energy support for urban transportation and logistics distribution.

In the energy storage sector, the Company is proactively establishing a presence in the commercial and industrial energy storage markets, as well as the home energy storage sector. The Gotion Grid 5MWh energy storage liquid-cooled container features large-capacity individual cells of 330Ah and 314Ah, with a lifespan exceeding 15,000 cycles, resulting in a system operational life of over 20 years. To address emergency charging requirements, the Company has launched a new generation of intelligent mobile energy storage charging piles, capable of achieving 80% energy replenishment within 30 minutes under high-rate fast charging conditions. These innovations have been exported to various regions.

## **(II) Dual drive of motion storage and upgrade of marketing structure**

In the Chinese market, the Company has strategically focused on the high-end segment by offering personalized solutions, successfully securing contracts for premium models such as Chery's Sterra, Geely's Galaxy, and Leapmotor, thereby significantly increasing the supply ratio of A-class and above models. The heavy truck market is experiencing rapid penetration, with successful deliveries made for Geely's Homtruck and SANY's Magic Tower. The energy storage sector continues to advance, having completed the delivery of over twenty power stations and signed contracts with Datang Tangshan New Energy and Hebei Linhai Technology Group to enhance strategic cooperation comprehensively. The Americas market is undergoing extensive expansion, with contracts secured from mainstream vehicle manufacturers and notable achievements in promoting large-scale energy storage, home energy storage, portable energy storage, and mobile charging products. The Asia-Pacific market is steadily improving, consolidating partnerships with Vinfast and TATA while securing new strategic customer contracts. The European and African markets are accelerating their development, having completed contracts with several leading vehicle manufacturers and entering critical business phases for numerous significant projects.

## **(III) Domestic and international progress and enhancement of manufacturing capacity**

Domestically, production capacity and utilization rates are consistently increasing, with production management becoming increasingly sophisticated. New processes, technologies, and products have been successfully introduced, resulting in record monthly delivery volumes. Internationally, production facilities are gradually commencing construction and operations, with localized production efforts accelerating. During the reporting period, factories in Göttingen and Vietnam successfully began production, while facilities are currently under construction. Simultaneously, the Company is dedicated to advancing extreme manufacturing, AI control, and other digital technologies across new production lines, continuously enhancing the intelligence and efficiency of the production process. Furthermore, the Company is actively promoting smart and green manufacturing, continuously optimizing production processes, strengthening quality control, and thereby improving production efficiency to deliver “high-quality and cost-effective” green products to customers.

#### (IV) International strategy implementation and acceleration of overseas expansion

The expansion of overseas markets and operational performance has yielded significant results, with a new cohort of international brand clients securing key project contracts. The overseas business framework is continuously evolving, with marketing, operations, and management teams in three major regions gradually taking shape, and local construction progressing effectively, thereby expanding regional market coverage. The international after-sales system is being systematically refined, with an orderly increase in customer service outlets. Overseas revenue is projected to grow by over 70% year-on-year in 2024, with sales anticipated to exceed 10 billion yuan.

## 2. Income and cost

### (1) Composition of operating revenue

Monetary Unit: RMB

	2024		2023		Year-on-year increase/decrease
	Amount	Proportion to operating revenue	Amount	Proportion to operating revenue	
Total operating revenue	35,391,817,095.44	100%	31,605,490,020.32	100%	11.98%
By industry					
Power battery system	25,648,234,808.94	72.47%	23,051,206,303.70	72.93%	11.27%
Energy storage battery system	7,831,578,941.56	22.13%	6,931,945,164.22	21.93%	12.98%
Power transmission and distribution	456,823,031.23	1.29%	816,470,377.47	2.58%	-44.05%

products					
Other businesses	1,455,180,313.71	4.11%	805,868,174.93	2.55%	80.57%
By product					
Power battery system	25,648,234,808.94	72.47%	23,051,206,303.70	72.93%	11.27%
Energy storage battery system	7,831,578,941.56	22.13%	6,931,945,164.22	21.93%	12.98%
Power transmission and distribution products	456,823,031.23	1.29%	816,470,377.47	2.58%	-44.05%
Other businesses	1,455,180,313.71	4.11%	805,868,174.93	2.55%	80.57%
By region					
Chinese main-land	24,386,980,117.08	68.91%	25,177,722,118.17	79.66%	-3.14%
Overseas (including Hong Kong, Macao and Taiwan)	11,004,836,978.36	31.09%	6,427,767,902.15	20.34%	71.21%
By sales model					
Direct selling	35,391,817,095.44	100.00%	31,605,490,020.32	100.00%	11.98%

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

☒ Applicable ☐ Not applicable

Monetary Unit: RMB

	Operating revenue	Operating cost	Gross profit margin	Year-on-year increase/decrease in operating revenue	Year-on-year increase/decrease in operating cost	Year-on-year increase/decrease in gross profit margin
By industry						
Power battery system	25,648,234,808.94	21,765,461,944.98	15.14%	11.27%	9.56%	1.33%
Energy storage battery system	7,831,578,941.56	6,128,210,521.77	21.75%	12.98%	6.66%	4.64%
Power transmission and distribution products	456,823,031.23	366,927,453.34	19.68%	-44.05%	-43.75%	-0.43%
Other businesses	1,455,180,313.71	759,531,432.75	47.80%	80.57%	113.55%	-8.06%
By product						
Power battery system	25,648,234,808.94	21,765,461,944.98	15.14%	11.27%	9.56%	1.33%
Energy storage battery system	7,831,578,941.56	6,128,210,521.77	21.75%	12.98%	6.66%	4.64%
Power transmission and distribution products	456,823,031.23	366,927,453.34	19.68%	-44.05%	-43.75%	-0.43%

Other businesses	1,455,180,313.71	759,531,432.75	47.80%	80.57%	113.55%	-8.06%
By region						
Chinese main-land	24,386,980,117.08	20,467,172,053.26	16.07%	-3.14%	-4.03%	0.78%
Overseas (including Hong Kong, Macau and Taiwan)	11,004,836,978.36	8,552,959,299.58	22.28%	71.21%	61.58%	4.63%
By sales model						
Direct selling	35,391,817,095.44	29,020,131,352.84	18.00%	11.98%	9.01%	2.23%

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	2024	2023	Year-on-year increase/decrease
Battery pack	Sales volume	10,000Ah	1,975,231	1,407,011	40.38%
	Production volume	10,000Ah	2,107,631	1,489,610	41.49%
	Inventory volume	10,000Ah	372,703	240,303	55.10%

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

☒ Applicable ☐ Not applicable

1. Sales volume in 2024 rose by 40.38% year on year, mainly due to an increase in sales as a result of strong market demand during the reporting period.
2. Production volume in 2024 rose by 41.49% year on year, mainly due to the release of production capacity and an increase in output during the reporting period.
3. Inventory volume in 2024 rose by 55.10% 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**

Monetary Unit: RMB

Product	Item	2024	2023	Year-on-
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category		Amount	Proportion to operating cost	Amount	Proportion to operating cost	year increase/d ecrease
Power battery industry	Raw materials	23,118,670,757.76	79.66%	22,902,347,769.39	86.03%	-6.37%

**(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 (\$)	13,290,418,361.58
Proportion of aggregate sales amount of top five customers’ sales to total annual sales	37.55%
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	3,358,586,378.37	9.49%
2	Customer 2	3,267,678,787.70	9.23%
3	Customer 3	2,836,639,020.02	8.01%
4	Customer 4	2,134,514,422.47	6.03%
5	Customer 5	1,692,999,753.02	4.78%
Total	--	13,290,418,361.58	37.55%

Other explanations about the major customers

☐ Applicable ☒ Not Applicable

Major suppliers of the Company

Total purchase amount achieved through the top 5 suppliers (RMB)	6,949,954,932.39
Proportion of total purchase achieved through top 5 suppliers in the total annual purchase amount of the Company	24.24%
Proportion of the total purchase amount achieved through related parties among the top 5 customers in the total annual purchase amount of the Company	6.65%

Information of top 5 suppliers of the Company

No.	Supplier's name	Purchase amount (RMB)	Proportion to the total annual purchase amount
1	Supplier 1	2,388,928,634.08	8.33%
2	Supplier 2	1,442,436,749.06	5.03%
3	Supplier 3	1,213,139,380.66	4.23%
4	Supplier 4	1,060,495,686.14	3.70%
5	Supplier 5	844,954,482.45	2.95%
Total	--	6,949,954,932.39	24.24%

Other explanations about the major suppliers

☐ Applicable ☒ Not Applicable

### 3. Expenses

Monetary Unit: RMB

	2024	2023	Year-on-year increase/decrease	Reasons for major changes
Selling expenses	304,389,113.38	292,454,259.97	4.08%	No significant changes
General and administrative expenses	1,928,191,843.52	1,736,182,411.89	11.06%	No significant changes
Financial expenses	842,650,250.38	547,493,192.86	53.91%	Mainly due to an increase in interest expenses in the current period and a decrease in exchange rate gains
R&D expenditures	2,148,217,634.41	2,061,239,509.23	4.22%	No significant changes

### 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-007	According to domestic and international market demands and adhering to the core technical requirements of energy storage cells (high safety, long lifespan, low cost), we have adopted 316Ah cells for the development of energy storage battery systems.	The battery cores have started small-scale production at the subsidiary	The performance of the battery cores can meet the needs of customers, and the products can be delivered in bulk	This cell has already secured technical agreements with several clients, generating ongoing economic benefits for the Company.
DX-009	The Company is developing the 200 platform series of LFP	The design of this cell has been finalized, and the production line is	The performance of the battery cores can meet the needs of customers,	This platform cell has already been designated by clients,

	(Lithium Iron Phosphate) battery cells for commercial vehicles, coupled with integrated liquid cooling solutions, to reduce charging time and enhance the company's competitiveness in the heavy-duty truck market.	operational, and capable of small-scale production.	and the products can be delivered in bulk	contributing to the Company's economic performance.
DX-010	In response to specific client needs, the Company is developing the UC platform and ternary NMC high-voltage battery cells, while ensuring technical compatibility with other client requirements at the same time.	The design of this cell has been finalized, and it is currently undergoing continuous small-scale production on the production line.	The performance of the battery cores can meet the needs of customers, and the products can be delivered in bulk	This cell has received designations from several clients, further contributing to the Company's economic benefits.

## R&amp;D personnel of the Company

	2024	2023	Change ratio
Number of R&D persons	3,754	3,132	19.86%
Proportion of R&D persons	14.68%	13.65%	1.03%
Educational background of R&D personnel			
Bachelor	1,728	1,550	11.48%
Master	1,440	1,201	19.90%
Doctor	175	121	44.63%
College or below	411	260	58.08%
Age of R&D persons			
Under 30 years old	1,790	1,736	3.11%
30-40 years old	1,714	1,269	35.07%
Above 40 years old	250	127	96.85%

## R&amp;D input of the Company

	2024	2023	Change ratio
Amount of R&D input (RMB)	2,929,302,256.64	2,767,999,886.15	5.83%
Proportion of R&D input in operating revenue	8.28%	8.76%	-0.48%
Capitalized amount of R&D input (RMB)	781,084,622.23	706,760,376.92	10.52%
Proportion of capitalized amount of R&D input in R&D input	26.66%	25.53%	1.13%

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 revenue compared with that in the previous year

☐ Applicable ☒ Not Applicable

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

☐ Applicable ☒ Not Applicable

## 5. Cash flow

Monetary Unit: RMB

Item	2024	2023	Year-on-year increase/decrease
Subtotal of cash inflow from operating activities	24,538,965,799.07	20,573,423,110.38	19.28%
Subtotal of cash outflow from operating activities	21,833,394,070.06	18,154,732,293.09	20.26%
Net cash flow from operating activities	2,705,571,729.01	2,418,690,817.29	11.86%
Subtotal of cash inflow from investing activities	9,130,892,700.34	4,648,833,803.23	96.41%
Subtotal of cash outflow from investing activities	16,238,265,234.05	21,123,384,229.69	-23.13%
Net cash flow from investing activities	-7,107,372,533.71	-16,474,550,426.46	56.86%
Subtotal of cash inflow from financing activities	34,392,266,092.05	31,380,923,654.79	9.60%
Subtotal of cash outflow from financing activities	28,912,633,343.09	17,492,723,842.64	65.28%
Net cash flow from financing activities	5,479,632,748.96	13,888,199,812.15	-60.54%
Net increase in cash and cash equivalents	1,228,131,696.34	86,173,046.84	1,325.19%

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

☒ Applicable ☐ Not applicable

1. In 2024, the Company's net cash flow from financing decreased by RMB 8,408,567,100 compared to the same period last year, representing a year-on-year decline of 60.54%, primarily due to increased cash payments for debt repayment during this period;
2. In 2024, the net increase in cash and cash equivalents rose by RMB 1,141,958,600 compared to the same period last year, reflecting a year-on-year increase of 1,325.19%, mainly due to increased sales receipts and reduced investment activity expenditures.
3. In 2024, the net cash flow from investing activities rose by RMB 9,367,177,900 compared to the same period last year, reflecting a year-on-year increase of 56.86%, mainly due to reduced investment activity expenditures;

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

## 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 2024		Beginning of 2024		Increase/decrease in proportion	Reasons for major changes
	Amount	Proportion in total assets	Amount	Proportion in total assets		
Monetary Funds	16,548,290,096.70	15.35%	14,513,081,982.66	15.51%	-0.16%	No significant changes
Account receivable	16,454,343,330.81	15.26%	12,910,896,108.05	13.79%	1.47%	No significant changes
Inventories	7,121,300,998.48	6.60%	5,678,694,206.58	6.07%	0.53%	No significant changes
Long-term equity investment	1,476,417,299.07	1.37%	1,504,967,335.07	1.61%	-0.24%	No significant changes
Fixed assets	30,017,592,523.27	27.84%	21,856,847,448.98	23.35%	4.49%	Mainly due to the conversion of construction in progress to fixed assets in the current period
Constructions in progress	14,799,663,030.94	13.72%	15,820,621,504.09	16.90%	-3.18%	Mainly due to the conversion of construction in progress to fixed assets in the current period
Right-of-use assets	322,182,319.57	0.30%	133,933,797.18	0.14%	0.16%	No significant changes
Short-term borrowing	17,508,814,480.34	16.24%	16,236,958,673.37	17.35%	-1.11%	No significant changes
Contract liabilities	529,043,969.44	0.49%	1,025,880,130.88	1.10%	-0.61%	No significant changes
Long-term borrowing	18,510,118,171.97	17.16%	18,159,844,604.65	19.40%	-2.24%	Mainly because that the growth rate of assets exceeds the growth rate of long-term financing
Lease liabilities	349,664,148.53	0.32%	229,098,013.94	0.24%	0.08%	No significant changes
Other non-current financial assets	1,570,712,000.00	1.46%	1,567,541,000.00	1.67%	-0.21%	No significant changes
Other non-current assets	1,573,076,931.04	1.46%	2,013,217,184.91	2.15%	-0.69%	No significant changes

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)	4,707,054,011.26	110,388,745.98			7,334,691,559.68	9,320,116,227.98	34,440.29	2,832,052,529.23
2.Derivative financial assets	0.00	85,801,650.51				28,957,250.00	28,957,250.00	85,801,650.51
3.Other debt investment	4,957,890.00		-17,456,896.56	15,000,000.00	300,000,000.00		-4,957,890.00	282,543,103.44
4.Other equity instruments investments	1,525,336,830.09		-652,802,730.36		305,698,882.68	2,900,560.80		1,175,332,421.61
5.Other non-current financial assets	1,567,541,000.00						3,171,000.00	1,570,712,000.00
Subtotal of the financial assets	7,804,889,731.35	196,190,396.49	-670,259,626.92	15,000,000.00	7,940,390,442.36	9,351,974,038.78	27,204,800.29	5,946,441,704.79
<b>Total</b>	7,804,889,731.35	196,190,396.49	-670,259,626.92	15,000,000.00	7,940,390,442.36	9,351,974,038.78	27,204,800.29	5,946,441,704.79
Financial debts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Contents of other changes.

Other changes are due to investment income, exchange rate fluctuations, and write-offs.

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	Book value as at the end of	Reasons for restriction
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	of the period (RMB)	the period (RMB)	
Monetary funds	3,991,952,841.05	3,991,952,841.05	Among them, RMB 2,345,218,660.70 is deposit, RMB 1,499,452,211.12 is pledged for financing, and RMB 147,281,969.23 is frozen due to judicial proceedings
Note receivable	390,572,095.25	371,043,490.49	Endorsed or discounted undue and non-canceled notes
Account receivable financing	1,891.79	1,891.79	Pledged for financing
Fixed assets	2,624,675,152.06	2,430,094,840.63	Mortgaged for financing
Fixed assets	4,142,700,278.81	2,369,285,901.05	Property rights used for financing
Construction in progress	512,372,582.96	512,372,582.96	Mortgaged for financing
Construction in progress	509,827,078.44	509,827,078.44	Property rights used for financing
Intangible assets	355,279,713.95	312,164,732.61	Mortgaged for financing
Subsidiaries' equity			Subsidiaries' equity was pledged for financing [see remark]
Total	12,527,381,634.31	10,496,743,359.01	/

[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
16,238,265,234.05	21,123,384,229.69	-23.13%

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

☐Applicable ☒ Not applicable

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

☒Applicable ☐Not Applicable

Monetary Unit: RMB

Project name	Investment method	Fixed assets investment or not	Industry of the investment project	Investment amount during the reporting period	Accumulated investment amount as of the end of the reporting period	Source of funds	Project progress	Expected income	Accumulated realized income as of the end of the reporting period	Reasons for not achieving planned progress and expected income	Disclosure date (if any)	Disclosure index (if any)
Gotion Xinzhan's power battery project with an annual output of 20GWh	Self-built	Yes	New Energy Industry	750,486,856.83	2,515,179,189.93	Self-owned and self-raised funds				Not applicable	October 27, 2022	CNINFO, Announcement No.: 2022-104
Liuzhou Gotion newly added power battery production base project with an annual output of 10GWh (Phase II)	Self-built	Yes	New Energy Industry	646,169,871.30	1,117,961,345.77	Self-owned and self-raised funds or funds raised by other means of				Not applicable	December 27, 2022	CNINFO, Announcement No.: 2022-105
Slovakia New Energy Battery Super Factory	Self-built	Yes	New Energy Industry	50,599,732.40	50,599,732.40	Self-owned and self-raised funds or funds raised by other means of				Not applicable	December 13, 2024	CNINFO, Announcement No.: 2024-094
Morocco New Energy Battery Production Base	Self-built	Yes	New Energy Industry	243,955,517.87	243,955,517.87	Self-owned and self-raised funds or funds raised by other means of				Not applicable	December 13, 2024	CNINFO, Announcement No.: 2024-093



Total	--	--	--	1,691,211,978.40	3,927,695,785.97	--	--	0.00	0.00	--	--	--
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#### 4. Investment in financial assets

##### (1) Investment in securities

☒Applicable ☐Not Applicable

Monetary Unit: RMB

Securities type	Securities code	Securities abbreviation	Initial investment cost	Accounting measurement model	Beginning book value	Profit/loss from changes in fair value in the Current Period	Accumulated changes in fair value recognized in equity	Purchase amount in the Current Period	Sales amount in the Current Period	Profit/loss during the reporting period	Ending book value	Accounting subject	Source of funds
Domestic/foreign stock	000980.SZ	Zotye Auto	26,344,379.91	Fair value	15,613,906.68	-3,091,343.94				-3,091,343.94	12,522,562.74	Held-for-trading financial assets	Self-owned
Domestic/foreign stock	301217.SZ	Tongguan Copper Foil	262,880,828.64	Fair value	258,093,263.88	-16,974,093.24				-16,974,093.24	241,119,170.64	Held-for-trading financial assets	Self-owned
Domestic/foreign stock	688223.SH	Jingke Energy	2,500.00	Fair value	4,430.00	-875.00				-763.00	3,555.00	Held-for-trading financial assets	Self-owned
Domestic/foreign stock	601127.SH	Seres	116,847,089.52	Fair value	300,519,388.80	129,101,461.56			129,770,268.00	132,894,643.61	299,850,582.36	Held-for-trading financial assets	Self-owned
Domestic/foreign stock	301325.SZ	Manst	30,000,000.00	Fair value	30,289,062.50	-4,887,500.00				-4,593,750.00	25,401,562.50	Held-for-trading financial assets	Self-owned
Domestic/foreign stock	301511.SZ	Defu Technology	49,999,992.00	Fair value	41,410,707.66	-10,010,707.66				-9,912,493.39	31,400,000.00	Held-for-trading financial assets	Self-owned
Domestic/foreign stock	688646.SZ	Yifilaser	48,913,628.40	Fair value	38,294,772.32	-3,062,327.59				-2,578,971.06	35,232,444.73	Held-for-trading financial assets	Self-owned
Domestic	09690.	Tuhu-	218,37	Fair	214,06		-				140,12	Other	Self-

ic/foreign stock	HK	W	1,834.12	value	7,143.41		73,943,215.60				3,927.81	equity instrument investments	owned
Domestic/foreign stock	VFS.US	Vinfast Auto PTE. Ltd.	1,213,753,195.93	Fair value	889,232,985.00		-456,152,464.60	137,173,195.93			570,253,716.33	Other equity instrument investments	Self-owned
Domestic/foreign stock	09680.HK	ONTIME	158,000,000.00	Fair value			-90,706,958.67	158,000,000.00			67,293,041.33	Other equity instrument investments	Self-owned
Total			2,125,113,448.52	--	1,787,525,660.25	91,074,614.13	-620,802,638.87	295,173,195.93	129,770,268.00	95,743,228.98	1,423,200,563.44	--	--

**(2) Investment in derivatives**

☐ Applicable ☒ Not Applicable

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

☒ Applicable ☐ Not Applicable

Monetary Unit: RMB 0,000

Type of derivative investment	Initial investment amount	Amount as at the beginning of the period	Profit or loss from changes in fair value in the current period	Accumulated changes in fair value recognized in equity	Purchase amount during the reporting period	Sales amount during the reporting period	Amount as at the end of the period	Proportion of investment amount as at the end of the period to the net assets of the Company at the end of the reporting period
Foreign exchange swap	674,292.72	0	11,475.89	0	674,292.72	277,653.53	396,639.19	13.27%
Total	674,292.72	0	11,475.89	0	674,292.72	277,653.53	396,639.19	13.27%
Is there any significant change in accounting policies and specific accounting	No significant change							

principles for hedging business during the reporting period	
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 114,758,900.
Effectiveness of the hedging	The financial derivatives invested by the Company for hedging can offset the risk of exchange rate fluctuations and achieved the goal of risk management.
Source of funding for derivative investment	Self-owned and self-raised funds
Risks of the derivatives held during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.) and risk control measures	<p>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 <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>.</p>
Changes in the market prices or fair value of derivatives invested during the reporting period, and the specific methods and the assumptions and parameter	Changes in fair value will be determined at the end of each month based on market price quoted by external financial institutions.

used for analyzing the fair value of derivatives	
Is it involved in any litigation (if applicable)	Not applicable
Date on which the announcement on the approval of the derivative investment by the Board of Directors is disclosed (if any)	April 20, 2024
Date on which the announcement on the approval of derivative investments by the shareholders' meeting is disclosed (if applicable).	May 22, 2024

## 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	Securities listing date	Total amount of funds raised	Net amount of funds raised (1)	Total amount of raised funds used in the current period	Total amount of raised funds used cumulatively (2)	Proportion of raised funds used at the end of the reporting period (3)=(2)/(1)	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	Issuing stocks to specific entities	December 15, 2021	730,294.52	723,085.51	101,192.15	510,892.59	70.65%	0	532,278.38	73.61%	212,192.92	Funds are deposited in a dedicated account for raised funds and temporarily supplementing working capital	0
Total	--	--	730,294.52	723,085.51	101,192.15	510,892.59	70.65%	0	532,278.38	73.61%	212,192.92	--	0
Overall situation of use of raised funds													
In 2024, the Company utilized 101,192.15 thousand yuan of raised funds. As of December 31, 2024, the cumulative amount of raised funds utilized by the Company reached 5,108,925,900 yuan (including the portion for permanent working capital supplementation).													

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

☒ Applicable ☐ Not applicable

Monetary Unit: RMB '0,000

Financing project name	Securities listing date	Committed investment projects and	Project nature	Whether the project has been changed	Total committed investment amount	Total investment amount after adjustment	Amount invested during this reporting	Cumulative amount invested as of the	Investment progress as of the end of the period	Date when the project reaches the intention	Benefits realized during the reporting	Cumulative income achieved as of	Expected benefits achieved or not	Feasibility of the project changed tremendously
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		use of over- raise d funds		(includ- ing partia l chan- ge)		(1)	perio- d	end of the perio- d (2)	d (3) = (2)/(1 )	ded usabl e status	perio- d	the end of the repor- ting perio- d		ndou- sly or not
Committed investment projects														
Issui- ng stock s to speci- fic entiti- es in 2021	Dece- mber 15, 2021	Gotion Batter- y indus- trializ- ation projec- t with an annu- al outpu- t of 16G Wh high speci- fic energ- y powe- r Li- ion batter- y	Prod- uction and Const- ruction	Yes	532,4 64.78	3,462 .56	0	3,462 .56	Not Appli- cable				N/A	No
Issui- ng stock s to speci- fic entiti- es in 2021	Dece- mber 15, 2021	Gotion Materials projec- t with an annu- al outpu- t of 30,00 0 tons of high nicke- l ternar- y catho-	Prod- uction and Const- ruction	No	100,0 00	100,0 00	57,05 9.48	84,10 7.35	84.11 %	Dece- mber 1, 2024			N/A	No

		de mater ials												
Issui ng stock s to speci fic entiti es in 2021	Dece mber 15, 2021	Addi tional worki ng capit al	Addi tional worki ng capit al	No	90,62 0.73	90,62 0.73	0	90,65 0	100.0 3%				N/A	No
Issui ng stock s to speci fic entiti es in 2021	Dece mber 15, 2021	20G Wh Volk swag en Unite d Cell Proje ct	Prod uctio n and Const ructio n	No		532,2 78.38	44,13 2.67	332,6 72.68	62.50 %	Dece mber 1, 2024			N/A	No
Subtotal of committed investment projects				--	723,0 85.51	726,3 61.67	101,1 92.15	510,8 92.59	--	--			--	--
Use of over-raised funds														
N/A	Dece mber 15, 2021	N/A	N/A	No									N/A	No
Total				--	723,0 85.51	726,3 61.67	101,1 92.15	510,8 92.59	--	--	0	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>In order to maximize the benefits of the fundraising project titled “Volkswagen United Cell Project with an Annual Output of 20GWh”, the Company has carefully considered the changes in market economic conditions and its strategic direction, alongside the actual operational needs of the project. Consequently, the Company has adopted a cautious approach to the implementation of this project. On April 24, 2025, the Company convened the twelfth meeting of the ninth Board of Directors and the twelfth meeting of the ninth Board of Supervisors, during which the proposal to amend the use of raised funds was reviewed and approved. The project is now referred to as the “Volkswagen United Cell Production Line Project”. This amendment is subject to approval at the Company’s annual general meeting of shareholders in 2024.</p>													
Major changes in the feasibility of the project	N/A													
Amount, purpose and use progress	N/A													

of over-raised funds	
Changes in the implementation place of projects invested with raised funds	Applicable Happened in previous years The Company changed “Gotion Battery’s high specific energy lithium battery industrialization project with an annual output of 16GWh” into “Volkswagen United 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
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 Amount of the balance of raised funds in project implementation and its reasons	Applicable  On December 11, 2024, the Company held the eleventh meeting of the ninth Board of Directors and the eleventh meeting of the ninth Board of Supervisors, where it approved the proposal to temporarily supplement working capital with idle raised funds, agreeing to use no more than 1 billion of idle funds from the non-public issuance of stocks for this purpose, with a duration not exceeding four months. As of December 31, 2024, the amount of idle raised funds temporarily used to supplement working capital was 1 billion.
Use and destination of raised funds not yet used	N/A
Problems or other situations in the use and disclosure of raised funds	Deposited in the special account for raised funds
Failure to achieve the scheduled progress or expected earnings (by specific project) and	No



the reason therefor (including reasons for selecting “N/A” for “Expected benefits achieved or not”)	
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**(3) Change in the projects invested with raised funds**

☒ Applicable ☐ Not applicable

Monetary Unit: RMB ‘0,000

Financing Project Name	Fund-raising method	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
Issuing stocks to specific entities in 2021	Issuing stocks to specific entities	Volkswagen United 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	44,132.67	332,672.68	62.50%	December 1, 2024		N/A	No
Total	--	--	--	532,278.38	44,132.67	332,672.68	--	--	0	--	--
Reasons for changes, decision-making procedures and information disclosure (by specific project)			1. Changes and reasons								
			The Company changed the investment project “Gotion’s high specific energy lithium battery industrialization project with an annual output of 16GWh” into “Volkswagen United 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								

	<p>Zone.</p> <p>In 2021, driven by the rapid growth of new energy vehicles, China installed 154.5 GWh of power batteries, up 142.8% year-on-year, of which lithium iron phosphate accounted for more than 51%. In order to meet the rapidly increasing market demand for new energy vehicles, in line with the Company's future strategic development planning, and in view of the fact that the scale of land to be used for the original project invested with the raised funds could meet the need of the project construction, it is likely to increase the costs of construction, energy consumption, labor and site maintenance and it will be difficult to implement the project if the project continues to be implemented according to the original plan. Therefore, the Company changed the use of the raised funds, from the original project to the "Volkswagen United Cell Project with an Annual Output of 20GWh", which was implemented in Hefei Xinzhan High-Tech Industry Development Zone by Hefei Gotion Battery Technology Co., Ltd., a wholly-owned subsidiary of the Company. Upon the completion of the above change, the investment and construction of the project will be accelerated, the utilization efficiency of the raised funds will be improved and the market share of the Company's products will be further enlarged.</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 the sponsoring institution 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)	<p>In order to maximize the benefits of the fundraising project titled "Volkswagen United Cell Project with an Annual Output of 20GWh", the Company has carefully considered the changes in market economic conditions and its strategic direction, alongside the actual operational needs of the project. Consequently, the Company has adopted a cautious approach to the implementation of this project. On April 24, 2025, the Company convened the twelfth meeting of the ninth Board of Directors and the twelfth meeting of the ninth Board of Supervisors, during which the proposal to amend the use of raised funds was reviewed and approved. The project is now referred to as the "Volkswagen Standard Battery core Production Line Project". This amendment is subject to approval at the Company's annual general meeting of shareholders in 2024.</p>
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	Company	Primary	Registered	Total assets	Net assets	Operating	Operating	Net profit
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name	type	business	capital			revenue	profit	
Hefei Gotion High-Tech Power Energy Co., Ltd.	Subsidiary	Industrial production	10,000,000,000.00	60,482,455,823.71	16,342,639,323.58	27,769,675,382.72	-54,915,018.28	42,576,860.85

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
Anhui 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.
Guangxi 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.
Hefei 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.
Liujiang Huixuan 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.
Inner Mongolia Huihong 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.
Hefei Gotion 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.
Lujiang Xuanneng 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.
Chizhou 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.
Suzhou 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.
Jiangxi Gotion New Energy Development 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 City Yuanzhou District Gotion New Energy Development 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 Gotion Zhonghong 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.
Hefei Gotion Zhonghong New Energy Technology Development 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.
Tongcheng Kongcheng Gotion Wind Power Generation 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.
Anhui Gotion Power Source Grid Load and 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.
HuaiBei Gotion Xiangfeng 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.
Hefei Gotion Qingchun 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.
Mengcheng County 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.
Lixin County 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.
Hefei Yigao 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.
Anhui Liangyu Optoelectronic 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.
Tongcheng Huaxuan 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.
Hefei Gotion Power Source Network Load Storage Wind Power Generation 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.
Tongcheng Gotion Power Source Grid Load and Storage 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.
Hefei Gotion Power Source Network Load Storage PV Power Generation 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.

Tongcheng Shuanggang Gotion PV Power Generation 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.
Tongling Gotion Power Source Grid Load and Storage 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.
Lujiang Power Source Grid Load and Storage 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.
Suixi Gotion Power Source Grid Load and Storage 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.
Bozhou Gotion Power Source Grid Load and Storage 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.
Guzhen Gotion Power Source Grid Load and Storage 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.
Hefei 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.
Hefei Gotion Power Storage Sales 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 Gotion Power Energy Sales 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.
Western Gotion (Inner Mongolia) 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 Xuanyi Oufei New Energy Development 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 Oufei Holdings 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 High-Tech (Australia) 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.
Slovakia GIB New Energy LLC	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.
Morocco Gotion Battery 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.
Gpower LLC	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.
Susk 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.
Swiss Gotion Battery 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 Xuanyi Equity Investment Co., Ltd.	Sales	Optimize the Company's industrial layout and improve its operation efficiency.
Hefei Gotion Cycle Technology Co., Ltd.	Sales	Optimize the Company's industrial layout and improve its operation efficiency.
Tangshan Xuanteng International Trading Co., Ltd.	Cancel	Optimize the Company's industrial layout and improve its operation efficiency.
Jiangxi Hzone Lithium Industry Technology Co., Ltd.	Bankruptcy liquidation	Optimize the Company's industrial layout and improve its operation efficiency.
Jiangxi Lixing Technology Collaborative Innovation Co., Ltd.	Bankruptcy liquidation	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

In 2024, the battery industry developed steadily, but the fluctuations in industrial chain prices and the intensification of international trade barriers also brought greater challenges to the industry. In terms of power battery, according to the statistics from SNE research, the total installed capacity of power batteries worldwide in 2024 was approximately 894.4 GWh, with a year-on-year increase of 27.2%. Among them, Top5 manufacturers accounted for 74.7%, and the effect of leading enterprises continued to strengthen. Chinese manufacturers dominated the global market with cost and capacity advantages, occupying 7 seats in the global list. At the same time, the commercialization of solid-state batteries accelerated, cross-border competition intensified, and the capacity of self-built batteries by car companies continued to impact the supply chain. In terms of the energy storage battery market, the acceleration of global energy transformation ushered in an outbreak, and the market has also become a battlefield that battery companies worldwide are competing to seize. According to statistics and predictions from ICCSINO, the global installed capacity of energy storage was 228GWh in 2024, where China accounted for 48%, the United States and Europe accounted for 17.5% and

12.3% respectively, with a relatively dispersed market structure. With the continuous improvement of the energy storage technology threshold, continuous innovation of business models, and increasingly strict product requirements, the market competition pattern will gradually take shape.

Looking into the future, with the further advancement of the global goal of “carbon neutrality”, the penetration rate of new energy vehicles will continue to rise in the future. According to the forecast of EVTank, the global sales of new energy vehicles will exceed 22 million in 2025, driving the demand for power batteries to continue to grow. At the same time, the energy storage market has entered an explosive period, and the global installed capacity of new-type energy storage is expected to reach 300GWh in 2025, forming a trillion-class market space of two-wheel drive by “power plus energy storage”. In the field of power batteries, technological competition will be further white-hot, semi-solid batteries will be mass-produced and loaded, the permeability of lithium ferromanganese phosphate system will increase, and sodium-ion batteries may be used in the supply chain of low-end models. Energy storage batteries will evolve towards “extreme cost reduction plus intelligent integration”, long-term energy storage technologies such as flow batteries and sodium batteries will enter the commercialization verification period, and optical storage integration projects will promote the innovation of power market models. In addition, with the increasingly globalized competition in the lithium battery industry, challenges and opportunities coexist, recycling technology and circular economy policies may reshape the industry value chain, international exchanges, cooperation and competition will become more frequent and intense, and eVOTL, construction machinery, portable energy storage, humanoid robots and other scenarios will become a new growth point for the lithium battery industry.

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

After 19 years’ development, the Company has accumulated competitive resources and capabilities in technology R&D, industrial chain layout, internationalization level and customer development. The Company adheres to the mission of “Let green energy serve mankind”, adheres to the business philosophy of “product is king, talent-based, user first, adhere to justice, respect work and enjoy company, strive for results”, and is committed to building a new energy science system based on material science and digital science. The Company focuses on, first, accelerating the improvement of product force and promoting platform and iterative R&D; second, comprehensively strengthening market power and increasing the penetration rate of high-end markets and new scenarios; and third, improving international manufacturing capacity and accelerating digital transformation and integrated management system construction. Looking into to the future, the Company will maintain strategic focus, adhere to innovation-driven development, and fully promote the new process of social development.

## **(III) Business plan**

In 2025, the Company will accelerate the integration of high-quality resources, strengthen market development, consolidate the management foundation, promote the full implementation of the internationalization strategy, and realize the key leap from local enterprise to multinational enterprise.

### **1. Technology R&D: iterate and upgrade for innovation breakthrough and progress**

To meet the market demand, the Company will accelerate the technological innovation of the whole chain from battery cores to products, manufacturing and application, constantly iterate and upgrade, and continue to build an energy science system based on material science and digital science. First, the Company will build two technical bases, deepen cooperation in the field of materials, and comprehensively promote the technology upgrade and large-scale production of the four main materials; in the field of digitalization, the Company will rapidly introduce industrial big data, industrial Internet of Things and other technologies to complete the construction of production line intelligent software platform, AI intelligent selection system and other platforms and systems. Second, the Company will comprehensively upgrade battery technology, and in the field of batteries, ensure the mass production and delivery of third-generation batteries and upgraded products, boost market development, and accelerate the industrialization of fourth-generation batteries, and in the field of products, ensure the development and delivery of new products, complete the Pack development for semi-solid batteries, promote the implementation of limit group technology, and improve the construction of intelligent monitoring cloud platform to achieve mass production in the BMS project of end-cloud integration. Third, the Company will accelerate energy storage technology innovation, focus on demand, upgrade platform technology, promote product iterative development, and improve the full-scene product matrix. Fourth, the Company will coordinate the Company's R & D resources and accurately distribute intellectual property rights. Fifth, the Company will strengthen the three support platforms, scientifically verify the trial production of new technologies, new products and new projects supporting the platform and complete export certification, cooperate with the innovation platform to consolidate the foundation of school-enterprise cooperation and accelerate the mass production and transformation of joint research achievements.

### **2. Domestic business: make efficient delivery and change for progress**

With high-quality delivery as the center, the Company will simultaneously develop the automotive and energy storage markets, stabilize old customers, develop new customers, develop new application scenarios, and grasp both business performance and international enablement. First, the Company will grasp strategic customers, deepen strategic customer cooperation relying on six platforms and eight product lines with third-generation products as a breakthrough, and enter the high-end market. Second, the Company will focus on the energy storage market, and innovate business models focusing on the three core energy storage businesses of "strategic power stations, strategic projects, and strategic resources" to achieve project implementation. Third, the Company will strengthen quality management, R&D links to achieve material technology upgrades,



strengthen sample monitoring and shipment review, and improve product quality; in the supply chain, the Company will strengthen and solidify the support mechanism for strategic suppliers, and cooperate to build a standardized supplier quality evaluation system; in the manufacturing process, the Company will increase the process audit and problem rectification efforts to improve customer satisfaction. Fourth, the Company will deepen lean manufacturing, accelerate the promotion of digital manufacturing, implement import innovation and original innovation, promote the simplification of logistics equipment, promote the standardization of production line construction, and promote the one-click switch of production line. Fifth, the Company will ensure supply and efficiency, do a good job in the dynamic matching and planning of demand, products and production capacity, timely start the transformation of production lines, accelerate the construction of new lines, and ensure that production capacity meets delivery needs; strengthen supply chain coordination management to ensure that parts and components meet demand; comprehensively promote procurement cost reduction, implement manufacturing cost reduction, explore for technology cost reduction, optimize and improve management efficiency. Sixth, the Company will collaborate to empower overseas, build an international integrated management system for supply chain, quality, after-sales, etc., cooperate to support overseas construction of localized supply, and establish after-sales and recycling networks and quality management systems.

### **3. International business: implement strategies to stride forward**

The Company will break through the international leading customers, innovate the energy storage business model, expand market channels, and strive to explore more growth points. First, the Company will focus on core leading customers, make every effort to break through overseas localized supporting projects, strive for more new projects in the field of passenger cars, commercial vehicles, and energy storage, and expand the coverage of the three regional markets. Second, the Company will develop multiple application scenarios, innovate business models, fully integrate the existing optical storage resources in the territory, and create a model of optical storage integration project. Third, the Company will build an international intelligent manufacturing system, give full play to the delivery advantages of the built bases, improve capacity utilization, accelerate the progress of projects under construction, and accelerate the localization construction process of the overseas supply chain system. Fourth, the Company will accelerate the mass production process of new products, firmly promote the high-quality production of strategic new products, and concentrate R&D forces to ensure project delivery; insight into international market trends, focus on international customer needs, select the right direction, launch solutions, promote product iterative development and platform technology innovation, and rapidly enhance international competitiveness. Fifth, the Company will build an efficient support team, enrich the manufacturing team, and improve production efficiency and product quality; set up an after-sales team for timely response to customer needs; improve management team and improve operational efficiency.

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

### **1. Market fluctuations**

Risk analysis: There are uncertainties in the international political and economic environment, and the pace of overseas market development has slowed down. With the gradual release of domestic and foreign enterprises' production capacity, international market competition will intensify.

Response measures: First, strengthen follow-up research and analysis, strengthen risk management in overseas markets, and adopt different development strategies for different regions; second, actively explore new application scenarios, focus on customer needs, accelerate the practical application of new technologies, strengthen publicity and promotion, and constantly enhance the Company's brand influence; third, accurately plan the pace of development, innovate the mode of business cooperation, improve the after-sales system, steadily expand overseas markets, and effectively prevent and control risks.

### **2. Fluctuations in raw material prices**

Risk analysis: Lithium and cobalt are the main raw materials for power batteries, and affected by a variety of factors, their prices fluctuate frequently and it is difficult to predict them. Rising raw material prices may squeeze the Company's profit margins and affect its profitability. The decline in raw material prices may cause the risk of inventory impairment, which will have a negative impact on the Company's asset quality and performance.

Response measures: First, improve the supply chain layout, establish long-term and stable supply chain cooperation, and ensure relatively stable raw material supply and cost; second, optimize the raw material inventory management strategies to hedge against the fluctuations in prices; third, pay attention to the development of material recycling technology to realize the recycling and utilization of resources; fourth, actively explore the development and application of new battery materials to reduce the dependence on traditional raw materials.

### **3. Technology change**

Risk analysis: Currently, power battery technology is in a stage of rapid development, the new system technology may gradually become the dominant, and the existing production lines have risks such as difficulty in technical reform, large investment, etc. If enterprises cannot effectively predict, they may gradually lose market competitiveness.

Response measures: First, consider the compatibility of the new technology system in advance when the new production line is constructed or the technology is changed; second, go deep into customers, and upgrade or dispose of the backward production lines in advance; third, rely on large-scale R&D investment and high-

quality R&D team, and rapidly promote the application of new products and technologies to ensure long-term high-quality development of enterprises.

#### 4. Financial control

Risk analysis: With a significant increase in the Company's operating revenue, the balance of its accounts receivable will increase, which may have an adverse impact on the Company's production and operation.

Response measures: First, continuously optimize customer structure and concentrate resources, and focus on exploring strategic customers with timely payment and strong financial strength; second, innovate financial and cooperation models to reduce receivable risks.

## 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 22, 2024	Meeting room of the Company	Telephone communication	Institution or individual	Refer to cninfo website for the names of participators	Refer to cninfo website	Refer to "002074 Gotion High-Tech Investor Relations Management Information 20240422" on cninfo website.
April 29, 2024	"Cloud Interview" column on the interaction platform of SZSE	Online communication on Internet platforms	Others	Investors participating in the 2023 annual online performance briefing of Gotion High-tech	Refer to cninfo website	Refer to "002074 Gotion High-Tech Investor Relations Management Information 20240429" on cninfo website
June 6, 2024	"Cloud Interview" column on the interaction platform of SZSE and the 811 International Conference Hall of SZSE	Others	Others	Investors participating in the collective performance briefing on the SZSE themed by "New Opportunity Brought by Energy Revolution"	Refer to cninfo website	Refer to "002074 Gotion High-tech Investor Relations Management Information 20240606" on cninfo website
August 30, 2024	Meeting room of the Company	Telephone communication	Institution or individual	Refer to cninfo website for the names of participators	Refer to cninfo website	Refer to "002074 Gotion High-Tech Investor Relations Management Information 20240830" on cninfo website
October 31, 2024	Meeting room of the Company	Telephone communication	Institution or individual	Refer to cninfo website for the names of participators	Refer to cninfo website	Refer to "002074 Gotion High-Tech Investor Relations Management Information 20241031" on cninfo website

## XIII. Formulation and implementation of the market value management system and valuation enhancement plan

Has the Company formulated a market value management system

☒ Yes ☐ No

Has the Company disclosed the valuation enhancement plan

☐ Yes ☒ No

In order to further regulate the Company's market value management, strengthen the Company's market value management work, and safeguard the legitimate rights and interests of the Company and the investors, the Company actively responds to the *Several Opinions of the State Council on Further Promoting the Sound Development of the Capital Market* on encouraging listed companies to establish market value management system, In accordance with the *Regulatory Guidelines for Listed Companies No. 10 - Market Value Management* and other relevant laws and regulations, the *Market Value Management System* was formulated and approved at the 11th meeting of the ninth Board of Directors of the Company held on December 7, 2024.

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

Has the Company disclosed the announcement on 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. focus on the primary business, improve the product quality and actively implement the “carbon peaking and carbon neutrality” strategy; 2. accelerate innovation to drive enterprise development; 3. operate in a lawful manner and continuously improve its corporate governance; 4. strengthen communication and improve the quality of information disclosure; 5. share results and continuously stabilize cash dividends. For more details, please refer to the *Announcement on the Action Plan for Promoting the “Improvement of Both Quality and Return”* (Announcement No. 2024-009) disclosed by the Company on February 6, 2024 on cninfo website.

During the reporting period, the Company deeply promoted the action plan for “Improvement of Both Quality and Return”. Focusing on the core business of lithium battery production and manufacturing, the Company continues to provide high-quality green energy solutions to the market, maintaining its leading position. In 2024, the Company achieved an operating revenue of 35.392 billion yuan, representing an 11.98% increase compared to the previous year, with steady growth in operational performance. In the field of technological innovation, the Company has consistently increased its R&D investments, reaching 2.929 billion yuan for the year, with a focus on breakthroughs in new battery technologies such as solid-state batteries, accelerating the industrialization of research outcomes. With a strong foundation in technology and innovation,

the Company was granted 2,473 new invention patents during the reporting period, providing robust momentum for its long-term development. In terms of governance and information disclosure, the Company continuously optimizes its governance structure, enhancing the effectiveness of its “three meetings and one layer” governance model, and solidifying its compliance operations. The Company strictly adheres to legal regulations in fulfilling its information disclosure obligations, maintaining high-frequency and high-quality communication with investors through various channels such as performance briefings, interactive platforms, and investor hotlines, effectively improving the timeliness and transparency of information disclosure and fully demonstrating its investment value. At the same time, the Company actively fulfills its responsibilities and implements the profit distribution for the year 2023. The Company distributed the cash dividend of RMB 1.0 (including tax) for every 10 shares to all shareholders, with the total cash dividend amount of RMB 177 million. In 2024, the Company repurchased 15,436,200 shares of the Company by means of centralized bidding through the special securities account for repurchase, and paid a total amount of RMB 300 million (including transaction fees). The Company effectively safeguarded shareholders’ rights and conveyed confidence in development.

## 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 level of operation and management and the ability to prevent risks, enhanced the compliance awareness, strengthened the cognition of standardized operation, and ensured that the powers and responsibilities of the authority, decision-making bodies and supervisory bodies and the management are clear, optimized decision-making processes, coordinated and balanced, effectively safeguarding the legitimate rights and interests of the Company's shareholders and other stakeholders. 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 held two general meetings, The 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 be conferred 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 rights. Lawyers have attended the previous general meetings and made complete meeting minutes to effectively safeguard the legitimate rights and interests of the Company and all shareholders.

#### 2. The Company and its controlling shareholder

The corporate governance structure is improving day by day, and the construction of internal control system is constantly strengthened. The Company has independent business and autonomous operating capabilities and is independent of controlling shareholder in terms of business, personnel, assets, institutions and finances. The Company's Board of Directors, Board of Supervisors and internal institutions can operate independently, ensuring the Company's independent operation, independent management and independent assumption of responsibility and risk. 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 number and structure of the Board of Directors of the Company follow the requirements of the relevant laws and regulations. During the reporting period, the Company held six meetings of the Board of Directors. The convening, holding and voting procedures of the meeting of the Board of Directors comply with 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, the meetings of special committees of the Board of Directors and the general meetings of shareholders, performed their duties and obligations diligently and conscientiously, and actively familiarized themselves with relevant laws and regulations to effectively improve their abilities to perform duties. There are four special committees under the Board of Directors. All the members of the special committees are composed of directors. Within the scope of duty under the Articles of Association of the Company and the working rules of each special committee, each special committee of the Board of Directors gives full play to its professional advantages, and provides advice and decision-making reference for the Board of Directors to improve the operation efficiency of the Board of Directors.

Independent directors perform their duties independently in strict accordance with the Company's *Independent Director Work System* and other relevant provisions. During the reporting period, the independent directors held three special meetings. The independent directors diligently fulfilled their duties, focused on the interests of the Company and all shareholders, especially minority shareholders, and expressed independent and objective opinions and suggestions on major matters.

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

There are three supervisors on the Board of Supervisors, including one supervisor who is an employee representative. The number and structure of the Board of Supervisors follow the requirements of relevant laws and regulations. During the reporting period, the Company held six meetings of the Board of Supervisors. 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 evaluation and incentive mechanism

The appointment of the senior officers of the Company is open, transparent and in compliance with the laws and regulations. The Company actively gives play to the responsibilities of the Remuneration and Appraisal Committee of the Board of Directors, determines the remuneration plan of the Company's senior officers at the beginning of the year, conducts performance appraisal on them at the end of the year, and evaluates their completion of various indicators in a fair and objective manner to determine their remuneration. In addition, the Company continuously improved employee performance evaluation and incentive constraint mechanisms, enhanced the concept of joint and sustainable development of the Company and its employees,

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.

The Company unlocked the shares under the stock option incentive plans and employee stock ownership plans during the reporting period on schedule, and formulated a new employee stock ownership plan, which helped the Company to fulfill its development strategy and business objectives. In the future, more forms of incentive will be explored to form a multi-level comprehensive incentive model.

## 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, exchanges and cooperates with relevant stakeholders, strives to coordinate to achieve a balance of interests of shareholders, employees, creditors, customers, society and other parties, and has issued the Company's *2024 ESG (Environmental, Social, and Governance) 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 a total of 148 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 relevant laws and regulations, 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 regulated 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 external regulatory requirements and internal business needs, the internal audit department audits and supervises the related parties, raised funds, internal organs of listed companies, holding subsidiaries, participating companies with significant influence, and key business areas to upgrade the standardized operation of the Company, promote the realization of the Company's business objectives, safeguard the fundamental interests of the enterprise, and 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.**

The Company is completely separated from the controlling shareholder and the actual controller in terms of business, personnel, assets, institutions, finance, etc. The Company has a complete internal organization, and has an independent and complete business system and the ability to operate independently.

### **1. 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.

### **2. Personnel**

The Company has signed labor contracts with its employees, has an independent workforce, and has established a complete management system in terms of labor, personnel and performance-related pay, maintaining independence from the controlling shareholders and actual controller. The directors, supervisors and senior officers of the Company are elected in accordance with the *Company Law*, the Articles of Association and other relevant laws and regulations. The senior officers of the Company work and receive salary in the Company, and do not hold any positions other than director and supervisor in the controlling shareholder, actual controller and their subsidiaries.

### **3. 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.

#### 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. Business

The Company has the corresponding qualifications required for operation, has an independent and complete business system of R&D, procurement, production and sales necessary for operation, 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.

### 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
Annual general meeting of 2023	Annual general meeting	40.28%	May 21, 2024	May 22, 2024	For details, please refer to the <i>Announcement on Resolutions of the 2023 Annual General Meeting of shareholders</i> disclosed on the cninfo website) (Announcement No.: 2024-040)
First extraordinary general meeting of 2024	Extraordinary general meeting	33.91%	November 20, 2024	November 21, 2024	For details, please refer to the <i>Announcement on Resolutions of the First Extraordinary</i>

					General Meeting of 2024 disclosed on the cninfo website) (Announcement No.: 2024-085)
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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	61	Chairman & General Manager	Current	July 15, 2015	January 17, 2026	103,276,150	0	0	0	103,276,150	
Steven Cai	Male	63	Director & Deputy General Manager	Current	April 7, 2017	January 17, 2026	0	0	0	0	0	
Olaf Korzinovski	Male	58	Director	Current	April 26, 2023	January 17, 2026	0	0	0	0	0	
Rainer Ernst Seidl	Male	54	Director	Current	November 20, 2024	January 17, 2026	0	0	0	0	0	
Zhang Hongli	Male	44	Director	Current	December 20, 2019	January 17, 2026	173,000	0	0	0	173,000	
Sun Zhe	Male	59	Independent Director	Current	December 15, 2021	January 17, 2026	0	0	0	0	0	
Qiao Yun	Male	51	Independent Director	Current	January 18, 2023	January 17, 2026	0	0	0	0	0	
Qiu Xinping	Male	59	Independent Director	Current	December 15, 2021	January 17, 2026	0	0	0	0	0	
Wang Feng	Male	50	Independent Director	Current	December 15, 2021	January 17, 2026	0	0	0	0	0	
Yang Dafa	Male	37	Chairman of the Board of	Current	May 23, 2022	January 17, 2026	0	0	0	0	0	

			Supervisors									
Li Yan	Female	47	Supervisor	Current	December 23, 2016	January 17, 2026	0	0	0	0	0	
Wu Yibing	Male	52	Employee Representative Supervisor	Current	December 20, 2019	January 17, 2026	26,000	0	0	0	26,000	
Wang Qisui	Male	41	Vice General Manager	Current	May 23, 2022	January 17, 2026	12,000	0	0	0	12,000	
Sun Aiming	Male	44	Vice General Manager	Current	April 27, 2022	January 17, 2026	0	0	0	0	0	
Wang Qiang	Male	44	Vice General Manager	Current	December 24, 2018	January 17, 2026	292,900	0	0	0	292,900	
Zhang Wei	Male	45	Vice General Manager	Current	December 20, 2019	January 17, 2026	0	0	0	0	0	
Zhang Yifei	Male	40	Financial Manager	Current	April 27, 2022	January 17, 2026	0	0	0	0	0	
Wang Quan	Male	38	Secretary of the Board of Directors	Current	December 4, 2023	January 17, 2026	0	0	0	0	0	
Andrea Nahmer	Female	58	Director	Departed	December 15, 2021	June 28, 2024	0	0	0	0	0	
Total	--	--	--	--	--	--	103,780,050	0	0	0	103,780,050	--

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

☒ Yes ☐ No

During the reporting period, Ms. Andrea Nahmer resigned from her 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
Andrea Nahmer	Director	Resignation	June 28, 2024	Job transfer
Rainer Ernst Seidl	Director	Appointment	November 20, 2024	Job transfer

## 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 DBA 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. Mr. Rainer Ernst Seidl**, born in July 1971, is a German national with a bachelor's degree in industrial engineering from the University of Applied Sciences, Munich, Germany. Since joining Volkswagen AG in October 1997, he has worked in the Engineering Logistics Planning Department and Financial Control Department of Audi AG (Ingolstadt Plant), and worked as Head of Finance of Automobile-Lamborghini, First Vice President (Finance) of FAW Volkswagen AG, and Executive Vice President of Finance of Volkswagen (China) Investment Co., Ltd. Currently, he is a director of the Company and Financial Control Manager of Volkswagen AG Group.

**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 an MBA master's degree from CEIBS. 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., General Manager of CETC-MOTOR Co., Ltd., independent director of Chongqing Dima Industry Co., Ltd., General Manager of Nanjing Tianqing Automobile Electronics Co., Ltd., General Manager 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. He was ever an independent director of Wuxi Jinyang New Materials Co., Ltd., and currently, he is an independent director of the Company.

**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, General Manager of the 8th Business Division of the Market Center, and Senior Director of the Strategic Business Segment. Currently, he is Chairman of the Board of Supervisors of the Company, and Senior Supervisor of the Energy Storage Segment, 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., the 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 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 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, General Manager of Intelligent Office Business Division of Xiaomi Technology Co., Ltd., and President of Strategic Business Segment of the Company. Currently, he is the Deputy General Manager of the Company.

**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 master's degree in public administration. 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 President of the Energy Storage Segment.

**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	Anhui Gotion Atomic Bit Technology Co., Ltd.	Executive Director			No
Li Zhen	Hefei Boxuan Equity Investment 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	Chairman			No



	Volkswagen Powertrain Co., Ltd.				
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
Rainer Ernst Seidl	Volkswagen AG	Financial Control Manager			Yes
Rainer Ernst Seidl	Volkswagen Group UK Co., Ltd.	Director			No
Rainer Ernst Seidl	Volkswagen Group Service Co., Ltd.	Director			No
Rainer Ernst Seidl	Volkswagen Financial Services Overseas Co., Ltd.	Director			No
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	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
Yang Dafa	Western Gotion (Inner Mongolia) Technology Co., Ltd.	Director			No
Yang Dafa	Anhui Gotion New	Director			No

	Energy Co., Ltd.				
Yang Dafa	Hefei Gotion Power Energy Sales Co., Ltd.	Supervisor			No
Yang Dafa	Hefei Gotion Energy Storage and Sales Co., Ltd.	Supervisor			No
Yang Dafa	Jiangxi Gotion New Energy Development Co., Ltd.	Supervisor			No
Yang Dafa	Guangxi Gotion New Energy Co., Ltd.	Supervisor			No
Yang Dafa	Chizhou Gotion New Energy Co., Ltd.	Director			No
Yang Dafa	Suzhou Gotion New Energy 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 Technology Co., Ltd.	Director			No
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	Director			No

	Technology Co., Ltd.				
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
Wang Qisui	Gotion New Energy Technology Co., Ltd.	President			No
Wang Qisui	Hefei Gotion Power Energy Sales Co., Ltd.	General Manager			No
Wang Qisui	Hefei Gotion Energy Storage and Sales Co., Ltd.	General Manager			No
Sun Aiming	Hefei Gotion Battery Technology Co., Ltd.	Director & General Manager			No
Sun Aiming	Hefei Gotion Qingchun New Energy Technology Co., Ltd.	President			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 & General Manager			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	Director & General			No

	New Energy Co., Ltd.	Manager			
Zhang Wei	Jinzhai Gotion New Energy Co., Ltd.	Director			No
Zhang Wei	Zhong'an Energy (Anhui) Co., Ltd.	Director			No
Zhang Wei	Anhui Gotion New Energy Co., Ltd.	President			No
Wang Quan	Anhui Science-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 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

#### (I) Decision-making procedures

The Remuneration Committee puts forward relevant recommendations to the Board of Directors on the remuneration for directors of the Company, which is submitted to the general meeting of shareholders for deliberation and determination after deliberation by the Board of Directors. The Remuneration Committee puts forward relevant recommendations to the Board of Directors on the remuneration for senior officers, which is determined after deliberation by the Board of Directors. The remuneration for supervisors is submitted to the general meeting of shareholders for deliberation and determination after deliberation by the Board of Supervisors.

#### (II) Basis of determination

In accordance with the *Implementation Measures for the Remuneration of Directors, Supervisors and Senior Officers*, the allowance standard of directors and supervisors was as follows: 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.

At the end of the year, the Company implements an evaluation system for senior officers and directors and supervisors who hold other positions, and finally determines their remuneration according to the evaluation result and the Company's salary evaluation plan.

### (III) Actual payment

During the reporting period, the total remuneration (including allowances) receivable by the above directors, supervisors and senior officers during their tenure in the Company was RMB 16,568,800 (including tax). Among them, the current director Mr. Olaf Korzinovski and the departed director Ms. Andrea Nahmer voluntarily renounced the claim of allowances for directors during the reporting period.

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	61	Chairman & General Manager	Current	185.68	No
Steven Cai	Male	63	Director & Deputy General Manager	Current	207.15	No
Olaf Korzinovski	Male	58	Director	Current	0	Yes
Rainer Ernst Seidl	Male	54	Director	Current	0	Yes
Zhang Hongli	Male	44	Director	Current	175.57	No
Sun Zhe	Male	59	Independent Director	Current	30	No
Qiao Yun	Male	51	Independent Director	Current	30	No
Qiu Xinping	Male	59	Independent Director	Current	30	No
Wang Feng	Male	50	Independent Director	Current	30	No
Yang Dafa	Male	37	Chairman of the Board of Supervisors	Current	71.83	No
Li Yan	Female	47	Supervisor	Current	8	Yes
Wu Yibing	Male	52	Employee Representative Supervisor	Current	49.63	No
Wang Qisui	Male	41	Vice General Manager	Current	166.98	No
Sun Aiming	Male	44	Vice General Manager	Current	132.82	No

Wang Qiang	Male	44	Vice General Manager	Current	171.14	No
Zhang Wei	Male	45	Vice General Manager	Current	144.99	No
Wang Quan	Male	38	Secretary of the Board of Directors	Current	95.48	No
Zhang Yifei	Male	40	Financial Manager	Current	127.61	No
Andrea Nahmer	Female	58	Director	Departed	0	Yes
Total	--	--	--	--	1,656.87	--

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 6th meeting of the ninth Board of Directors	April 18, 2024	April 20, 2024	For details, please refer to the <i>Announcement on Resolutions of the 6th Meeting of the Ninth Board of Directors</i> disclosed on cninfo website (Announcement No.: 2024-014)
The 7th meeting of the ninth Board of Directors	April 30, 2024	May 7, 2024	For details, please refer to the <i>Announcement on Resolutions of the 7th Meeting of the Ninth Board of Directors</i> disclosed on cninfo website (Announcement No.: 2024-034)
The 8th meeting of the ninth Board of Directors	June 21, 2024	June 22, 2024	For details, please refer to the <i>Announcement on Resolutions of the 8th Meeting of the Ninth Board of Directors</i> disclosed on cninfo website (Announcement No.: 2024-045)
The 9th meeting of the ninth Board of Directors	August 27, 2024	August 29, 2024	For details, please refer to the <i>Announcement on Resolutions of the 9th Meeting of the Ninth Board of Directors</i> disclosed on cninfo website (Announcement No.: 2024-056)
The 10th meeting of the ninth Board of Directors	October 28, 2024	October 30, 2024	For details, please refer to the <i>Announcement on Resolutions of the 10th Meeting of the Ninth Board of Directors</i> disclosed on cninfo website (Announcement No.: 2024-077)
The 11th meeting of the ninth Board of Directors	December 11, 2024	December 13, 2024	For details, please refer to the <i>Announcement on Resolutions of the 11th Meeting of the Ninth Board of Directors</i> disclosed on cninfo website (Announcement No.: 2024-

			090)
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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	6	4	2	0	0	No	2
Steven Cai	6	3	3	0	0	No	2
Olaf Korzinovski	6	2	4	0	0	No	2
Rainer Ernst Seidl	1	1	0	0	0	No	1
Zhang Hongli	6	4	2	0	0	No	2
Sun Zhe	6	0	6	0	0	No	2
Qiao Yun	6	2	4	0	0	No	2
Qiu Xinping	6	3	3	0	0	No	2
Wang Feng	6	1	5	0	0	No	2
Andrea Nahmer	3	0	3	0	0	No	1

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 abided by relevant laws and regulations such as the *Measures for the Administration of Independent Directors of Listed Companies* and the *Independent Director Work System* of the Company, effectively supervised the financial and production and operation activities of the Company, effectively ensured the objectivity and impartiality of the decisions of the Board of Directors, actively paid attention to changes in the external environment, put forward suggestions on the Company's future development strategy by using their professional knowledge, deeply discussed the opportunities and challenges in the Company's operation and development, and timely suggested risks, which played a positive role in the Company's standardized operation and healthy development.

## 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)
Audit Committee	Wang Feng, Li Zhen, Andrea Nahmer, Sun Zhe, Qiao Yun	2	March 6, 2024	Reported and discussed the 2023 annual report audit plan and special arrangements of the Company	Fully communicated on key audit concerns of the Company.	None	None
Audit Committee	Wang Feng, Li Zhen, Rainer Ernst Seidl, Sun Zhe, Qiao Yun	2	April 17, 2024	1. Deliberated the <i>Proposal on the Internal Control Self Evaluation Report of 2023</i> , the <i>Proposal on the Internal Audit Re-port of 2023 and Internal Audit Plan of 2024</i> , the <i>Proposal on the Internal Audit Report of Q1 and Internal Audit Plan of Q2 2024</i> , the <i>Proposal on the Final Account Re-</i>	In combination with the actual situation of the Company, put forward relevant opinions, and approved all the proposals unanimously after full communication and discussion.	None	None



				<p>port of 2023, the <i>Proposal on the Annual Financial Report of 2023</i>, the <i>Proposal on the Budget Report of 2024</i>, the <i>Proposal on the Report of Q1 2024</i>, and the <i>Proposal on Retention of the Accounting Firm for 2024</i>; 2. Reported and discussed financial matters of the Company.</p>			
Audit Committee	Wang Feng, Zhang Hongli, Sun Zhe, Qiao Yun	2	August 26, 2024	<p>1. Deliberated the <i>Proposal on the Internal Audit Report of the First Half Year and the Internal Audit Plan of the Second Half Year of 2024</i>, and the <i>Proposal on the Financial Report of the First Half Year of 2024</i>; 2. Reported and discussed financial matters of the Company.</p>	In combination with the actual situation of the Company, put forward relevant opinions, and approved all the proposals unanimously after full communication and discussion.	None	None
Audit Committee	Wang Feng, Zhang Hongli, Sun Zhe, Qiao Yun	2	October 28, 2024	<p>1. Deliberated the <i>Proposal on the Internal Audit Report</i></p>	In combination with the actual situation of the	None	None

				<i>of Q3 and the Internal Audit Plan of Q4 2024, and the Proposal on the Financial Report of Q3 2024; 2. Reported and discussed financial matters of the Company.</i>	Company, put forward relevant opinions, and approved all the proposals unanimously after full communication and discussion.		
Remuneration and Appraisal Committee	Qiao Yun, Zhang Hongli, Andrea Nahmer, Qiu Xinping, Wang Feng	3	April 17, 2024	Deliberated the <i>Proposal on the Compensation Plan for Directors and Senior Officers in 2024</i> and the <i>Proposal on the Achievement of the Conditions for Unlocking the Second Batch of Shares under the ESOP (Phase III)</i>	In combination with the actual situation of the Company, put forward relevant opinions, and approved all the proposals unanimously after full communication and discussion.	None	None
Remuneration and Appraisal Committee	Qiao Yun, Zhang Hongli, Andrea Nahmer, Qiu Xinping, Wang Feng	3	April 30, 2024	Deliberated the <i>Proposal on the Company's Employee Stock Ownership Plan (Phase IV) (Draft) and Its Summary</i> and the <i>Proposal on the Measures for the Administration of the Company's Employee Stock Ownership Plan (Phase</i>	In combination with the actual situation of the Company, put forward relevant opinions, and approved all the proposals unanimously after full communication and discussion.	None	None

				IV)			
Remuneration and Appraisal Committee	Qiao Yun, Zhang Hongli, Andrea Nahmer, Qiu Xinping, Wang Feng	3	August 26, 2024	Deliberated the <i>Proposal on the Achievement of the Exercise Conditions for the Second Exercise Period under the 2021 Stock Option Incentive Plan</i> and the <i>Proposal on the Achievement of the Exercise Conditions for the Second Exercise Period of the First Batch of Stock Options Granted under the 2022 Stock Option Incentive Plan</i>	In combination with the actual situation of the Company, put forward relevant opinions, and approved all the proposals unanimously after full communication and discussion.	None	None
Nomination Committee	Sun Zhe, Qiu Xinping, Olaf Korzinovski, Steven Cai, Qiao Yun	1	October 28, 2024	Deliberated the <i>Proposal on Nominating Candidates for Non Independent Directors of the Ninth Board of Directors</i>	The members conducted a thorough review of the qualifications of candidates for non-independent directors, and unanimously approved the proposal after full communication and discussion.	None	None
Strategy Committee	Li Zhen, Olaf Korzinovski, Steven Cai, Zhang Hongli, Rainer Ernst Seidl	1	December 11, 2024	Reported and discussed the Company's strategic plan for the next five years, ESG	Deeply discussed the Company's strategic plan in R&D, market, manufacturin	None	None

				strategic plan and current investment project report	g, supply chain, internationalization and other aspects for the next five years, and clearly defined the strategic direction of building an ESG system.		
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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	536
Number of existing employees of major subsidiaries as at the end of the reporting period	25,039
Total number of existing employees as at the end of the reporting period	25,575
Total number of salaried employees in the current period	25,575
Number of retired employees to be paid by the parent company and major subsidiaries	0
Specialty	
Category	Number of persons
Production employees	13,107
Sales employees	669
Technical employees	8,796
Financial employees	394
Administrative employees	2,609
Total	25,575
Educational background	
Category	Number of persons
Doctor's degree or above	257
Master's degree	2,741
Bachelor's degree	6,436
Associate degree	5,333
Below associate degree	10,808
Total	25,575

## 2. Policy on employee compensation

The Company has, in strict accordance with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Social Insurance Law of the People's Republic of China* and other relevant laws and regulations as well as other departmental regulations, established and improved its human resource management systems and working procedures, strictly implemented relevant policies, and effectively guaranteed the legitimate rights and interests of employees.

The Company's employee compensation mainly consists of fixed salary, performance pay, seniority 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.

In order to further improve the enthusiasm of the Company's managers and employees and promote the sustainable growth of the Company's performance, the Company has effectively attracted and retained outstanding talents and fully mobilized the enthusiasm of managers and core technical personnel through the implementation of employee stock ownership plan and stock option incentive plan.

## 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 business backbones, and deepens the construction of the training connotation system. In the design of training programs, through extensive survey on demands and pain point locking, it 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 and assessment result as a method to check 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 three-level training management mechanism is implemented: Gotion College is responsible for the primary training, relies on the training tasks of strategic implementation, cultural heritage, talent training and technology incubation, and focuses on corporate culture, general knowledge, leadership improvement, key personnel training, business model innovation and other training needs to develop training programs, which apply to training launched and implemented by Gotion

College. The sectors/platforms and bases/ subsidiaries of the head office of Gotion High-Tech is responsible for the secondary training, and focuses on position competence and other training needs to develop professional training programs under the guidance of Gotion College, involving job knowledge, business skills, system processes and other aspects. Tertiary training is organized by units other than those who organize the primary and secondary training, focusing on more refined business skill training conducted by the business departments under the guidance of the secondary training unit.

In terms of formulation and implementation of training plans, the principle of submission as planned is implemented. For annual plan, 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.

#### 4. Labor outsourcing

☒Applicable ☐ Not applicable

Total working hours of labor outsourced (hours)	163,386
Total remuneration paid for labor outsourcing (RMB)	3,371,800.00

### 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)	178,883,664.80
Amount of cash dividends in other ways (e.g., share repurchases) (yuan)	300,039,302.01
Total cash dividends (including other means) (yuan)	478,922,966.81
Distributable profit (RMB)	224,513,788.04
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	
<p>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, 2025, the total share capital of the Company is 1,803,014,187 shares, after deducting the repurchased shares in the Company's special securities account for repurchase of 14,177,539 shares, and based on this calculation the total proposed cash dividend of RMB 178,883,664.80 (tax included), accounting for the proportion of the net profit attributable to shareholders of listed companies for the year of 2024 as a 14.82%. During the period from the date of disclosure of the announcement on equity distribution plan 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.</p>	

## 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 Company held the 8th meeting of the ninth Board of Directors and the 8th meeting of the ninth Board of Supervisors on June 21, 2024, deliberating and passing the *Proposal on Adjusting the Exercise Price under the 2021 Stock Option Incentive Plan* to adjust the exercise price of the 2021 Incentive Plan from RMB 39.20/share to RMB 39.10/share.

⑪ The Company held the 9th meeting of the ninth Board of Directors and the 9th meeting of the ninth Board of Supervisors on August 27, 2024, deliberating and passing the *Proposal on the Achievement of the Exercise Conditions for the Second 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 887 incentive objects who met the exercise conditions for the second exercise period of the stock options granted under the 2021 Incentive Plan, and thus a total of 7.5822 million stock options were exercisable. Meanwhile, a total of 456,300 stock options that have been granted to the above 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.

⑫ The Company held the 11th meeting of the ninth Board of Directors and the 11th meeting of the ninth Board of Supervisors on December 11, 2024, deliberating and passing the *Proposal on Canceling Some of the Stock Options Granted under the 2021 Stock Option Incentive Plan*. The second exercise period for the stock options granted under the 2021 Incentive Plan has expired on November 14, 2024, and as of the expiration date, none of the incentive objects have exercised the stock options. Therefore, the Company canceled a total of 7.5822 million stock options that have not been exercised upon expiration in accordance with relevant rules and regulations. Meanwhile, since 10 incentive objects resigned and therefore were disqualified as incentive objects, the remaining 72,000 stock options granted to the corresponding 10 incentive objects were cancelled. After the

completion of the cancellation, the number of stock options under the 2021 Incentive Plan was changed to 7.5495 million, and the number of incentive objects was changed to 877.

⑬ The third waiting period of the 2021 Incentive Plan has expired on November 14, 2024. As of the end of the reporting period, the options of this period have not been released.

## **(2) 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 the corresponding 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 The Company held the 8th meeting of the ninth Board of Directors and the 8th meeting of the ninth Board of Supervisors on June 21, 2024, deliberating and passing the *Proposal on Adjusting the Exercise Price under the 2022 Stock Option Incentive Plan* to adjust the exercise price of the 2022 Incentive Plan from RMB 18.67/share to RMB 18.57/share.

⑩ The Company held the 9th meeting of the ninth Board of Directors and the 9th meeting of the ninth Board of Supervisors on August 27, 2024, deliberating and passing the *Proposal on the Achievement of the Exercise Conditions for the Second 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 1,477 incentive objects who met the exercise conditions for the second exercise period of the stock options granted under the 2022 Incentive Plan, and a total of 12.4368 million stock options became exercisable, with an exercise price of RMB 18.57/share. Meanwhile, the Board of Directors agreed to cancel a total of 4,167,840 stock options that have been granted to the incentive objects but not yet exercised since they did not meet or not fully meet the standards in individual performance appraisal, resigned, or failed to exercise the stock options upon expiration of the first exercise period.

⑪ On October 10, 2024, the Company disclosed the Announcement on the Adoption of the Self-Exercise Model for the Second Exercise Period of the Initial Grant of the 2022 Stock Option Incentive Plan (Announcement No.: 2024-075), indicating that the actual exercise period for the second exercise period of the initial grant of the 2022 incentive plan is from October 11, 2024, to July 18, 2025. From the time the Company's Board of Directors approved the Proposal on the Achievement of Exercise Conditions for the Second Exercise Period of the 2022 Stock Option Incentive Plan until the completion of the relevant application registration for this self-exercise, 14 incentive recipients either left the Company and no longer met the exercise conditions or voluntarily waived their rights to exercise during the second period. The corresponding stock options will be canceled following the completion of the approval process. The total number of incentive recipients who met the exercise conditions for the second exercise period of the initial grant of the 2022 incentive plan was 1,463, corresponding to 12.3264 million stock options available for exercise.

⑫ The first exercise period for the first batch of stock options granted under the 2022 Incentive Plan has expired on July 19, 2024. As of the end of the reporting period, the second exercise period has not yet expired. During the reporting period, a total of 8,219,363 shares were issued after the autonomous exercise by the incentive objects in the first exercise period, a total of 8,590,122 shares were issued in the second exercise period, and thus the total share capital of the Company increased from 1,785,186,832 shares to 1,801,996,317 shares.

Note: A total of 11,937,500 stock options reserved for grant under the 2022 Incentive Plan were not granted within 12 months upon deliberation and approval at the Company's general meeting of shareholders (i.e., prior to May 23, 2023). Therefore, the reserved options have lapsed.

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	Number of stock options granted	Number of stock options that can be exercised	Number of stock options exercised	Exercise price of stock options	Number of stock options held at the end of	Market price at the end of the reporting	Number of restricted stocks held at the	Number of shares unlocked during the	Number of restricted stocks granted	Grant price of restricted stocks (RMB)	Number of restricted stocks held at the
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		ng of the year	during the report ing period	sed during the report ing period	during the report ing period	exerci sed during the report ing period (RMB /optio n)	the period	period (RMB /optio n)	begin ning of the period	period	during the report ing period	/stock )	end of the period
Steven Cai	Director & Deputy General Manager	440,000	0	140,000	0		240,000	21.22	0	0	0	0	0
Zhang Hongli	Director	267,600	0	72,600	0		165,000	21.22	0	0	0	0	0
Wang Qiang	Vice General Manager	270,000	0	105,000	0		150,000	21.22	0	0	0	0	0
Zhang Wei	Vice General Manager	210,000	0	105,000	0		120,000	21.22	0	0	0	0	0
Sun Aiming	Vice General Manager	240,000	0	105,000	0		135,000	21.22	0	0	0	0	0
Total	--	1,427,600	0	527,600	0	--	810,000	--	0	0	0	--	0

## 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
ESOP (Phase III) incentive recipients	97	2,283,684	One incentive recipient left the Company and sold 850,000 unlocked shares.	0.13%	Own and self-raised funds of incentive recipients

ESOP (Phase IV) incentive recipients	468	8,025,000	None	0.47%	Own and self-raised funds of incentive recipients
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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	50,000	65,707	0.00%
Zhang Hongli	Director	50,000	135,707	0.01%
Yang Dafa	Chairman of the Board of Supervisors	20,000	34,283	0.00%
Wu Yibing	Supervisor	20,000	34,283	0.00%
Wang Qisui	Vice General Manager	90,000	164,273	0.01%
Wang Qiang	Vice General Manager	0	100,000	0.01%
Zhang Wei	Vice General Manager	50,000	55,707	0.00%
Sun Aiming	Vice General Manager	50,000	55,707	0.00%
Wang Quan	Secretary of the Board of Directors	0	20,000	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

During the reporting period, under the ESOP (Phase III) of the Company, 850,000 Company's shares were sold in accordance with relevant regulations.

During the reporting period, the Company's ESOP (Phase IV) remained unchanged in terms of held shares.

Exercise of shareholders' rights during the reporting period

During the reporting period, the ESOP (Phase III) of the Company exercised the shareholder's right to cash dividends in 2023, and attended the shareholders' meeting twice to exercise the shareholders' voting rights at the meetings through its representative.

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

☐ Applicable ☒ Not applicable

Changes in the members of the ESOP Management Committee

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

Termination of the ESOP during the reporting period

☐ Applicable ☒ Not applicable

Other remarks:

### (1) ESOP (Phase III)

① On December 22, 2022, the Company held the 21st meeting of the eighth Board of Directors, 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, the lockup period expired on January 17, 2023, and the unlocking ratio is 40% of the total number of shares held under the ESOP (Phase III) (i.e., 1,253,473 shares). During the reporting period, the ESOP (Phase III) Management Committee actually sold 850,000 shares of the Company, and will continue to selectively sell the underlying stocks during the duration, and distribute profits to the holders of the ESOP in accordance with relevant regulations.

② On April 18, 2024, the Company held the 6th meeting of the ninth Board of Directors, deliberating and passing the *Proposal on the Achievement of the Conditions for Unlocking the Second Batch of Shares under the ESOP (Phase III)*. The conditions for unlocking the second batch of shares under the ESOP (Phase III) have been met, the lockup period expired on January 17, 2024, and the unlocking ratio is 30% of the total number of shares held under the ESOP (Phase III) (i.e., 871,705 shares). The ESOP (Phase III) Management Committee will continue to selectively sell the underlying stocks during the duration, and distribute profits to the holders of the ESOP in accordance with relevant regulations.

③ As of the end of this reporting period, the ESOP (Phase III) holds 2,283,684 shares of the Company.

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

① On April 30, 2024, the Company held the 7th meeting of the ninth Board of Directors and the 7th meeting of the ninth Board of Supervisors, deliberating and passing the *Proposal on the Company's Employee Stock Ownership Plan (Phase IV) (Draft) and Its Summary* and other relevant proposals, and agreeing to implement the Company's ESOP (Phase IV). The above matters have been reviewed and approved at the 2023 annual general meeting of shareholders held by the Company on May 21, 2024, and the general meeting of shareholders agreed to authorize the Board of Directors to handle the relevant matters.

② On June 21, 2024, the Company held the 8th meeting of the ninth Board of Directors, deliberating and passing the *Proposal on Adjusting the Transfer Price under the ESOP (Phase IV)*. In view of the fact that the Company implemented the 2023 annual equity distribution during the period from the date of publication of the draft of the ESOP (Phase IV) to the completion of the transfer of the first batch of shares, in accordance with the relevant provisions of the *Employee Stock Ownership Plan (Phase IV) of the Company*, the Company adjusted the subscription price under the ESOP (Phase IV) from RMB 11.70/share to RMB 11.60/share.

③ On December 26, 2024, the Company disclosed the *Announcement on the Completion of the Non-trading Transfer of the First Batch under the ESOP (Phase IV)* (Announcement No.: 2024-102). Actually, 468 subscribers subscribed for 93.09 million shares in the first batch under the ESOP (Phase IV), with the total subscription capital of RMB 93.09 million, and the number of corresponding non-traded shares was 8.025 million.

## **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
No	N/A	N/A	N/A	N/A	N/A	N/A

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

### 1. Internal control evaluation report

Disclosure date of the internal control evaluation report	April 25, 2025
Disclosure place of the internal control evaluation report	For details, please refer to the <i>Internal Control Self-Evaluation Report of 2024</i> published by the Company on cninfo website on April 25, 2025.
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 revenue of the	100.00%



entities included in the evaluation scope to the operating revenue of the Company’s consolidated financial statements		
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 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.	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 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, 2024 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 25, 2025
Disclosure website of the internal control audit report	Please refer to the “2024 Internal Control Audit Report” published by the Company on cninfo website on April 25, 2025.
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. With the expansion of the Company’s scale, business growth and changes in the external macro environment and market environment, it is necessary for the Company to constantly strengthen its own construction and further improve its internal control system. The Company will further enhance the effectiveness of its corporate governance in accordance with laws and regulations and regulatory requirements.

## 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 complied with requirements of national laws and regulations relating to environmental protection. The Company has implemented the system that the pollution prevention and control facilities in construction projects should be designed, constructed and put into

operation at the same time as the main project. For new, renovation and expansion projects, the Company has completed the environmental impact assessment procedures, obtained approvals for construction project environmental impact assessments, and acquired discharge permits issued by environmental protection authorities, with no unauthorized 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 re-duction 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
Hefei Gotion High-Tech Power Energy Co., Ltd.	Water pollutants	COD	Indirect discharge	1	Total Wastewater Discharge	12.03mg/L	Indirect discharge standards specified in Table 2 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB 30484-2013): 150 mg/L	0.953t	4.352t/a	None
Hefei Gotion High-Tech Power Energy Co., Ltd.	Water Pollutants	Ammonia Nitrogen	Indirect discharge	1	Total Wastewater Discharge	0.112mg/L	Indirect discharge standards specified in Table 2 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB 30484-2013): 30mg/L	0.02t	0.365t/a	None

Hefei Gotion High-Tech Power Energy Co., Ltd.	Air Pollutants	Total Non-Methane Hydrocarbons	Organized Emissions	2	Organic Exhaust Gas Discharge	2.90mg/m <sup>3</sup>	Emission limits for air pollutants for new enterprises specified in Table 5 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB 30484-2013): 50 mg/m <sup>3</sup>	0.21t	13.828t/a	None
Hefei Gotion Battery Co., Ltd.	Air Pollutants	Total Non-Methane Hydrocarbons	Organized Emissions	10	Organic Exhaust Gas Discharge	3.19mg/m <sup>3</sup>	Emission limits for air pollutants for new enterprises specified in Table 5 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB30484-2013): 50mg/m <sup>3</sup>	0.681t	3.93t/a	None
Hefei Gotion Battery Co., Ltd.	Air Pollutants	Nitrogen Oxides	Organized Emissions	1	Gas Boiler Exhaust Gas Discharge	25.73mg/m <sup>3</sup>	Special emission limits for air pollutants specified in Table 3 of the <i>Emission Standards of Air Pollutants for Coal-burning Boiler</i> (GB13271-2014): 150 mg/m <sup>3</sup>	2.868t	5.21t/a	None
Hefei Gotion Battery	Air Pollutants	Sulfur Dioxide	Organized Emissions	1	Gas Boiler Exhaust	0.944mg/m <sup>3</sup>	Special emission limits for	0.118t	1.08t/a	None

Co., Ltd.			ns		Gas Discharge		air pollutants specified in Table 3 of the <i>Emission Standards of Air Pollutants for Coal-burning Boiler</i> (GB13271-2014): 50mg/m <sup>3</sup>			
Hefei Gotion Battery Co., Ltd.	Air Pollutants	Particulate Matter	Organized Emissions	1	Gas Boiler Exhaust Gas Discharge	1.39mg/m <sup>3</sup>	Special emission limits for air pollutants specified in Table 3 of the <i>Emission Standards of Air Pollutants for Coal-burning Boiler</i> (GB13271-2014): 20mg/m <sup>3</sup>	0.14t	2.59t/a	None
Hefei Gotion New Materials Technology Co., Ltd.	Air Pollutants	Particulate Matter	Organized Emissions	1	Coated Carbonized Exhaust Gas	0.78mg/m <sup>3</sup>	Emission limits specified in the <i>Emission Standard of Air Pollutants for Industrial Kiln and Furnace</i> (DB31/860-2014) of Shanghai; emission standard: 20 mg/m <sup>3</sup>	0.098t	5.76t/a	None
Hefei Gotion New Materials Technology Co.,	Air Pollutants	Total Non-Methane Hydrocarbons	Organized Emissions	1	Coated Carbonized Exhaust Gas	3.1mg/m <sup>3</sup>	Emission limits specified in the <i>Integrated Emission Standard</i>	0.15t	3.09t/a	None

Ltd.							of Air Pollutants (DB31/933-2015) of Shanghai; emission standard: 70 mg/m <sup>3</sup>			
Hefei Gotion New Materials Technology Co., Ltd.	Air Pollutants	Sulfur Dioxide	Organized Emissions	1	Coated Carbonized Exhaust Gas	/	Emission limits specified in the <i>Integrated Emission Standard of Air Pollutants</i> (DB31/933-2015) of Shanghai; emission standard: 70 mg/m <sup>3</sup>	/	0.08t/a	None
Hefei Gotion New Materials Technology Co., Ltd.	Air Pollutants	Nitrogen Oxides	Organized Emissions	1	Coated Carbonized Exhaust Gas	0.32mg/m <sup>3</sup>	Emission limits specified in the <i>Integrated Emission Standard of Air Pollutants</i> (DB31/933-2015) of Shanghai; emission standard: 70 mg/m <sup>3</sup>	0.037t	0.37t/a	None
Gotion New Energy (Lujiang) Co., Ltd.	Air Pollutants	Total Non-Methane Hydrocarbons	Organized Emissions	2	Organic Exhaust Gas Discharge	6.495mg/m <sup>3</sup>	Emission limits for air pollutants for new enterprises specified in Table 5 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB 30484-2013): 50 mg/m <sup>3</sup>	0.12t	/	None
Yichun	Air	Sulfur	Organize	3	Roasting	14.86mg	Other	11.86t	14.438t/	None

Kefeng New Material Co., Ltd.	Pollutants	Dioxide	Direct Emissions		Exhaust Gas Discharge; Drying Exhaust Gas Discharge	/m <sup>3</sup>	emission standards specified in Table 3 of the <i>Emission Standards of Pollutants for Inorganic Chemical Industry</i> (GB31573-2015): 100mg/m <sup>3</sup>		a	
Yichun Kefeng New Material Co., Ltd.	Air Pollutants	Nitrogen Oxides	Organized Emissions	3	Roasting Exhaust Gas Discharge; Drying Exhaust Gas Discharge	48.79mg/m <sup>3</sup>	All emission standards specified in Table 3 of the <i>Emission Standards of Pollutants for Inorganic Chemical Industry</i> (GB31573-2015): 200 mg/m <sup>3</sup>	8.28t	22.1t/a	None
Yichun Kefeng New Material Co., Ltd.	Water Pollutants	COD	Indirect discharge	2	Total Wastewater Discharge	13mg/m <sup>3</sup>	Indirect discharge standards specified in Table 1 of the <i>Emission Standards of Pollutants for Inorganic Chemical Industry</i> (GB31573-2015): 200 mg/L	1.194t	1.643t/a	None
Yichun Kefeng New Material Co., Ltd.	Water Pollutants	Ammonia Nitrogen	Indirect discharge	2	Total Wastewater Discharge	1.12mg/m <sup>3</sup>	Indirect discharge standards specified in Table 1 of the <i>Emission Standards</i>	0.078t	0.172t/a	None



							<i>of Pollutants for Inorganic Chemical Industry (GB31573-2015): 40mg/L</i>			
Yifeng Gotion Lithium Industry Co., Ltd.	Air Pollutants	Sulfur Dioxide	Organized Emissions	2	Boiler Exhaust Gas Discharge, Roasting Exhaust Gas Discharge	9.67mg/m <sup>3</sup>	Emission standards specified in the <i>Emission Standards of Pollutants for Inorganic Chemical Industry (GB31573-2015): 100 mg/m<sup>3</sup></i>	2.02t	37.67t/a	None
Yifeng Gotion Lithium Industry Co., Ltd.	Air Pollutants	Nitrogen Oxides	Organized Emissions	2	Boiler Exhaust Gas Discharge, Roasting Exhaust Gas Discharge	33.03mg/m <sup>3</sup>	Emission standards specified in the <i>Emission Standards of Pollutants for Inorganic Chemical Industry (GB31573-2015): 200 mg/m<sup>3</sup></i>	15.52t	42.38t/a	None
Yifeng Gotion Lithium Industry Co., Ltd.	Water Pollutants	COD	Indirect discharge	1	Discharge outlet of waste water	21mg/L	Emission standards specified in the <i>Emission Standards of Pollutants for Inorganic Chemical Industry (GB31573-2015): 200 mg/L</i>	7.18t	10.489t/a	None
Yifeng Gotion Lithium Industry	Water Pollutants	Ammonia Nitrogen	Indirect discharge	1	Discharge outlet of waste water	1.60mg/L	Emission standards specified in the	0.45t	1.141t/a	None

Co., Ltd.							<i>Emission Standards of Pollutants for Inorganic Chemical Industry (GB31573-2015): 40 mg/L</i>			
Tangshan Gotion Battery Co., Ltd.	Air Pollutants	Total Non-Methane Hydrocarbons	Organized Emissions	4	Organic Exhaust Gas Discharge	5mg/m <sup>3</sup>	Emission limits for air pollutants for new enterprises specified in Table 5 of the <i>Emission Standard of Pollutants for Battery Industry (GB30484-2013)</i> : 50mg/m <sup>3</sup>	1.31t	18.92t/a	None
Tangshan Gotion Battery Co., Ltd.	Water Pollutants	COD	Indirect discharge	1	Total Wastewater Discharge	65mg/L	Indirect discharge standards specified in Table 2 of the <i>Emission Standard of Pollutants for Battery Industry (GB 30484-2013)</i> : 150 mg/L	1.46t	1.757t/a	None
Tangshan Gotion Battery Co., Ltd.	Water Pollutants	Ammonia Nitrogen	Indirect discharge	1	Total Wastewater Discharge	4.9mg/L	Indirect discharge standards specified in Table 2 of the <i>Emission Standard of Pollutants for Battery Industry (GB</i>	0.15t	0.153t/a	None

							30484-2013): 30mg/L			
Nanjing Gotion Battery Co., Ltd.	Water Pollutants	Total Nitrogen	Indirect discharge	1	Total Wastewater Discharge	35.1mg/L	Indirect discharge standards specified in Table 2 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB 30484-2013): 40 mg/L	0.017t	0.259t/a	None
Nanjing Gotion Battery Co., Ltd.	Water Pollutants	Ammonia Nitrogen	Indirect discharge	1	Total Wastewater Discharge	0.445mg/L	Indirect discharge standards specified in Table 2 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB 30484-2013): 30 mg/L	0.001t	0.194t/a	None
Nanjing Gotion Battery Co., Ltd.	Water Pollutants	COD	Indirect discharge	1	Total Wastewater Discharge	22mg/L	Indirect discharge standards specified in Table 2 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB 30484-2013): 150 mg/L	0.031t	0.972t/a	None
Nanjing Gotion New Energy Co., Ltd.	Water Pollutants	Total Nitrogen	Indirect discharge	1	Total Wastewater Discharge	10.6mg/L	Indirect discharge standards specified in Table 2 of the <i>Emission</i>	0.103t	0.312t/a	None

							<i>Standard of Pollutants for Battery Industry</i> (GB 30484-2013): 40mg/L			
Nanjing Gotion New Energy Co., Ltd.	Water Pollutants	Ammonia Nitrogen	Indirect discharge	1	Total Wastewater Discharge	0.369mg/L	Indirect discharge standards specified in Table 2 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB 30484-2013): 30mg/L	0.0036t	0.234t/a	None
Nanjing Gotion New Energy Co., Ltd.	Water Pollutants	COD	Indirect discharge	1	Total Wastewater Discharge	22mg/L	Indirect discharge standards specified in Table 2 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB 30484-2013): 150 mg/L	0.21t	0.49t/a	None
Nanjing Gotion New Energy Co., Ltd.	Air Pollutants	Nitrogen Oxides	Continuous Emission	1	Exhaust emission outlet	21.4mg/m <sup>3</sup>	Emission concentration limits specified in Table 1 of the <i>Emission Standards of Air Pollutants for Coal-burning Boiler</i> (DB32/4385-2022): 50 mg/m <sup>3</sup>	0.854t	18.7t/a	None
Jiangsu	Water	Total	Indirect	1	Total	32.5mg/	Indirect	0.113t	1.836t/a	None

Gotion New Energy Technology Co., Ltd.	Pollutants	Nitrogen	discharge		Wastewater Discharge	L	discharge standards specified in Table 2 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB 30484-2013): 40mg/L			
Jiangsu Gotion New Energy Technology Co., Ltd.	Water Pollutants	Ammonia Nitrogen	Indirect discharge	1	Total Wastewater Discharge	25.5mg/L	Indirect discharge standards specified in Table 2 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB 30484-2013): 30mg/L	0.002t	1.502t/a	None
Jiangsu Gotion New Energy Technology Co., Ltd.	Water Pollutants	COD	Indirect discharge	1	Total Wastewater Discharge	64mg/L	Indirect discharge standards specified in Table 2 of the <i>Emission Standard of Pollutants for Battery Industry</i> (GB 30484-2013): 150 mg/L	0.09t	34.348t/a	None
Nantong Aston Electric Appliance Manufacturing Co., Ltd.	Air Pollutants	Particulate Matter	Organized Emissions	1	Dust Discharge of Spraying Plastics	17.03mg/m <sup>3</sup>	Emission concentration of air pollutants from new sources specified in Table 2 of the <i>Integrated Emission</i>	9.2t	20t/a	None

							<i>Standard of Air Pollutants</i> (GB16297-1996) (Others): 120 mg/m <sup>3</sup>			
Nantong Aston Electric Appliance Manufacturing Co., Ltd.	Air Pollutants	Total Non-Methane Hydrocarbons	Organized Emissions	1	Drying and Curing Discharge	1.46mg/m <sup>3</sup>	Emission concentration of air pollutants from new sources specified in Table 2 of the <i>Integrated Emission Standard of Air Pollutants</i> (GB16297-1996): 120 mg/m <sup>3</sup>	0.7t	1.0t/a	None
Nantong Aston Electric Appliance Manufacturing Co., Ltd.	Air Pollutants	Sulfuric Acid Mist	Organized Emissions	1	Pickling Exhaust Gas Discharge	1.24mg/m <sup>3</sup>	Emission concentration of air pollutants from new sources specified in Table 2 of the <i>Integrated Emission Standard of Air Pollutants</i> (GB16297-1996) (Others): 45 mg/m <sup>3</sup>	0.75t	2t/a	None
Inner Mongolia Gotion Zero Carbon Technology Co., Ltd.	Air Pollutants	Sulfur Dioxide	Organized Emissions	1	Desulfurization Flue Gas Discharge	10mg/m <sup>3</sup>	Emission limits specified in the <i>Emission Standard of Air Pollutants for Industrial Kiln and Furnace</i> (GB 9078-1996), emission standard:	4.049t	155.976t/a	None

							35mg/m <sup>3</sup>			
Inner Mongolian Gotion Zero Carbon Technology Co., Ltd.	Air Pollutants	Nitrogen Oxides	Organized Emissions	1	Desulfurization Flue Gas Discharge	28mg/m <sup>3</sup>	Emission limits specified in the <i>Emission Standard of Air Pollutants for Industrial Kiln and Furnace</i> (GB 9078-1996), emission standard: 50mg/m <sup>3</sup>	5.145t	13.464t/a	None
Inner Mongolian Gotion Zero Carbon Technology Co., Ltd.	Air Pollutants	Particulate Matter	Organized Emissions	2	Desulfurization Flue Gas Discharge, Bag Dust Removal Flue Gas Discharge	8.9mg/m <sup>3</sup>	Secondary standard specified in the <i>Integrated Emission Standard of Air Pollutants</i> (GB 16297-1996): 120 mg/m <sup>3</sup> ; emission standard specified in the <i>Emission Standard of Air Pollutants for Industrial Kiln and Furnace</i> (GB 9078-1996): 10 mg/m <sup>3</sup>	2.097t	57.887t/a	None

## Treatment of pollutants

During the reporting period, the pollution prevention and control facilities and systems of the Company have been functioning normally. The factory has adopted a “rainwater and sewage diversion” system, whereby domestic sewage is directed to a septic tank for treatment within the facility. 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 per-sons, 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

Against the backdrop of a continuously booming global new energy market and the ongoing promotion of global carbon neutrality goals, the Company has established an ESG Management Committee, and has implemented a rigorous internal environmental governance framework. The Company intends to progressively enhance both the quantity and percentage of zero-carbon facilities in order to mitigate carbon emissions associated with its operations. The ultimate goal is to attain carbon neutrality by the year 2040, thereby making a meaningful contribution to global sustainable development. The Company is proactively promoting carbon reduction in the supply chain by using recycled materials and increasing the proportion of green auxiliary energy. The Company has implemented measures such as technological innovation to optimize product design and manufacturing processes, with the aim of reducing carbon emissions and promoting the implementation of the carbon neutrality strategic plan. These efforts are focused on enhancing ESG management performance in key areas, including battery recycling, the use of recycled materials, waste and pollution reduction, resource conservation, technological equity, social welfare, community relations, employee rights and development, and corporate governance. The specific actions taken by the Company to reduce carbon discharge in the reporting period include:

① The main source of carbon emissions during the operations of the Company and its subsidiaries comes from energy consumption. During the reporting period, the Company actively adopted technological upgrades, optimized energy structure, and implemented energy-saving and emission-reduction measures. The Company promoted the establishment of ISO 50001 energy management system certification, effectively reducing carbon emissions. This demonstrated a win-win situation for environmental responsibility and economic benefits. The Company will continue to plan future emission reduction strategies in order to meet the challenges.

② The Company conducted an internal inventory of greenhouse gas carbon emissions in accordance with the ISO 14064-1 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.

③ 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

163 energy-saving and carbon reduction projects, taken measures such as equipment optimization and renovation to reduce greenhouse gas emissions by 117,500 tons of carbon dioxide equivalent. In addition, the Company actively increased the proportion of usage of renewable energy, reduced greenhouse gas emissions by 83,700 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
None	N/A	N/A	N/A	N/A	N/A

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.

The Company's subsidiaries Hefei Gotion High-Tech Power Energy Co., Ltd., Liuzhou Gotion Battery Co., Ltd., and Tangshan Gotion Battery Co., Ltd. have been selected as "National Green Supply Chain Management Enterprises" and "National Green Factories" by the Ministry of Industry and Information Technology of the State Council. Gotion High-Tech is committed to green development as its guiding principle, focusing on the concept of green manufacturing. The Company is striving to build an efficient, clean, low-carbon, and circular green manufacturing system, laying a solid foundation for promoting the Company's high-quality development and achieving the goals of "carbon peaking and carbon neutrality".

## II. Social responsibility

On the path of practicing sustainable development, the Company always deeply integrates social responsibility into its corporate development strategy and daily operations. The Company continues to promote the optimization of the system for protecting employees' rights and interests, and is building a comprehensive mechanism that covers career planning, health and safety management, and assistance in difficulties for all employees; The Company collaborates with local resources to carry out community co-construction and public welfare donations, creating a multi-dimensional social service network. This initiative integrates humanistic care into the corporate ethos, effectively enhancing the rights and interests of stakeholders.

## (I) Employee Rights and Interests Protection

### 1. Promoting Fair Employment

During the reporting period, the Company strictly adhered to the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and other relevant laws and regulations, as well as laws and regulations applicable to overseas business locations. The Company also referenced international norms such as the International Labour Organization (ILO) conventions to regulate its management of recruitment, promotion, compensation performance, working hours, etc., ensuring the legal rights and interests of employees.

By the end of 2024, the Company has a total of 25,575 employees, including 6,845 female employees, accounting for 26.8%, which fully demonstrates the Company's positive achievements in promoting gender equality in employment. At the same time, the Company actively recruits disabled individuals and re-employs retired personnel to create a more inclusive employment environment and contribute to building a society of equal opportunities, diversity and harmony.

### 2. Employee Rights and Interests

The Company strictly prohibits forced labor and any form of slavery or human trafficking, aiming to establish harmonious labor relations. There have been no strikes or labor disputes for the past three years.

The Company is committed to strengthening its employee privacy management program. This includes strictly implementing and continuously improving confidentiality systems for recruitment and employment information, employee personal identity files, and personal salary confidentiality, among other labor and employment privacy protection systems.

By the end of 2024, the labor contract signing rate of in-service employees reached 100%, and the coverage rate of the "Five Insurance and Provident Fund" for formal employees also reached 100%. For retired and re-employed personnel, the Company has purchased employer liability insurance for them to protect their legal rights.

### 3. Career Development Path

The Company has developed and continuously improved the *Employee Rank Management Measures*, tailoring training programs for different groups of people and job categories to encourage and support employees to continuously improve their personal skills. Additionally, the Company has established an open, fair, and transparent promotion management system, and continuously optimized the promotion management process to ensure the effective identification of outstanding talents and to provide them with fair promotion opportunities, thereby promoting the personal growth of employees. The Company has introduced multi-

directional development paths in the design of job levels, respecting and supporting employees' choices regarding their career development paths.

## **(II) Health and Safety Assurance**

The Company is committed to providing employees with a safe and healthy working environment. The Company also strictly adheres to national and local laws and regulations in occupational health and safety production, and regularly monitors updates and changes in laws and regulations to ensure that the Company's policies remain consistent with the latest regulations. Additionally, to better ensure the health and safety of employees, the Company has introduced regular audits and risk assessment mechanisms to promptly identify and rectify safety hazards in the production process. Through training and education, the Company has enhanced employees' safety awareness and self-protection capabilities.

## **(III) Public Welfare**

The Company's trade union has implemented a multifaceted approach to public welfare, including educational donations, targeted procurement for village-enterprise joint construction, and community mutual assistance. This strategy integrates care for the disabled, employment support, and material donations, effectively addressing public challenges, promoting rural revitalization, and fulfilling social responsibility. During the reporting period, the Company has made a total external donation of RMB 26,481,400, covering key areas such as educational support, industrial revitalization, and care for vulnerable groups. This strategic investment highlights the Company's commitment to its mission in this era, demonstrating a diversified assistance mechanism.

For details on the Company's social responsibility efforts in 2024, please refer to the Company's *2024 ESG (Environmental, Social, and Governance) Report* disclosed by the Company on cninf website on April 25, 2025.

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

In consolidating the achievements of poverty alleviation and supporting rural revitalization, the Company focuses on industrial empowerment, precisely targeting employment assistance, skills training, and cultural education. Through targeted recruitment, professional transformation of rural labor, and employment placement for special groups, the Company promotes the flow of resources between urban and rural areas; at the same time, the Company stimulates endogenous development momentum in rural areas through educational donations and cultural heritage support, injecting corporate energy into building a sustainable rural ecosystem. For details on the Company's poverty alleviation and rural revitalization efforts during the reporting period, please refer to the

Company's 2024 ESG (Environmental, Social, and Governance) Report disclosed by the Company on cninf website on April 25, 2025.

## 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	Commitments regarding horizontal competition, related party transactions and occupation of funds	<p>"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</p>	May 26, 2020	Long term	Under normal performance

			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 consultations on an equal basis.”			
Commitments made in the acquisition report or equity change report	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,</p>	May 26, 2020	Long term	Under normal performance

			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.”			
Commitments made in the acquisition report or equity change report	Volkswagen China	Other commitments	<p>“According to the <i>Shareholders’ Agreement</i> and the <i>Supplementary Agreement to the Shareholders Agreement</i>, Volkswagen China undertakes that for a period of 72 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</p>	December 11, 2024	Effective as of December 15, 2021	Under normal performance



			<p>(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 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.”</p> <p>This commitment will terminate upon the occurrence of any of the following circumstances:</p> <p>(a) the 72-month</p>			
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			<p>commitment period for the waiver of voting rights expires or any other extended period determined by Volkswagen China expires after 72 months; (b) Volkswagen China and its concerted actors are no longer the largest shareholders of the listed company, or Volkswagen China's shareholding ratio falls below 15%; (c) Volkswagen China's shareholding ratio is 5% lower than that of the founding shareholder; (d) the founding shareholder's shareholding ratio decreases by 5% after the completion of strategic investment, or the founding shareholder's shareholding ratio falls below 15%; or (e) a third party controls the listed company.</p>			
Commitments made in the acquisition report or equity change report	Volkswagen China	Other commitments	<p>"Pursuant to the provisions of the Shareholder Agreement, Volkswagen China promises to Gotion Holding, Li Zhen, and Li Chen that as long as Volkswagen China's</p>	May 28, 2020	Long term from December 15, 2021	Under normal performance

			<p>shareholding ratio in the Company is not less than 15%, Volkswagen China shall not directly or indirectly (including through any of its holding subsidiaries) gain control over any enterprise engaged in the production of automotive power lithium batteries in China, other than the listed Company and its subsidiaries. If Volkswagen China has not become the controlling shareholder of the listed company for any reason within five years after the completion of the strategic investment, this clause will become invalid five years after the completion of the strategic investment. From the date of signing the agreement, except for implementation through the listed company or its subsidiaries or prior consultation and agreement with the listed company, Volkswagen China and its holding subsidiaries shall not directly or</p>			
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			indirectly invest in 24M Technologies, Inc., MCC Ramu New Energy Technology Co., Ltd., or Hefei Xingyuan New Energy Materials Co., Ltd.”			
Commitments made during asset reorganization	Gotion Holding, Li Zhen, Li Chen	Commitments regarding horizontal competition, related party transactions and occupation of funds	<p>“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 per-form 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 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</p>	September 5, 2014	Long term	Under normal performance

			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.”			
Commitments made during asset reorganization	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 normal 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 indirectly controlled by it will not produce or develop any products that	December 24, 2018	Long term	Under normal performance
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			<p>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</p>			
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			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.”			
Commitments made during IPO or	Gotion Holding, Li Zhen	Other commitments	“Commitments of controlling shareholder, the actual controller	May 20, 2020	Long term	Under normal performance



refinancing			<p>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</p>			
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			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.”			
Commitments made during IPO or refinancing	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)	May 28, 2020	Long term	Under normal performance

			<p>The remuneration system to be established by the Board of Directors or the Remuneration Committee is linked to the implementation of the 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</p>			
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			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.”			
Commitments made during IPO or refinancing	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	May 28, 2020	Long term	Under normal performance

			through the stakeholders.”			
Commitments made during IPO or refinancing	Volkswagen China	Other commitments	<p>“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 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</p>	May 28, 2020	Long term	Under normal performance

			<p>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</p>			
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			the Volkswagen Joint Venture.”			
Commitments made during IPO or refinancing	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-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.”</p>	February 10, 2021	February 10, 2021 to February 9, 2024	Completed
Commitments	Volkswagen China	Other commitments	“To further implement the	March 24, 2021	Long term	Under normal performance

made during IPO or refinancing			<p>strategic cooperation, Volkswagen China, as a strategic investor of Volkswagen China, undertakes that:</p> <p>(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</p>			
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			<p>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 enhance Gotion High-Tech's management and R&amp;D capabilities; (7) Volkswagen China will help Gotion High-Tech further improve its technology R&amp;D, raw materials supply, manufacturing and quality control system by sending expert team, etc., so as to enhance Gotion High-</p>			
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			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."			
Commitments made during IPO or refinancing	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	Completed
Whether the commitments are performed on time	Yes					
Elaborate the specific reasons for failure to	Not applicable					

perform any commitment on time and the work plan for the next step	
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**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

1. On December 6, 2024, the Ministry of Finance issued the Interpretation No.18 of the Accounting Standards for Business Enterprises (Cai Kuai [2024] No.24), clarifying the accounting treatment for assurance-type warranties that are not considered separate performance obligations, that is, based on the determined estimated liability amount, the relevant amount is included in the operating cost, and the estimated liability is presented according to liquidity. This interpretation has come into effect since the date of its issuance and enterprises are allowed to implement it in advance from the year of issuance. The Company has implemented the regulation since January 1, 2024, and the impact of this accounting policy change on the Company's financial statements for the year 2023 is as follows:

Before Change	Amount before adjustment (RMB)	Adjustment (RMB)	Amount after adjustment (RMB)
Sales expenses	655,873,164.37	-363,418,904.40	292,454,259.97
Operating costs	26,257,211,896.71	363,418,904.40	26,620,630,801.11

2. On October 25, 2023, the Ministry of Finance issued Interpretation No. 17 of the Accounting Standards for Business Enterprises (Cai Kuai [2023] No. 21, hereinafter referred to as "Interpretation No. 17"), which stipulated the division of current liabilities and non-current liabilities, the disclosure of supplier financing arrangements, and accounting treatment of post-sale leaseback transactions. It came into effect as of January 1, 2024. The Company has implemented the said regulation of Interpretation No. 17 as of January 1, 2024, and the implementation of the regulation has no significant impact on the financial statements of the Company during the reporting period.

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

☒ Applicable ☐ Not applicable

### (I) Disposal of subsidiaries

1. In March 2024, the Company's subsidiaries, i.e., Hefei Gotion High-Tech Power Energy Co., Ltd. and Hefei Xinzhitong Asset Management Partnership Enterprise (Limited Partnership), and Xie Jing (natural person) entered into an Equity Transfer Agreement, pursuant to which Hefei Gotion High-Tech Power Energy Co., Ltd. sold its 99.00% equity and 1.00% equity in Hefei Xuanyi Equity Investment Co., Ltd. to Hefei Xinzhitong Asset Management Partnership Enterprise (Limited Partnership) and Xie Jing (natural person), respectively. As of March 21, 2024, the parties have completed the corresponding asset closing and share change registration procedures.

2. In June 2024, the Company's subsidiaries, i.e., Feidong Gotion New Materials Co., Ltd. and Hefei Deli New Material Technology Co., Ltd. entered into an Equity Transfer Agreement, pursuant to which Feidong Gotion New Material Co., Ltd. sold its 100% equity in Hefei Gotion Recycling Technology Co., Ltd. to Hefei Deli New Material Technology Co., Ltd. As of August 29, 2024, the parties have completed the corresponding asset closing and share change registration procedures.

### (II) Change in scope of consolidation due to any other reasons

1. Scope of consolidation attributable to increase in newly established companies

Name of company	Date of establishment	Currency	Registered capital (RMB 0'000)	Remarks
Anhui Gotion New Energy Co., Ltd.	January 4, 2024	RMB	10,000	Gotion High-Tech Co., Ltd. holds 100% equity
Guangxi Gotion New Energy Co., Ltd.	October 9, 2024	RMB	1,000	Anhui Gotion New Energy Co., Ltd. holds 100% equity
Hefei Gotion New Energy Co., Ltd.	August 29, 2024	RMB	500	Anhui Gotion New Energy Co., Ltd. holds 100% equity
Lujiang Huixuan New Energy Co., Ltd.	September 3, 2024	RMB	500	Hefei Gotion New Energy Co., Ltd. holds 100% equity

Inner Mongolia Huihong New Energy Co., Ltd.	August 1, 2024	RMB	1000	Anhui Gotion New Energy Co., Ltd. holds 100% equity
Hefei Gotion Energy Storage Technology Co., Ltd.	July 26, 2024	RMB	500	Anhui Gotion New Energy Co., Ltd. holds 100% equity
Lujiang Xuanneng Technology Co., Ltd.	August 1, 2024	RMB	500	Hefei Gotion Energy Storage Technology Co., Ltd. holds 100% equity
Chizhou Gotion New Energy Co., Ltd.	July 18, 2024	RMB	500	Anhui Gotion New Energy Co., Ltd. holds 100% equity
Suzhou Gotion New Energy Co., Ltd.	July 16, 2024	RMB	500	Anhui Gotion New Energy Co., Ltd. holds 100% equity
Jiangxi Gotion New Energy Development Co., Ltd.	March 27, 2024	RMB	1000	Anhui Gotion New Energy Co., Ltd. holds 100% equity
Yichun Yuanzhou District Gotion New Energy Development Co., Ltd.	August 14, 2024	RMB	1,000	Jiangxi Gotion New Energy Development Co., Ltd. holds 100% equity
Hefei Gotion Zhonghong New Energy Co., Ltd.	December 11, 2024	RMB	100	Anhui Gotion New Energy Co., Ltd. holds 80% equity
Hefei Gotion Zhonghong New Energy Technology Development Co., Ltd.	December 16, 2024	RMB	100	Hefei Gotion Zhonghong New Energy Co., Ltd. holds 100% equity
Tongcheng Kongcheng Gotion Wind Power Generation Co., Ltd.	December 19, 2024	RMB	100	Hefei Gotion Zhonghong New Energy Technology Development Co., Ltd. holds 100% equity
Anhui Gotion Source-Grid-Load-Storage Technology Co., Ltd.	July 17, 2024	RMB	500	Anhui Gotion New Energy Co., Ltd. holds 80% equity
Huaibei Gotion Xiangfeng New Energy Co., Ltd.	January 19, 2024	RMB	100	Anhui Gotion New Energy Co., Ltd. holds 80% equity
Hefei Gotion Qingchun New Energy Technology Co., Ltd.	January 10, 2024	RMB	100	Anhui Gotion New Energy Co., Ltd. holds 70% equity
Mengcheng County Gotion New Energy Technology Co., Ltd.	November 8, 2024	RMB	100	Hefei Gotion Qingchun New Energy Technology Co., Ltd. holds 100% equity
Lixin County Gotion New Energy Technology Co., Ltd.	January 12, 2024	RMB	100	Hefei Gotion Qingchun New Energy Technology Co., Ltd. holds 100% equity
Hefei Yigao New Energy Co., Ltd.	November 6, 2024	RMB	100	Anhui Gotion New Energy Co., Ltd. holds 60% equity
Anhui Liangyu Photoelectric Technology Co., Ltd.	May 14, 2024	RMB	500	Hefei Yigao New Energy Co., Ltd. holds 100% equity
Tongcheng Huaxuan New Energy Co., Ltd.	September 10, 2024	RMB	1000	Anhui Gotion New Energy Co., Ltd. holds 51% equity
Anhui Gotion Source-Grid-Load-Storage Wind Power Generation Co., Ltd.	December 26, 2024	RMB	100	Anhui Gotion Source-Grid-Load-Storage Technology Co., Ltd. holds 100% equity
Tongcheng Gotion Source-Grid-Load-Storage New Energy Co., Ltd.	August 1, 2024	RMB	100	Hefei Gotion Source-Grid-Load-Storage Wind Power Generation Co., Ltd. holds 100% equity
Hefei Gotion Source-Grid-Load-Storage Photovoltaic Power Generation Co., Ltd.	December 25, 2024	RMB	100	Anhui Gotion Source-Grid-Load-Storage Technology Co., Ltd. holds 100% equity
Tongcheng Shuanggang Gotion Photovoltaic Power Generation Co., Ltd.	December 27, 2024	RMB	100	Hefei Gotion Source-Grid-Load-Storage Photovoltaic Power Generation Co., Ltd. holds 100% equity
Tongling Gotion Source-Grid-Load-Storage New Energy Co., Ltd.	July 31, 2024	RMB	100	Anhui Gotion Source-Grid-Load-Storage Technology Co., Ltd. holds 100% equity
Lujiang Source-Grid-Load-Storage New Energy Co., Ltd.	August 13, 2024	RMB	100	Anhui Gotion Source-Grid-Load-Storage Technology Co., Ltd. holds 100% equity
Suixi Gotion Source-Grid-Load-Storage New Energy Co., Ltd.	August 1, 2024	RMB	100	Anhui Gotion Source-Grid-Load-Storage Technology Co., Ltd. holds 100% equity
Bozhou Gotion Source-Grid-Load-Storage New Energy Co., Ltd.	July 31, 2024	RMB	100	Anhui Gotion Source-Grid-Load-Storage Technology Co., Ltd. holds 100% equity
Guzhen Gotion Source-Grid-Load-Storage New Energy Co., Ltd.	July 31, 2024	RMB	100	Anhui Gotion Source-Grid-Load-Storage Technology Co., Ltd. holds 100% equity
Hefei Gotion New Energy Technology Co., Ltd.	January 18, 2024	RMB	5,000	Hefei Gotion High-tech Power Energy Co., Ltd. holds 100% equity
Hefei Gotion Energy Storage and Sales Co., Ltd.	October 30, 2024	RMB	3,000	Hefei Gotion High-tech Power Energy Co., Ltd. holds 100% equity
Hefei Gotion Power Energy Sales Co., Ltd.	October 31, 2024	RMB	3,000	Hefei Gotion High-tech Power Energy Co., Ltd. holds 100% equity
Western Gotion (Inner Mongolia) Technology Co., Ltd.	November 30, 2024	RMB	20,000	Hefei Gotion High-tech Power Energy Co., Ltd. holds 100% equity
Shanghai Xuanyi Oufei New Energy Development Co., Ltd.	January 19, 2024	RMB	100,000	Hefei Gotion High-tech Power Energy Co., Ltd. holds 100% equity
Gotion EMEA Holding Co., Ltd.	March 19, 2024	EUR	0.5	Shanghai Xuanyi Oufei New Energy Development Co., Ltd. holds 85% equity, and Gotion GmbH holds 15% equity
Gotion High-Tech (Australia) Co., Ltd.	October 18, 2024	AUD	42	GOTION SINGAPORE PTE. Ltd. holds 100% equity
Slovakia GIB New Energy Co., Ltd.	January 1, 2024	EUR	0.5	Gotion GmbH holds 80% equity

Morocco Gotion Battery Co., Ltd.	July 12, 2024	EUR	30	Gotion GmbH holds 100% equity
Gpower	January 19, 2024	JPY	100	Gotion High-Tech Japan Co., Ltd. holds 100% equity
Susike Energy Co., Ltd.	February 5, 2024	ARS	3000	Gotion Argentina S.A. holds 100% equity
Gotion Switzerland Battery AG	January 31, 2024	CHF	100	Shanghai Gotion New Energy Co., Ltd. holds 100% equity

## 2. Deregistration of unconsolidated subsidiaries

Name of deregistered company	Deregistration date	Notes
Tangshan Xuanteng International Trade Co., Ltd.	October 2024	The Company applied for the revocation of its business license through statutory procedures to disqualify itself as a legal person.

## 3. Unconsolidated subsidiaries that have entered into bankruptcy or liquidation

On April 25, 2024, Jiangxi Province Yichun Intermediate People's Court rendered the (2024) Gan 09 Po No.3 Ruling in the case converting the enforcement procedure against Jiangxi Hzone-li Technology Co., Ltd. into bankruptcy and liquidation. On April 26, 2024, the court appointed Jiangxi Hongyun Law Firm as the administrator of Jiangxi Hzone-li Technology Co., Ltd. As of the same date, the Company's financial statements will no longer be consolidated with those of its holding subsidiary, Jiangxi Lixing Technology Collaborative Innovation Co., Ltd.

## 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)	210
Consecutive years of audit services provided by the domestic accounting firm	5 years
Names of the CPAs of the domestic accounting firm	Luo Zhenxiong, Chen Qian
Consecutive years of the audit services provided by the CPAs of the domestic accounting firm	4; 1

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

## 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 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 disputes between Feidong Gotion New Material Co., Ltd. and Zhejiang Yongtai Technology Co., Ltd.	20,253.92	No	Settled	No material impact	Under performance		
Case of sales contract disputes between Zhejiang Yongtai Technology Co., Ltd. and Feidong Gotion New Material Co., Ltd. and Hefei Qianrui Technology	31,118.3	No	Settled	No material impact	Under performance		

Co., Ltd.							
Case of construction contract dispute between Tongzhou Construction Group Co., Ltd. and Hi-tech (Anhui) Architecture Design & Research Institute Co., Ltd. v. Tianjin CHTC New Energy Automobile Research Institute Co., Ltd. in 2019	4,002.39	No	Under enforcement	No material impact	Under enforcement		
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 sales contract disputes between Hefei Gotion High-Tech Power Energy Co., Ltd. v. Shanghai Sunlong Bus Co., Ltd.	9,717.68	No	Under enforcement	No material impact	Under enforcement		
Case of equity transfer disputes between Hunan Lixing Mining Technology Co., Ltd. v. Yichun Kefeng New Materials Co., Ltd.	4,289.41	No	Under enforcement	No material impact	Under enforcement		
Case of sales contract disputes between Hefei Gotion High-Tech	8,371.84	No	Under enforcement	No material impact	Under enforcement		



Power Energy Co., Ltd. v. WM New Energy Auto Parts (Wenzhou) Co., Ltd. in 2022							
Case of loan contract disputes between China High-Tech Group Corporation v. eight defendants, including Tianjin CHTC New Energy Automobile Research Institute Co., Ltd., Hefei Gotion High-Tech Power Energy Co., Ltd., and Beijing CHTC Xinneng New Energy Automobile Technology Co., Ltd.	7,000	No	Under enforcement	No material impact	Under enforcement		
Case of loan contract disputes 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 disputes over the right of recovery 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	6,454.82	No	Under enforcement	No material impact	Under enforcement		

Hefei Gotion High-Tech Power Energy Co., Ltd. v. Anhui Dongjiang New Energy Technology Co., Ltd., Anhui Dajiang New Energy Technology Co., Ltd., Dongjin Power Co., Ltd., Hefei Baijiaxin Science and Technology Consulting Co., Ltd., Shen Jun, Chen Zhenji, Wang Haixia and Zheng Jiajiang							
Case of construction contract disputes between China Construction Dongfang Decoration Co., Ltd. and Anhui Gotion New Energy Automobile Technology Co., Ltd.	2,508.06	No	Under trial	No material impact	Under trial		
Case of sales contract disputes between Hefei Gotion New Energy Technology Co., Ltd. v. Sanfa (Guangzhou) Materials Technology Co., Ltd.	8,256.24	No	Under trial	No material impact	To be tried		
Case of disputes over liability for damage to the company's interests between Yichun Kefeng New Materials	5,500	No	Under trial	No material impact	Under trial		

Co., Ltd. v. Li Xinhai							
Case of sales contract disputes between Hefei Gotion High-Tech Power Energy Co., Ltd. v. Henan Yujie Era Automobile Co., Ltd	5,601.77	No	Under enforcement	No material impact	Under enforcement		
Case of loan contract disputes between China High-Tech Group Corporation v. Beijing CHTC Xinneng New Energy Automobile Technology Co., Ltd., Hefei Gotion High-Tech Power Energy Co., Ltd. and Tianjin CHTC New Energy Automobile Research Institute Co., Ltd.	7,400	No	Pending court	No material impact	Pending court		
Case of sales contract disputes between Hefei Gotion Battery Materials Co., Ltd. v. Tibet Heli Lithium Industry Co., Ltd.	9,290.87	No	Pending court	No material impact	Under enforcement		
Case of sales contract disputes between Yifeng Gotion Lithium Industry Co., Ltd. v. Guangdong Zhongyao Technology Co., Ltd.	9,908.63	No	Registered	No material impact	To be tried		
Other cases enforced	90,042.07	No	Under enforcement	No material impact	Under enforcement		

## XII. Punishment and rectification

☐ Applicable ☒ Not Applicable

No such case as penalty and rectification during the reporting period.

## 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	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 index
MCC Ramu New Energy Technology Co., Ltd.	A company in which Hefei Gotion High-tech Power Energy Co., Ltd. holds 30% equity, and of which Wang Qiang, the Deputy General Manager of the	Purchase of materials	Ternary precursor	Fair pricing with reference to the market price	Market price	4,532.89	0.34%	50,000	No	Currency	Not applicable	April 20, 2024	Announcement No. 2024-022 published on www.cninfo.com.cn

	Company, serves as a director												
Hefei Qianrui Technology Co., Ltd.	A company controlled by the actual controller	Purchase of materials	Electrolyte	Fair pricing with reference to the market price	Market price	38,267.76	2.83%	50,000	No	Currency	Not applicable	April 20, 2024	Announcement No. 2024-022 published on www.cninfo.com.cn
Anhui Chiyu New Materials Technology Co., Ltd.	A company controlled by the actual controller	Purchase of materials	Battery module accessories	Fair pricing with reference to the market price	Market price	52,456.87	5.46%	35,000	Yes	Currency	Not applicable	August 29, 2024	Announcements No. 2024- 022 and 2024-066 published on www.cninfo.com.cn
Hefei Yuanyuan Technology Co., Ltd.	A company controlled by the actual controller	Purchase of materials	Raw materials	Fair pricing with reference to the market price	Market price	49,646.26	3.68%	90,000	No	Currency	Not applicable	April 20, 2024	Announcement No. 2024-022 published on www.cninfo.com.cn
Nanjing Shengshi Precision Industry Co., Ltd.	A company controlled by the actual controller	Purchase of materials	Battery accessories	Fair pricing with reference to the market price	Market price	106,049.57	11.03%	120,000	No	Currency	Not applicable	August 29, 2024	Announcements No. 2024- 022 and 2024-066 published on www.cninfo.com.cn
Anhui Gotion Xianglv Technology Co., Ltd.	A company controlled by the actual controller	Purchase of materials	Battery box and accessories	Fair pricing with reference to the market price	Market price	84,495.45	8.79%	100,000	No	Currency	Not applicable	August 29, 2024	Announcements No. 2024- 022 and 2024-066 published on www.cninfo.com.cn
Shanghai Gotion Digital Energy Technology Co.,	A company controlled by the actual controller	Purchase of goods	Energy storage system accessories and battery	Fair pricing with reference to the market	Market price	6,889.37	1.24%	80,000	No	Currency	Not applicable	April 20, 2024	Announcement No. 2024-022 published on www.cninfo.com.cn

Ltd.			cores	price									n
Bengbu Jinshi Technology Co., Ltd.	A company controlled by the actual controller	Purchase of materials	Battery accessories	Fair pricing with reference to the market price	Market price	12,629.32	1.31%	20,000	No	Currency	Not applicable	April 20, 2024	Announcement No. 2024-022 published on www.cninfo.com.cn
Gotion Holding Group Co., Ltd. and its subsidiaries	A company controlled by the actual controller	Purchase of materials and goods	Raw materials, goods, etc.	Fair pricing with reference to the market price	Market price	0.38	0.00%	50,000	No	Currency	Not applicable	April 20, 2024	Announcement No. 2024-022 published on www.cninfo.com.cn
Nanjing Gotion Holding Group Co., Ltd. and its subsidiaries	A company controlled by the actual controller	Purchase of materials and goods	Raw materials, goods, etc.	Fair pricing with reference to the market price	Market price	3,724.58	0.20%	50,000	No	Currency	Not applicable	April 20, 2024	Announcement No. 2024-022 published on www.cninfo.com.cn
Volkswagen (China) Investment Co., Ltd. and its related parties	Volkswagen China is the largest shareholder of the Company	Sale of goods	Energy storage systems and battery cores	Fair pricing with reference to the market price	Market price	10,105.38	0.39%	100,000	No	Currency	Not applicable	April 20, 2024	Announcement No. 2024-022 published on www.cninfo.com.cn
Innovative (Suzhou) New Energy Technology Co., Ltd.	A joint venture with Volkswagen China	Sale of goods	Battery module	Fair pricing with reference to the market price	Market price	1,606.37	0.06%	50,000	No	Currency	Not applicable	April 20, 2024	Announcement No. 2024-022 published on www.cninfo.com.cn
Tata AutoComp Gotion Green Energy Solutions Private Limited	A joint venture with the Company, in which Li Chen, one of the controlling shareholders, serves as a director	Sale of goods	Battery cores, battery core accessories, etc.	Fair pricing with reference to the market price	Market price	140,308.7	5.40%	200,000	No	Currency	Not applicable	August 29, 2024	Announcements No. 2024-022 and 2024-066 published on www.cninfo.com.cn
Shanghai	A	Sale of	Energy	Fair	Market	17,989.06	0.54%	100,000	No	Currency	Not	April 20,	Announce

Gotion Digital Energy Technology Co., Ltd.	company controlled by the actual controller	goods	storage systems and battery cores	pricing with reference to the market price	price						applicable	2024	ment No. 2024-022 published on www.cninfo.com.cn
Inner Mongolia Xuanhua New Energy Co., Ltd.	A company controlled by the actual controller	Sale of goods	Power transmission and distribution equipment	Fair pricing with reference to the market price	Market price	390.8	0.86%	50,000	No	Currency	Not applicable	April 20, 2024	Announcement No. 2024-022 published on www.cninfo.com.cn
V-G HIGH-TECH ENERGY SOLUTIONS CO., LTD	A joint venture with the Company, in which Li Chen, one of the controlling shareholders, serves as a director	Sale of goods	Battery cores and accessories	Fair pricing with reference to the market price	Market price	24,482.94	0.94%	55,000	No	Currency	Not applicable	December 13, 2024	Announcement No. 2024-095 published on www.cninfo.com.cn
Gotion Holding Group Co., Ltd. and its subsidiaries	A company controlled by the actual controller	Sale of goods	Battery cores and battery module	Fair pricing with reference to the market price	Market price	136.18	0.01%	10,000	No	Currency	Not applicable	April 20, 2024	Announcement No. 2024-022 published on www.cninfo.com.cn
Nanjing Gotion Holding Group Co., Ltd. and its subsidiaries	A company controlled by the actual controller	Sale of goods	Battery waste, battery modules, etc..	Fair pricing with reference to the market price	Market price	18,677.07	0.69%	60,000	No	Currency	Not applicable	April 20, 2024	Announcement No. 2024-022 published on www.cninfo.com.cn
Gotion Holding Group Co., Ltd. and its subsidiaries	A company controlled by the actual controller	Acceptance of labor services	Energy, property management fees, etc.	Fair pricing with reference to the market price	Market price	20,131.14	35.75%	40,000	No	Currency	Not applicable	April 20, 2024	Announcement No. 2024-022 published on www.cninfo.com.cn
Nanjing Gotion Holding Group	A company controlled by the	Acceptance of labor	Energy, after-sales service,	Fair pricing with reference	Market price	3,991.89	15.20%	10,000	No	Currency	Not applicable	April 20, 2024	Announcement No. 2024-022 published

Co., Ltd. and its subsidiaries	actual controller	services	etc.	to the market price									on www.cninfo.com.cn
Volkswagen (China) Investment Co., Ltd. and its related parties	Volkswagen in China is the largest shareholder of the Company	Provision of labor services	Development and labor costs	Fair pricing with reference to the market price	Market price	41,652.39	63.56%	20,000	Yes	Currency	Not applicable	April 20, 2024	Announcement No. 2024-022 published on www.cninfo.com.cn
Gotion Holding Group Co., Ltd. and its subsidiaries	A company controlled by the actual controller	Lease of assets	Plant lease, etc.	Fair pricing with reference to the market price	Market price	4,276.16	30.19%	9,000	No	Currency	Not applicable	April 20, 2024	Announcement No. 2024-022 published on www.cninfo.com.cn
Nanjing Gotion Holding Group Co., Ltd. and its subsidiaries	A company controlled by the actual controller	Leasing of assets as lessee	Leasing of plants, etc.	Fair pricing with reference to the market price	Market price	2,204.39	15.56%	3,000	No	Currency	Not applicable	April 20, 2024	Announcement No. 2024-022 published on www.cninfo.com.cn
Volkswagen (China) Investment Co., Ltd. and its related parties	Volkswagen in China is the largest shareholder of the Company	Leasing of assets as lessor	Leasing of production lines, etc.	Fair pricing with reference to the market price	Market price	11,430.55	82.37%	12,000	No	Currency	Not applicable	August 29, 2024	Announcement No. 2024-066 published on www.cninfo.com.cn
In Total				--	--	656,075.47	--	1,364,000	--	--	--	--	--
Details of large sales return				None									
If the total amount of daily related party transactions to occur in the current period is estimated by category, the actual performance (if any) during the reporting period				The actual trading amounts of each related party transaction conducted by the Company in 2024 fall within the limit deliberated and approved by the board of directors and the general shareholders' meeting. The difference between the actual and expected related party transaction amounts is primarily attributable to market fluctuations, the Company's business development, and changes in customer demand. The actual related party transactions between the Company and its related parties in 2024 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. Other than the routine related party transactions disclosed above, the Company was not involved in any additional routine related party transactions subject to disclosure during the reporting period.									
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

1. Financing lease business: As of the end of the reporting period, the Company and its subsidiaries have engaged in sale-leaseback and direct lease financing lease business with a total lease principal of RMB 4,489,880,100, and a principal balance of RMB 283,5249,700. All of the above business has not been fully performed. During the reporting period, the Company and its subsidiaries did not have any instances of failing to pay rent on time.

2. For details about related-party leasing, please refer to “Section X Financial Report - 14.5. (2) Related-party Leasing” In addition, during the reporting period, some of the Company’s own real estate properties were used for rental, and the leased real estate property was used for office, and warehouse. There was no other major leasing.

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

☐ Applicable ☒ Not Applicable

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

**2. Major guarantee**

☒Applicable ☐ Not applicable

Monetary Unit: RMB ‘0,000

Guarantee provided by the Company and its subsidiaries for other (excluding the guarantees provided for its subsidiaries)										
Name of guaranteed entity	Disclosure date of relevant announcement on guarantee amount	Guarantee amount	Actual date of occurrence	Actual guarantee amount	Guarantee type	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Performance completed or not	Related party guarantee or not
MCC Ramu New Energy Technology Co., Ltd.	April 20, 2024	18,000.00	January 5, 2022	11,325.00	Joint and several liability guarantee	None	None	2.25 years	Yes	Yes
Shanghai Electric Gotion New Energy Technol	April 20, 2024	38,514.00	November 22, 2018-May 9, 2020	32,137.09	Joint and several liability guarantee	None	Counter guarantee provided	8-10 years	No	No

ogy Co., Ltd.										
Hefei Xingyuan New Energy Materials Co., Ltd.	April 20, 2024	19,374.00	January 14, 2022-July 5, 2022	11,042.21	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)		0.00		Total amount of guarantee actually provided for others (excluding subsidiaries) during the reporting period (A2)		0.00				
Total amount of guarantee approved to be provided for others (excluding subsidiaries) as at the end of the reporting period (A3)		57,888.00		Balance of the amount of guarantee actually provided for others (excluding subsidiaries) as at the end of the reporting period (A4)		43,179.30				
Guarantees provide by the Company for its subsidiaries										
Name of guaranteed entity	Disclosure date of relevant announcement on guarantee amount	Guarantee amount	Actual date of occurrence	Actual guarantee amount	Guarantee type	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Performance completed or not	Related party guarantee or not
Chuzhou Gotion New Energy Power Co., Ltd.	April 20, 2024	300,000.00	November 17, 2023	69,331.30	Joint and several liability guarantee	None	None	10 years	No	No
Gotion New Energy (Lujiang) Co., Ltd.	April 20, 2024	125,500.00	June 29, 2021-December 30, 2024	74,076.90	Joint and several liability guarantee	Corresponding collateral	None	3.5-7 years	No	No
Gotion New Energy (Lujiang) Co., Ltd.	April 20, 2024	125,500.00	November 29, 2022-May 22, 2024	52,489.00	Joint and several liability guarantee	None	None	0.5-2 years	Yes	No
Hefei Gotion Battery	April 20, 2024	178,300.00	March 25, 2022-December	127,457.85	Joint and several liability	Corresponding collateral	None	3.5-11 years	No	No

Material s Co., Ltd.			er 30, 2024		guarante e	l				
Hefei Gotion Battery Material s Co., Ltd.	April 20, 2024	178,300. 00	July 10, 2023- June 21, 2024	40,992.0 0	Joint and several liability guarante e	None	None	0.5-1 year	Yes	No
Hefei Gotion Battery Technol ogy Co., Ltd.	April 20, 2024	10,000.0 0	July 1, 2024	1,600.00	Joint and several liability guarante e	None	None	4 years	No	No
Hefei Gotion Battery Technol ogy Co., Ltd.	April 20, 2024	320,000. 00	March 17, 2023	138,882. 79	Joint and several liability guarante e	None	None	10 years	No	No
Hefei Gotion Battery Co., Ltd.	April 20, 2024	73,950.0 0	Decemb er 19, 2020 to August 13, 2024	41,800.0 0	Joint and several liability guarante e	Correspo nding collatera l	None	5-9 years	No	No
Hefei Gotion Battery Co., Ltd.	April 20, 2024	55,000.0 0	March 18, 2022	46,569.8 6	Joint and several liability guarante e		None	2 years	Yes	No
Hefei Gotion High- Tech Power Energy Co., Ltd.	April 20, 2024	2,895,43 9.10	Novemb er 29, 2021- Decemb er 30, 2024	1,778,16 1.99	Joint and several liability guarante e	Correspo nding collatera l	None	2.5-10 years	No	No
Hefei Gotion High- Tech Power Energy Co., Ltd.	April 20, 2024	2,895,43 9.10	March 26, 2021- Septemb er 24, 2024	1,568,62 3.21	Joint and several liability guarante e	Correspo nding collatera l	None	0.5-3 years	Yes	No
Hefei Gotion Precisio n Coating Material Co., Ltd.	April 20, 2024	1,000.00	Septemb er 19, 2023	1,000.00	Joint and several liability guarante e	None	None	1 year	Yes	No
Hefei Gotion Precisio n Coating	April 20, 2024	1,000.00	Septemb er 18, 2024	1,000.00	Joint and several liability guarante e	None	None	4 years	No	No

Material Co., Ltd.										
Hefei Gotion Kehong New Energy Technology Co., Ltd.	April 20, 2024	294,400.00	April 29, 2022-December 18, 2024	157,165.97	Joint and several liability guarantee	Corresponding collateral	None	3.5-11 years	No	No
Hefei Gotion Kehong New Energy Technology Co., Ltd.	April 20, 2024	13,500.00	September 20, 2023	10,000.00	Joint and several liability guarantee	None	None	1 year	Yes	No
Hefei Gotion New Materials Technology Co., Ltd.	April 20, 2024	57,500.00	June 27, 2022-March 19, 2024	41,168.00	Joint and several liability guarantee	Corresponding collateral	None	5-11 years	No	No
Jiangsu Dongyuan Electrical Group Co., Ltd.	April 20, 2024	38,650.00	January 15, 2024-December 26, 2024	31,400.00	Joint and several liability guarantee	None	None	3-5 years	No	No
Jiangsu Dongyuan Electrical Group Co., Ltd.	April 20, 2024	38,650.00	January 10, 2023-February 23, 2024	38,400.00	Joint and several liability guarantee	None	None	0.5-1 year	Yes	No
Jiangsu Gotion New Energy Technology Co., Ltd.	April 20, 2024	273,500.00	September 28, 2022-September 27, 2024	259,117.26	Joint and several liability guarantee	Corresponding collateral	None	4-11 years	No	No
Jiangsu Gotion New Energy Technology Co., Ltd.	April 20, 2024	10,000.00	April 28, 2024	10,000.00	Joint and several liability guarantee	None	None	0.5 year	Yes	No
Jiangxi Gotion New Energy Technol	April 20, 2024	30,000.00	October 12, 2022-December 18, 2024	23,950.00	Joint and several liability guarantee	Corresponding collateral	None	4-6 years	No	No

ogy Co., Ltd.										
Jiangxi Gotion New Energy Technology Co., Ltd.	April 20, 2024	10,000.00	September 15, 2023 to November 30, 2023	8,000.00	Joint and several liability guarantee	None	None	0.5-1 year	Yes	No
Jinzhai Gotion New Energy Co., Ltd.	April 20, 2024	202,000.00	February 2, 2024-November 25, 2024	59,559.46	Joint and several liability guarantee	None	None	4-10 years	No	No
Jinzhai Gotion New Energy Co., Ltd.	April 20, 2024	7,000.00	November 30, 2023	7,000.00	Joint and several liability guarantee	None	None	1 year	Yes	No
Liuzhou Gotion Battery Co., Ltd.	April 20, 2024	241,395.32	September 14, 2021-November 21, 2024	182,295.21	Joint and several liability guarantee	Corresponding collateral	None	3-11 years	No	No
Liuzhou Gotion Battery Co., Ltd.	April 20, 2024	241,395.32	September 23, 2022-November 21, 2023	24,669.21	Joint and several liability guarantee	None	None	1-2 years	Yes	No
Nanjing Gotion Battery Co., Ltd.	April 20, 2024	155,400.00	October 31, 2022-December 18, 2024	127,102.00	Joint and several liability guarantee	None	None	3-5 years	No	No
Nanjing Gotion Battery Co., Ltd.	April 20, 2024	155,400.00	March 10, 2023-July 4, 2024	101,998.00	Joint and several liability guarantee	None	None	0.5-2 years	Yes	No
Nanjing Gotion New Energy Co., Ltd.	April 20, 2024	160,000.00	September 22, 2023-December 18, 2024	128,449.50	Joint and several liability guarantee	Corresponding collateral	None	3-7 years	No	No
Nanjing Gotion New Energy Co., Ltd.	April 20, 2024	160,000.00	September 2, 2020-May 10, 2024	154,249.50	Joint and several liability guarantee	Corresponding collateral	None	0.5-4 years	Yes	No
Nantong Aston Electric Appliance Manufacturing Co., Ltd.	April 20, 2024	1,000.00	December 30, 2024	1,000.00	Joint and several liability guarantee	None	None	4 years	No	No

Nantong Aston Electric Appliance Manufacturing Co., Ltd.	April 20, 2024	1,000.00	December 12, 2023	1,000.00	Joint and several liability guarantee	None	None	1 year	Yes	No
Nantong Gotion New Energy Technology Co., Ltd.	April 20, 2024	47,500.00	February 5, 2024-December 31, 2024	38,500.00	Joint and several liability guarantee	None	None	3-4 years	No	No
Nantong Gotion New Energy Technology Co., Ltd.	April 20, 2024	47,500.00	February 27, 2023-June 20, 2024	26,500.00	Joint and several liability guarantee	None	None	1 year	Yes	No
Inner Mongolia Gotion Zero Carbon Technology Co., Ltd.	April 20, 2024	138,248.02	April 2, 2022-December 25, 2023	64,796.59	Joint and several liability guarantee	Corresponding collateral	None	6-8 years	No	No
Inner Mongolia Gotion Zero Carbon Technology Co., Ltd.	April 20, 2024	6,000.00	March 31, 2023	6,000.00	Joint and several liability guarantee	None	None	1 year	Yes	No
Qingdao Gotion Battery Co., Ltd.	April 20, 2024	177,000.00	September 27, 2023-November 25, 2024	127,000.00	Joint and several liability guarantee	None	None	3.5-6 years	No	No
Qingdao Gotion Battery Co., Ltd.	April 20, 2024	177,000.00	January 17, 2023-November 21, 2023	87,000.00	Joint and several liability guarantee	None	None	1 year	Yes	No
Shanghai Xuanyi New Energy Development Co., Ltd.	April 20, 2024	138,590.00	December 31, 2019-December 25, 2020	78,934.01	Joint and several liability guarantee	Corresponding collateral	None	12-13 years	No	No
Tangshan Gotion	April 20, 2024	442,500.00	February 14, 2023-	297,440.10	Joint and several	Corresponding	None	4 days-10 years	No	No

Battery Co., Ltd.			November 28, 2024		liability guarantee	collateral				
Tangshan Gotion Battery Co., Ltd.	April 20, 2024	442,500.00	August 15, 2022-December 22, 2023	56,200.00	Joint and several liability guarantee	None	None	1-2 years	Yes	No
Tongcheng Battery Technology Co., Ltd.	April 20, 2024	120,000.00	December 23, 2024	3,000.00	Joint and several liability guarantee	None	None	10 years	No	No
Tongcheng Gotion New Energy Technology Co., Ltd.	April 20, 2024	522,500.00	March 24, 2022-December 19, 2024	302,225.00	Joint and several liability guarantee	None	None	3-9 years	No	No
Tongcheng Gotion New Energy Technology Co., Ltd.	April 20, 2024	522,500.00	June 22, 2023-January 2, 2024	46,327.28	Joint and several liability guarantee	None	None	0.5-1 year	Yes	No
Yichun Gotion Battery Co., Ltd.	April 20, 2024	493,000.00	January 21, 2022-September 1, 2024	186,555.55	Joint and several liability guarantee	Corresponding collateral	None	4-11 years	No	No
Yichun Gotion Battery Co., Ltd.	April 20, 2024	40,000.00	August 31, 2022	40,000.00	Joint and several liability guarantee	None	None	2 years	Yes	No
Yichun Gotion Lithium Industry Co., Ltd.	April 20, 2024	17,200.00	June 14, 2022-November 24, 2023	13,840.00	Joint and several liability guarantee	None	None	4.5-6 years	No	No
Yifeng Gotion Lithium Industry Co., Ltd.	April 20, 2024	154,500.00	May 17, 2023-December 20, 2024	97,236.03	Joint and several liability guarantee	Corresponding collateral	None	3.5-11 years	No	No
Yifeng Gotion Lithium Industry Co., Ltd.	April 20, 2024	7,500.00	August 18, 2023-October 7, 2023	7,500.00	Joint and several liability guarantee	None	None	1 year	Yes	No
Hefei Gotion	April 20, 2024	18,045.00	September 13,	7,435.57	Joint and several	Corresponding	None	0.5-2 years	Yes	No



Recycling Technology Co., Ltd.			2022-January 18, 2024		liability guarantee	collateral				
Total amount of guarantee approved to be provided for subsidiaries during the reporting period (B1)		3,104,252.34		Total amount of guarantee actually provided for subsidiaries during the reporting period (B2)						2,939,030.93
Total amount of guarantee approved to be provided for subsidiaries as at the end of the reporting period (B3)		7,645,885.44		Balance of the amount of guarantee actually provided for subsidiaries as at the end of the reporting period (B4)						4,453,045.51
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
Gotion New Energy (Lujiang) Co., Ltd.	April 20, 2024	5,000.00	March 29, 2025	5,000.00	Joint and several liability guarantee	None	None	4 years	No	No
Total amount of guarantee provided by the Company (i.e., sum of the three items above)										
Total amount of guarantee approved to be provided for subsidiaries during the reporting period (C1)		5,000.00		Total amount of guarantee actually provided for subsidiaries during the reporting period (C2)						5,000.00
Total amount of guarantee approved to be provided for subsidiaries as at the end of the reporting period (C3)		5,000.00		Balance of the amount of guarantee actually provided for subsidiaries as at the end of the reporting period (C4)						5,000.00
Total amount of guarantee approved to be provided during the reporting period (A1+B1+C1)		3,109,252.34		Total amount of guarantee actually provided during the reporting period (A2+B2+C2)						2,944,030.93
Total amount of guarantee approved to be provided as at		7,708,773.44		Balance of the amount of guarantee actually provided as						4,501,224.81

the end of the reporting period (A3+B3+C3)		at the end of the reporting period (A4+B4+C4)	
Percentage of the total amount of guarantee (A4+B4+C4) in the Company's net assets			173.39%
Of which:			
Balance of debt guarantees directly or indirectly offered to guaranteed objects with asset-liability ratio exceeding 70% (E)			2,771,448.92

Remark: In June 2024, the subsidiary Feidong Gotion New Materials Co., Ltd. signed an *Equity Transfer Agreement* with Hefei Deli New Materials Technology Co., Ltd. According to the agreement, Feidong Gotion New Materials Co., Ltd. sold its 100.00% equity in Hefei Gotion Recycling Technology Co., Ltd. to Hefei Deli New Materials Technology Co., Ltd. As of August 29, 2024, both parties have completed the procedures for asset transfer and the registration of equity change. Hefei Gotion Recycling Technology Co., Ltd. has changed from a subsidiary of the Company to a related party of the Company.

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	-120,805.96	80,072.89	0	0
Others	Self-owned funds	-65,633.21	116,181.33	0	0
Total		-186,439.17	196,254.22	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 were no major contracts during the reporting period.

## XVI Other major events

☒Applicable ☐ Not applicable

1. The Company held the 6<sup>th</sup> meeting of the ninth Board of Directors and the 6<sup>th</sup> meeting of the ninth Board of Supervisors on April 18, 2024, 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. 2024-025) disclosed by the Company on designated information disclosure media on April 20, 2024.

2. On August 27, 2024, the Company held the ninth meeting of the ninth session of the board of directors and the ninth meeting of the ninth session of the board of supervisors, where it deliberated and approved the *Proposal Regarding the Registration and Issuance of Medium Term Notes and Super-short-term Financing Bonds*. The Company planned to apply to the National Association of Financial Market Institutional Investors for the registration and issuance of medium-term notes not exceeding RMB 2 billion (inclusive) and super-short-term financing bonds not exceeding RMB 1 billion (inclusive) in the national interbank bond market. This matter was deliberated and approved by the Company at the 1st Extraordinary General Meeting on November 20, 2024. For specific details, please refer to the announcement titled *Announcement on the Proposed Registration and Issuance of Medium-Term Notes and Super-Short-Term Financing Bonds* (Announcement No.: 2024-065) disclosed by the Company on designated information disclosure media on August 29, 2024.

3. On December 11, 2024, the Company's controlling shareholder Gotion Holding, Li Zhen, and Li Chen (hereinafter collectively referred to as "Founding Shareholders") signed a *Supplementary Agreement to the Shareholder Agreement* with the Company's strategic shareholder Volkswagen China, in which Volkswagen China agreed to extend the commitment period to waive voting rights. That is, within 72 months from the date when the relevant shares of the Company involved in the private placement and share transfer are registered under Volkswagen China's name, or for a longer period as determined by Volkswagen China, it will irrevocably waive the voting rights of a portion of its shares in the Company, ensuring that Volkswagen China's voting rights ratio is at least 5% lower than that of the founding shareholders. For specific details, please refer to the announcement titled *Announcement on Strategic Shareholder's Continued Waiver of Voting Rights* (Announcement No.: 2024-098) disclosed by the Company on designated information disclosure media on December 13, 2024.

4. On December 13, 2024, the Company disclosed an announcement titled *Notice on the Lifting of Restrictions on the Listing and Circulation of Non-Publicly Issued Shares* (Announcement No.: 2024-099) on the designated information disclosure media. According to the *Approval Regarding the Non-public Issuance of Shares by Gotion High-Tech Co., Ltd.* (Securities Regulatory License [2021] No. 1421) issued by the China Securities Regulatory Commission, the Company privately issued 384,163,346 shares to strategic investor

Volkswagen China, which were listed on the Shenzhen Stock Exchange on December 15, 2021, with a restricted period of 36 months. The restricted period for the aforementioned shares has expired, and the date for lifting the restrictions on listing and circulation is December 16, 2024.

## **XVII Major events of the subsidiaries**

☐Applicable ☒Not applicable

## 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	462,032,583	25.88%	24,187	0	0	- 384,163,346	- 384,139,159	77,893,424	4.32%
1. Shares held by the state	0	0.00%	0	0	0	0	0	0	0.00%
2. Shares held by state legal persons	0	0.00%	0	0	0	0	0	0	0.00%
3. Shares held by other domestic subjects	462,032,583	25.88%	24,187	0	0	- 384,163,346	- 384,139,159	77,893,424	4.32%
Including: shares held by domestic legal persons	384,163,346	21.52%	0	0	0	- 384,163,346	- 384,163,346	0	0.00%
Shares held by domestic natural persons	77,869,237	4.36%	24,187	0	0	0	24,187	77,893,424	4.32%
4. Shares held by foreign subjects	0	0.00%	0	0	0	0	0	0	0.00%
Including: shares held by foreign	0	0.00%	0	0	0	0	0	0	0.00%

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	1,323,154,249	74.12%	16,785,298	0	0	384,163,346	400,948,644	1,724,102,893	95.68%
1. RMB ordinary shares	1,323,154,249	74.12%	16,785,298	0	0	384,163,346	400,948,644	1,724,102,893	95.68%
2. Shares listed at home and held by foreign subjects	0	0.00%	0	0	0	0	0	0	0.00%
3. Shares listed overseas and held by foreign subjects	0	0.00%	0	0	0	0	0	0	0.00%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total number of shares	1,785,186,832	100.00%	16,809,485	0	0	0	16,809,485	1,801,996,317	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 exercisable portion of 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. There were a total of 1,561 incentive objects who met the exercise conditions, and a total of 17,316,000 stock options became exercisable.

The Company disclosed the Reminder Announcement on the Adoption of Autonomous Exercise Mode for the Second Exercise Period for the First Batch of Stock Options Granted under the 2022 Stock Option Incentive Plan (Announcement No.: 2024-075) on October 10, 2024. The exercisable portion of the second exercise period for the first batch of stock options granted under the 2022 Incentive Plan is from October 11, 2024 to July 18, 2025. There were a total of 1,463 incentive objects who met the exercise conditions, and a total of 12,326,400 stock options became exercisable.

During the reporting period, the incentive objects were initially granted the right to exercise a total of 16,809,485 shares under the Company's 2022 Stock Option Incentive Plan. As a result, the Company's total share capital increased from 1,785,186,832 shares to 1,801,996,317 shares.

Approval of shares change

☒Applicable ☐ Not applicable

The Company held the 3<sup>rd</sup> meeting of the ninth Board of Directors and the 3<sup>rd</sup> 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.

The Company held the 3<sup>rd</sup> meeting of the ninth Board of Directors and the 9<sup>th</sup> meeting of the ninth Board of Supervisors on August 27, 2024, deliberating and passing the Proposal on the Achievement of the Exercise Conditions for the First Exercise Period for the Second Batch of Stock Options Granted under the 2022 Stock Option Incentive Plan.

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 1,785,186,832 at the beginning to 1,801,996,317 shares. This share change has resulted in a decrease in both basic earnings per share and diluted earnings per share, as well as in net assets per share. The specific changes are as follows:

Item	Calculated based on the beginning-of-year capitalization (RMB/Share)	Calculated by year-end capitalization (RMB/Share)
Basic earnings per share - 2024 fiscal year	0.6760	0.6697
Diluted earnings per share - 2024 fiscal year	0.6750	0.6687
Net asset per share - End of 2024	14.5419	14.4063

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	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	Reasons for sales restriction	Date of sales restriction released
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	the period			period		
Li Zhen	77,457,112	0	0	77,457,112	Locked-up shares of senior officers	Subject to relevant laws and regulations of the CSRC and the SZSE
Zhang Hongli	129,750	0	0	129,750	Locked-up shares of senior officers	Subject to relevant laws and regulations of the CSRC and the SZSE
Wang Qiang	219,675	0	0	219,675	Locked-up shares of senior officers	Subject to relevant laws and regulations of the CSRC and the SZSE
Wang Qisui	9,000	0	0	9,000	Locked-up shares of senior officers	Subject to relevant laws and regulations of the CSRC and the SZSE
Wu Yibing	19,500	0	0	19,500	Locked-up shares of senior officers	Subject to relevant laws and regulations of the CSRC and the SZSE
Volkswagen (China) Investment Co., Ltd.	384,163,346	0	384,163,346	0	Private placement	December 16, 2024
Pan Wang	34,200	24,187	0	58,387	Locked-up shares of departed senior officers	Subject to relevant laws and regulations of the CSRC and the SZSE
Total	462,032,583	24,187	384,163,346	77,893,424	--	--

## II. Securities issuance and listing

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

☐Applicable ☒Not applicable

### 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

During the reporting period, the incentive objects were initially granted the right to exercise a total of 16,809,485 shares under the Company's 2022 Stock Option Incentive Plan. As a result, the Company's total share capital increased from 1,785,186,832 shares to 1,801,996,317 shares.



### 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	158,206	Number of common shareholders at the end of the preceding month before the disclosure date of the annual report.	155,380	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	24.45%	440,630,983	0	0	440,630,983	N/A	0
Nanjing Gotion Holding Group Co., Ltd.	Domestic non-state-owned legal person	9.48%	170,751,887	0	0	170,751,887	Pledged	89,210,000
Li Zhen	Domestic natural person	5.73%	103,276,150	0	77,457,112	25,819,038	Pledged	23,000,000
Hong Kong Securities Clearing Co., Ltd.	Overseas legal person	5.63%	101,458,557	56,921,386	0	101,458,557	N/A	0
Li Chen	Domestic natural person	1.58%	28,472,398	0	0	28,472,398	N/A	0
Galaxy	Domestic	1.19%	21,440,518	-1200	0	21,440,518	N/A	0

Derivatives Financial Service Co. Ltd.	non-state-owned legal person							
Citibank, National Association	Overseas legal person	1.18%	21,280,100	0	0	21,280,100	N/A	0
Industrial and Commercial Bank of China Limited - Huatai-Pinebridge CSI300 Exchange-Traded Index Securities Investment Fund	Others	1.03%	18,593,494	10,628,300	0	18,593,494	N/A	0
Foshan Electrical and Lighting Co., Ltd.	State-owned legal person	0.95%	17,133,791	0	0	17,133,791	N/A	0
China Construction Bank Corporation - Qianhai Kaiyuan Public Utility Industry Equity Securities Investment Fund	Others	0.83%	14,949,416	-3,107,200	0	14,949,416	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)		Not applicable						
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. In 2023, 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 Holding has no related relationship with Galaxy Derivatives;</p> <p>3. Except for the aforesaid matters, it is unknown whether there is any other related relationship</p>						

	among 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.		
Description of the shareholders entrusting/being entrusted with/waiving voting right	According to the provisions of the Supplementary Agreement to the Shareholders’ Agreement, Volkswagen China undertakes that, within 72 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 (Gotion Holdings, Li Zhen and Li Chen collectively referred to as the Founder Shareholders).		
Special statement of repurchase accounts among the top 10 shareholders (if any) (refer to Note X)	Not applicable		
Shareholding status of top ten shareholders without limited sales condition (excluding shares lent through refinancing and shares locked by executives)			
Name of shareholder	Number of shares held without limited sales condition at the end of the reporting period	Share class	
		Share class	Number
Volkswagen (China) Investment Co., Ltd.	440,630,983	RMB ordinary shares	440,630,983
Nanjing Gotion Holding Group Co., Ltd.	170,751,887	RMB ordinary shares	170,751,887
Hong Kong Securities Clearing Co., Ltd.	101,458,557	RMB ordinary shares	101,458,557
Li Chen	28,472,398	RMB ordinary shares	28,472,398
Li Zhen	25,819,038	RMB ordinary shares	25,819,038
Galaxy Derivatives Financial Service Co. Ltd.	21,440,518	RMB ordinary shares	21,440,518
Citibank, National Association	21,280,100	RMB ordinary shares	21,280,100
Industrial and Commercial Bank of China Limited - Huatai-Pinebridge CSI300 Exchange-Traded Index Securities Investment Fund	18,593,494	RMB ordinary shares	18,593,494
Foshan Electrical and Lighting Co., Ltd.	17,133,791	RMB ordinary shares	17,133,791
China Construction Bank Corporation - Qianhai Kaiyuan Public Utility Industry Equity Securities Investment Fund	14,949,416	RMB ordinary shares	14,949,416
Explanations on the	1. Shareholders Li Zhen, Li Chen and Gotion Holding are persons acting in concert (Li Zhen is the		

related relationship or concerted actions among the top 10 shareholders holding outstanding shares not subject to sales restriction, and that between the top 10 shareholders holding outstanding shares not subject to sales restriction and the top 10 shareholders	Controlling Shareholder, legal representative, and executive director of Gotion Holding). 2. In 2023, 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 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 15,550,000 shares of the Company through the credit securities account.

Whether shareholders holding more than 5%, the top 10 shareholders, and the top 10 unrestricted public shareholders participating in the lending of shares through refinancing business

☒ Applicable ☐ Not applicable

Unit: Share

Whether shareholders holding more than 5%, the top 10 shareholders, and the top 10 unrestricted public shareholders participating in the lending of shares through refinancing business								
Name of shareholder (full name)	Shareholding of the general account and credit account at the beginning of the period		Shares involved in the short sale and securities relending transactions that have not been returned at the beginning of the period		Shareholding of the general account and credit account at the end of the period		Shares involved in the short sale and securities relending transactions that have not been returned at the end of the period	
	Number in total	Proportion of total share capital	Number in total	Proportion of total share capital	Number in total	Proportion of total share capital	Number in total	Proportion of total share capital
Industrial and Commercial Bank of China Limited - Huatai-Pinebridge CSI300 Exchange-Traded Index Securities Investment Fund	7,965,194.00	0.45%	23,300.00	0.00%	18,593,494.00	1.03%	0.00	0.00%

Any change in the top 10 shareholders and the top 10 unrestricted public shareholders compared to the previous period due to reasons related to the lending/returning of shares through refinancing business

☐ 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	Mainly for investment and investment management, technology research and development and consulting, automotive parts research and development and sales, trade business, etc.
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

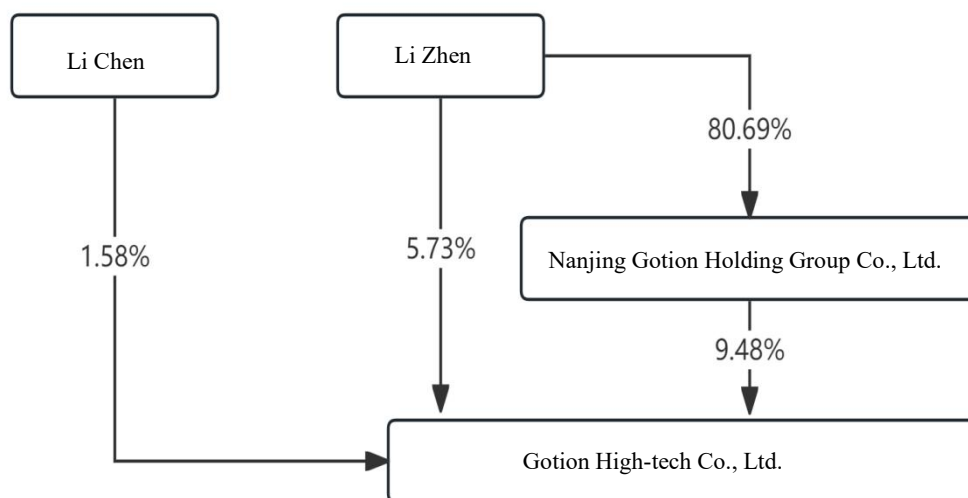
Actual controller name	Relationship with actual controller	Nationality	Obtained the right of residence in any other country or region or not
Li Zhen	In person	China	No
Li Chen	Concerted action (including agreement, relatives, and common control)	China	No
Main occupation and position	Mr. Li Zhen mainly 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) Invest in sectors where foreign investment is authorized by the State in accordance with applicable laws; (II) Provide the following services to invested enterprises upon receiving written authorization from them (which must be unanimously approved by the Board of Directors): 1. Assist or represent the invested enterprises in acquiring machinery, office

				<p>equipment, and raw materials, components, and parts necessary for production from both domestic and international sources for their own use, and facilitate the sales of products manufactured by the invested enterprises (excluding complete vehicles) in domestic and international markets through distribution channels, while also providing after-sales support; 2. Manage foreign exchange transactions among the invested enterprises with the consent and oversight of the foreign exchange management authority; 3. Offer technical support, employee training, and internal personnel management services throughout the production, sales, and market development phases for the invested enterprises; 4. Aid the invested enterprises in securing loans and providing guarantees; (III) Establish R&amp;D centers or departments within China to focus on the R&amp;D of new products and advanced technologies, transfer R&amp;D outcomes, and deliver corresponding technical services; (IV) Provide consulting services to investors, including market information, investment policies, and other investment-related advisory services for affiliates; (V) Acquire products manufactured by the invested enterprises for system integration and</p>
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				<p>market them both domestically and internationally. Should the products not fully satisfy the requirements for system integration, the procurement of supplementary products from domestic and foreign sources is permitted, provided that the value of such supplementary products does not exceed 50% of the total value of all products necessary for system integration; (VI) Deliver relevant technical training for domestic distributors and agents of the invested enterprises' products, as well as for domestic companies and enterprises that have entered into technology transfer agreements with investment companies, their parent companies, or affiliates; (VII) Provide operational leasing services for machinery and office equipment to the invested enterprises, or legally establish an operational leasing company; (VIII) Undertake outsourcing services for both domestic and foreign enterprises; (IX) Engage in warehousing and logistics distribution services in compliance with relevant regulations; (X) Establish a financial company, subject to approval from the China Banking and Insurance Regulatory Commission, to offer pertinent financial</p>
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				<p>services to investment companies and their invested enterprises; (XI) Participate in overseas engineering contracting and international investment with the approval of the Ministry of Commerce, establish a financing leasing company, and provide related services; (XII) Delegate the production or processing of their products (excluding complete vehicles) or those of their parent company (excluding complete vehicles) to other domestic enterprises and facilitate their sale both domestically and internationally; (XIII) Distribute auto repair service parts, raw and auxiliary materials, equipment, and specialized tools necessary for auto repair services through wholesale, retail (without establishing physical stores), and commission agency (excluding auctions), while also providing corresponding vehicle display, marketing, and after-sales services; wholesale daily necessities and Category II medical devices. (XIV) Technology development, technology promotion, technology transfer, technology consultation, and technical services. (The market entities shall independently choose business projects and carry out business</p>
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				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.)
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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	0.4897% to 0.9793%	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)	Implementati on of employee stock programs or equity incentive plans	15,436,229	

	repurchased this time is approximatel y 8,823,500 to 17,647,100.						
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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

The Company does not have any corporation bonds during the reporting period.

### II Corporate bonds

☐ Applicable ☒ Not Applicable

The Company has no corporate bonds during the reporting period.

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

☒ Applicable ☐ Not applicable

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

Monetary Unit: RMB '0,000

Name of bond	Name abbreviation	Bond code	Issue date	Date of value	Maturity date	Balance of bonds	Interest rate	Method of repayment of principal and interest	Place of trade
2022 Phase I Gotion High-Tech Green Bond (Technological Innovation) Debt	22 Wan Gotion High-Tech ZRGN001 (Technological Innovation)	22CFGN0838	November 25, 2022	November 25, 2022	November 24, 2025	30,000	4.0%	The interest shall be paid once a season and the principal shall be repaid each half year, the	Beijing Financial Asset Exchange

Financing Plan								remaining principal 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	23 Yangtze River Delta Collective CP001	042380753	December 22, 2023	December 25, 2023	September 20, 2024	0	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	-	Zhu Xiaoxuan	0551-65955552
2022 Phase I Gotion High-Tech Green Bond (Technological Innovation) Debt	Shanghai Links Law Offices	19th Floor, Times Financial Center, 68 Yincheng Middle Road, Shanghai	-	Xia Huijun, Zheng Jianwen	021-31358666

Financing Plan					
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	Zhongchengxin International Credit Rating Co., Ltd.	Building 5, Galaxy SOHO, No. 2, Nanzhugan Hutong, Chaoyangmen Inner Street, Dongcheng District, Beijing	-	Lyu Zhuolin, Wang Xi	010-66428877
Phase I Collective Short-term Financing Bonds for Advanced Manufacturing Enterprises in the Yangtze River Delta in 2023	Zhongzhai Credit Zengjin Investment Co., Ltd.	8/F 801, 9/F 901, 10/F 1001, Building 6, Courtyard 1, South Yuetan 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, Xincheng International, Intersection of Qianshan Road and South Second Ring Road, Government Affairs District, Hefei	-	Bu Yongxin, 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	Agreed purpose of raised capital	Amount spent	Balance	Operation of the special account for the raised funds (if any)	Rectificatio n of illegal use of raised funds (if any)	Whether the used of funds is consistent with the purpose, use plan and other agreements
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							agreed in the fundraising instructions
2022 Phase I Gotion High-Tech Green Bond (Technological Innovation) Debt Financing Plan	50,000	Repayment of debts of the Company and its subsidiaries, replenishment of working capital, etc.	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	Repayment of bank loans, replenishment of the Company's working capital and other purposes in compliance with regulations	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

During the reporting period, the Company's credit rating was adjusted from AA to AA+ according to the credit rating report "D. F. J. C. No. [2024] 0186" issued by Golden Credit Rating Co., Ltd.

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

☐ Applicable ☒ Not applicable

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

Unit: RMB '0,000

Item	End of the current period	End of previous year	Increase or decrease as at the end of the current period compared with the end of the previous year
Current ratio	0.88	0.94	-6.38%
Debt-to-asset ratio	72.28%	71.90%	0.38%
Quick ratio	0.69	0.73	-5.48%
	Current period	Same period of previous year	Increase or decrease in the current period compared with the same period of previous year
Net profit after deducting non-recurring gains or losses	26,254.38	11,624.13	125.86%
EBITDA-to-total debt ratio	6.63%	5.87%	0.76%
Interest coverage ratio	1.68	1.47	14.29%
Cash interest coverage ratio	1.67	1.72	-2.91%
EBITDA interest coverage ratio	3.20	2.81	13.88%
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 24, 2025
Name of the Auditor	Suyajincheng CPA LLP
No. of the audited report	Su Ya Shen (2025) No. 156
Name of certified public accountant	Luo Zhenxiong/Chen Qian

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. ("Gotion High-Tech"), including the consolidated balance sheet and the balance sheet of the parent company as of December 31, 2024, the consolidated income statement and the income statement of the parent company, the consolidated cash flow statement and the cash flow statement of the parent company, the consolidated statement of changes in owners' equity and the statement of changes in owners' equity of the parent company, and relevant notes to financial statements of 2024.

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, 2024, and its operating results and cash flow in year 2024.

### II. Basis of our 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, Note III “Significant accounting policies and estimates” and Item 47, Note V “Notes to the 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. The income from its primary business amounted to RMB 33,936,636,800 in 2024. As income is one of the key performance indicators of Gotion High-Tech, there is a particular risk that the management of the Company (the “Management”) may manipulate revenue recognition in order to achieve expected targets. Therefore, we took the recognition of income as a key item to be audited.</p>	<p>(1) Learned the internal controls related to the recognition of income, 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 recognition of income 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 revenue recorded in this year, checked the invoice, sales contract, outbound delivery order, proof of delivery and other data of recognition of income, and evaluated the authenticity and accuracy of the recognition of relevant operating revenue;</p> <p>(4) Substantive analysis was carried out on the operating revenue 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 income recognized before and after the balance sheet date, carried out the cutoff test on the supporting documents to evaluate whether the income is recorded in the appropriate accounting period;</p> <p>(7) Checked whether the information related to income had been properly presented and disclosed in the financial statements.</p>
<b>2. Recoverability of accounts receivable</b>	
Key items to be audited	How to deal with the matters in the audit
Please refer to the accounting policies set forth in Item 12, Note III “Significant accounting policies and estimates” and the Item 5, Note V “Notes to the items in the consolidated financial statements”	

<p>The ending balance of Gotion High-Tech's accounts receivable is RMB 18,943,777,600, and the amount of its bad debt provision is RMB 2,489,434,200. 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 item to be audited.</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;</p> <p>(2) Analyzed the rationality of accounting estimates of bad debt provision of accounts receivable; for the accounts receivable whose expected credit loss was measured on an individual basis, 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 the Management according to the characteristics of credit risk, evaluated the rationality of the expected credit loss rate determined by the Management based on the experience in historical credit loss and forward-looking estimates; tested the accuracy and completeness of the data used by the 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 shall be responsible for other information. The other information comprises the information included in the 2024 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 the 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 auditors' report to the related disclosures in the consolidated financial statements, or to modify our opinion if such disclosures are inadequate. 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.

## 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, 2024

Monetary Unit: RMB

Item	Ending balance	Beginning balance
<b>Current assets:</b>		
Cash and cash equivalents	16,548,290,096.70	14,513,081,982.66
Balances with clearing companies		
Loans to banks and other financial institutions		
Held-for-trading financial assets	2,832,052,529.23	4,707,054,011.26
Derivative financial assets	85,801,650.51	
Notes receivable	379,902,251.80	129,078,415.05
Accounts receivable	16,454,343,330.81	12,910,896,108.05
Accounts receivable financing	1,491,828,951.59	482,376,009.97
Advances to suppliers	233,438,380.99	349,076,416.53
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivable	347,399,337.45	499,878,057.48
Including: interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	7,121,300,998.48	5,678,694,206.58
Including: Data resources		
Contract assets		
Assets held for sale		
Non-current assets maturing within one year	49,925,965.40	69,311,028.19
Other current assets	3,218,492,943.03	3,089,771,842.51
<b>Total current assets</b>	<b>48,762,776,435.99</b>	<b>42,429,218,078.28</b>
<b>Non-current assets:</b>		
Disbursement of loans and advances		
Debt investment		
Other debt investments	282,543,103.44	4,957,890.00
Long-term receivable		
Long-term equity investment	1,476,417,299.07	1,504,967,335.07
Other equity instrument investment	1,175,332,421.61	1,525,336,830.09
Other non-current financial assets	1,570,712,000.00	1,567,541,000.00
Investment properties		
Fixed assets	30,017,592,523.27	21,856,847,448.98
Construction in progress	14,799,663,030.94	15,820,621,504.09

Productive biological assets		
Oil and gas assets		
Right-of-use assets	322,182,319.57	133,933,797.18
Intangible assets	5,603,171,485.98	4,684,099,777.48
Including: Data resources		
Development expense	419,640,807.40	396,375,241.69
Including: Data resources		
Goodwill	393,202,281.74	498,539,014.91
Long-term deferred expenses	150,627,014.63	103,409,367.31
Deferred income tax assets	1,292,747,440.45	1,053,587,652.39
Other non-current assets	1,573,076,931.04	2,013,217,184.91
Total non-current assets	59,076,908,659.14	51,163,434,044.10
Total assets	107,839,685,095.13	93,592,652,122.38
Current liabilities:		
Short-term borrowings	17,508,814,480.34	16,236,958,673.37
Borrowings from the central bank		
Loans from banks and other financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	9,359,509,603.26	6,127,727,697.37
Accounts payable	16,648,041,113.11	13,407,264,616.09
Advances from customers		
Contract liabilities	529,043,969.44	1,025,880,130.88
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	527,452,714.15	456,686,794.98
Taxes and surcharges payable	292,052,422.52	287,512,174.60
Other payable	1,789,758,981.20	938,044,051.99
Including: interest payable		
Dividends payable	22,162,146.61	2,033,891.80
Handling charges and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities maturing within one year	8,501,932,083.59	5,377,525,617.76
Other current liabilities	415,133,709.20	1,508,427,177.57
Total current liabilities	55,571,739,076.81	45,366,026,934.61
Non-current liabilities:		
Provision for insurance contracts		
Long-term borrowings	18,510,118,171.97	18,159,844,604.65
Bonds payable		296,796,432.95

Including: preferred shares		
Perpetual bonds		
Lease liabilities	349,664,148.53	229,098,013.94
Long-term payable	2,256,982,372.30	2,234,411,193.68
Long-term employee compensation payable		
Estimated liabilities	628,246,190.96	497,666,911.03
Deferred income	283,780,676.50	239,950,247.83
Deferred income tax liabilities	342,895,186.04	272,976,747.84
Other non-current liabilities		
Total non-current liabilities	22,371,686,746.30	21,930,744,151.92
Total liabilities	77,943,425,823.11	67,296,771,086.53
Owner's equity:		
Share capital	1,801,996,317.00	1,785,186,832.00
Other equity instruments		
Including: preferred shares		
Perpetual bonds		
Capital reserves	19,736,074,798.41	19,036,728,674.44
Less: treasury stock	521,046,499.79	341,698,364.73
Other comprehensive income	-753,570,640.70	-87,404,801.14
Special reserves	3,936,388.37	1,271,151.96
Surplus reserves	222,075,738.50	199,754,672.38
General risk reserve		
Undistributed profit	5,470,626,456.84	4,473,001,832.26
Total equity attributable to owners of the parent company	25,960,092,558.63	25,066,839,997.17
Minority equity	3,936,166,713.39	1,229,041,038.68
Total owners' equity	29,896,259,272.02	26,295,881,035.85
Total liabilities and owner's equity	107,839,685,095.13	93,592,652,122.38

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	Ending balance	Beginning balance
Current assets:		
Cash and cash equivalents	1,872,038,355.77	1,821,666,374.55
Held-for-trading financial assets	402,635,694.59	419,564,721.28
Derivative financial assets		
Notes receivable		
Accounts receivable	570,000.00	
Accounts receivable financing		
Advances to suppliers	8,958.51	
Other receivable	1,405,868,559.19	1,489,764,873.56
Including: interest receivable		
Dividends receivable	530,000,000.00	230,000,000.00
Inventories	8,218,472.00	5,807,714.00
Including: Data resources		
Contract assets		
Assets held for sale		



Non-current assets maturing within one year		
Other current assets	12,349,066.10	15,186,598.20
Total current assets	3,701,689,106.16	3,751,990,281.59
Non-current assets:		
Debt investment		
Other debt investments		
Long-term receivable		
Long-term equity investment	22,400,277,278.53	21,539,635,999.55
Other equity instrument investment	140,123,927.81	214,067,143.41
Other non-current financial assets		
Investment properties		
Fixed assets	353,042.41	
Construction in progress		
Productive biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	2,687,730.81	
Including: Data resources		
Development expenses		
Including: Data resources		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	7,344,481.01	18,903,571.39
Other non-current assets		
Total non-current assets	22,550,786,460.57	21,772,606,714.35
Total assets	26,252,475,566.73	25,524,596,995.94
Current liabilities:		
Short-term borrowings	300,357,500.00	
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable		1,271,720.00
Advances from customers		
Contract liabilities		
Employee compensation payable	21,798,264.54	19,128,845.83
Taxes and surcharges payable	626,793.13	356,496.58
Other payable	2,208,804,081.86	1,518,244,759.79
Including: interest payable		
Dividends payable	2,033,891.80	2,033,891.80
Liabilities held for sale		
Non-current liabilities maturing within one year	299,953,037.70	101,600,000.00
Other current liabilities		400,085,037.37
Total current liabilities	2,831,539,677.23	2,040,686,859.57
Non-current liabilities:		
Long-term borrowings		
Bonds payable		296,796,432.95

Including: preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payable		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income		
Deferred income tax liabilities	36,530,969.92	19,150,084.84
Other non-current liabilities		
Total non-current liabilities	36,530,969.92	315,946,517.79
Total liabilities	2,868,070,647.15	2,356,633,377.36
Owner's equity:		
Share capital	1,801,996,317.00	1,785,186,832.00
Other equity instruments		
Including: preferred shares		
Perpetual bonds		
Capital reserves	21,769,226,658.86	21,362,574,111.95
Less: treasury stock	462,046,499.79	282,698,364.73
Other comprehensive income	-78,247,906.31	-4,304,690.71
Special reserves		
Surplus reserves	128,962,561.78	106,641,495.66
Undistributed profit	224,513,788.04	200,564,234.41
Total owners' equity	23,384,404,919.58	23,167,963,618.58
Total liabilities and owner's equity	26,252,475,566.73	25,524,596,995.94

### 3. Consolidated income statement

Monetary Unit: RMB

Item	2024	2023
I. Total operating revenue	35,391,817,095.44	31,605,490,020.32
Including: operating revenue	35,391,817,095.44	31,605,490,020.32
Interest income		
Premiums earned		
Income from handling charges and commissions		
II. Total operating cost	34,519,146,759.14	31,492,006,260.65
Including: operating cost	29,020,131,352.84	26,620,630,801.11
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	275,566,564.61	234,006,085.59
Selling expenses	304,389,113.38	292,454,259.97

General and administrative expenses	1,928,191,843.52	1,736,182,411.89
R&D expenditures	2,148,217,634.41	2,061,239,509.23
Finance costs	842,650,250.38	547,493,192.86
Including: interest expense	1,400,880,768.69	1,157,597,132.73
Interest income	447,466,832.59	409,536,378.71
Plus: other income	1,343,735,016.95	1,273,011,389.98
Investment income ("-" for losses)	47,194,409.49	68,684,999.79
Including: income from investment in associates and joint ventures	-85,205,914.36	-280,539.33
Income from de-recognition of financial assets measured at amortized cost		
Foreign exchange gains ("-" for losses)		
Income from net exposure hedging ("-" for losses)		
Gains from changes in fair value ("-" for losses)	196,190,396.49	105,890,866.72
Losses from credit impairment ("-" for losses)	-766,306,053.55	-339,427,877.73
Losses from asset impairment ("-" for losses)	-399,009,989.81	-244,368,569.77
Income from disposal of assets ("-" for losses)	-11,024,418.46	-1,849,074.44
III. Operating profits ("-" for losses)	1,283,449,697.41	975,425,494.22
Plus: non-operating income	23,639,501.02	14,317,843.90
Less: non-operating expense	43,979,466.45	41,583,600.33
IV. Total profits ("-" for total losses)	1,263,109,731.98	948,159,737.79
Less: income tax expense	108,975,519.59	-20,939,135.12
V. Net profit ("-" for net losses)	1,154,134,212.39	969,098,872.91
(I) Classified by operating sustainability		
1. Net profit from continued operation ("-" for net losses)	1,156,568,489.71	979,474,841.22
2. Net profit from discontinued operation ("-" for net losses)	-2,434,277.32	-10,375,968.31
(II) Classified by ownership		
1. Net assets attributable to shareholders of the parent company	1,206,790,129.59	938,726,847.76
2. Minority interest income	-52,655,917.20	30,372,025.15
VI. Other comprehensive income, net of tax	-671,347,612.60	-314,354,265.61
Other comprehensive income, net of tax attributable to owners of the parent company	-676,070,237.04	-297,495,100.51
(I) Other comprehensive income that cannot be reclassified into profit or loss	-647,839,229.79	-274,307,708.72
1. Changes in re-measurement of the defined benefit plan	4,963,500.57	-15,935,574.64
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	-652,802,730.36	-258,372,134.08

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	-28,231,007.25	-23,187,391.79
1. Other comprehensive income that can be transferred to profits or losses under the equity method	-32,694,977.42	327,938.84
2. Changes in the fair value of the investment in other creditor's rights	-17,456,896.56	
3. Amount of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of investment in other creditor's rights	15,000,000.00	
5. Cash flow hedging reserves		
6. Translation differences of financial statements denominated in foreign currency	6,920,866.73	-23,515,330.63
7. Others		
Other comprehensive income, net of tax attributable to minority shareholders	4,722,624.44	-16,859,165.10
VII. Total comprehensive income	482,786,599.79	654,744,607.30
Total comprehensive income attributable to owners of the parent company	530,719,892.55	641,231,747.25
Total comprehensive income attributable to minority shareholders	-47,933,292.76	13,512,860.05
VIII. Earnings per share		
(I) Basic earnings per share	0.68	0.53
(II) Diluted earnings per share	0.68	0.53

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	2024	2023
I. Operating revenue	16,934,615.62	30,473,809.90
Less: operating cost	11,960,541.93	15,640,139.80
Taxes and surcharges	666,551.07	2,298,051.07
Selling expenses		
General and administrative expenses	195,493,124.46	200,251,673.09
R&D expenditures		
Finance costs	-142,456,332.43	-176,289,163.35
Including: interest expense	28,061,246.89	26,550,595.96
Interest income	124,934,911.59	82,598,394.73
Plus: other income	1,304,892.85	105,081.34
Investment income ("-" for losses)	256,163,564.40	42,908,667.57
Including: income from investment in associates and joint ventures	-48,504,938.45	-72,442,737.23
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)	111,140,926.31	123,886,789.12
Losses from credit impairment (“-” for losses)	-192,698.60	-70,859.50
Losses from asset impairment (“-” for losses)	-68,246,928.73	
Income from disposal of assets (“-” for losses)		
II. Operating Profit (Mark “-” for Loss)	251,440,486.82	155,402,787.82
Plus: non-operating income	796,483.60	
Less: non-operating expense	67,599.38	160,000.00
III. Total Profit (Mark “-” for Total Loss)	252,169,371.04	155,242,787.82
Less: income tax expense	28,958,709.88	38,210,827.80
IV. Net Profit (Mark “-” for Net Loss)	223,210,661.16	117,031,960.02
(I) Net Profit as a Going Concern (Mark “-” for Net Loss)	223,210,661.16	117,031,960.02
(II) Net Profit of Discontinued Operation (Mark “-” for Net Loss)		
V. Net Amount of Other Comprehensive Incomes After Tax	-73,943,215.60	-4,304,690.71
(I) Other comprehensive income that cannot be reclassified into profit or loss	-73,943,215.60	-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	-73,943,215.60	-4,304,690.71
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	149,267,445.56	112,727,269.31
VII. Earnings Per Share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

## 5. Consolidated cash flow statement

Monetary Unit: RMB

Item	2024	2023
I. Cash flows from operating activities:		
Cash receipts from the sale of goods and rendering of services	21,205,496,402.76	18,315,383,345.54
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	1,371,582,101.95	750,840,111.56
Other cash received relating to operating activities	1,961,887,294.36	1,507,199,653.28
Subtotal of cash inflow from operating activities	24,538,965,799.07	20,573,423,110.38
Cash payments for goods acquired and services received	15,356,469,701.42	12,293,263,825.98
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	3,500,935,424.98	2,809,365,586.13
Cash payments for taxes	955,749,773.71	846,241,941.02
Other cash payments relating to operating activities	2,020,239,169.95	2,205,860,939.96
Subtotal of cash outflows from operating activities	21,833,394,070.06	18,154,732,293.09
Net cash flow from operating activities	2,705,571,729.01	2,418,690,817.29
II. Cash flows from investing activities:		
Cash receipts from investment withdrawal	8,777,604,790.84	4,466,661,189.91
Cash received from returns on investments	23,898,992.00	68,671,519.52
Net cash recovered from the disposal	303,349,361.03	110,117,808.19

of fixed assets, intangible assets and other long-term assets		
Net cash received from the disposal of subsidiaries and other business units	26,039,556.47	3,383,285.61
Other cash received relating to investing activities		
Subtotal of cash inflow in investment activities	9,130,892,700.34	4,648,833,803.23
Cash payments for the acquisition or construction of fixed assets, intangible assets and other long-term assets	9,068,397,787.47	13,129,650,583.44
Cash payments to acquire investments	7,023,491,583.55	7,814,772,822.02
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	146,375,863.03	
Subtotal of cash outflows from investment activities	16,238,265,234.05	21,123,384,229.69
Net cash flow from investing activities	-7,107,372,533.71	-16,474,550,426.46
III. Cash flows from financing activities		
Cash receipts from investments	3,359,721,660.13	365,072,518.99
Including: Cash received by subsidiaries from the investment of minority shareholders	3,047,048,645.69	247,227,535.00
Cash receipts from borrowings	30,313,162,509.91	31,015,851,135.80
Other cash received in connection with financing activities	719,381,922.01	
Subtotal of cash inflow in financing activities	34,392,266,092.05	31,380,923,654.79
Cash paid for repayment of debts	25,825,122,288.15	15,730,510,789.07
Cash payments for distribution of dividends, profits, or cash payments for interest expenses	1,542,226,120.17	1,556,613,626.98
Including: Dividends and profits paid to minority shareholders by subsidiaries		42,911,769.39
Other cash paid related to financing activities	1,545,284,934.77	205,599,426.59
Subtotal of cash outflows from financing activities	28,912,633,343.09	17,492,723,842.64
Net cash flow from financing activities	5,479,632,748.96	13,888,199,812.15
IV. Effect of foreign exchange rate changes on cash and cash equivalents	150,299,752.08	253,832,843.86
V. Net increase in cash and cash equivalents	1,228,131,696.34	86,173,046.84
Including: balance of cash and cash equivalents at the beginning of the period	11,328,205,559.31	11,242,032,512.47
VI. Balance of cash and cash equivalents at the end of the period	12,556,337,255.65	11,328,205,559.31

## 6. Cash flow statement of the parent company

Monetary Unit: RMB

Item	2024	2023
I. Cash flows from operating activities:		
Cash receipts from the sale of goods and rendering of services	20,043,744.53	68,225,086.72
Cash receipts from tax refunds	5,575,334.53	
Other cash received relating to operating activities	755,162,153.57	1,068,547,877.12
Subtotal of cash inflow from operating activities	780,781,232.63	1,136,772,963.84

Cash payments for goods acquired and services received	10,346,909.45	29,877,831.15
Cash payments to employees and on behalf of employees	122,595,714.88	102,828,448.97
Cash payments for taxes	584,730.73	17,872,547.80
Other cash payments relating to operating activities	68,715,889.18	55,810,986.45
Subtotal of cash outflows from operating activities	202,243,244.24	206,389,814.37
Net cash flow from operating activities	578,537,988.39	930,383,149.47
II. Cash flows from investing activities:		
Cash receipts from investment withdrawal	132,819,387.21	
Cash received from returns on investments	1,619,383.64	
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	329,940,384.44	3,127,259,968.17
Subtotal of cash inflow in investment activities	464,379,155.29	3,127,259,968.17
Cash payments for the acquisition or construction of fixed assets, intangible assets and other long-term assets	3,158,549.21	
Cash payments to acquire investments	784,748,315.00	4,486,551,044.52
Net cash payments for acquisition of subsidiaries and other business units		
Other cash paid relating to investing activities		4,648,595.20
Subtotal of cash outflows from investment activities	787,906,864.21	4,491,199,639.72
Net cash flow from investing activities	-323,527,708.92	-1,363,939,671.55
III. Cash flows from financing activities		
Cash receipts from investments	312,673,014.44	117,844,983.99
Cash receipts from borrowings	300,000,000.00	398,979,597.90
Other cash received in connection with financing activities	158,594,033.35	
Subtotal of cash inflow in financing activities	771,267,047.79	516,824,581.89
Cash paid for repayment of debts	497,135,099.29	600,000,000.00
Cash payments for distribution of dividends, profits, or cash payments for interest expenses	206,037,121.63	22,714,956.36
Other cash paid related to financing activities	318,467,003.81	40,737,725.43
Subtotal of cash outflows from financing activities	1,021,639,224.73	663,452,681.79
Net cash flow from financing activities	-250,372,176.94	-146,628,099.90
IV. Effect of foreign exchange rate changes on cash and cash equivalents	45,733,878.69	120,323,680.68
V. Net increase in cash and cash equivalents	50,371,981.22	-459,860,941.30
Including: balance of cash and cash equivalents at the beginning of the period	1,821,666,374.55	2,281,527,315.85
VI. Balance of cash and cash equivalents at the end of the period	1,872,038,355.77	1,821,666,374.55

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

Amount of this period



Monetary Unit: RMB

Item	2024														
	Equity attributable to owners of the parent company													Minority equity	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	General risk reserve	Undistributed profit	Others	Subtotal		
		Preferred shares	Perpetual bonds	Others											
I. Balance at the end of the previous year	1,785,186,832.00				19,036,728,674.44	341,698,364.73	-87,404,801.14	1,271,151.96	199,754,672.38		4,473,001,832.26		25,066,839,997.17	1,229,041,038.68	26,295,881,035.85
Including: changes in accounting policies															
Correction of errors in previous periods															
Others															
II. Balance at the beginning of the current year	1,785,186,832.00				19,036,728,674.44	341,698,364.73	-87,404,801.14	1,271,151.96	199,754,672.38		4,473,001,832.26		25,066,839,997.17	1,229,041,038.68	26,295,881,035.85
III. Changes in the current	16,809,485.00				699,346,123.97	179,348,135.06	-666,165,839.56	2,665,236.41	22,321,066.12		997,624,624.58		893,252,561.46	2,707,125,674.71	3,600,378,236.17

year (“.” for decrease )																
(I) Total comprehensive income							- 676,070,237.04					1,206,790,129.59		530,719,892.55	- 47,933,292.76	482,786,599.79
(II) Capital injection and reduction by owners	16,809,485.00				699,346,123.97	179,348,135.06								536,807,473.91	2,775,187,222.28	3,311,994,696.19
1. Common stock invested by owners	16,809,485.00				295,863,529.44									312,673,014.44	3,047,048,645.69	3,359,721,660.13
2. Capital invested by holders of other equity instruments																
3. Amount of share-based payments recorded into the own					214,241,005.86									214,241,005.86	2,852,497.60	217,093,503.46

ers' equity														
4. Others					189,241,588.67	179,348,135.06						9,893,453.61	-274,713,921.01	-264,820,467.40
(III) Profit distribution								22,321,066.12		-199,261,107.53		-176,940,041.41	-20,128,254.81	-197,068,296.22
1. With drawal of surplus reserve								22,321,066.12		-22,321,066.12				
2. With drawal of the general risk reserve														
3. Distribution to owners (or shareholders)										-176,940,041.41		-176,940,041.41	-20,128,254.81	-197,068,296.22
4. Others														
(IV) Internal carry over of owners' equity							9,904,397.48			-9,904,397.48				
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 carried over to the retained earnings															
5. Other comprehensive income															

me carri ed over to retai ned earn ings															
6. Othe rs							9,904, 397.4 8				- 9,904, 397.4 8				
(V) Spec ial reser ve								2,665, 236.4 1					2,665, 236.4 1		2,665, 236.4 1
1. With draw al in the curre nt perio d								6,710, 974.3 9					6,710, 974.3 9		6,710, 974.3 9
2. Use in the curre nt perio d								- 4,045, 737.9 8					- 4,045, 737.9 8		- 4,045, 737.9 8
(VI) Othe rs															
IV. Bala nce at the end of the curre nt perio d	1,801, 996,3 17.00				19,73 6,074, 798.4 1	521,0 46,49 9.79	- 753,5 70,64 0.70	3,936, 388.3 7	222,0 75,73 8.50		5,470, 626,4 56.84		25,96 0,092, 558.6 3	3,936, 166,7 13.39	29,89 6,259, 272.0 2

Amount in the previous 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			Capit al reser ves	Less: treas ury stock	Othe r com preh ensiv e inco	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											

							me								
I. Balance at the end of the previous year	1,778,874.835.00				18,191,023,725.17	404,574.459.45	209,751.958.34	2,809,129.24	188,051.476.38		3,546,316.521.53		23,512,253,186.21	985,521,022.44	24,497,774,208.65
Including: changes in accounting policies															
Correction of errors in previous periods															
Others															
II. Balance at the beginning of the current year	1,778,874.835.00				18,191,023,725.17	404,574.459.45	209,751.958.34	2,809,129.24	188,051.476.38		3,546,316.521.53		23,512,253,186.21	985,521,022.44	24,497,774,208.65
III. Changes in the current year ("-" for decrease)	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							-297,495,100.51				938,726,847.76		641,231,747.25	13,512,860.05	654,744,607.30

income															
(II) Capital injection and reduction by owners	6,311,997.00				845,704.94	-62,876,094.72							914,893.04	272,918.92	1,187,811.96
1. Common stock invested by owners	6,311,997.00				101,801.69								108,113.69	247,227.53	355,341.22
2. Capital invested by holders of other equity instruments															
3. Amount of share-based payments recorded into the owners' equity					593,012.32								593,012.32		593,012.32
4. Others					150,890.26	-62,876,094.72							213,767.02	25,691.39	239,458.41
(III) Profit distribution								11,703,196.00			-11,703,196.00		-42,911,769.39		-42,911,769.39

butio n															
1. With draw al of surpl us reser ve									11,70 3,196. 00		- 11,70 3,196. 00				
2. With draw al of the gene ral risk reser ve															
3. Distr ibuti on to own ers (or share hold ers)													- 42,91 1,769. 39	- 42,91 1,769. 39	
4. Othe rs															
(IV) Inter nal carry over of own ers' equit y							338,3 41.03				- 338,3 41.03				
1. Con versi on of capit al reser ves to incre ased capit al (or capit al stock )															
2. Con versi on 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							338,341.03				-338,341.03				

(V) Spec ial reser ve								- 1,537, 977.2 8					- 1,537, 977.2 8		- 1,537, 977.2 8
1. With draw al in the curre nt perio d								4,538, 982.4 0					4,538, 982.4 0		4,538, 982.4 0
2. Use in the curre nt perio d								- 6,076, 959.6 8					- 6,076, 959.6 8		- 6,076, 959.6 8
(VI) Othe rs															
IV. Bala nce at the end of the curre nt perio d	1,785, 186,8 32.00				19,03 6,728, 674.4 4	341,6 98,36 4.73	- 87,40 4,801. 14	1,271, 151.9 6	199,7 54,67 2.38		4,473, 001,8 32.26		25,06 6,839, 997.1 7	1,229, 041,0 38.68	26,29 5,881, 035.8 5

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

Amount of this period

Monetary Unit: RMB

Item	2024											
	Share capital	Other equity instruments			Capital reserve s	Less: treasur y stock	Other compr ehensi ve incom e	Specia l reserve s	Surplu s reserve s	Undist ributed profit	Others	Total owners , equity
		Preferr ed shares	Perpet ual bonds	Others								
I. Balanc e at the end of the previo us year	1,785,18 6,832.00				21,362,5 74,111.9 5	282,698, 364.73	- 4,304,69 0.71		106,641, 495.66	200,564, 234.41		23,167,9 63,618.5 8
In cludin												

g: change s in accoun ting policie s												
Correc tion of errors from previo us period s												
Others												
II. Balanc e at the beginn ing of the current year	1,785,18 6,832.00				21,362,5 74,111.9 5	282,698, 364.73	- 4,304,69 0.71		106,641, 495.66	200,564, 234.41		23,167,9 63,618.5 8
III. Chang es in the current year (“ -” for decrea se )	16,809,4 85.00				406,652, 546.91	179,348, 135.06	- 73,943,2 15.60		22,321,0 66.12	23,949,5 53.63		216,441, 301.00
(I) Total compr ehensi ve incom e							- 73,943,2 15.60			223,210, 661.16		149,267, 445.56
(II) Capital injecti on and reducti on by owners	16,809,4 85.00				406,652, 546.91	179,348, 135.06						244,113, 896.85
1. Comm on stock investe d by owners	16,809,4 85.00				295,863, 529.44							312,673, 014.44
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					214,241, 005.86							214,241, 005.86
4. Others					- 103,451, 988.39	179,348, 135.06						- 282,800, 123.45
(III) Profit distrib ution									22,321,0 66.12	- 199,261, 107.53		- 176,940, 041.41
1. Withdr awal of surplus reserve									22,321,0 66.12	- 22,321,0 66.12		
2. Distrib ution to owners (or shareh olders)										- 176,940, 041.41		- 176,940, 041.41
3. Others												
(IV) Intern al 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 earnin gs												
5. Other compr ehensi ve incom e carried over to retaine d earnin gs												
6. Others												
(V) Specia l reserve												
1. Withdr awal in the current period												
2. Use in the current period												
(VI) Others												

IV. Balance at the end of the current period	1,801,996,317.00				21,769,226,658.86	462,046,499.79	-78,247,906.31		128,962,561.78	224,513,788.04		23,384,404,919.58
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Amount in the previous 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
		Preferred shares	Perpetual bonds	Others								
I. Balance at the end of the previous year	1,778,874,835.00				20,018,624,007.18	345,574,459.45			94,938,299.66	95,235,470.39		21,642,098,152.78
Including: changes in accounting policies												
Correction of errors from previous periods												
Others												
II. Balance at the beginning of the current year	1,778,874,835.00				20,018,624,007.18	345,574,459.45			94,938,299.66	95,235,470.39		21,642,098,152.78
III. Changes in the current year ("-" for decrease)	6,311,997.00				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
(I) Total comprehensive income							-4,304,690.71			117,031,960.02		112,727,269.31

chensi ve incom e							0.71					
(II) Capital injection and reduction by owners	6,311,99 7.00				1,343,95 0,104.77	- 62,876,0 94.72						1,413,13 8,196.49
1. Comm on stock investe d by owners	6,311,99 7.00				101,801, 696.61							108,113, 693.61
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					1,173,57 1,770.20							1,173,57 1,770.20
4. Others					68,576,6 37.95	- 62,876,0 94.72						131,452, 732.67
(III) Profit distrib ution									11,703,1 96.00	- 11,703,1 96.00		
1. Withdr awal of surplus reserve									11,703,1 96.00	- 11,703,1 96.00		
2. Distrib ution to owners (or shareh olders)												
3.												

Others												
(IV) Internal carryover of owners' equity												
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 carried over to the retained earnings												
5. Other comprehensive												



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

### III. Company profile

Gotion High-Tech Co., Ltd. (formerly known as Jiangsu Dongyuan Electrical Group Co., Ltd., hereinafter referred to as “the Company”) is a joint stock limited company transformed from Jiangsu Dongyuan Group Co., Ltd. under the *Approval of Jiangsu Provincial People’s Government on the Overall Change for the Establishment of Jiangsu Dongyuan 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 “Restricted Stock Incentive Plan (Draft)” of the Company 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 by 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.* (Zheng Jian Xu Ke [2021] No.1421), the Company issued 384.163346 million ordinary shares to Volkswagen (China) Investment Co., Ltd., a specific investor, at a par value of RMB1 per share, at an issuance price of RMB19.01 per share. The net value of capital raised in this round of financing, after deduction of the issuance expenses relating thereto, totals RMB 7,230,855,085.62, of which RMB 384,163,346 is included in the share capital and RMB 6,846,691,739.62 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.* (Zheng Jian Xu Ke [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 RMB 1,778,874,835.

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 for 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 for 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. On August 27, 2024, the 9th meeting of the ninth Board of Directors and the 9th 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 Second Exercise Period for the Stock Options First Granted under the 2022 Stock Option Incentive Plan*. The Board of Directors believed that the exercise conditions for the second exercise period for the stock options first granted under the 2022 Stock Option Incentive Plan had been achieved, and 1,477 incentive objects met the exercise conditions. The number of exercisable stock options was 12.4368 million, and the exercise price was RMB 18.57 per share. As of December 31, 2024, the said persons have exercised 23,121,482 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 1,801,996,317.

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

The primary business of the Company and its subsidiaries is the R&D, production and sales of power batteries system, energy storage batteries system and the battery materials, and the production and sales of 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 policies and accounting estimates**

Remark to the detailed accounting policies and accounting estimates:

The following significant accounting policies and accounting estimates of the Company have been formulated in accordance with the Accounting Standards for Business Enterprises. The operations not mentioned herein are performed in accordance with the relevant accounting policies in the Accounting Standards for Business Enterprises.

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

The financial statements prepared by the Company comply with the requirements of the Accounting Standards for Business Enterprises, and truly and fully present the Company's financial position, operating results, changes in owner's equity, cash flows and other related information.

**2. Accounting period**

The accounting period of the Company is from January 1 to December 31 in a calendar year.

**3. Operating cycle**

The operating cycle of the Company is 12 months.

**4. Functional currency**

The functional currency of the Company is RMB.

**5. 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 advance to suppliers aging over 1 year	The amount of an individual advance to suppliers 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.

a) First, the measurement of the fair value of the identifiable assets, liabilities and contingent liabilities acquired and the combined cost shall be re-examined;

b) 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**

##### **a) 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.

b) 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

a) 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.

b) 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.

c) 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**

Financial instruments refer to contracts that form the financial assets of one party and the financial liabilities or equity instruments of other parties.

### **(I) Classification of financial instruments**

#### **1. Classification of financial assets**

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

#### **2. Classification of financial liabilities**

The Company classifies financial liabilities into the following two categories: (1) financial liabilities measured at fair value through current profit or loss (including held-for-trading financial liabilities and financial liabilities designated to be measured at fair value through current profit or loss); (2) financial liabilities measured at amortized cost.

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

#### **1. Basis for recognizing financial instruments**

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

#### **2. Method for measuring financial instruments**

##### **(1) Financial assets**

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

##### **a) 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.

b) 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.

c) 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 current profit or loss and the other financial liabilities at initial recognition. For financial liabilities measured at fair value through 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.

a) Financial liabilities measured at fair value through current profit or loss

Held-for-trading financial liabilities (including derivative instruments that are financial liabilities) shall be subsequently measured at fair value. Except for hedge accounting, all changes in fair value shall be included in the current 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.

b) Financial liabilities measured at amortized cost

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

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

Where the Company has transferred nearly all the risks and rewards associated with the ownership of financial assets, the financial assets shall be 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 de-recognition conditions, the difference of the following two amounts shall be included in current profit and loss: (1) the book value of the financial asset transferred on the date of de-recognition; 2) the sum of the consideration for the financial asset transferred and the amount of the 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 de-recognition conditions, the entire book value of the financial asset before the transfer shall be allocated between the derecognized part and the continuously recognized part based on the relative fair value on the transfer date.

**(IV) De-recognition of financial liabilities**

When the current obligation of a financial liability (or part thereof) has been relieved, the Company shall 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 de-recognition, the transferor shall not offset the financial asset transferred with relevant liabilities.

## **(VI) Equity instruments**

Equity instruments refer to contracts that can prove the ownership of the remaining equity of the Company's assets after the deduction of all liabilities. The Company 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 fulfill the repayment obligation.

When it is impossible to evaluate the expected credit loss of a single financial asset at a reasonable cost, the Company shall classify the 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 expected credit loss rate for the entire duration of the accounts receivable portfolio 1 is shown below:

Item	Expected credit loss rate of the 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. Accounts receivable financing**

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. Basis for determining the net realizable value of inventories**

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

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

(3) For inventories held to execute sales contract or service contract, their net realizable values are calculated on the basis of contract price. If the quantities of inventories specified in sales contracts are less than

the quantities held by the Company, the net realizable value of the excess portion of inventories shall be based on general selling prices.

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

## 2. Method for making provision for inventory depreciation

### (1) 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. Other debt investments**

See “11. Financial instruments” for details.

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

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

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

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.

## 21. Fixed assets

### (1) Recognition criteria

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.

### (2) Depreciation method

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

1. The Company shall make provision for depreciation of all fixed assets except for the fixed assets and land that have been subject to full provision for depreciation but are still in use.

2. The provision for depreciation of the Company's fixed assets shall be made using the straight-line method starting from the month following the time when they reach the predetermined usable state. The depreciation rate and depreciation amount shall be determined based on the category of fixed assets, estimated useful life and estimated net residual rate, and respectively included in the cost or current profit or loss of relevant assets according to their uses.

3. When computing depreciation for fixed assets for which depreciation provision has been accrued, the Company shall re-compute and determine the depreciation rate and value based on the book value, estimated net residual value and the remaining useful life of the fixed assets. As of the balance sheet date, the Company shall review the estimated useful life, estimated net residual value rate and depreciation method of fixed assets. In the event of any change, the change shall be dealt with as a change of accounting estimates.

4. For the decoration expenses of fixed assets that meet the capitalization conditions, the provision for depreciation shall be made separately using the straight-line method during the period between the two decorations or the remaining useful life of the fixed assets (whichever is shorter).

## 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 ratio (%)	Annual amortization rate (%)
Land use rights	50		2.00
Non-patented technology	10		10.00
Software	2-10		10.00-50.00
Mining rights	Expected exploitable life		

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.

## (II) Specific conditions and time point for capitalization of expenditure in the development phase

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 a R&D project meets the above conditions and has 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 R&D project enters the development phase.

Expenditures in the development phase 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.

## (III) Handling of land use rights

1. The land use rights obtained by the Company are usually recognized as intangible assets. However, if the purpose of the land use rights is changed to earn rent or for capital appreciation, they are converted into investment properties.

2. If the Company independently develops and constructs factories and other buildings, the related land use rights are handled separately from the buildings.

3. The payment for the purchased land and buildings is allocated between the buildings and the land use rights. If it is difficult to allocate reasonably, both are regarded as fixed assets.

## **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****(I) 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.

**(II) Initial measurement of long-term deferred expenses**

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

**(III) 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**

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.

## **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:

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

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

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

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

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

Where the Company rewards its employees in the form of share repurchase, when repurchasing shares, the Company will treat the total expenditure of share repurchase as treasury 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 meets 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.

### 33. 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

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

2. Basis for recognizing deferred income tax assets

(1) 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.

(2) 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.

(3) 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.

### 3. 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

1. 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.

2. 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.

3. 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.

4. 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.

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

The right-of-use assets refer 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.

## 2. 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: 2) 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.

### **3. 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**

### **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

Monetary Unit: RMB

Content and reason for the change in accounting policies	Item that is significantly influenced	Amount of influence
The guaranteed quality guarantee deposit in "sales expenses" is changed to be presented in "operating cost"	Sales expenses	-363,418,904.40
The guaranteed quality guarantee deposit in "sales expenses" is changed to be presented in "operating cost"	Operating cost	363,418,904.40

Other remarks:

1. On December 6, 2024, the Ministry of Finance issued the Interpretation No.18 of the Accounting Standards for Business Enterprises (Cai Kuai [2024] No.24), clarifying the accounting treatment for assurance-type warranties that are not considered separate performance obligations, that is, based on the determined estimated liability amount, the relevant amount is included in the operating cost, and the estimated liability is presented according to liquidity. This interpretation has come into effect since the date of its issuance and enterprises are allowed to implement it in advance from the year of issuance. The Company has implemented the regulation since January 1, 2024, and the impact of this accounting policy change on the Company's financial statements for the year 2023 is as follows:

Before change	Amount before adjustment (RMB)	Adjustment amount (RMB)	Amount after adjustment (RMB)
Sales expenses	655,873,164.37	-363,418,904.40	292,454,259.97
Operating cost	26,257,211,896.71	363,418,904.40	26,620,630,801.11

2. On October 25, 2023, the Ministry of Finance issued Interpretation No. 17 of the Accounting Standards for Business Enterprises (Cai Kuai [2023] No. 21, hereinafter referred to as "Interpretation No. 17"), which stipulated the division of current liabilities and non-current liabilities, the disclosure of supplier financing arrangements, and accounting treatment of post-sale leaseback transactions. It came into effect as of January 1, 2024. The Company has implemented the said regulation of Interpretation No. 17 as of January 1, 2024, and the implementation of the regulation has no significant impact on the financial statements of the Company during the reporting period.

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

☐ 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%, 9%, 6%, etc.
Urban maintenance and construction tax	Amount subject to turnover tax	7%, 5%
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%
Enterprise income tax <sup>1</sup>	Taxable income	15%, 25% or appropriate national or regional tax rate

Note: 1. Except for the overseas subsidiaries listed below and the subsidiaries enjoying preferential tax rates as described in VI 2 of this section, the statutory income tax rate of the Company and each domestic subsidiary is 25%.

Information about taxpayers applying different enterprise income tax rates:

Name of taxpayer	Income tax rate
GOTION, INC.	21.00%
Gotion High-tech Japan Co., Ltd.	23.20%
GOTION SINGAPORE PTE. Ltd.	10.00%
PT. Gotion Indonesia Materials	22.00%
PT Gotion Green Energy Solutions Indonesia	22.00%
Gotion High-Tech (HK) Limited	16.50%
Gotion GmbH	15.00%
Gotion Germany Battery GmbH	15.00%
333 South Spruce LLC (USA)	21.00%
New Energy Real Estate Holdings Co., Ltd. (USA)	21.00%

**2. Tax preference**

1. The tax rates of the subsidiaries of the Company that enjoy tax preferences are presented as follows:

Name of taxpayer	Income tax rate
Jiangsu Dongyuan Electrical Group Co., Ltd.	15.00%
Nantong Gotion New Energy Technology Co., Ltd.	15.00%
Hefei Gotion High-Tech Power Energy Co., Ltd.	15.00%
Nanjing Gotion Battery Co., Ltd.	15.00%
Nanjing Gotion New Energy Co., Ltd.	15.00%
Hefei Gotion Battery Material Co., Ltd.	15.00%

Qingdao Gotion Battery Co., Ltd.	15.00%
Tangshan Gotion Battery Co., Ltd.	15.00%
Hefei Gotion Battery Co., Ltd.	15.00%
Shanghai Xuanyi New Energy Development Co., Ltd.	15.00%
Liuzhou Gotion Battery Co., Ltd.	15.00%
Tianjin High-Tech New Energy Auto Institute Co., Ltd.	15.00%
Tianjin Gotion New Energy Technology Co., Ltd.	15.00%
Yichun Gotion Battery Co., Ltd.	15.00%
Tongcheng Gotion New Energy Co., Ltd.	15.00%
Jiangsu Gotion New Energy Technology Co., Ltd.	15.00%
Hefei Gotion New Materials Technology Co., Ltd.	15.00%
Hefei Gotion Battery Technology Co., Ltd.	15.00%
Jiangxi Weihong Lithium Co., Ltd.	15.00%
Inner Mongolia Gotion Zero Carbon Technology Co., Ltd.	15.00%
Anhui Gotion New Energy Automobile Technology Co., Ltd.	15.00%

## 2. 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 19, 2024, 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 GR202432005467, valid for three years. Since January 1, 2024, 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 19, 2024, 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 GR202432006279, valid for three years. Since January 1, 2024, Nanjing Gotion New Energy Co., Ltd. has been enjoying relevant national tax preference as a high-tech enterprise and paying the enterprise income tax at a preferential rate of 15% for three consecutive years in accordance with the *Enterprise Income Tax Law of the People's Republic of China*.

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

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

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

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

(10) On December 26, 2024, 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 GR202431006438, valid for three years. Since January 1, 2024, 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, NDRC (Announcement of Ministry of Finance No. 23 in 2020). Specifically, it shall pay enterprise income tax at the rate of 15% from 2021 to 2030.

(12) On December 8, 2023, Tianjin Hi-Tech New Energy Auto Institute Co., Ltd., a subsidiary of the Company, was 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 Hi-Tech New Energy Auto 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 December 8, 2023, 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 22, 2023, 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 December 7, 2023, 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 December 16, 2024, Jiangsu 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 GR202432016039, valid for three years. Since January 1, 2024, Jiangsu 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*.

(17) On December 6, 2024, Hefei Gotion New Materials Technology Co., Ltd., a subsidiary of the Company, was recognized as a high-tech enterprise and obtained a *Certificate of High-tech Enterprise* numbered GR202434006739, valid for three years. Since January 1, 2024, Hefei Gotion New Materials 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*.

(18) On November 18, 2024, Hefei Gotion Battery Technology Co., Ltd., a subsidiary of the Company, was recognized as a high-tech enterprise and obtained a *Certificate of High-tech Enterprise* numbered GR202434005715, valid for three years. Since January 1, 2024, Hefei Gotion Battery 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*.

(19) On November 22, 2023, Jiangxi Weihong Lithium Co., Ltd., a subsidiary of the Company, was recognized as a high-tech enterprise and obtained a *Certificate of High-tech Enterprise* numbered GR202336000264, valid for three years. Since January 1, 2023, Jiangxi Weihong Lithium 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*.

(20) In accordance with the *Announcement on Continuing the Enterprise Income Tax Policy for the Western Development Initiative* (Announcement [2020] No. 23 of the Ministry of Finance) issued by the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission, Inner Mongolia Gotion Zero Carbon Technology Co., Ltd., a subsidiary of the Company, belongs to the encouraged industries of Inner Mongolia Autonomous Region (development and production of new carbon materials such as lithium battery anodes, and new materials industries such as graphite new materials (production, deep processing and application)) and can enjoy preferential enterprise income tax. From 2021 to 2030, it shall pay enterprise income tax at 15%.

(21) On December 6, 2024, Anhui Gotion New Energy Automobile Technology Co., Ltd., a subsidiary of the Company, was recognized as a high-tech enterprise and obtained a *Certificate of High-tech Enterprise* numbered GR202434006791, valid for three years. Since January 1, 2024, Anhui Gotion New Energy Automobile 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*.

## 3. 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 of the Ministry of Finance and the State Administration of Taxation No. 43 in 2023), during the period from January 1, 2023 to December 31, 2027, advanced manufacturing enterprises are allowed to pay their value-added tax payable after deducting the deductible input tax for the current period plus an additional 5% of the deductible input tax, and some subsidiaries of the Company may enjoy the aforesaid preferential tax policies during the reporting period, if they are in the 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	186,807.62	155,682.62
Deposit in bank	14,075,005,576.88	12,485,073,288.92
Other cash and cash equivalents	2,473,097,712.20	2,027,853,011.12
Total	16,548,290,096.70	14,513,081,982.66
Including: total amount of overseas deposits	6,428,844,203.27	2,361,910,174.66

Other remarks:

Item	Amount	Remarks
Deposit in bank		
Loan pledge or bank's acceptance bill	1,499,452,211.12	
Judicial freezing	147,281,969.23	
Other cash and cash equivalents		
Security deposit for issuance of bank acceptance bill	1,968,591,535.85	
Security deposit for issuance of other bills and others	376,627,124.85	
Total	3,991,952,841.05	

## 2. Held-for-trading financial assets

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Financial assets measured at fair value with changes included in current profit or loss	2,832,052,529.23	4,707,054,011.26

Including:		
Including:		
Structural deposits	800,728,904.11	2,681,807,468.12
Short and medium-term wealth management products	1,161,813,344.96	1,145,126,435.39
Equity investment in listed companies	645,529,877.97	684,225,531.84
Equity of unlisted enterprises	205,570,922.76	162,931,486.76
Trust products - claims	16,187,299.13	32,374,597.55
Others	2,222,180.30	588,491.60
Total	2,832,052,529.23	4,707,054,011.26

Other remarks:

### 3. Derivative financial assets

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Foreign exchange swap, settlement and sale	85,801,650.51	
Total	85,801,650.51	

### 4. Notes receivable

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

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Commercial acceptance bill	379,902,251.80	129,078,415.05
Total	379,902,251.80	129,078,415.05

#### (2) Disclosure 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:										
Notes receivable with provision for bad debt made by portfolio	399,897,107.15	100.00%	19,994,855.35	5.00%	379,902,251.80	135,872,015.85	100.00%	6,793,600.80	5.00%	129,078,415.05
Including:										
Portfolio	399,897,107.15	100.00%	19,994,855.35	5.00%	379,902,251.80	135,872,015.85	100.00%	6,793,600.80	5.00%	129,078,415.05



of commercial acceptance bills	07.15		5.35		51.80	15.85		80		15.05
Total	399,897,107.15	100.00%	19,994,855.35	5.00%	379,902,251.80	135,872,015.85	100.00%	6,793,600.80	5.00%	129,078,415.05

Provision for bad debt made by portfolio: 19,994,855.35

Monetary Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debt	Provision made
Portfolio of commercial acceptance bills	399,897,107.15	19,994,855.35	5.00%
Total	399,897,107.15	19,994,855.35	

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 in notes receivable	6,793,600.80	13,201,254.55				19,994,855.35
Total	6,793,600.80	13,201,254.55				19,994,855.35

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

☐ Applicable ☒ Not applicable

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

Monetary Unit: RMB

Item	Amount de-recognized at the end of the period	Amount not de-recognized at the end of the period
Commercial acceptance bills		390,572,095.25
Total		390,572,095.25

## 5. Accounts receivable

### (1) Disclosure by aging

Monetary Unit: RMB

Aging	Ending book balance	Beginning book balance
1 year or less	14,190,242,025.10	12,240,029,783.27
More than 1 year and less than 2 years	2,726,467,536.64	1,196,230,074.63
More than 2 years and less than 3 years	791,407,443.25	448,746,355.11
More than 3 years	1,235,660,559.71	883,560,873.58
More than 3 years and less than 4 years	367,080,482.53	367,899,607.51
More than 4 years and less than 5 years	367,529,491.44	26,473,947.90
More than 5 years	501,050,585.74	489,187,318.17
Total	18,943,777,564.70	14,768,567,086.59

### (2) Disclosure 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	768,290,229.32	4.06%	713,582,025.30	92.88%	54,708,204.02	755,131,972.06	5.11%	633,060,195.57	83.83%	122,071,776.49
Including:										
Accounts receivable with provision for bad debt made by portfolio	18,175,487,335.38	95.94%	1,775,852,208.59	9.77%	16,399,635,126.79	14,013,435,114.53	94.89%	1,224,610,782.97	8.74%	12,788,824,331.56
Including:										
Portfolio 1	18,175,487,335.38	95.94%	1,775,852,208.59	9.77%	16,399,635,126.79	14,013,435,114.53	94.89%	1,224,610,782.97	8.74%	12,788,824,331.56
Total	18,943,777,564.70	100.00%	2,489,434,233.89	13.14%	16,454,343,330.81	14,768,567,086.59	100.00%	1,857,670,978.54	12.58%	12,910,896,108.05

Provision for bad debt made on an individual basis: 713,582,025.30

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	137,674,074.40	172,092,593.00	154,883,333.70	90.00%	Expected to be partially irrecoverable
Customer 2	103,814,398.37	72,670,078.86	103,814,398.37	93,432,958.53	90.00%	Expected to be partially irrecoverable
Customer 3	82,864,337.80	58,005,036.46	82,864,337.80	74,577,904.02	90.00%	Expected to be partially irrecoverable
Customer 4	94,471,070.10	94,471,070.10	82,353,316.10	82,353,316.10	100.00%	Not expected to be recovered
Customer 5	61,063,450.52	61,063,450.52	60,933,007.24	60,933,007.24	100.00%	Not expected to be recovered
Customer 6	56,017,737.12	39,212,415.98	56,017,737.12	56,017,737.12	100.00%	Not expected to be recovered
Customer 7	0.00	0.00	32,948,057.33	23,063,640.13	70.00%	Expected to be partially irrecoverable
Customer 8	31,874,992.66	31,874,992.66	30,263,096.80	30,263,096.80	100.00%	Not expected to be recovered
Others	152,933,392.49	138,089,076.59	147,003,685.56	138,057,031.66	93.91%	Expected to be partially irrecoverable
Total	755,131,972.06	633,060,195.57	768,290,229.32	713,582,025.30		

Provision for bad debt made by portfolio: 1,775,852,208.59

Monetary Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debt	Provision made
Portfolio 1	18,175,487,335.38	1,775,852,208.59	9.77%
Total	18,175,487,335.38	1,775,852,208.59	

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	Written-off	Others	

			reversed			
Provision for bad debt in accounts receivable	1,857,670,978.54	633,050,020.19		82,760.00	1,204,004.84	2,489,434,233.89
Total	1,857,670,978.54	633,050,020.19		82,760.00	1,204,004.84	2,489,434,233.89

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

Monetary Unit: RMB

Entity name	Amount recovered or reversed	Reason for reversal	Recovery method	Basis for determining the original ratio of provision for bad debts and the rationality thereof
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#### (4) Accounts receivable actually written off in the current period

Monetary Unit: RMB

Item	Amount written off
Accounts receivable actually written off	82,760.00

In which, write-off of major accounts receivable:

Monetary Unit: RMB

Entity name	Nature of accounts 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 accounts receivable:

#### (5) Top 5 accounts receivable and contract assets in terms of ending balances presented by debtors

Monetary Unit: RMB

Entity name	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Percentage to 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	1,527,145,314.09		1,527,145,314.09	8.06%	76,357,265.71
2nd	772,104,263.87		772,104,263.87	4.08%	38,605,213.19
3rd	734,659,321.01		734,659,321.01	3.88%	36,935,705.10
4th	707,230,519.76		707,230,519.76	3.73%	75,363,994.94
5th	702,587,462.81		702,587,462.81	3.71%	35,129,373.14
Total	4,443,726,881.54		4,443,726,881.54	23.46%	262,391,552.08

**6. Accounts receivable financing****(1) Accounts receivable financing presented by categories**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Bank acceptance bill	1,491,828,951.59	482,376,009.97
Total	1,491,828,951.59	482,376,009.97

**(2) Accounts receivable financing pledged at the end of the period**

Monetary Unit: RMB

Item	Pledged amount at the end of the period
Bank acceptance bill	1,891.79
Total	1,891.79

**(3) Accounts receivable financing 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	Amount de-recognized at the end of the period	Amount not de-recognized at the end of the period
Bank acceptance bill	8,680,442,824.91	
Total	8,680,442,824.91	

**7. Other receivables**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Other receivable	347,399,337.45	499,878,057.48
Total	347,399,337.45	499,878,057.48

**(1) Other receivables****1) Classification of other receivable by nature of funds**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Guarantees and deposits	219,718,355.69	96,036,584.20
Temporary payments and loans	13,845,963.13	9,354,291.87
Disposal long-term assets	67,961,399.11	105,918,877.18
Other receivable	283,265,025.28	439,775,100.42
Less: provision for bad debts	-237,391,405.76	-151,206,796.19
Total	347,399,337.45	499,878,057.48

**2) Disclosure by aging**

Monetary Unit: RMB

Aging	Ending book balance	Beginning book balance
Within 1 year (inclusive)	193,699,426.08	224,690,155.83
More than 1 year and less than 2 years	54,084,044.40	295,261,583.21
More than 2 years and less than 3 years	229,990,895.66	59,825,215.57
More than 3 years	107,016,377.07	71,307,899.06
More than 3 years and less than 4 years	39,286,670.79	9,810,758.94
More than 4 years and less than 5 years	7,907,117.00	51,792,283.18
More than 5 years	59,822,589.28	9,704,856.94
Total	584,790,743.21	651,084,853.67

**3) Disclosure by the method for making provision for bad debt**☒ Applicable ☐ Not applicable

Monetary Unit: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Proportion	Amount	Provision made		Amount	Proportion	Amount	Provision made	
Including:										
Including:										

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 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, 2024	55,724,296.70		95,482,499.49	151,206,796.19
Balance as at January 1, 2024 in the current period				
Provision in the current period	15,875,447.71		72,980,856.09	88,856,303.80
Write-offs in the current period	71,257.71			71,257.71

Other changes	2,600,436.52			2,600,436.52
Balance as at December 31, 2024	68,928,050.18		168,463,355.58	237,391,405.76

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 in other receivable	151,206,796.19	88,856,303.80		71,257.71	2,600,436.52	237,391,405.76
Total	151,206,796.19	88,856,303.80		71,257.71	2,600,436.52	237,391,405.76

#### 5) Other receivable actually written off in the current period

Monetary Unit: RMB

Item	Amount written off
Other receivable written off	71,257.71

#### 6) Top 5 other receivable in terms of ending balance presented by debtors

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
Entity 1	Other funds receivable	97,873,163.02	2-3 years	16.74%	29,361,948.91
Entity 2	Land deposit	89,723,200.00	Within 1 year: 82,200,000.00, 4-5 years: 7,523,200.00	15.34%	10,128,560.00
Entity 3	Intercourse funds	57,900,645.15	2-3 years	9.90%	57,900,645.15
Entity 4	Payment for assets purchase	43,361,320.40	More than 5 years	7.41%	43,361,320.40
Entity 5	Others	38,871,900.69	3-4 years	6.65%	38,871,900.69
Total		327,730,229.26		56.04%	179,624,375.15

## 8. Advance to suppliers

### (1) Advance to suppliers presented by aging

Monetary Unit: RMB

Aging	Ending balance		Beginning balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	212,153,358.74	90.88%	332,381,970.71	95.22%
More than 1 year and less than 2 years	10,582,862.11	4.53%	11,376,489.43	3.26%
More than 2 years and less than 3 years	9,136,275.93	3.91%	2,825,935.22	0.81%
More than 3 years	1,565,884.21	0.67%	2,492,021.17	0.71%
Total	233,438,380.99		349,076,416.53	

State whether there is any advance to suppliers with the aging over 1 year and major amount which is not timely settled and specify the reason therefor:

### (2) Top 5 advance to suppliers in terms of ending balance presented by prepaid objects

Entity name	Ending balance (RMB)	Percentage to total ending balance of advance to suppliers (%)
1st	14,983,021.34	6.32%
2nd	13,375,494.00	5.64%
3rd	12,291,556.18	5.19%
4th	11,185,510.14	4.72%
5th	7,079,500.00	2.99%
Total	58,915,081.66	24.86%

Other remarks:

## 9. 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	1,608,642,848.45		1,608,642,848.45	1,181,977,340.04	1,072,921.95	1,180,904,418.09
Goods in	985,055,967.99	2,728,889.01	982,327,078.98	644,744,894.16	2,456,004.44	642,288,889.72



production						
Goods in stock	3,311,782,479.73	132,655,821.40	3,179,126,658.33	1,989,556,225.21	82,807,043.44	1,906,749,181.77
Revolving materials	462,356.35		462,356.35	1,041,732.29		1,041,732.29
Goods dispatched	1,584,115,832.83	233,373,776.46	1,350,742,056.37	2,123,768,657.13	176,058,672.42	1,947,709,984.71
Total	7,490,059,485.35	368,758,486.87	7,121,300,998.48	5,941,088,848.83	262,394,642.25	5,678,694,206.58

## (2) Provision for inventory depreciation or impairment of contract performance costs

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	1,072,921.95			1,072,921.95		
Goods in production	2,456,004.44	829,891.63		557,007.06		2,728,889.01
Goods in stock	82,807,043.44	98,907,872.32		49,059,094.36		132,655,821.40
Goods dispatched	176,058,672.42	122,199,780.66		64,884,676.62		233,373,776.46
Total	262,394,642.25	221,937,544.61		115,573,699.99		368,758,486.87

## 10. Non-current assets maturing within one year

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Long-term receivable maturing within one year	49,925,965.40	69,311,028.19
Total	49,925,965.40	69,311,028.19

## 11. Other current assets

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Deductible input tax	3,195,473,425.85	3,059,088,147.45
Prepaid taxes	21,577,351.88	29,820,047.32
Others	1,442,165.30	863,647.74
Total	3,218,492,943.03	3,089,771,842.51

Other remarks:

## 12. Other debt investments

### (1) Details of other debt investments

Monetary Unit: RMB

Item	Beginning balance	Accrued interest	Interest adjustment	Changes in fair value in the	Ending balance	Cost	Accumulated changes in fair	Accumulated provision for	Remarks
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				current period			value	impairme nt recognize d in other comprehe nsive income	
Convertible bond of GRU ENERGY	4,957,890.00					4,567,430.00			
Convertible bond of Hozon New Energy Automobile Co., Ltd.				-17,456,896.56	282,543,103.44	300,000,000.00	-17,456,896.56	15,000,000.00	
<b>Total</b>	4,957,890.00			-17,456,896.56	282,543,103.44	304,567,430.00	-17,456,896.56	15,000,000.00	

Changes in provision for impairment of other debt investments in the current period

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Convertible bond of Hozon New Energy Automobile Co., Ltd.		15,000,000.00		15,000,000.00
<b>Total</b>		15,000,000.00		15,000,000.00

## (2) Provision for impairment

Monetary Unit: RMB

Provision for bad debt	Phase I	Phase II	Phase III	Total
	Expected credit loss in the next 12 months	Expected credit loss over the entire existence (without credit impairment)	Expected credit loss over the entire existence (with credit impairment)	
Balance as at January 1, 2024 in the current period				
Provisions in the current period	15,000,000.00			15,000,000.00
Balance at December 31, 2024	15,000,000.00			15,000,000.00

Basis for determining the phases and the ratio of provision for bad debt

## (3) Other debt investments actually written off in the current period

Monetary Unit: RMB

Item	Amount written-off
Other debt investments actually written off	4,957,890.00

In which, write-off of major other debt investments

Remarks on the write-off of other debt investments:

Changes in the carrying amount of the provision for losses that are material during the period

☐ Applicable ☒ Not applicable

Other remarks:

### 13. Other equity instruments investments

Monetary Unit: RMB

Item	Ending balance	Beginning balance	Gains included in other comprehensive income in the current period	Loss included in other comprehensive income in the current period	Accumulated gains included in other comprehensive income at the end of the current period	Accumulated loss included 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 change included in other comprehensive income
Equity investment in listed enterprises	777,670,685.47	1,103,300,128.41		-620,802,638.87		-812,454,344.58		Non-trading strategic investments
Equity investment in listed enterprises	397,661,736.14	422,036,701.68	19,962,684.49	-51,962,775.98	76,948,013.89	-2,253,632.59		Non-trading strategic investments
non-Total	1,175,332,421.61	1,525,336,830.09	19,962,684.49	-672,765,414.85	76,948,013.89	-814,707,977.17		

There is de-recognition in the current period

Monetary Unit: RMB

Item	Accumulated gains transferred to retained earnings	Accumulated losses transferred to retained earnings	Reason for de-recognition
Ningbo Meishan Bonded Port Area Gotion High-Tech New Energy Automotive Industry Investment Center (L.P.)		9,904,397.48	The entity has completed the liquidation procedures

Disclosure of non-trading equity instrument investments in the current period by item

Monetary Unit: RMB

Item	Dividend income	Accumulated gains	Accumulated losses	Amounts transferred	Reason for designating a	Reasons for transfer of other
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	recognized			from other comprehensive income to retained earnings	measurement at fair value with its change included in other comprehensive income	comprehensive income to retained earnings
Ningbo Meishan Bonded Port Area Gotion High-Tech New Energy Automotive Industry Investment Center (L.P.)				9,904,397.48	Non-trading strategic investments	The entity has completed the liquidation procedures
New Energy Vehicle Technology Innovation (Hefei) Equity Investment Partnership (L.P.)		37,980,394.12			Non-trading strategic investments	
Anhui Jintong New Energy Automobile Fund (Phase I) Partnership (L.P.)		38,967,619.77			Non-trading strategic investments	
Hefei Guoke Xinneng Equity Investment Management Partnership (L.P.)			-2,253,632.59		Non-trading strategic investments	
Chebai Think Tank Automotive Industry Research Institute (Hefei) Co., Ltd.					Non-trading strategic investments	
Inobat AS					Non-trading strategic investments	
Anhui Jintong Zhihui New Energy Vehicle Investment Management Partnership (L.P.)					Non-trading strategic investments	
Mengxi New Energy Development					Non-trading strategic investments	

(Baotou) Co., Ltd.						
CHENQI TECHNOLOGY LIMITED			-90,706,958.67		Non-trading strategic investments	
Vinfast Auto PTE. Ltd.			-643,499,479.60		Non-trading strategic investments	
Tuhu Car Maintenance Co., Ltd.			-78,247,906.31		Non-trading strategic investments	

Other remarks:

#### 14. Long-term equity investments

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
			Additonal 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												
V-G High-Tech Energy Solutions	373,003,731.11				-16,989,963.25	-34,384,472.05				5,566,591.04	327,195,886.85	
Subtotal	373,003,731.11	0.00	0.00	0.00	-16,989,963.25	-34,384,472.05	0.00	0.00	0.00	5,566,591.04	327,195,886.85	
II. Associates												
Hefei Senior New Energy Materials Co., Ltd.	195,750,152.66				4,924,588.18						200,674,740.84	
MCC Ramu New Energy Technology	400,023,064.89				8,244,107.19	455,091.43		-23,898,992.00			384,823,271.51	

Co., Ltd.												
Beijing Full-Service Oil & Gas Technology Co., Ltd.		34,217,439.93										34,217,439.93
Jiangxi Ewinway New Materials Co., Ltd.	131,529,431.04				10,288,027.47	-					121,241,403.57	
North China Aluminum New Material Technology Co., Ltd.	117,438,944.44				12,295,949.94	-	107,147.50				105,250,142.00	
Litong Energy Technology Co., Ltd.		2,752,931.70										2,752,931.70
Beijing Gotion Full-Service Photovoltaic Storage & Charging Technology Co., Ltd.		9,228,535.85			10,000,000.00	-				10,000,000.00		
Shanghai Wuyang Ship Technology		1,926,553.35			2,000,000.00	-				2,000,000.00		

Co., Ltd.												
Tongling Anxuan New Energy Technology Co., Ltd.	31,214,526.04		17,500,000.00		-12,378,955.70						36,335,570.34	
Shanghai Electric Gotion New Energy Technology Co., Ltd.	114,848,364.52				-46,601,435.79				-68,246,928.73		68,246,928.73	
Anhui Anwa New Energy Technology Co., Ltd.	64,983,326.03				-2,043,974.49		5,050,932.68				67,990,284.22	
Zhong'an Energy (Anhui) Co., Ltd.			154,000,000.00		140,471.83						154,140,471.83	
Tata Auto Comp Gotion Green Energy Solutions Private Limited	3,488,783.30	3,488,783.30							-3,488,783.30		6,977,566.60	
NV Gotion Company Limited	72,687,011.04				2,083,225.08	1,908,985.10				2,084,919.70	78,764,140.92	
Sakura Takasaki			1,386.99								1,386.99	

Battery Storage Station												
Subtotal	1,131,963,603.96	51,614,244.13	171,501,386.99	-12,000,000.00	-68,215,951.11	2,471,224.03	5,050,932.68	-23,898,992.00	-71,735,712.03	14,084,919.70	1,149,221,412.22	112,194,866.96
Total	1,504,967,335.07	51,614,244.13	171,501,386.99	-12,000,000.00	-85,205,914.36	31,913,248.02	5,050,932.68	-23,898,992.00	-71,735,712.03	19,651,510.74	1,476,417,299.07	112,194,866.96

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

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

Other remarks:

## 15. Other non-current financial assets

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Equity investment in unlisted enterprises	1,570,712,000.00	1,567,541,000.00
Total	1,570,712,000.00	1,567,541,000.00

Other remarks:

## 16. Fixed assets

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Fixed assets	30,017,592,523.27	21,856,847,448.98
Disposal of fixed assets		
Total	30,017,592,523.27	21,856,847,448.98

### (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	9,359,092,729.06	16,460,549,699.35	167,337,704.41	814,011,919.11	26,800,992,051.93
2. Increase in the current period	2,441,769,994.76	8,652,629,731.50	66,466,056.89	425,614,115.20	11,586,479,898.35
(1) Purchase	61,104,297.77	255,786,969.61	66,572,781.96	85,903,487.68	469,367,537.02
(2) Transfer from construction-in-progress	2,368,509,091.41	8,399,396,982.22		339,855,652.00	11,107,761,725.63
(3) Increase from the business combination					
(4) Translation of statements in foreign currency	12,156,605.58	-2,554,220.33	-106,725.07	-145,024.48	9,350,635.70
3. Decrease in the current period	101,747,875.30	1,923,014,601.59	19,708,889.59	32,602,014.14	2,077,073,380.62
(1) Disposal or scrapping		296,299,356.96	19,646,562.10	20,863,207.97	336,809,127.03
(2) Decrease in business combination	101,747,875.30	10,111,000.07	62,327.49	510,227.29	112,431,430.15
(3) Others <sup>1</sup>		1,616,604,244.56		11,228,578.88	1,627,832,823.44
4. Ending balance	11,699,114,848.52	23,190,164,829.26	214,094,871.71	1,207,024,020.17	36,310,398,569.66
II. Accumulated depreciation					
1. Beginning balance	871,007,156.84	3,599,381,847.22	73,856,485.04	377,559,678.85	4,921,805,167.95
2. Increase in the current period	316,609,041.69	1,548,258,566.29	21,132,491.25	119,757,945.42	2,005,758,044.65
(1) Provision	316,560,264.83	1,548,414,381.51	21,159,957.98	119,804,386.82	2,005,938,991.14
(2) Increase from the business combination					
(3) Translation of statements in foreign currency	48,776.86	-155,815.22	-27,466.73	-46,441.40	-180,946.49
3. Decrease in the current period	11,398,816.99	604,769,860.39	17,917,517.95	23,010,405.88	657,096,601.21
(1) Disposal or scrapping		110,540,149.64	17,875,966.28	18,699,587.96	147,115,703.88
(2) Decrease in business combination	11,398,816.99	585,712.10	41,551.67	365,178.10	12,391,258.86
(3) Others		493,643,998.65		3,945,639.82	497,589,638.47
4. Ending balance	1,176,217,381.54	4,542,870,553.12	77,071,458.34	474,307,218.39	6,270,466,611.39
III. Provision for impairment					
1. Beginning balance			22,339,435.00		22,339,435.00
2. Increase in					

the current period					
(1) Provision					
3. Decrease in the current period					
(1) Disposal or scrapping					
4. Ending balance			22,339,435.00		22,339,435.00
IV. Book value					
1. Ending book value	10,522,897,466.98	18,647,294,276.14	114,683,978.37	732,716,801.78	30,017,592,523.27
2. Beginning book value	8,488,085,572.22	12,861,167,852.13	71,141,784.37	436,452,240.26	21,856,847,448.98

Remark: 1. Others are transfer-out for technological transformation of the subsidiaries in the current period.

## (2) Fixed assets leased out through operating leases

Monetary unit: RMB

Item	Ending book value
Machinery equipment	120,155,439.79
Electronic equipment and others	4,130,077.11
Total	124,285,516.90

## (3) Fixed assets without title certificate

Monetary Unit: RMB

Item	Book value	Reasons for the failure to obtain title certificate
Nanjing Gotion's factory building (Phase II)	64,655,294.89	In progress
Nanjing New Energy's factory building	339,298,955.91	In progress
Jiangsu New Energy's factory building	733,643,380.87	In progress
Lujiang Material's factory building	281,355,779.29	In progress
Yichun Kefeng's office area	26,322,548.65	In progress
Lujiang Kehong's factory building	453,155,468.76	In progress
Yichuan Battery's factory building (Phase I)	55,644,656.87	In progress
Jiangxi Weihong Lithium's raw material warehouse	20,494,102.59	In progress
Tianjin Hi-Tech's factory building (Phase I)	152,225,096.36	In progress
Liuzhou Gotion's factory building (Phase I and II)	726,442,790.97	In progress
Tongcheng Gotion's factory building (Phase I and II)	619,822,978.88	In progress
Tangshan Gotion's factory buildings (Phase I, II and III)	409,884,639.55	In progress
Inner Mongolia Gotion's factory building	190,453,816.66	In progress
Yifeng Gotion Lithium's factory building (Phase I)	278,131,569.08	In progress

Hefei Gotion Battery Technology's factory building (Phase I)	701,671,678.90	In progress
ETDZ Gotion's factory building (Phase II)	180,192,756.49	In progress
Gotion High-Tech Baohai Headquarters' building	676,238,995.61	In progress
Hefei Gotion's supporting buildings A, B, C, D	54,047,158.62	In progress
Hefei Gotion's property in Pudong, Shanghai	68,847,595.80	In progress
Indonesia Gotion's office building	41,699,542.89	In progress
Hefei New Materials' factory building (Phase II)	136,696,832.99	In progress
Total	6,210,925,640.63	

Other remarks:

## 17. Construction in progress

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Construction in progress	14,799,663,030.94	15,820,621,504.09
Total	14,799,663,030.94	15,820,621,504.09

### (1) Details of construction in progress

Monetary Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Jiangsu Gotion's new energy intelligent manufacturing base and ancillary projects	137,950,322.43		137,950,322.43	1,893,159,588.61		1,893,159,588.61
Lujiang Kehong's high-end cathode materials project with an annual output of 200,000 tons	9,772,016.30		9,772,016.30	896,239,123.26		896,239,123.26
Lujiang Material's high-nickel ternary materials project with an annual output of 30,000 tons				431,087,528.01		431,087,528.01

ETDZ Gotion's lithium iron phosphate soft pack battery and new energy battery production base project with an annual output of 4GWh	847,304,766.40		847,304,766.40	824,139,011.67		824,139,011.67
Hefei Gotion Battery Technology's Volkswagen standard electric core project with an annual output of 20GWh	3,286,508,683.00		3,286,508,683.00	2,837,898,971.75		2,837,898,971.75
Hefei Gotion Battery Technology's power battery project with an annual output of 20GWh	842,273,327.20		842,273,327.20	1,385,493,936.92		1,385,493,936.92
Chuzhou Gotion's high-performance razor blade battery project	1,269,268,771.69		1,269,268,771.69	568,113,426.70		568,113,426.70
Inner Mongolia Gotion's lithium battery anode material construction project with an annual output of 100,000 tons	740,191,332.77		740,191,332.77	660,284,106.99		660,284,106.99
Shanghai Xuanyi's production base project in Lot 1702 Waigang Town, Jiading District, Shanghai	1,572,859,178.09		1,572,859,178.09	1,335,214,755.09		1,335,214,755.09
Tongcheng New Energy's power battery project (Phase II) with an annual output of 20GWh	1,108,837,134.94		1,108,837,134.94	658,103,717.36		658,103,717.36
Tongcheng New Energy's power battery project (Phase I) with an annual output of 20GWH				13,339,203.21		13,339,203.21
Yichun Battery's lithium battery and pack production base construction	306,875,514.80		306,875,514.80	293,323,924.18		293,323,924.18

project with an annual output of 10GWH						
Real Estate Property project of USA Gotion				1,046,750,803.71		1,046,750,803.71
Liuzhou Gotion's power battery production base project (Phase II) with an annual output of 10GWH	270,710,816.49		270,710,816.49	374,460,780.01		374,460,780.01
Battery plant construction project of Gotion Illinois New Energy Inc	897,767,823.87		897,767,823.87			
Tangshan Gotion's new energy high-end manufacturing base project	605,857,766.35		605,857,766.35	523,272,531.53		523,272,531.53
Other engineering projects	2,903,485,576.61		2,903,485,576.61	2,082,950,949.07	3,210,853.98	2,079,740,095.09
Total	14,799,663,030.94		14,799,663,030.94	15,823,832,358.07	3,210,853.98	15,820,621,504.09

## (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 ancillary projects		1,893,159,588.61	140,786,618.66	1,895,995,884.84		137,950,322.43	86.59%	Under construction	137,650,972.09	29,347,254.69	4.00%	Other
Lujian		896,239,1	180,329,5	1,066,796		9,772,016	88.23%	Under	65,409,03	10,741,07	3.00%	Other

g Kehon g's high- end cathod e materi als project with an annual output of 200,00 0 tons		23.26	12.18	,619.14		.30		constructi on	4.72	4.85		
ETDZ Gotion 's lithium iron phosph ate soft pack battery and new energy battery produc tion base project with an annual output of 4GWh		824,139,0 11.67	66,146,22 5.19	42,980,47 0.46		847,304,7 66.40	71.00%	Under constructi on	61,709,52 4.68			Other
Hefei Gotion Batter y Techn ology' s Volks wagen standar d electri c core project with an annual output of 20GW h		2,837,898 ,971.75	484,088,0 78.54	35,478,36 7.29		3,286,508 ,683.00	62.50%	Under constructi on				Raised funds+O wn funds
Hefei Gotion Batter y Techn ology'		1,385,493 ,936.92	1,253,025 ,244.88	1,796,245 ,854.60		842,273,3 27.20	73.67%	Under constructi on	55,183,51 1.83	35,827,03 8.21	3.05%	Other

s power battery project with an annual output of 20GW h												
Chuzhou Gotion's high-performance razor blade battery project		568,113,426.70	704,463,511.84	3,308,166.85		1,269,268,771.69	70.71%	Under construction	22,966,923.72	22,117,841.62	3.00%	Other
Inner Mongolia Gotion's lithium battery anode material construction project with an annual output of 100,000 tons		660,284,106.99	192,297,168.01	112,389,942.23		740,191,332.77	74.88%	Under construction	94,953,450.58	33,934,747.79	4.90%	Other
Shanghai Xuanyi's production base project in Lot 1702 Waigang Town, Jiading District, Shanghai		1,335,214,755.09	237,644,423.00			1,572,859,178.09	79.10%	Under construction	131,491,137.67	33,329,805.39	4.00%	Other
Tongcheng New Energy's power battery		658,103,717.36	884,731,457.11	433,998,039.53		1,108,837,134.94	67.68%	Under construction	5,866,278.94			Other

project (Phase II) with an annual output of 20GW h												
Yichun Battery's lithium battery and pack production base construction project with an annual output of 10GW H		293,323,924.18	19,332,272.02	5,780,681.40		306,875,514.80	90.20%	Under construction	38,588,995.80			Other
Liuzhou Gotion's power battery production base project (Phase II) with an annual output of 10GW h		374,460,780.01	741,175,667.56	844,925,631.08		270,710,816.49	82.05%	Under construction	15,148,087.52	15,148,087.52	4.00%	Other
Battery plant construction project of Gotion Illinois New Energy Inc			901,084,700.71	3,316,876.84		897,767,823.87	30.12%	Under construction				Other
Tangshan Gotion's new energy high-		523,272,531.53	849,587,184.68	767,001,949.86		605,857,766.35	80.46%	Under construction	30,524,521.02	29,568,306.65	3.00%	Other



end manuf acturin g base project												
Lujian g materi al annual output of 30,000 tons of high- nickel ternary materi als project		431,087,5 28.01	262,712,6 97.31	693,800,2 25.32			84.11%	Complete d	31,793,91 3.93	4,634,761 .12	4.00%	Raised funds+ Own funds
Total		12,680,79 1,402.08	6,917,404 ,761.69	7,702,018 ,709.44		11,896,17 7,454.33			691,286,3 52.50	214,648,9 17.84		

### (3) Impairment testing of construction in progress

☐ Applicable ☒ Not applicable

## 18. Right-of-use assets

### (1) Details of right-of-use assets

Monetary Unit: RMB

Item	Houses and buildings	Machinery equipment	Total
I. Original book value			
1. Beginning balance	127,706,692.71	28,792,805.34	156,499,498.05
2. Increase in the current period	250,274,227.18	509,618.26	250,783,845.44
(1) New leasing	249,958,463.83	525,790.91	250,484,254.74
(2) Increase from the business combination			
(3) Translation of statements in foreign currency	315,763.35	-16,172.65	299,590.70
3. Decrease in the current period	2,117,940.27	27,350,777.18	29,468,717.45
(1) Expiration of lease	2,117,940.27	220,193.12	2,338,133.39
(2) Decrease due to business combination		27,130,584.06	27,130,584.06
(3) Others			
4. Ending balance	375,862,979.62	1,951,646.42	377,814,626.04
II. Accumulated depreciation			
1. Beginning balance	19,092,284.16	3,473,416.71	22,565,700.87
2. Increase in the current period	37,413,384.73	2,240,457.44	39,653,842.17

(1) Provision	37,303,166.71	2,249,505.97	39,552,672.68
(2) Increase from the business combination			
(3) Translation of statements in foreign currency	110,218.02	-9,048.53	101,169.49
3. Decrease in the current period	2,117,940.27	4,469,296.30	6,587,236.57
(1) Disposal			
(1) Expiration of lease	2,117,940.27	173,620.49	2,291,560.76
(2) Decrease due to business combination		4,295,675.81	4,295,675.81
4. Ending balance	54,387,728.62	1,244,577.85	55,632,306.47
III. Provision for impairment			
1. Beginning balance			
2. Increase in the current period			
(1) Provision			
3. Decrease in the current period			
(1) Disposal			
4. Ending balance			
IV. Book value			
1. Ending book value	321,475,251.00	707,068.57	322,182,319.57
2. Beginning book value	108,614,408.55	25,319,388.63	133,933,797.18

## (2) Impairment testing of right-of-use 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	2,367,104,691.61		2,024,476,237.24	724,955,733.97	112,118,288.19	5,228,654,951.01
2. Increase in the current period	531,546,233.42		786,214,346.52	20,166,250.95	27,643,434.08	1,365,570,264.97
(1) Purchase	529,788,223.56		28,139,825.00	2,322,719.55	28,051,006.89	588,301,775.00

(2) Internal R&D			757,819,056.52			757,819,056.52
(3) Increase from the business combination						
(4) Translation of statements in foreign currency	1,758,009.86		255,465.00	17,843,531.40	-407,572.81	19,449,433.45
3. Decrease in the current period	86,284,200.00					86,284,200.00
(1) Disposal	23,999,000.00					23,999,000.00
(2) Decrease due to business combination	62,285,200.00					62,285,200.00
(3) Others						
4. Ending balance	2,812,366,725.03		2,810,690,583.76	745,121,984.92	139,761,722.27	6,507,941,015.98
II. Accumulated Amortization						
1. Beginning balance	167,955,809.05		291,886,215.15	27,152,316.37	57,560,832.96	544,555,173.53
2. Increase in the current period	43,400,054.22		227,064,712.85	57,621,114.85	37,087,725.08	365,173,607.00
(1) Provision	43,400,054.22		227,041,830.35	57,621,114.85	37,137,443.55	365,200,442.97
(2) Increase due to business combination						
(3) Translation of statements in foreign currency			22,882.50		-49,718.47	-26,835.97
3. Decrease in the current period	4,959,250.53					4,959,250.53
(1) Disposal	679,971.61					679,971.61
(2) Decrease due to business combination	4,279,278.92					4,279,278.92
4. Ending balance	206,396,612.74		518,950,928.00	84,773,431.22	94,648,558.04	904,769,530.00
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	2,605,970,112.29		2,291,739,655.76	660,348,553.70	45,113,164.23	5,603,171,485.98
2. Beginning book value	2,199,148,882.56		1,732,590,022.09	697,803,417.60	54,557,455.23	4,684,099,777.48

The 42.77% 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) Data resources recognized as intangible assets

☐ Applicable ☒ Not applicable

## (3) Land use right without title certificate

Monetary Unit: RMB

Item	Book value	Reasons for the failure to obtain title certificate
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Other remarks:

## (4) Impairment testing of intangible assets

☐ 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 High-	67,496,148.69					67,496,148.69

Tech New Energy Auto Institute Co., Ltd						
Yifeng Huali 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 S.A.	441,170.30					441,170.30
Total	546,227,489.30					546,227,489.30

**(2) Provision for impairment 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
		Provision	Others	Disposal	Others	
Tianjin High-Tech New Energy Auto Institute Co., Ltd.	47,247,304.09	20,248,844.60				67,496,148.69
Gotion Argentina S.A.	441,170.30					441,170.30
Yichun Kefeng New Material Co., Ltd.		85,087,888.57				85,087,888.57
Total	47,688,474.39	105,336,733.17				153,025,207.56

**(3) Information about the asset group or combination of asset groups of goodwill**

Entity name	Composition and basis of the asset group or combination of asset groups to which it belongs	Operating segments and basis	Is it consistent 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 High-Tech New	There is no major change in		Yes

Energy Auto Institute Co., Ltd.	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.		
Yifeng Huali 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 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
Gotion Argentina S.A.	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		Yes

	and operation are independent and can generate independent cash flow.		
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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

Other remarks

The Company shall adopt the market method to calculate the recoverable amount of Dongyuan Electrical Group Co., Ltd, 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 is used for calculating the present value of future cash flows. According to the results of impairment test, the amount of provision for goodwill impairment provision in the current period is RMB 105,336,733.17 (RMB 47,688,474.39 at the end of the previous period).

#### (4) Specific method for determining the 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 for determining key parameters
Asset group of Jiangsu Dongyuan Electrical Group Co., Ltd.	753,549,945.30	1,023,500,000.00	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 disposal fee was determined with reference to the State-owned property transaction service fee.

Total	753,549,945.30	1,023,500,000.00	0.00			
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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 forecast period	Key parameters for the forecast period	Key parameters for the stable period	Basis for determining key parameters for the stable period
Asset group of Tianjin Hi-Tech New Energy Auto Institute Co., Ltd.	297,917,400.16	266,029,455.91	31,887,944.25	2025-2029 (followed by stable period)	Income, cost, period expense, discount rate	Income, cost, period expense, discount rate	Calculated based on forecasted income, costs, expenses
Asset group of Yichun Kefeng New Material Co., Ltd	929,967,381.03	821,811,200.00	108,156,181.03	2025-2029 (followed by stable period)	Income, cost, period expense, discount rate	Income, cost, period expense, discount rate	Calculated based on forecasted income, costs, expenses
Total	1,227,884,781.19	1,087,840,655.91	140,044,125.28				

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

## (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
Expenses for overhaul and renovation of houses and buildings	67,555,998.58	19,450,541.91	24,105,047.38		62,901,493.11
Landscape project	15,084,536.41	4,472,144.92	3,148,583.10	848,088.86	15,560,009.37



Equipment upgrade	20,768,832.32	68,113,827.10	16,717,147.27		72,165,512.15
Total	103,409,367.31	92,036,513.93	43,970,777.75	848,088.86	150,627,014.63

## 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	371,731,691.32	58,922,639.53	264,518,331.89	41,213,020.51
Unrealized profits from internal transactions	197,635,405.30	35,667,782.31	194,276,167.66	35,562,725.77
Deductible losses	2,459,747,084.93	460,858,073.77	2,254,846,053.91	444,157,076.97
Provision for bad debts	2,833,125,802.60	451,898,965.32	2,104,604,921.43	325,729,840.75
Estimated liabilities	628,246,190.96	94,236,928.65	497,014,118.95	74,552,117.83
Deferred income	208,025,932.44	32,884,804.58	164,795,747.17	28,544,535.62
Stock option	75,874,762.89	13,387,227.03	295,954,065.58	51,286,878.05
Loss from changes in the fair value of held-for-trading financial assets	15,357,634.32	2,303,645.15	61,747,822.65	9,262,173.40
Difference between income recognized according to tax law and based on accounting standards	548,787,517.08	142,587,374.11	194,257,988.44	43,279,283.49
Total	7,338,532,021.84	1,292,747,440.45	6,032,015,217.68	1,053,587,652.39

### (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	411,440,463.49	94,636,897.26	420,061,182.37	97,191,873.41
Installment collection differences			5,142,696.19	771,404.43
Fixed assets depreciation differences	701,682,364.44	113,093,350.19	626,350,469.14	104,754,423.58
Changes in fair value of held-for-trading financial assets	212,827,450.13	46,867,215.60	104,023,086.38	24,306,700.20
Investment income from the conversion of long-term equity investments measured by equity method to held-for-trading	142,103,199.17	21,315,479.88	142,103,199.17	21,315,479.88

financial assets				
Differences arise between income recognition for tax purposes and accounting standards, as well as other factors.	260,956,491.56	66,982,243.11	94,217,673.88	24,636,866.34
Total	1,729,009,968.79	342,895,186.04	1,391,898,307.13	272,976,747.84

**(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		1,292,747,440.45		1,053,587,652.39
Deferred income tax liabilities		342,895,186.04		272,976,747.84

**(4) Details of un-recognized deferred income tax assets**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Deductible losses	732,815,248.26	538,415,285.75
Provision for bad debts in accounts receivable	50,646,740.61	31,820,027.30
Provision for depreciation of inventory	566,545.55	1,416,060.36
Provision for impairment of long-term equity investments	112,194,866.96	51,614,244.13
Provision for impairment of fixed assets	22,339,435.00	22,339,435.00
Provision for impairment of construction in progress		3,210,853.98
Deferred income	75,754,744.06	75,154,500.66
Estimated liabilities		652,792.08
Stock option	1,509,075.51	1,722,060.31
Loss from changes in fair value of held-for-trading financial assets	84,949,182.98	9,475,576.30
Bad-debt provision written off	119,498,355.69	119,498,355.69
Total	1,200,274,194.62	855,319,191.56

**(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
2024		4,284,804.18	
2025	60,806,264.23	60,806,264.23	
2026	131,799,786.77	133,354,991.35	
2027	132,690,503.31	133,004,379.40	
Recoverable losses of 2028 and subsequent years	182,545,972.68	206,964,846.59	
Recoverable losses of 2029 and subsequent years	224,972,721.27		

Total	732,815,248.26	538,415,285.75	
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Other remarks:

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 high-tech enterprises affiliated with the Company have extended the loss carry-forward compensation period to 10 years, and 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	823,024,377.83		823,024,377.83	1,226,411,453.39		1,226,411,453.39
Expenditure on exploration rights and mining rights that do not meet the mining conditions	436,831,584.27		436,831,584.27	434,951,088.28		434,951,088.28
Advance payment for land and houses	100,698,254.20		100,698,254.20	258,000,000.00		258,000,000.00
Advance payment for equity investment	166,173,987.93		166,173,987.93	60,696,555.21		60,696,555.21
Net assets of benefit program	39,503,407.07		39,503,407.07	26,312,768.29		26,312,768.29
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	1,573,076,931.04		1,573,076,931.04	2,013,217,184.91		2,013,217,184.91

Other remarks:

### 24. Assets with restricted ownership or use

Monetary Unit: RMB

Item	End of period				Beginning of period			
	Book balance	Book value	Type of restriction	Details of restriction	Book balance	Book value	Type of restriction	Details of restriction
Cash and cash	3,991,952,841.05	3,991,952,841.05	Pledged & frozen	Including RMB 2,345,218,623.35	3,184,876,423.35	3,184,876,423.35	Pledged & frozen	RMB 2,009,756,839.71 is

equivalents				60.70 of security deposit, RMB 1,499,452,211.12 pledged for financing, and RMB 147,281,969.23 judicially frozen				deposit, RMB 1,012,510,500.00 is pledged for financing, and RMB 162,609,083.64 is judicially frozen.
Notes receivable	390,572,095.25	371,043,490.49	Transferred but not fully derecognized	Endorsed or discounted unmatured and unrecognized notes	51,178,205.30	48,619,295.04	Transferred but not fully derecognized	Endorsed notes not yet matured and not yet terminally recognized
Fixed assets	2,624,675,152.06	2,430,094,840.63	Mortgage	Mortgaged for financing	1,974,442,897.75	1,577,334,986.61	Mortgage	Mortgaged for financing
Intangible assets	355,279,713.95	312,164,732.61	Mortgage	Mortgaged for financing	769,538,867.20	691,788,371.87	Mortgage	Mortgaged for financing
Account receivable financing	1,891.79	1,891.79	Pledge	Pledged for financing	41,895,942.58	41,895,942.58	Pledge	Pledged for financing
Held-for-trading financial assets					272,943,397.26	272,943,397.26	Pledge	Pledged for financing
Fixed assets	4,142,700,278.81	2,369,285,901.05	Mortgage	Property rights for financing	2,580,507,584.06	1,397,667,519.75	Mortgage	Property rights for financing
Right-of-use assets					27,130,584.06	24,553,178.57	Mortgage	Property rights for financing
Construction in progress	512,372,582.96	512,372,582.96	Mortgage	Mortgage for financing	1,588,095,939.38	1,588,095,939.38	Mortgage	Mortgaged for financing
Construction in progress	509,827,078.44	509,827,078.44	Mortgage	Property rights for financing	215,038,453.28	215,038,453.28	Mortgage	Property rights for financing
Equity in subsidiaries				Equity interests in subsidiaries pledged for financing [Remark]				Equity in subsidiaries pledged for financing
Total	12,527,381,634.31	10,496,743,359.02			10,705,648,294.22	9,042,813,507.69		

Other remarks:

[Remark] 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 Co. Ltd.

**25. Short-term borrowings****(1) Classification of short-term borrowings**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Pledged borrowing	240,000,000.00	720,000,000.00
Mortgaged borrowing	182,073,079.58	272,538,992.15
Guaranteed borrowing	16,720,462,266.00	15,017,988,800.00
Credit borrowing	350,000,000.00	6,123,098.28
Factoring borrowings		178,500,000.00
Plus: interest outstanding on short-term borrowings	16,279,134.76	41,807,782.94
Total	17,508,814,480.34	16,236,958,673.37

Remarks on the classification of short-term borrowings:

None

**26. Notes payable**

Monetary Unit: RMB

Type	Ending balance	Beginning balance
Commercial acceptance bill	2,679,969,889.04	829,149,309.52
Bank acceptance bill	6,679,539,714.22	5,298,578,387.85
Total	9,359,509,603.26	6,127,727,697.37

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: None.

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

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Payable for goods	11,383,122,992.07	7,705,516,017.85
Payable for construction and equipment	5,264,918,121.04	5,701,748,598.24
Total	16,648,041,113.11	13,407,264,616.09

**28. Other payables**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Dividends payable	22,162,146.61	2,033,891.80

Other payables	1,767,596,834.59	936,010,160.19
Total	1,789,758,981.20	938,044,051.99

**(1) Dividends payable**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Cash dividend	22,162,146.61	2,033,891.80
Total	22,162,146.61	2,033,891.80

Other remarks (including major dividends payable unpaid for more than one year and the reason for non-payment):

None

**(2) Other payables****1) Other payables presented by nature of funds**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Amount to be paid to fulfill the obligation of shares repurchase under the ESOP	105,898,026.20	22,964,323.31
Pending expenses	324,883,773.87	242,950,453.07
Intercourse funds	42,132,105.15	45,800,640.94
Amount to be paid for repurchase of minority equity of subsidiaries	40,394,144.00	63,291,055.57
Guarantee	103,480,921.28	104,694,901.23
Borrowings from non-financial institutions	937,613,029.85	421,004,268.62
Government subsidies to be refunded	170,155,707.50	
Others	43,039,126.74	35,304,517.45
Total	1,767,596,834.59	936,010,160.19

Other remarks:

None

**29. Contract liabilities**

Item	Ending balance	Beginning balance
Goods payment received in advance	529,043,969.44	1,025,880,130.88
Total	529,043,969.44	1,025,880,130.88

Major contract liabilities with 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) Breakdown of employee compensation payable

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
I. Short-term employee compensation	451,699,566.88	3,860,251,903.38	3,795,453,900.46	516,497,569.80
II. Post-employment benefits - defined contribution plans	4,987,228.10	286,367,918.13	285,184,979.46	6,170,166.77
III. Dismissal benefit		44,484,917.91	39,699,940.33	4,784,977.58
Total	456,686,794.98	4,191,104,739.42	4,120,338,820.25	527,452,714.15

#### (2) Breakdown of short-term employee compensation

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
1. Salary, bonus, allowance and subsidy	446,663,846.85	3,355,747,769.82	3,293,786,557.38	508,625,059.29
2. Employee welfare expenses		205,326,856.07	205,326,856.07	
3. Social insurance premiums	2,414,385.74	182,430,941.17	182,479,906.54	2,365,420.37
Including: medical insurance	1,920,387.20	122,479,873.49	122,692,241.35	1,708,019.34
Work-related injury insurance	197,509.24	13,313,211.34	13,348,763.96	161,956.62
Maternity insurance fee	282,415.09	2,730,405.13	2,665,128.62	347,691.60
Social security paid for overseas companies	14,074.21	43,907,451.21	43,773,772.61	147,752.81
4. Housing provident funds	2,201,447.50	86,469,015.11	83,942,057.27	4,728,405.34
5. Trade union funds and employee education funds	419,886.79	26,883,897.38	26,525,099.37	778,684.80
8. Others		3,393,423.83	3,393,423.83	
Total	451,699,566.88	3,860,251,903.38	3,795,453,900.46	516,497,569.80

#### (3) Breakdown of defined contribution plans

Monetary Unit: RMB

Item	Beginning balance	Increase in the current	Decrease in the current	Ending balance
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		period	period	
1. Basic endowment insurance	4,800,079.37	274,092,400.20	272,854,382.05	6,038,097.52
2. Unemployment insurance	187,148.73	12,275,517.93	12,330,597.41	132,069.25
Total	4,987,228.10	286,367,918.13	285,184,979.46	6,170,166.77

Other remarks:

None

### 31. Taxes and surcharges payable

Monetary Unit: RMB

Item	Ending balance	Beginning balance
VAT	32,121,006.48	80,545,763.33
Enterprise income tax	179,279,747.52	132,914,014.22
Individual income tax	10,759,183.31	5,448,426.26
Urban maintenance and construction tax	1,624,203.36	698,625.69
Educational surcharge and local education surcharge	1,235,265.88	890,965.06
Property taxes	24,867,766.83	23,185,333.84
Urban land use tax	8,173,498.81	11,761,823.39
Others	33,991,750.33	32,067,222.81
Total	292,052,422.52	287,512,174.60

Other remarks:

None

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

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Long-term borrowings maturing within one year	6,568,724,404.73	4,046,164,710.94
Bonds payable maturing within one year	298,753,037.70	100,000,000.00
Long-term payable maturing within one year	1,497,868,064.49	1,115,132,118.08
Lease liabilities maturing within one year	109,288,141.24	87,904,229.06
Interest on long-term borrowings maturing within one year	26,098,435.43	26,724,559.68
Interest on bonds payable maturing within one year	1,200,000.00	1,600,000.00
Total	8,501,932,083.59	5,377,525,617.76

Other remarks:

None

### 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	50,097,082.30	101,473,539.49
Accounts payable which are not de-recognized (payment for part of the unmatured commercial bills)	360,572,095.25	992,248,955.00
Others		10,155,114.06
Total	415,133,709.20	1,508,427,177.57

Increase/decrease of short-term bonds payable:

Monetary Unit: RMB

Bond name	Nominal value	Nominal interest rate	Issuance date	Bond duration	Issuance amount	Beginning balance	Amount issued in the current period	Interest accrued by nominal value	Amortization of premiums or discounts	Amount repaid in the current period		Ending balance	Is there any default or not
2023 Collective Short-term Financing Bonds for Advanced Manufacturing Enterprises in the Yangtze River Delta (Phase I)	400,000,000.00	2.98%	2023-12-25	270 days	398,979,597.90	400,085,037.37		8,708,405.25		408,793,442.62		0.00	No
Total					398,979,597.90	400,085,037.37		8,708,405.25		408,793,442.62		0.00	

Other remarks:

None

**34. Long-term borrowings****(1) Classification of long-term borrowings**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Pledged borrowing	145,400,000.00	194,850,000.00
Mortgaged borrowing	6,821,522,794.32	6,146,099,199.76
Guaranteed borrowing	18,021,019,782.38	15,691,730,115.83
Credit borrowings		118,900,000.00
Factoring borrowings	90,900,000.00	54,430,000.00
Plus: Interests not due on long-term borrowings		
Less: long-term borrowings maturing within one year	-6,568,724,404.73	-4,046,164,710.94
Total	18,510,118,171.97	18,159,844,604.65

Remarks on the classification of long-term borrowings:

None

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

None

**35. Bonds payable****(1) Bonds payable**

Monetary Unit: RMB

Item	Ending balance	Beginning balance
22 Green Bonds 01 (STAR Market)	0.00	296,796,432.95
Total		296,796,432.95

**(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	Nominal interest rate	Issuance date	Bond duration	Issuance amount	Beginning balance	Amount issued in the current period	Interest accrued by nominal 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	Is there any default or not
22	500,000		2022/11	3 years	500,000	296,796		14,844	1,956.6		13,644	299,953	0.00	No

Gree n Bond s 01 (STA R Mark et) [Rem ark 1]	,000.00		/25		,000.00	,432.95		444.45	04.75		444.45	,037.70		
Total		—			500,000 ,000.00	296,796 ,432.95		14,844, 444.45	1,956.6 04.75		13,644, 444.45	299,953 ,037.70	0.00	—

Remark 1: The ending balance has been re-classified into non-current liabilities maturing within one year.

### 36. Lease liabilities

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Lease liabilities – lease payment amount	547,256,513.84	371,329,171.91
Less: Lease liabilities – unrecognized financing expenses	-88,304,224.07	-54,326,928.91
Less: Lease liabilities maturing within one year	-109,288,141.24	-87,904,229.06
Total	349,664,148.53	229,098,013.94

Other remarks:

None

### 37. Long-term payables

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Long-term payable	2,249,740,560.44	2,226,062,224.05
Special payable	7,241,811.86	8,348,969.63
Total	2,256,982,372.30	2,234,411,193.68

#### (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)	2,991,036,679.94	2,440,708,260.00
Payable for equity repurchase	756,571,944.99	900,486,082.13
Less: long-term payable maturing within one year	-1,497,868,064.49	-1,115,132,118.08
Total	2,249,740,560.44	2,226,062,224.05

Other remarks:

None

**(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)	8,348,969.63		1,107,157.77	7,241,811.86	
Total	8,348,969.63		1,107,157.77	7,241,811.86	

Other remarks:

None

**38. Estimated liabilities**

Monetary Unit: RMB

Item	Closing balance	Beginning balance	Reason for formation
Product quality assurance	628,246,190.96	497,666,911.03	Estimated quality assurance expense
Total	628,246,190.96	497,666,911.03	

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

None

**39. Deferred income**

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Closing balance	Reason for formation
Government subsidies	239,950,247.83	84,336,937.31	40,506,508.64	283,780,676.50	Related to assets
Total	239,950,247.83	84,336,937.31	40,506,508.64	283,780,676.50	--

Other remarks:

None

**40. Share capital**

Monetary Unit: RMB

	Beginning balance	Increase/decrease					Closing balance
		Shares newly issued	Shares granted	Shares converted from capital reserve	Others	Subtotal	
Total number of shares	1,785,186,832.00	16,809,485.00				16,809,485.00	1,801,996,317.00

Other remarks:

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 for 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. On August 27, 2024, the 9th meeting of the ninth Board of Directors and the 9th 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 Second Exercise Period for the Stock Options First Granted under the 2022 Stock Option Incentive Plan*. The Board of Directors believed that the exercise conditions for the second exercise period for the stock options first granted under the 2022 Stock Option Incentive Plan had been achieved, and 1,477 incentive objects met the exercise conditions. The number of exercisable stock options was 12.4368 million, and the exercise price was RMB 18.57 per share. Among them, in 2024, the above-mentioned personnel independently exercised 16,809,485 shares and completed the ownership registration and listing for circulation, increasing the Company's registered capital by RMB 16,809,485 and increasing the capital reserve (capital premium) by RMB 295,863,529.44.

#### 41. Capital reserves

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Closing balance
Capital premium (share capital premium)	18,529,913,059.46	631,727,544.66	108,502,921.07	19,053,137,683.05
Other capital reserves	506,815,614.98	219,291,938.54	43,170,438.16	682,937,115.36
Total	19,036,728,674.44	851,019,483.20	151,673,359.23	19,736,074,798.41

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 is mainly about the following items: a) See the remarks in Note 40. Share capital; b) RMB 43,170,438.16 was carried forward to other capital surplus due to the exercise of share options or unlocking of shares under the ESOP (Phase III) and the share option incentive plans of 2021 and 2022 during each exercise period; c) the Company's net identifiable assets increased by a total of RMB 292,693,577.06 as calculated by shareholding ratio because of the different proportions of increased capital subscription by the minority shareholders of the Company's subsidiaries such as Liuzhou Gotion Battery Co., Ltd., etc.

Decrease in the current period is mainly about the following items: The difference between the subscription funds of the employees under the Company's ESOP (Phase IV) and the Company's repurchase obligation was adjusted to the amount of treasury stock, reducing the capital reserve by RMB 108,502,921.07.

##### (2) Other capital reserves:

Increase in the current period is mainly about the following items: a) The associates accepted the capital investment by the other shareholders, resulting in an increase of the identifiable net assets entitled to the Company in the amount of RMB 5,050,932.68; b) The total amount of the stock option expenses (equity

attributable to owners of the parent company) of the share option incentive plans of 2021 and 2022, the ESOP (Phase III) and ESOP (Phase IV) was RMB 214,241,005.86.

Decrease in the current period is mainly about the following items: RMB 43,170,438.16 was carried forward to other capital surplus due to the exercise of share options or unlocking of shares under the ESOP (Phase III) and the share option incentive plans of 2021 and 2022 during each exercise period.

## 42. Treasury stock

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Closing balance
Formation of repurchased shares	257,702,092.65	300,039,302.01	201,592,921.07	356,148,473.59
Restrictive Stock Incentive Plan	24,996,272.08	93,090,000.00	12,188,245.88	105,898,026.20
Equity of the parent company held by subsidiaries	59,000,000.00			59,000,000.00
Total	341,698,364.73	393,129,302.01	213,781,166.95	521,046,499.79

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

### (1) Formation of repurchased shares:

The increase in the current period is due to the repurchase with self-owned funds.

The decrease in the current period is due to the transfer of amount under the ESOP (Phase IV).

### (2) Restricted stock incentive plan

The increase in the current period is due to the confirmation of corresponding repurchase obligations under the ESOP (Phase IV).

The decrease in the current period is due to the adjustment and offset of the end of repurchase obligations corresponding to the unlocked part under the ESOP (Phase III), with the amount of treasury stock adjusted.

## 43. Other comprehensive income

Monetary Unit: RMB

Item	Beginning balance	Amount incurred in the current period						Closing 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 or loss	-79,671,864.48	-645,334,360.22		-9,904,397.48	2,504,869.57	-637,934,832.31		-717,606,696.79
Including: amount of changes in the defined benefit plan due to re-measurement	15,189,765.92	7,468,370.14			2,504,869.57	4,963,500.57		20,153,266.49
Changes in fair value of the other equity instrument investments	-94,861,630.40	-652,802,730.36		-9,904,397.48		-642,898,332.88		-737,759,963.28
II. Other comprehensive income that will be reclassified to profit or loss	-7,732,936.66	-23,508,382.81				-28,231,007.25	4,722,624.44	-35,963,943.91
Including: Other comprehensive income that can be transferred	-294,238.76	-31,913,248.02				-32,694,977.42	781,729.40	-32,989,216.18

to profit or loss under the equity method								
Changes in fair value of other debt investments		-17,456,896.56				-17,456,896.56		-17,456,896.56
Provision for credit impairment of other debt investments		15,000,000.00				15,000,000.00		15,000,000.00
Translation differences of financial statements denominated in foreign currencies	-7,438,697.90	10,861,761.77				6,920,866.73	3,940,895.04	-517,831.17
Total other comprehensive income	-87,404,801.14	-668,842,743.03		-9,904,397.48	2,504,869.57	-666,165,839.56	4,722,624.44	-753,570,640.70

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):

None

#### 44. Special reserves

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Closing balance
Safety production fee	1,271,151.96	6,710,974.39	4,045,737.98	3,936,388.37
Total	1,271,151.96	6,710,974.39	4,045,737.98	3,936,388.37

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

None

#### 45. Surplus reserves

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Closing balance
Statutory surplus reserves	199,754,672.38	22,321,066.12		222,075,738.50
Total	199,754,672.38	22,321,066.12		222,075,738.50

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

None



**46. Undistributed profit**

Monetary Unit: RMB

Item	Current period	Previous period
Undistributed profit at the end of the previous period before adjustment	4,473,001,832.26	3,546,316,521.53
Undistributed profit at the beginning of current period after adjustment	4,473,001,832.26	3,546,316,521.53
Plus: net profit attributable to the owner of the parent company in the current period	1,206,790,129.59	938,726,847.76
Less: withdrawal of statutory surplus reserves	22,321,066.12	11,703,196.00
Dividends payable on ordinary shares	176,940,041.41	
Plus: proceeds from disposal of other equity instrument investments	-9,904,397.48	-338,341.03
Undistributed profit at the end of the period	5,470,626,456.84	4,473,001,832.26

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 0.00.
- 2). Due to change in accounting policy, the undistributed profit at the beginning of the period is affected by RMB 0.00.
- 3). Due to correction of major accounting errors, the undistributed profit at the beginning of the period is affected by RMB 0.00.
- 4). Due to changes in consolidation scope caused by business combination under common control, the undistributed profits at the beginning of the period are affected by RMB 0.00.
- 5). Due to other adjustments, the undistributed profit at the beginning of the period is affected by RMB 0.00.

**47. Operating revenue and operating cost**

Monetary Unit: RMB

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Revenue	Cost	Revenue	Cost
Primary business	33,936,636,781.73	28,260,599,920.09	30,799,621,845.39	26,264,956,622.34
Other business	1,455,180,313.71	759,531,432.75	805,868,174.93	355,674,178.77
Total	35,391,817,095.44	29,020,131,352.84	31,605,490,020.32	26,620,630,801.11

The Company's audited total profit, net profit and net profit after deducting the non-recurring profit and loss (whichever is the lowest) in the most recent fiscal year 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	11,656,474.24	9,685,743.30

Educational surcharges	8,975,066.19	8,646,759.46
Property taxes	116,579,414.86	66,183,386.02
Land use tax	39,887,423.48	38,867,201.11
Stamp tax	57,260,123.66	63,057,947.65
Others	41,208,062.18	47,565,048.05
Total	275,566,564.61	234,006,085.59

Other remarks:

#### 49. General and administrative expenses

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee remuneration	845,920,435.07	667,152,762.39
Depreciation and amortization expenses	395,499,226.45	268,113,209.04
Stock option expenses	139,764,732.51	338,558,407.21
Office operating expenses	547,007,449.49	462,358,033.25
Total	1,928,191,843.52	1,736,182,411.89

Other remarks:

#### 50. Selling expenses

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee remuneration	157,300,933.51	148,355,786.67
Operating expenses of sales department	147,088,179.87	144,098,473.30
Total	304,389,113.38	292,454,259.97

Other remarks:

#### 51. R&D expenditures

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
R&D materials and power expenses	734,997,236.92	715,729,555.65
Employee remuneration	850,876,786.01	773,527,066.99
Stock option expenses	77,328,770.95	260,431,808.22
Testing, trial production and others	485,014,840.53	311,551,078.37
Total	2,148,217,634.41	2,061,239,509.23

Other remarks:

#### 52. Financial expenses

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Interest expense	1,400,880,768.69	1,157,597,132.73
Interest income	-447,466,832.59	-409,536,378.71
Exchange losses (less: gains)	-173,024,979.15	-249,957,499.83
Bank handling fee and others	62,261,293.43	49,389,938.67

Total	842,650,250.38	547,493,192.86
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Other remarks:

### 53. Other incomes

Monetary Unit: RMB

Sources of other incomes	Amount incurred in the current period	Amount incurred in the previous period
Government grant	990,000,989.16	1,002,303,651.06
VAT additional deductions	353,283,639.80	270,290,584.07
Others	450,387.99	417,154.85
Total	1,343,735,016.95	1,273,011,389.98

### 54. Gains from changes in fair value

Monetary Unit: RMB

Sources of the gains from changes in fair value	Amount incurred in the current period	Amount incurred in the previous period
Held-for-trading financial assets	110,388,745.98	105,890,866.72
Derivative financial assets	85,801,650.51	0.00
Total	196,190,396.49	105,890,866.72

Other remarks:

### 55. Investment income

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Income from long-term equity investments accounted by equity method	-85,205,914.36	-280,539.33
Income from disposal of long-term equity investments	51,633,432.25	6,894,019.60
Income from other investments	-4,869,972.71	114,058.54
Investment income from held-for-trading financial assets	56,679,614.31	55,180,740.98
Investment income from the derivative financial assets	28,957,250.00	6,776,720.00
Total	47,194,409.49	68,684,999.79

Other remarks:

### 56. Losses from credit impairment

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Losses from bad debt in notes receivable	-13,201,254.55	16,597,399.20
Losses from bad debt in accounts receivable	-633,050,020.19	-294,026,250.93
Losses from bad debt in other receivables	-88,856,303.80	-59,254,207.27

Losses from impairment of other debt investments	-15,000,000.00	
Losses from bad debt in long-term receivables		479,497.03
Provision for impairment of non-current assets maturing within one year	-16,198,475.01	-3,224,315.76
Total	-766,306,053.55	-339,427,877.73

Other remarks:

## 57. Losses from asset impairment

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Loss from depreciation of inventory and impairment of contract performance cost	-221,937,544.61	-209,554,915.75
II. Loss from impairment of long-term equity investment	-71,735,712.03	-6,241,715.00
III. Loss from impairment of fixed assets		-7,880,935.00
IV. Loss from impairment of construction in progress		-3,210,853.98
V. Loss from impairment of goodwill	-105,336,733.17	-13,940,400.04
VI. Others		-3,539,750.00
Total	-399,009,989.81	-244,368,569.77

Other remarks:

## 58. Gains from disposal of assets

Monetary Unit: RMB

Sources of the 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	-11,024,418.46	-1,849,074.44

## 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
Net income from operating fines and breach of contract	13,732,491.99	9,926,900.41	13,732,491.99
Write-off of intercourse funds and others	7,087,009.03	4,222,575.17	7,087,009.03
Net gain from scrapping of other non-current assets		168,368.32	
Fire compensation from property insurance companies	2,820,000.00		2,820,000.00
Total	23,639,501.02	14,317,843.90	23,639,501.02

Other remarks:

**60. Non-operating expense**

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
Donations	26,481,422.84	12,012,389.60	26,481,422.84
Net loss from scrapping of other non-current assets	3,386,725.68	6,956,957.80	3,386,725.68
Compensation and penalties paid	12,240,792.41	21,961,957.09	12,240,792.41
Others	1,870,525.52	652,295.84	1,870,525.52
Total	43,979,466.45	41,583,600.33	43,979,466.45

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	293,409,517.42	158,884,957.19
Deferred income tax expense	-184,433,997.83	-179,824,092.31
Total	108,975,519.59	-20,939,135.12

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

Monetary Unit: RMB

Item	Amount incurred in the current period
Total profit	1,263,109,731.98
Income tax expense calculated according to statutory/applicable tax rate	315,777,433.00
Impact from applying different tax rates to subsidiaries	-141,849,608.77
Impact from non-deductible costs, expenses and losses	79,102,727.16
Impact from deductible temporary differences or deductible losses of unrecognized deferred income tax assets in the current period	166,065,751.55
The impact number of research and development expenses plus and deduction	-310,120,783.35
Income tax expense	108,975,519.59

Other remarks:

**62. Other comprehensive income**

See Note 43.

**63. Items in cash flow statement****(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 grant	1,032,774,417.83	1,056,157,952.65
Intercourse funds and others	929,112,876.53	451,041,700.63
Total	1,961,887,294.36	1,507,199,653.28

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	138,741,815.65	133,020,013.59
General and administrative expenses	561,305,940.19	452,976,783.00
R&D expenditures	335,562,686.08	249,367,751.62
Intercourse funds and others	984,628,728.03	1,370,496,391.75
Total	2,020,239,169.95	2,205,860,939.96

Remarks on other cash paid for operating activities:

**(2) Cash related to investing activities**

Other cash received from investing 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 investing 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 investing activities:

Other cash paid for investing activities:

Monetary Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Cash held on the date of disposal of subsidiaries in the current period	18,910.12	
Security deposit for financial derivatives	146,356,952.91	
Total	146,375,863.03	

Remarks on major cash paid for investing 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 investing 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
Subscription funds under the ESOP	93,090,000.00	
Payment for disposal of invalid equity under the ESOP	65,504,033.35	
Recovery of security deposit for leased assets	4,230,779.78	
Recovery of the amount on deposit pledged to the bank to apply for a loan	556,557,108.88	
Total	719,381,922.01	

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	18,427,701.80	40,737,725.44
Notes submitted deposit	1,221,817,930.96	145,361,701.15
Payment for share repurchase	300,039,302.01	
Payment for acquisition of minority shareholders' equity	5,000,000.00	19,500,000.00
Total	1,545,284,934.77	205,599,426.59

Remarks on other cash paid for financing activities:

Changes in liabilities arising from financing activities

☐ Applicable ☒ Not applicable

## 64. Supplementary information to the cash flow statement

### (1) Details of supplementary information to the cash flow statement

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	1,154,134,212.39	969,098,872.91
Plus: provision for asset impairment	1,165,316,043.36	583,796,447.50
Credit impairment loss	2,005,938,991.14	1,593,515,943.51
Depreciation of fixed assets, oil and gas assets and productive biological assets	39,552,672.68	15,244,776.89
Amortization of intangible assets	365,200,442.97	236,888,829.45

Amortization of long-term deferred expenses	43,970,777.75	32,255,273.73
Loss from disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	11,024,418.46	1,849,074.44
Loss from scrapping of fixed assets ("-" for gains)	3,386,725.68	6,788,589.48
Loss on changes in fair value ("-" for gains)	-196,190,396.49	-105,890,866.72
Financial expenses ("-" for gains)	1,227,855,789.54	907,639,632.90
Investment loss ("-" for gains)	-47,194,409.49	-68,684,999.79
Decrease in deferred income tax assets ("-" for increase)	-250,276,388.20	-257,970,296.78
Increase in deferred income tax liabilities ("-" for decrease)	65,844,932.27	77,850,531.21
Decrease in inventories ("-" for increase)	-1,650,951,971.23	1,991,382,992.32
Decrease in operating receivable ("-" for increase)	-7,722,629,701.16	-7,109,068,959.10
Increase in operating payable ("-" for decrease)	6,735,026,503.39	3,408,294,868.24
Others	-244,436,914.05	135,700,107.10
Net cash flow from operating activities	2,705,571,729.01	2,418,690,817.29
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	12,556,337,255.65	11,328,205,559.31
Less: beginning balance of cash	11,328,205,559.31	11,242,032,512.47
Plus: ending balance of cash equivalents		
Less: beginning balance of cash equivalents		
Net increase in cash and cash equivalents	1,228,131,696.34	86,173,046.84

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

Monetary Unit: RMB

	Amount
Cash or cash equivalents received in the current period from disposal of subsidiaries	26,039,556.47
Including:	
Cash received from the disposal of subsidiaries such as Hefei Gotion Recycling Technology Co., Ltd.	26,039,556.47
Including:	



Including:	
Net cash received from disposal of subsidiaries	26,039,556.47

Other remarks:

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

Monetary Unit: RMB

Item	Ending balance	Beginning balance
I. Cash	12,556,337,255.65	11,328,205,559.31
Including: cash in hand	186,807.62	155,682.62
Unrestricted bank deposit available for payment	12,428,271,396.53	11,309,953,705.28
Other cash and cash equivalents available for payment at any time	127,879,051.50	18,096,171.41
III. Ending balance of cash and cash equivalents	12,556,337,255.65	11,328,205,559.31

## 65. Monetary items in foreign currency

### (1) Monetary items in foreign currency

Monetary Unit: RMB

Item	Ending balance in foreign currency	Conversion rate	Ending balance translated in RMB
Cash and cash equivalents			
Including: USD	1,133,952,836.72	7.1884	8,151,306,571.48
EUR	42,898,928.48	7.5257	322,844,466.06
HKD	1,636,158.32	0.9260	1,515,082.60
JPY	4,370,987,238.00	0.0462	201,939,610.40
AED	7,072,887.97	0.7100	5,021,750.46
SGD	860,822.18	5.3214	4,580,779.15
ARS	20,451,872.67	0.0070	143,163.11
IDR	70,010,063,488.25	0.0005	35,005,031.74
CHF	1,000,000.00	7.9977	7,997,700.00
Accounts receivable			
Including: USD	660,162,507.76	7.1884	4,745,512,170.78
EUR	3,302,512.30	7.5257	24,853,716.82
HKD			
JPY	1,658,856,656.00	0.0462	76,639,177.51
SGD	3,200.88	5.3214	17,033.16
IDR	15,577,587,058.08	0.0005	7,788,793.53
Long-term borrowings			
Including: USD	100,250,000.00	7.1884	720,637,100.00
EUR			
HKD			
ARS	5,786,662,000.00	0.0070	40,506,634.00
Other receivable			
Including: USD	2,288,314.98	7.1884	16,449,323.40
JPY	150,399,883.00	0.0462	6,948,474.59
AED	182,230.00	0.7100	129,383.30
EUR	892,191.30	7.5257	6,714,364.07

SGD	197,007.20	5.3214	1,048,354.11
ARS	2,768,058.75	0.0070	19,376.41
IDR	60,740,416,203.20	0.0005	30,370,208.10
Short-term borrowings			
Including: IDR	161,323,570.00	0.0005	80,661.79
Account payable			
Including: USD	15,930,070.82	7.1884	114,511,721.08
JPY	656,165.00	0.0462	30,314.82
EUR	1,670,764.05	7.5257	12,573,669.01
SGD	475.42	5.3214	2,529.90
ARS	1,238,815.75	0.0070	8,671.71
IDR	702,050,036.00	0.0005	351,025.02
Other payable			
Including: USD	127,187,239.65	7.1884	914,272,753.50
JPY	8,818,325.00	0.0462	407,406.62
EUR	5,229,602.04	7.5257	39,356,416.07
SGD	162,870.34	5.3214	866,698.23
ARS	2,994,628.42	0.0070	20,962.40
IDR	39,957,623,237.00	0.0005	19,978,811.62
AUD	2,200.00	4.5070	9,915.40

Other remarks:

**(2) Explanation of overseas business entities, including for significant overseas business entities, disclosure of the main overseas business location, recording currency and the basis for selection, as well as the reason for change in recording currency, if any.**

☐ Applicable ☒ Not applicable

## 66. Lease

### (1) The Company is the lessee

☒ Applicable ☐ Not applicable

Variable lease payments not included in the measurement of the lease liability

☐ Applicable ☒ Not applicable

Rental expense on short-term leases and leases of low-value assets with simplified treatment

☒ Applicable ☐ Not applicable

Item	Amount in the current period (Yuan)
Interest expense on lease liabilities	16,548,555.10
Expense on short-term leases with simplified treatment included in related asset cost or current profit or loss	106,188,446.47
Total cash outflow related to lease	158,583,804.69

Circumstances involving after-sale leaseback transactions None.

### (2) The Company is the lessor

Operating lease as lessor

☒ Applicable ☐ Not applicable

Monetary Unit: RMB

Item	Rental income	Including: Income related to variable lease payments not included in lease receipts
Rent on houses and equipment	138,765,148.73	0.00
Total	138,765,148.73	0.00

Finance lease as lessor

☐Applicable ☒Not applicable

Undiscounted lease receipts in each of the next five years

☐Applicable ☒Not applicable

Reconciliation statement of undiscounted lease receipts and net lease investments: None.

**VIII. R&D expenditures**

Monetary Unit: RMB

Item	Amount in the current period	Amount in the previous period
R&D material costs	987,102,784.38	929,599,549.05
Employee remuneration	1,241,008,320.43	1,150,227,682.19
Stock option expenses	77,328,770.95	260,431,808.22
Testing, trial production and others	623,862,380.88	427,740,846.69
Total	2,929,302,256.64	2,767,999,886.15
Including: Expensed R&D expenditure	2,148,217,634.41	2,061,239,509.23
Capitalized R&D expenditure	781,084,622.23	706,760,376.92

**1. R&D projects eligible for capitalization**

Monetary Unit: RMB

Project	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-004	61,281,430.09	25,258,644.58			86,540,074.67			
CP-004	47,061,845.30	31,696,070.43			78,757,915.73			
QT-001	50,005,311.88	17,375,188.92			67,380,500.80			
CP-005	29,634,359.28	14,272,272.64			43,906,631.92			
DX-005	50,604,357.47	22,153,023.12			72,757,380.59			
CP-006	54,176,752.88	1,347,324.73			55,524,077.61			
DX-006	20,263,485.13	50,573,043.63						70,836,528.76
CP-008	18,060,489.09	13,230,886.30						31,291,375.39
DX-007		62,574,791.04				18,633,269.90		43,941,521.14
DX-008		68,066,275.39				17,882,493.45		50,183,781.94
DX-009		67,023,965.88				18,815,159.48		48,208,806.40
DX-010		41,658,314.70				18,518,296.23		23,140,018.47
CP-010		20,130,061.85						20,130,061.85
CP-011		23,550,788.99						23,550,788.99
Others	65,287,210.57	496,947,751.79			352,952,475.20	100,924,562.70		108,357,924.46
Total	396,375,241.69	955,858,403.99			757,819,056.52	174,773,781.76		419,640,807.40

## Major capitalized R&amp;D projects

Project	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-006	At G4 project approval node; 89% budget implementation rate	December 31, 2025	Provide energy type cells for Customer A and power type cells for Customer B	October 1, 2023	The capacity energy density test requirements of sample B have been met, and the safety performance test and cycle performance test have been passed
DX-007	At G4 project approval node; 86% budget implementation rate	July 31, 2025	Develop long-cycle charge-discharge high-capacity energy storage cells to enhance competitiveness in the power energy storage field and achieve revenue generation	April 1, 2024	The development and testing of sample B cells have been completed, and the conditions for design freezing have been met
DX-008	At G3 design freeze node; 85% budget implementation rate	June 30, 2025	Based on the existing design plan, develop a long-cycle battery cell to meet customer demands, expand the market and achieve revenue generation	April 1, 2024	The development and validation tests of sample B have been completed, and the conditions for the release of the plan have been met
CP-008	At G3 design freeze node; 81% budget implementation rate	June 30, 2026	Obtain orders from customers	October 1, 2022	The test validation has been completed to meet the design freeze requirements; and there is sufficient technical and financial support for the project research and development
DX-010	At G3 design freeze node; 50% budget implementation rate	December 31, 2025	Reduce costs and increase efficiency based on the accumulation of existing technologies and through the optimization of the chemical system	October 1, 2024	Sample B trial production, validation, and mandatory inspection of cells have been completed, and the plan freeze review has been finished ahead of schedule
CP-010	At G5 mass production	March 31, 2025	Obtain orders from customers	February 1, 2024	Sample B validation has been

	approval node; 95% budget implementation rate				passed to meet the design freeze requirements; and there is sufficient technical and financial support for the project research and development
CP-011	At G4 project approval node; 67% budget implementation rate	March 31, 2025	Obtain orders from customers	January 1, 2024	Sample B certification has been completed to meet the design freeze requirements; and there is sufficient technical and financial support for the project research and development

Provision for impairment of development expenditure

Monetary Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Closing balance	Impairment test
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## IX. Changes in consolidation scope

### 1. 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 subsidiary	Disposal price at the point of loss of control	Percenta ge of disposal s at the point of loss of control	Disposal at the point of loss of control	Point in time when control is lost	The basis for judging the point of loss of control	The differen ce between the disposal price and the share of net assets of the subsidiary at the level of the consolid ated financial	Proporti on of equity remaini ng at the date of loss of control	The carrying amount of the remaini ng equity interest at the level of the consolid ated financial stateme nts at the date of loss of	Fair value of remaini ng equity interests at the level of the consolid ated financial stateme nts at the date of loss of control	Gains or losses arising from re-measure ment of residual equity at fair value	Methods and key assumpt ions for determi ning the fair value of residual equity at the level of consolid ated financial stateme nts at the date of loss	The amount of other compreh ensive income relating to the equity investm ent of Atomic Compan y transferr ed to profit or loss or retained
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						state- ments corres- ponding to the disposal of the invest- ment		control			of control	earnings of the invest- ment
Hefei Xuanyi i Equity Invest ment Co., Ltd.	14,222,9 00.00	100.00 %	Sale	March 21, 2024	The procedu- res for asset closing and share change registrat- ion have been complet- ed	450,698. 04						
Hefei Gotion Recycl- ing Techn- ology Co., Ltd.	26,300,0 00.00	100.00 %	Sale	August 29, 2024	The procedu- res for asset closing and share change registrat- ion have been complet- ed	11,691,4 51.63						

Other remarks:

(1) In March 2024, the Company's subsidiaries, i.e., Hefei Gotion High-Tech Power Energy Co., Ltd. and Hefei Xinzhitong Management Partnership (Limited Partnership), and Xie Jing (natural person) entered into an Equity Transfer Agreement, pursuant to which Hefei Gotion High-Tech Power Energy Co., Ltd. sold its 99.00% equity and 1.00% equity in Hefei Xuanyi Equity Investment Co., Ltd. to Hefei Xinzhitong Management Partnership (Limited Partnership) and Xie Jing (natural person), respectively. As of March 21, 2024, the parties have completed the corresponding asset closing and share change registration procedures.

(2) In June 2024, the Company's subsidiaries, i.e., Feidong Gotion New Materials Co., Ltd. and Hefei Deli New Material Technology Co., Ltd. entered into an Equity Transfer Agreement, pursuant to which Feidong Gotion New Material Co., Ltd. sold its 100% equity in Hefei Gotion Recycling Technology Co., Ltd. to Hefei Deli New Material Technology Co., Ltd. As of August 29, 2024, the parties have completed the corresponding asset closing 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

## 2. Change in consolidation scope for other reasons

### (1) Scope of consolidation attributable to increase in newly established companies

Name of company	Date of establishment	Currency	Registered capital (RMB 0'000)	Remarks
Anhui Gotion New Energy Co., Ltd.	January 4, 2024	RMB	10,000	Gotion High-Tech Co., Ltd. holds 100% equity
Guangxi Gotion New Energy Co., Ltd.	October 9, 2024	RMB	1000	Anhui Gotion New Energy Co., Ltd. holds 100% equity
Hefei Gotion New Energy Co., Ltd.	August 29, 2024	RMB	500	Anhui Gotion New Energy Co., Ltd. holds 100% equity
Luijiang Huixuan New Energy Co., Ltd.	September 3, 2024	RMB	500	Hefei Gotion New Energy Co., Ltd. holds 100% equity
Inner Mongolia Huihong New Energy Co., Ltd.	August 1, 2024	RMB	1000	Anhui Gotion New Energy Co., Ltd. holds 100% equity
Hefei Gotion Energy Storage Technology Co., Ltd.	July 26, 2024	RMB	500	Anhui Gotion New Energy Co., Ltd. holds 100% equity
Luijiang Xuanneng Technology Co., Ltd.	August 1, 2024	RMB	500	Hefei Gotion Energy Storage Technology Co., Ltd. holds 100% equity
Chizhou Gotion New Energy Co., Ltd.	July 18, 2024	RMB	500	Anhui Gotion New Energy Co., Ltd. holds 100% equity
Suzhou Gotion New Energy Co., Ltd.	July 16, 2024	RMB	500	Anhui Gotion New Energy Co., Ltd. holds 100% equity
Jiangxi Gotion New Energy Development Co., Ltd.	March 27, 2024	RMB	1000	Anhui Gotion New Energy Co., Ltd. holds 100% equity
Yichun Yuanzhou District Gotion New Energy Development Co., Ltd.	August 14, 2024	RMB	1000	Jiangxi Gotion New Energy Development Co., Ltd. holds 100% equity
Hefei Gotion Zhonghong New Energy Co., Ltd.	December 11, 2024	RMB	100	Anhui Gotion New Energy Co., Ltd. holds 80% equity
Hefei Gotion Zhonghong New Energy Technology Development Co., Ltd.	December 16, 2024	RMB	100	Hefei Gotion Zhonghong New Energy Co., Ltd. holds 100% equity
Tongcheng Kongcheng Gotion Wind Power Generation Co., Ltd.	December 19, 2024	RMB	100	Hefei Gotion Zhonghong New Energy Technology Development Co., Ltd. holds 100% equity
Anhui Gotion Source-Grid-Load-Storage Technology Co., Ltd.	July 17, 2024	RMB	500	Anhui Gotion New Energy Co., Ltd. holds 80% equity
HuaiBei Gotion Xiangfeng New Energy Co., Ltd.	January 19, 2024	RMB	100	Anhui Gotion New Energy Co., Ltd. holds 80% equity
Hefei Gotion Qingchun New Energy Technology Co., Ltd.	January 10, 2024	RMB	100	Anhui Gotion New Energy Co., Ltd. holds 70% equity
Mengcheng County Gotion New Energy Technology Co., Ltd.	November 8, 2024	RMB	100	Hefei Gotion Qingchun New Energy Technology Co., Ltd. holds 100% equity
Lixin County Gotion New Energy Technology Co., Ltd.	January 12, 2024	RMB	100	Hefei Gotion Qingchun New Energy Technology Co., Ltd. holds 100% equity
Hefei Yigao New Energy Co., Ltd.	November 6, 2024	RMB	100	Anhui Gotion New Energy Co., Ltd. holds 60% equity
Anhui Liangyu Photoelectric Technology Co., Ltd.	May 14, 2024	RMB	500	Hefei Yigao New Energy Co., Ltd. holds 100% equity
Tongcheng Huaxuan New Energy Co., Ltd.	September 10, 2024	RMB	1000	Anhui Gotion New Energy Co., Ltd. holds 51% equity
Anhui Gotion Source-Grid-Load-Storage Wind Power Generation Co., Ltd.	December 26, 2024	RMB	100	Anhui Gotion Source-Grid-Load-Storage Technology Co., Ltd. holds 100% equity
Tongcheng Gotion Source-Grid-Load-Storage New Energy Co., Ltd.	August 1, 2024	RMB	100	Hefei Gotion Source-Grid-Load-Storage Wind Power Generation Co., Ltd. holds 100% equity
Hefei Gotion Source-Grid-Load-Storage Photovoltaic Power Generation Co., Ltd.	December 25, 2024	RMB	100	Anhui Gotion Source-Grid-Load-Storage Technology Co., Ltd. holds 100% equity
Tongcheng Shuanggang Gotion Photovoltaic Power Generation Co., Ltd.	December 27, 2024	RMB	100	Hefei Gotion Source-Grid-Load-Storage Photovoltaic Power Generation Co., Ltd. holds 100% equity
Tongling Gotion Source-Grid-Load-Storage New Energy Co., Ltd.	July 31, 2024	RMB	100	Anhui Gotion Source-Grid-Load-Storage Technology Co., Ltd. holds 100% equity
Luijiang Source-Grid-Load-Storage New Energy Co., Ltd.	August 13, 2024	RMB	100	Anhui Gotion Source-Grid-Load-Storage Technology Co., Ltd. holds 100% equity

Suixi Gotion Source-Grid-Load-Storage New Energy Co., Ltd.	August 1, 2024	RMB	100	Anhui Gotion Source-Grid-Load-Storage Technology Co., Ltd. holds 100% equity
Bozhou Gotion Source-Grid-Load-Storage New Energy Co., Ltd.	July 31, 2024	RMB	100	Anhui Gotion Source-Grid-Load-Storage Technology Co., Ltd. holds 100% equity
Guzhen Gotion Source-Grid-Load-Storage New Energy Co., Ltd.	July 31, 2024	RMB	100	Anhui Gotion Source-Grid-Load-Storage Technology Co., Ltd. holds 100% equity
Hefei Gotion New Energy Technology Co., Ltd.	January 18, 2024	RMB	5,000	Hefei Gotion High-tech Power Energy Co., Ltd. holds 100% equity
Hefei Gotion Energy Storage and Sales Co., Ltd.	October 30, 2024	RMB	3,000	Hefei Gotion High-tech Power Energy Co., Ltd. holds 100% equity
Hefei Gotion Power Energy Sales Co., Ltd.	October 31, 2024	RMB	3,000	Hefei Gotion High-tech Power Energy Co., Ltd. holds 100% equity
Western Gotion (Inner Mongolia) Technology Co., Ltd.	November 30, 2024	RMB	20,000	Hefei Gotion High-tech Power Energy Co., Ltd. holds 100% equity
Shanghai Xuanyi Oufei New Energy Development Co., Ltd.	January 19, 2024	RMB	100,000	Hefei Gotion High-tech Power Energy Co., Ltd. holds 100% equity
Gotion EMEA Holding Co., Ltd.	March 19, 2024	EUR	0.5	Shanghai Xuanyi Oufei New Energy Development Co., Ltd. holds 85% equity, and Gotion GmbH holds 15% equity
Gotion High-Tech (Australia) Co., Ltd.	October 18, 2024	AUD	42	GOTION SINGAPORE PTE. Ltd. holds 100% equity
Slovakia GIB New Energy Co., Ltd.	January 1, 2024	EUR	0.5	Gotion GmbH holds 80% equity
Morocco Gotion Battery Co., Ltd.	July 12, 2024	EUR	30	Gotion GmbH holds 100% equity
Gpower	January 19, 2024	JPY	100	Gotion High-Tech Japan Co., Ltd. holds 100% equity
Susike Energy Co., Ltd.	February 5, 2024	ARS	3000	Gotion Argentina S.A. holds 100% equity
Gotion Switzerland Battery AG	January 31, 2024	CHF	100	Shanghai Gotion New Energy Co., Ltd. holds 100% equity

## (2) Deregistration of unconsolidated subsidiaries

Name of deregistered company	Deregistration date	Remarks
Tangshan Xuanteng International Trade Co., Ltd.	October 31, 2024	The Company applied for the revocation of its business license through statutory procedures to disqualify itself as a legal person.

## (3) Unconsolidated subsidiaries that have entered into bankruptcy or liquidation

On April 25, 2024, Jiangxi Province Yichun Intermediate People's Court rendered the (2024) Gan 09 Po No.3 Ruling in the case converting the enforcement procedure against Jiangxi Hzone-li Technology Co., Ltd. into bankruptcy and liquidation. On April 26, 2024, the court appointed Jiangxi Hongyun Law Firm as the administrator of Jiangxi Hzone-li Technology Co., Ltd. As of the same date, the Company's financial statements will no longer be consolidated with those of its holding subsidiary, Jiangxi Lixing Technology Collaborative Innovation Co., Ltd.

## X. Equity in other entities

### 1. Equity in subsidiaries

#### (1) Major structure of the enterprise group

Monetary Unit: RMB

Name of subsidiary	Registered capital	Principal place of business	Registered address	Nature of business	Shareholding percentage		Method of acquisition
					Direct	Indirect	
Jiangsu	550,000,000.00	Nantong, Jiangsu	Nantong, Jiangsu	Industrial	99.82%	0.18%	Direct investment



Dongyuan Electrical Group Co., Ltd.				production			
Nantong Gotion New Energy Technology Co., Ltd.	573,600,000.00	Nantong, Jiangsu	Nantong, Jiangsu	Industrial production		100.00%	Direct investment
Hefei Gotion High-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	Nanjing, Jiangsu	Nanjing, Jiangsu	Industrial production		100.00%	Reverse purchase
Nanjing Gotion New Energy Co., Ltd.	1,200,000,000.00	Nanjing, Jiangsu	Nanjing, Jiangsu	Industrial production		90.88%	Direct investment
Anhui Gotion New Energy Automobile 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	R&D		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 Energy (Lujiang) Co., Ltd.	1,000,000,000.00	Hefei, Anhui	Hefei, Anhui	Industrial production		100.00%	Direct 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 Jiachi Technology Co., Ltd.	100,000,000.00	Hefei, Anhui	Hefei, Anhui	Industrial production		90.00%	Direct investment
Qingdao Gotion Battery Co., Ltd.	541,976,000.00	Qingdao, Shandong	Qingdao, Shandong	Industrial production		92.25%	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.	648,065,697.00	Liuzhou, Guangxi	Liuzhou, Guangxi	Industrial production		51.17%	Direct investment
Tongcheng Gotion New Energy Co., Ltd.	2,000,000,000.00	Anqing, Anhui	Anqing, Anhui	Industrial production		95.54%	Direct investment
Jiangsu Gotion New Energy Technology Co., Ltd.	1,800,000,000.00	Nanjing, Jiangsu	Nanjing, Jiangsu	Industrial production	100.00%		Direct investment
Hefei Gotion Battery Technology Co., Ltd.	1,000,000,000.00	Hefei, Anhui	Hefei, Anhui	Industrial production		100.00%	Direct investment
Hefei Gotion Battery Technology Co., Ltd.	800,000,000.00	Hefei, Anhui	Hefei, Anhui	Industrial production		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.	2,196,739,600.00	Yichun, Jiangxi	Yichun, Jiangxi	Industrial production		91.04%	Direct investment
Yichun Gotion Lithium Co., Ltd.	285,000,000.00	Yichun, Jiangxi	Yichun, Jiangxi	Mineral mining		42.32%	Direct investment
Yifeng Gotion Lithium Co., Ltd.	600,000,000.00	Yichun, Jiangxi	Yichun, Jiangxi	Mineral mining		42.32%	Direct investment
Tongcheng Gotion Battery Technology Co., Ltd.	2,000,000,000.00	Anqing, Anhui	Anqing, Anhui	Industrial production		95.54%	Direct investment
Jinzhai Gotion New Energy Co., Ltd.	1,000,000,000.00	Liu'an, Anhui	Liu'an, Anhui	Industrial production		100.00%	Direct investment
Chuzhou Gotion New Energy Power Co., Ltd.	1,111,111,111.11	Chuzhou, Anhui	Chuzhou, Anhui	Industrial production		90.00%	Direct investment
Gotion High-Tech (USA)	0.00	USA	California, USA	Industrial production		100.00%	Reverse purchase

Co., Ltd.							
GOTION SINGAPORE PTE. Ltd. <sup>1</sup>	71,581,381.49	Singapore	Singapore	Sale		59.05%	Direct investment

Remark 1: The registered capital of GOTION SINGAPORE PTE. Ltd. is SGD 13,451,607.00, which is equivalent to RMB 71,581,381.490 at the closing exchange rate;

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.	48.83%	4,353,233.40		975,620,991.36
Hefei Gotion Battery Material Co., Ltd.	4.77%	7,609,353.35		125,773,101.96
Nanjing Gotion New Energy Co., Ltd.	9.12%			188,478,377.60
Qingdao Gotion Battery Co., Ltd.	7.75%			107,616,183.20
Tongcheng Gotion New Energy Co., Ltd.	7.46%			205,663,205.30
Yichun Gotion Battery Co., Ltd.	8.96%			219,339,490.26

Remarks on the subsidiaries in which the minority shareholder's ownership ratio is different from its voting right ratio:

None

Other remarks:

None

## (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	6,037,190.6 11.86	3,434,412.1 66.24	9,471,602.7 78.10	5,376,254.5 72.73	2,097,353.1 38.07	7,473,607.7 10.80	4,074,275.6 47.67	2,792,544.8 22.80	6,866,820.4 70.47	3,904,827.1 17.64	1,776,063.3 20.93	5,680,890.4 38.57

Gotion Battery Co., Ltd.												
Hefei Gotion Battery Material Co., Ltd.	2,971,198.7 18.64	1,749,976.6 94.77	4,721,175.4 13.41	1,559,738.5 39.38	526,893.47 2.95	2,086,632.0 12.33	4,783,624.2 37.42	1,431,206.9 85.61	6,214,831.2 23.03	2,597,514.7 33.36	1,145,595.9 28.07	3,743,110.6 61.43
Nanjing Gotion New Energy Co., Ltd.	4,022,575.3 12.76	1,199,137.7 66.40	5,221,713.0 79.16	2,937,930.4 10.18	216,181.60 7.09	3,154,112.0 17.27	6,651,231.4 90.85	1,166,632.9 01.04	7,817,864.3 91.89	5,852,134.4 45.59	199,932.56 1.14	6,052,067.0 06.73
Qingdao Gotion Battery Co., Ltd.	2,856,458.6 53.18	713,328.82 2.10	3,569,787.4 75.28	1,831,295.1 16.40	349,000.00 0.00	2,180,295.1 16.40	3,520,837.5 16.86	586,119.27 3.67	4,106,956.7 90.53	2,950,986.1 81.66	90,000,000. 00	3,040,986.1 81.66
Tongcheng Gotion New Energy Co., Ltd.	4,808,552.1 34.76	4,776,045.2 19.65	9,584,597.3 54.41	4,734,466.1 36.63	2,093,251.7 90.10	6,827,717.9 26.73	3,199,696.2 76.97	3,615,862.9 37.42	6,815,559.2 14.39	2,713,197.2 76.52	1,779,838.9 81.46	4,493,036.2 57.98
Yichun Gotion Battery Co., Ltd.	2,969,989.2 62.96	2,508,530.8 03.59	5,478,520.0 66.55	1,698,806.4 02.11	1,330,634.9 43.34	3,029,441.3 45.45	2,846,034.7 88.15	2,625,561.6 03.25	5,471,596.3 91.40	1,885,386.0 72.07	1,550,725.5 80.00	3,436,111.6 52.07

Monetary Unit: RMB

Subsidiary's name	Amount incurred in the current period				Amount incurred in the previous period			
	Operating revenue	Net profit	Total comprehensive incomes	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive incomes	Cash flows from operating activities
Liuzhou Gotion Battery Co., Ltd.	6,408,992,157.31	8,915,079.68	9,471,127.58		5,855,659,892.89	26,712,971.25	28,850,316.21	
Hefei Gotion Battery Material Co., Ltd.	1,646,812,354.02	159,391,565.69	159,391,565.69		4,767,702,603.29	28,811,037.65	28,811,037.65	
Nanjing Gotion New Energy Co., Ltd.	3,846,693,589.50	101,311,472.62	101,311,472.62		5,098,731,417.90	138,115,714.68	138,115,714.68	
Qingdao Gotion Battery Co., Ltd.	1,070,641,661.55	21,456,442.20	21,456,442.20		1,012,313,974.79	20,888,898.01	20,888,898.01	
Tongcheng Gotion New	6,072,807,489.38	228,671,319.13	228,671,319.13		3,682,911,705.63	79,636,375.67	79,636,375.67	

Energy Co., Ltd.								
Yichun Gotion Battery Co., Ltd.	3,235,556,285.94	202,116,951.07	202,116,951.07		2,376,000,303.93	-30,741,164.00	-30,741,164.00	

Other remarks:

None

## 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 April 2024, the Company's holding subsidiary, Liuzhou Gotion Battery Co., Ltd., together with its shareholders Hefei Gotion High-tech Power Energy Co., Ltd., Guangxi Guangtou Dongcheng Lithium Industry Fund Partnership (Limited Partnership) and Guangxi Liuzhou Dongcheng Investment Development Group Co., Ltd. entered into a certain Phase II Capital Increase Agreement, pursuant to which Hefei Gotion High-tech Power Energy Co., Ltd. and Guangxi Guangtou Dongcheng Lithium Industry Fund Partnership (Limited Partnership) contributed additional capital of RMB 300 million and RMB 500 million, respectively, to the holding subsidiary. Meanwhile, the subsidiary, Hefei Gotion High-tech Power Energy Co., Ltd., recovered partnership units valued at RMB 5 million from Bohai International Trust Co., Ltd. and Yunnan International Trust Co., Ltd., respectively, at a purchase price of RMB 5 million, pursuant to the Forward Transfer Agreement for Trust Beneficial Rights entered into with each of the said entities. Following this change, the equity interests held by the Company's wholly owned subsidiary, Hefei Gotion High-tech Power Energy Co., Ltd., in the partnership decreased from 55.957% to 51.17%.

In December 2024, the Company's subsidiary, Nanjing Gotion New Energy Co., Ltd., together with Nanjing Gotion Battery Co., Ltd., Hefei Gotion High-tech Power Energy Co., Ltd. and Zhongjin Zhongxin (Anhui) Emerging Industry Equity Investment Fund Partnership Enterprise (Limited Partnership) entered into a certain Capital Increase Agreement, pursuant to which Zhongjin Zhongxin (Anhui) Emerging Industry Equity Investment Fund Partnership Enterprise (Limited Partnership) contributed additional capital of RMB 200 million to the subsidiary, of which RMB 120,361,100.00 was included in registered capital, with the remainder credited to the capital reserve (capital premium). Following this change, the registered capital of Nanjing Gotion New Energy Co., Ltd. was increased from RMB 1.2 billion to RMB 1,320,361,100.00, and the equity interests held by the subsidiary, Nanjing Gotion Battery Co., Ltd., in such company decreased from 100.00% to 90.8842%.

In December 2024, the Company's subsidiary, Qingdao Gotion Battery Co., Ltd. and Hefei Xinzhitong Asset Management Partnership (Limited Partnership) entered into a certain Capital Increase Agreement, pursuant to which Hefei Xinzhitong Asset Management Partnership (Limited Partnership) contributed additional capital of RMB 300 million to the subsidiary, of which RMB 41,976,000.00 was included in registered capital, with the remainder credited to the capital reserve (capital premium). Following this change,

the registered capital of Qingdao Gotion Battery Co., Ltd. was increased from RMB 500 million to RMB 541,976,000.00, and the equity interests held by the subsidiary, Hefei Gotion High-tech Power Energy Co., Ltd., in such company decreased from 100.00% to 92.255%.

In December 2024, the Company's subsidiary, Tongcheng Gotion New Energy Co., Ltd., together with Hefei Gotion High-tech Power Energy Co., Ltd., Gotion High-Tech Co., Ltd. and ICBC Financial Assets Investment Limited, entered into a certain Capital Increase Agreement, pursuant to which ICBC Financial Assets Investment Limited contributed additional capital of RMB 200 million to the subsidiary, of which RMB 161,114,800.00 was included in registered capital, with the remainder credited to the capital reserve (capital premium). Following this change, the registered capital of Tongcheng Gotion New Energy Co., Ltd. was increased from RMB 2 billion to RMB 2,161,114,800.00, and the equity interests held by the subsidiary, Hefei Gotion High-tech Power Energy Co., Ltd., in such company decreased from 100.00% to 92.5448%.

In December 2024, the Company's subsidiary, Chuzhou Gotion New Energy Power Co., Ltd. and Hefei Xinzhitong Asset Management Partnership (Limited Partnership) entered into a certain Capital Increase Agreement, pursuant to which Hefei Xinzhitong Asset Management Partnership (Limited Partnership) contributed additional capital of RMB 400 million, of which RMB 111,111,100.00 was included in registered capital, with the remainder credited to the capital reserve (capital premium). Following this change, the registered capital of Chuzhou Gotion New Energy Power Co., Ltd. was increased from RMB 1 billion to RMB 111,111,100.00, and the equity interests held by the subsidiary, Hefei Gotion High-tech Power Energy Co., Ltd., in such company decreased from 100.00% to 90.00%.

In July 2024, the subsidiary, Hefei Gotion New Material Technology Co., Ltd., together with the subsidiary Inner Mongolia Gotion Zero Carbon Technology Co., Ltd., Hefei Gotion Jintong New Material Industry Fund Partnership (Limited Partnership) (the new investor), Feidong Gotion New Material Co., Ltd. (the original sole shareholder of the above two companies), and Li Zhen (the Company's actual controller), entered into a certain Capital Increase Agreement Relating to Hefei Gotion New Material Technology Co., Ltd. and Inner Mongolia Gotion Zero Carbon Technology Co., Ltd., pursuant to which Hefei Gotion Jintong New Material Industry Fund Partnership (Limited Partnership) and Nanjing Gotion Holding Group Co., Ltd. (a company controlled by Li Zhen) contributed additional capital of RMB 35 million and RMB 17.50 million, respectively, to Hefei Gotion New Material Technology Co., Ltd., both of which were included in the registered capital. Following this change, the registered capital of Hefei Gotion New Material Technology Co., Ltd. was increased from RMB 50 million to RMB 102.5 million, and the equity interests held by the subsidiary, Feidong Gotion New Material Co., Ltd., in such company decreased from 100.00% to 48.78%. As of the reporting date, the contribution of RMB 17.50 million by Nanjing Gotion Holding Group Co., Ltd. has not yet been made, and the corresponding AIC change procedures have not been completed.

In July 2024, the subsidiary, Hefei Gotion New Material Technology Co., Ltd., together with the subsidiary Inner Mongolia Gotion Zero Carbon Technology Co., Ltd., Hefei Gotion Jintong New Material Industry Fund Partnership (Limited Partnership) (the new investor), Feidong Gotion New Material Co., Ltd. (the original sole shareholder of the above two companies), and Li Zhen (the Company's actual controller),

entered into a certain Capital Increase Agreement Relating to Hefei Gotion New Material Technology Co., Ltd. and Inner Mongolia Gotion Zero Carbon Technology Co., Ltd., pursuant to which Hefei Gotion Jintong New Material Industry Fund Partnership (Limited Partnership) and Nanjing Gotion Holding Group Co., Ltd. (a company controlled by Li Zhen) contributed additional capital of RMB 70 million and RMB 35 million, respectively, to Inner Mongolia Gotion Zero Carbon Technology Co., Ltd., both of which were included in the registered capital. Following this change, the registered capital of Inner Mongolia Gotion Zero Carbon Technology Co., Ltd. was increased from RMB 100 million to RMB 205 million, and the equity interests held by the subsidiary, Feidong Gotion New Material Co., Ltd., in such company decreased from 100.00% to 48.78%. As of the reporting date, the contribution of RMB 35 million by Nanjing Gotion Holding Group Co., Ltd. has not yet been made, and the corresponding AIC change procedures have not been completed.

In December 2024, the Company's subsidiary, Yichun Gotion Battery Co., Ltd., together with Gotion High-Tech Co., Ltd., Jiangxi Gotion New Energy Technology Co., Ltd., Baowu Green Carbon Private Investment Fund (Shanghai) Partnership (Limited Partnership), and CCB Financial Assets Investment Co., Ltd., entered into a certain Capital Increase Agreement, pursuant to which: (i) Baowu Green Carbon Private Investment Fund (Shanghai) Partnership (Limited Partnership) contributed additional capital of RMB 150 million to the subsidiary, of which RMB 140,528,300.00 was included in registered capital, with the remainder credited to the capital reserve (capital premium); and (ii) CCB Financial Assets Investment Co., Ltd. contributed additional capital of RMB 60 million to the subsidiary, of which RMB 56,211,300.00 was included in registered capital, with the remainder credited to the capital reserve (capital premium). Following this change, the registered capital of Yichun Gotion Battery Co., Ltd. was increased from RMB 2 billion to RMB 2,196,739,600.00, and the equity interests held by the subsidiary, Jiangxi Gotion New Energy Technology Co., Ltd., in such company decreased from 100.00% to 91.04%.

### 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 Senior New Energy Materials Co., Ltd.	Lujiang, Anhui	Lujiang, Anhui	Industrial production		27.69%	Equity method
MCC Ramu New Energy Technology Co., Ltd.	Tangshan, Hebei	Tangshan, Hebei	Industrial production		30.00%	Equity method
Beijing Full-Service Oil & Gas Technology Co., Ltd.	Beijing	Beijing	Industrial production		40.00%	Equity method
Jiangxi	Yichun, Jiangxi	Yichun, Jiangxi	Industrial		22.00%	Equity method

Ewinway New Materials Co., Ltd.			production			
North China Aluminum New Material Technology Co., Ltd.(Note)	Baoding, Hebei	Baoding, Hebei	Industrial production		10.00%	Equity method
Litong Energy Technology Co., Ltd.	Taiwan	Taiwan	Industrial production		20.00%	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.(Note)	Wuhu, Anhui	Wuhu, Anhui	Technical services	5.90%		Equity method
Zhong'an Energy (Anhui) Co., Ltd.(Note)	Hefei, Anhui	Hefei, Anhui	Wholesale	19.25%		
V-G High-Tech Energy Solutions	Ha Tinh, Vietnam	Ha Tinh, Vietnam	Industrial production		51.00%	Equity method
Tata AutoComp Gotion Green Energy Solutions Private Limited	Pune India	Pune India	Industrial production		40.00%	Equity method
Tongling Anxuanda New Energy Technology Co., Ltd.	Tongling, Anhui	Tongling, Anhui	Industrial production		35.00%	Equity method
Sakura-Takasaki Energy Storage Station	Chiba, Japan	Chiba, Japan	Industrial production		30.00%	Equity method
NV Gotion Co., Ltd.	Bangkok, Thailand	Bangkok, Thailand	Industrial production		49.00%	Equity method

Note: Although the Company's shareholding in the above companies is less than 20%, all of them have one director with voting rights, which can have significant influence on the Company's production and operation decisions, and are therefore accounted for under the equity method.

Remarks on the circumstance where ownership ratio in joint ventures or associates are different from the voting right ratio:

None

Basis for determining the voting rights below 20% but with significant influence, or the voting rights over 20% (inclusive) without significant influence:

None



## 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	Beginning balance	The amount of grants 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	239,950,247.83	84,336,937.31		40,506,508.64		283,780,676.50	Relating to assets

### 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	990,000,989.16	1,002,303,651.06

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	645,529,877.97		2,186,522,651.26	2,832,052,529.23
1. Financial assets measured at fair value with its changes included in current profits and losses	645,529,877.97		2,168,113,171.83	2,813,643,049.80
(1) Debt instrument investment			1,161,813,344.96	1,161,813,344.96
(2) Equity instrument investment	645,529,877.97		205,570,922.76	851,100,800.73
(3) Structured deposits			800,728,904.11	800,728,904.11
2. Financial assets that are designated to be measured at fair value through profit or loss in this period			18,409,479.43	18,409,479.43
(1) Debt instrument investment			18,409,479.43	18,409,479.43
(II) Other debt investments			282,543,103.44	282,543,103.44
(III) Other equity instrument investments	777,670,685.47		397,661,736.14	1,175,332,421.61
(VI) Derivative financial assets			85,801,650.51	85,801,650.51
(V) Accounts receivable financing			1,491,828,951.59	1,491,828,951.59
(VI) Other non-current financial assets			1,570,712,000.00	1,570,712,000.00
Total assets measured continuously at fair value	1,423,200,563.44		6,015,070,092.94	7,438,270,656.38
II. Non-continuous fair value measurement	--	--	--	--

## 2. Basis for determining the market price for the items subject to the first level of continuous and non-continuous fair value measurement

Item	Fair value (RMB)	Active market quotation			
		Main market (most favorable market)	Transaction price	History Trading volume	Information Source
Continuous fair value measurement					
Financial assets held for trading:					
Anhui Tongguan Copper Foil Group Co., Ltd.	241,119,170.64	Domestic A-share market			Cninfo
Jinko SOLAR Co., Ltd.	3,555.00	Domestic A-share market			Cninfo
Zotye Automobile Co., Ltd.	12,522,562.74	Domestic A-share market			Cninfo
Seres Group Co., Ltd.	299,850,582.36	Domestic A-share market			Cninfo
Shenzhen Munster Technology Co., Ltd.	25,401,562.50	Domestic A-share market			Cninfo
Wuhan Yifei laser Co., Ltd.	35,232,444.73	Domestic A-share market			Cninfo
Jiujiang Defu Technology Co., Ltd.	31,400,000.00	Domestic A-share market			Cninfo
Other equity investments:					
Vinfast Auto PTE. Ltd.	570,253,716.33	Overseas US stock market			Eastmoney
TUHU Car Inc.	140,123,927.81	Overseas Hong Kong stock market			Eastmoney
CHENQI TECHNOLOGY LIMITED	67,293,041.33	Overseas Hong Kong stock market			Eastmoney
Total assets measured at fair value on a continuous basis.	1,423,200,563.44				

### 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

The asset or liability uses any inputs that are not based on observable market data (unobservable inputs).

## 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	9.48%	9.48%

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 16.79% 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 24.45% 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. In December 2024, Volkswagen (China) Investment Co., Ltd. signed a *Supplementary Agreement on the Shareholder Agreement of Guoxuan High-Tech Co., Ltd.* with Nanjing Gotion Holding Group Co., Ltd. (formerly known as Zhuhai Gotion Trading Co., Ltd.), Li Zhen, and Li Chen, extending the aforementioned commitment period to 72 months or a longer period as determined by Volkswagen China.

### 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 associates	Relationship with the enterprise
Litong Energy Technology Co., Ltd.	The company holds 20.00% of its equity.
Beijing FuweisiOil & Gas Technology Co., Ltd.	The company holds 40.00% 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.
MCC Ramu New Energy Technology Co., Ltd.	The company holds 30.00% of its equity.
Anhui Anva New Energy Technology Co., Ltd.	The company holds 5.8967% of its shares.
Zhongan Energy (Anhui) Co., Ltd.	The company holds 19.25% 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.
Sakura Takasaki Substation	The company holds 30.00% of its shares.
NV 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
Nascent Investment. LLC	Li, Chen's 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 Aolai New Energy Vehicles Sales 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
Hefei Guoxuan Xuan Yi New Energy 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
Beijing Gotion Weisi Light Storage and Charging Technology Co., Ltd.	Joint venture Beijing Full-Service subsidiary
Hefei Gotion Cycle Technology Co., Ltd.	Companies controlled by actual controllers
Jiangsu Dianlala New Energy Technology Co., Ltd.	Companies controlled by actual controllers
Inner Mongolia Xuanhua New Energy Co., Ltd.	Companies controlled by actual controllers
Wuhai Gotion Jindongli New Energy Co., Ltd.	Companies controlled by actual controllers
Hefei Atomic Innovation Energy Co., Ltd.	Companies controlled by actual controllers
Anhui Gotion Charity Foundation	Nanjing Gotion Group supervisor Wu Wenqing serves as a director of the company
Volkswagen (China) Technology Co., Ltd.	An enterprise controlled by Volkswagen (China) Investment Co., Ltd.

Other remarks:

## 5. Related-party transactions

### (1) Related-party transactions for purchase/sale of goods or provision/receiving of labor services

Purchase of goods or receiving of labor services

Monetary Unit: RMB

Related party	Contents of related-party	Amount incurred in the current	Transaction limit approved	Whether the transaction limit is	Amount incurred in the previous
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	transaction	period		exceeded	period
Anhui Gotion Xianglv Technology Co., Ltd.	Battery module accessories	844,954,482.45	1,000,000,000.00	No	549,334,773.61
Anhui Minsheng Property Management Co., Ltd.	Property service	61,418,732.55			67,951,164.97
Anhui Tangchi Film and Television Cultural Industry Co., Ltd.	Conference reception	281,877.73			282,975.57
Shanghai Electronic Gotion New Energy Technology (Suzhou) Co., Ltd.	Battery accessories, and labor dispatch	660,612.07			1,648,481.42
Hefei Xingyuan New Energy Materials Co., Ltd	Raw materials	336,512,761.60			258,067,710.34
MCC Ramu New Energy Technology Co., Ltd.	Raw materials	45,328,899.30	500,000,000.00	No	167,740,278.33
Hefei Qianrui Technology Co., Ltd.	Raw materials	382,686,783.04	500,000,000.00	No	406,132,318.98
Huabei Aluminum New Material Technology Co., Ltd.	Raw materials	2,016,973.72			17,668,809.57
Shanghai Electronic Gotion New Energy Technology (Nantong) Co., Ltd.	Battery module	281,612,727.16			582,909,374.20
Hefei Dongyu Business Management Co., Ltd.	Catering services, etc.	54,253,663.72			43,173,745.15
Hebei Xinxuan Transportation Co., Ltd.	After-sales, and car rental services	121,200.50			1,342,972.09
Anhui Chiyu New Material Technology Co., Ltd.	Battery module accessories	524,568,674.54	350,000,000.00	Yes	153,412,125.23
Hefei Tiansheng Lithium Technology Co., Ltd.	Process fees of lithium carbonate, and electric carbon				23,744,631.90
Hefei Yuanyuan Technology Co., Ltd.	Raw materials	496,462,584.61	900,000,000.00	No	170,272,144.08
Jiangxi Yunwei New Material Co.,	Raw materials	72,297,075.40			74,118,631.80



Ltd.					
Linlixin Dadao Public Transportation Co., Ltd.	After-sales service	6,867.26			30,470.80
Volkswagen AG	Accepting labor service	3,926,433.46			4,965,908.64
Anhui Jincheng Energy Storage Technology Co., Ltd.	Payment of electricity bills on behalf of others	85,198,188.21			82,378,486.45
Bengbu Jinshi Technology Co., Ltd.	Battery accessories	126,293,183.20	200,000,000.00	No	100,738,989.79
Chuzhou Guozhi New Energy Technology Co., Ltd.	Payment of electricity bills on behalf of others	38,885,078.02			88,630.98
Hefei Zhuyin Catering Management Co., Ltd.	Catering expenses	162,735.00			10,092.00
Huangshan Dadao New Energy Bus Co., Ltd.	Battery cell				41,201.35
Jingde Dadao New Energy Bus Co., Ltd.	After-sales service	28,920.36			2,453.09
Lixin Electric Bus Co., Ltd.	After-sales service	7,026.55			8,283.18
Nanjing Shengshi Precision Industry Co., Ltd.	Battery accessories	1,060,495,686.14	1,200,000,000.00	No	216,448,218.04
Shanghai Electric Gotion New Energy Technology Co., Ltd.	Battery cell, etc.	148,124,129.54			756,890.45
Taihe Dadao New Energy Bus Co., Ltd.	After-sales service	145,345.11			10,831.86
Yingshang Dadao New Energy Bus Co., Ltd.	After-sales service	80,176.99			59,274.35
Hefei Deli New Materials Technology Co., Ltd.	Raw materials	19,744,999.00			
Tongling Anxuanda New Energy Technology Co., Ltd.	Raw materials	175,493,582.15			
Shanghai Gotion Digital Energy Technology Co., Ltd	Energy storage accessories	68,893,672.77	800,000,000.00	No	

V_G HIGH-TECH Energy Solutions Co., Ltd.	Battery module	21,674,347.50			
Thailand New Gotion Co., Ltd.	Battery accessories	242,242.87			
Hefei Gotion Cycle Technology Co., Ltd	Equipment goods	489,186.13			
Hefei Atomic Innovation Energy Co., Ltd.	Equipment goods	17,018,495.56			
Wuhai Gotion Jindongli New Energy Co., Ltd.	Entrusted processing and labor dispatch	628,182.00			
Volkswagen (China) Investment Co., Ltd.	Consulting service, etc.	275,943.42			

## 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 New Energy Science and Technology (Suzhou) Co., Ltd.	Battery cell	67,702,668.19	161,893,309.14
Shanghai Electricity Gotion New Energy Science and Technology (Nantong) Co., Ltd.	Battery cell, energy storage system, etc.	135,121,552.31	185,682,593.65
Shanghai Electricity Gotion New Energy Technology Co., Ltd.	Battery module, etc.	30,512,606.72	426,167,437.14
Volkswagen Automatic Transmission (Tianjin) Co., Ltd.	Battery cell		20,799,642.60
Ainuowei (Suzhou) New Energy Technology Co., Ltd.	Battery module	16,063,702.08	56,039,507.32
Anhui Gotion Xiang LV Technology Co., Ltd.	Battery cell, and battery module	1,171,199.90	3,806,844.28
Volkswagen AG	Battery cell, development costs, etc.	55,008,168.72	151,486,183.42
Volkswagen (China) Investment Co., Ltd.	Development costs, and battery cell		23,153,706.35
Hefei Xingyuan New Energy Materials Co., Ltd	Battery cell, and labor dispatch	256,170.00	8,849,755.75
Shanghai Gotion Digital Energy Technology Co., Ltd	Energy storage and battery cell, etc.	179,891,352.19	536,071,607.60
Thailand New Gotion Co., Ltd.	Battery cell and its accessories, etc.	227,021,015.74	41,347,353.60
PowerCo SE	Development costs, battery cell, etc.	417,803,950.02	125,465,582.55
Tata AutoComp Gotion	Battery cell and its	1,403,087,008.98	699,634,814.51

Green Energy Application Co., Ltd.	accessories, etc.		
Anhui Chiyu New Material Technology Co., Ltd.	Battery cell accessories	362,764.82	59,808.85
Bengbu Jinshi Technology Co., Ltd.	Battery cell		1,770,053.10
Volkswagen (Anhui) Parts Co., Ltd.	Battery cell and its accessories, etc.	31,279,230.88	31,584,699.96
Volkswagen Automatic Transmission (Dalian) Co., Ltd	Battery cell and its accessories, etc.	13,355,380.00	18,345,125.01
Hefei Deli New Materials Technology Co., Ltd.	Battery module	8,940,986.99	14,468,340.09
Hefei Qianrui Technology Co., Ltd.	Equipment and goods, etc.	658,571.68	8,885,522.12
Hefei Yuanyuan Technology Co., Ltd.	Raw materials, etc.	2,160,072.03	6,960,701.79
V G HIGH-TECH Energy Solutions Co., Ltd.	Battery cell accessories, etc.	245,243,411.75	
Volkswagen (China) Technology Co., Ltd.	Battery module	131,000.00	
Jiangsu Dianlala New Energy Technology Co., Ltd.	Battery module	190,640.71	
Wuhai Gotion Jindongli New Energy Co., Ltd.	Energy storage system	2,353,982.30	
MCC Ramu New Energy Technology Co., Ltd.	Labor dispatch	754,716.98	
Nanjing Shengshi Precision Industry Co., Ltd.	Power transmission and distribution equipment	3,092,587.59	
Inner Mongolia Xuanhua New Energy Co., Ltd.	Power transmission and distribution equipment	3,907,964.60	
Jingde Dadao New Energy Bus Co., Ltd.	Battery core accessories	419,115.04	
Anhui Gotion Charity Foundation	Energy storage system	265,486.73	
Hefei Gotion Cycle Technology Co., Ltd	Battery waste	169,091,375.58	

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 income recognized in the current period	Rental income recognized in the previous period
PowerCo SE	Production line leasing	114,305,478.00	

Where the Company is the lessee:

Monetary Unit: RMB

Name of lessor	Type of assets leased	Rental expense on short-term leases and leases of low-value assets with	Variable lease payments not included in the measurement of	Rental paid	Interest expense on lease liabilities assumed	Increase in use right assets
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		simplified treatment (if applicable)		the lease liability (if applicable)							
		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 property	10,699,050.00	3,654,673.20			10,699,050.00	3,654,673.20				
Anhui Jincheng Energy Storage Technology Co., Ltd.	Workshop leasing					9,878,399.00		6,058,285.63	2,300,356.48	129,667,680.19	81,752,860.06
Anhui Gotion New Energy Investment Co., Ltd.	Lease of factories	30,770,642.19	20,119,860.55			43,680,000.00	1,132,822.00				
Chuzhou Guozhi New Energy Technology Co., Ltd.	Lease of factories					24,027,840.00		1,939,648.32		62,467,917.50	

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 High-Tech Power Energy Co., Ltd. and its subsidiaries	21,971,180,606.97	September 2, 2020-September 24, 2024	January 4, 2024-December 31, 2024	Yes
Hefei Gotion High-Tech Power Energy Co., Ltd. and its subsidiaries	36,954,820,865.52	December 31, 2019-December 30, 2024	February 6, 2027-November 21, 2034	No
Feidong Gotion New	60,000,000.00	March 31, 2023	March 30, 2024	Yes

Material Co., Ltd. and its subsidiaries				
Feidong Gotion New Material Co., Ltd. and its subsidiaries	1,059,645,876.21	April 2, 2022- March 19, 2024	March 7, 2028- June 27, 2033	No
Jiangsu Dongyuan Electric Appliance Group Co., Ltd. and its subsidiaries	659,000,000.00	January 10, 2023- June 20, 2024	January 9, 2024- December 20, 2024	Yes
Jiangsu Dongyuan Electric Appliance Group Co., Ltd. and its subsidiaries	709,000,000.00	January 15, 2024- December 31, 2024	January 16, 2027 - November 24, 2029	No
Jiangsu Gotion new energy technology co., Ltd.	100,000,000.00	April 28, 2024	October 25, 2024	Yes
Jiangsu Gotion New Energy Technology Co., Ltd.	2,591,172,600.00	September 28, 2022- September 27, 2024	January 4, 2028 - September 20, 2033	No
Jiangxi Gotion New Energy Technology Co., Ltd. and its subsidiaries	555,000,000.00	August 31, 2022- November 30, 2023	April 19, 2024- November 29, 2024	Yes
Jiangxi Gotion New Energy Technology Co., Ltd. and its subsidiaries	3,215,815,885.94	January 21, 2022- December 20, 2024	February 4, 2028- August 24, 2034	No
Gotion New Energy (Lujiang) Co., Ltd	50,000,000.00	March 29, 2024	March 28, 2028	No
MCC Ramu New Energy Technology Co., Ltd.	113,250,000.00	January 5, 2022	April 22, 2024	Yes
Shanghai electricity Gotion new energy technology co., Ltd.	321,370,900.00	November 22, 2018- May 9, 2020	November 22, 2026- May 9, 2030	No
Hefei Xingyuan new energy material co., Ltd.	110,422,100.00	January 14, 2022- July 5, 2022	January 14, 2028 to July 5, 2031	No
Hefei Gotion Recycling Technology Co., Ltd.	74,355,694.16	September 13, 2022- January 18, 2024	May 1, 2024- August 23, 2024	Yes

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 Guaranteed fulfilled or not
Guangxi Liuzhou Dongcheng Investment Development Group Co., Ltd.	563,055,846.00	From September 14, 2021 to November 21, 2024	From November 12, 2027 to January 1, 2033	No
Guangxi Liuzhou Dongcheng Investment Development Group Co., Ltd.	89,181,730.00	From September 23, 2022 to October 23, 2024	From March 29, 2024 to December 8, 2024	Yes
Li Zhen	27,370,900.00	November 22, 2018	November 22, 2026	Yes
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.	110,422,100.00	From January 14, 2022 to July 5, 2022	From January 14, 2028 to July 5, 2031	No

Remarks on the related party guarantee

**(4) Remuneration of key management personnel**

Monetary Unit: RMB 0,000

Project	Current amount	Amount incurred in the previous period
Compensation of key management personnel	1,656.87	1,715.13

**6. Accounts receivable and payable of related parties****(1) Accounts receivable**

Monetary Unit: RMB

Item name	Related party	Closing balance		Beginning balance	
		Book balance	Bad-debt provision	Book balance	Bad-debt provision
Accounts receivable	Shanghai Electricity Gotion New Energy Science And Technology (Suzhou) Co., Ltd.	78,238,490.57	3,998,648.30	114,909,929.40	5,745,496.48
Accounts receivable	Hebei Xinxuan Transportation Co., Ltd. Xinji Branch	1,200,000.00	960,000.00	1,200,000.00	600,000.00
Accounts receivable	Huangshan Boulevard New Energy Bus Co., Ltd.	280,000.00	280,000.00	280,000.00	280,000.00
Accounts receivable	Jingde County Boulevard New Energy Bus Co., Ltd.	478,500.00	28,580.00	182,500.00	146,000.00
Accounts receivable	Lixin County Electric Bus Co., Ltd.	300,000.00	240,000.00	600,000.00	300,000.00
Accounts receivable	Shanghai Electric Gotion New Energy Technology Co., Ltd.	175,230,307.96	15,806,644.33	284,663,566.93	14,386,025.39
Accounts receivable	Taihe Dadao New Energy Bus Co., Ltd.	5,250,000.00	4,260,000.00	5,250,000.00	2,775,000.00
Accounts receivable	Tunchang Xinhai New Energy Bus Co., Ltd.	140,122.00	140,122.00	140,122.00	140,122.00
Accounts receivable	Wenchang Dadao New Energy Bus Co., Ltd.	49,980.00	39,984.00	49,980.00	24,990.00
Accounts receivable	Yingshang Dadao New Energy Bus	3,420,000.00	2,820,000.00	3,420,000.00	1,920,000.00

	Co., Ltd.				
Accounts receivable	Innovative (Suzhou) New Energy Technology Co., Ltd	32,948,057.33	23,063,640.13	15,946,544.87	797,327.24
Accounts receivable	Shanghai Wuyang Ship Technology Co., Ltd.	2,352,152.00	2,352,152.00	2,352,152.00	456,813.60
Accounts receivable	Shanghai Gotion Digital Energy Technology Co., Ltd	418,877,669.32	31,723,950.31	234,633,263.44	11,731,663.17
Accounts receivable	NV Gotion Co., Ltd.	80,891,824.15	4,044,591.21	9,018,450.92	450,922.54
Accounts receivable	Tata AutoComp Gotion Green Energy Application Co., Ltd.	734,659,321.01	36,935,705.10	208,589,167.29	10,429,458.37
Accounts receivable	Volkswagen (Anhui) Parts Co., Ltd.	8,115,618.96	405,780.95	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 Materials Technology Co., Ltd.			10,000,024.32	500,001.22
Accounts receivable	Shanghai Electronic Gotion New Energy Technology (Nantong) Co., Ltd.	161,325,721.10	9,768,287.08	30,481,482.63	1,524,074.13
Accounts receivable	PowerCo SE	47,671,429.40	2,670,017.81	45,050,399.20	2,252,519.96
Accounts receivable	Wuhai Gotion Jindongli New Energy Co., Ltd.	2,660,000.00	133,000.00		
Accounts receivable	Inner Mongolia Xuanhua New Energy Co., Ltd.	4,416,000.00	220,800.00		
Accounts receivable	Jiangsu Dianlala New Energy Technology Co., Ltd.	215,424.00	10,771.20		
Accounts receivable	Hefei Gotion Cycle Technology Co., Ltd	107,669,509.63	5,383,475.48		
Accounts	Volkswagen	148,030.00	7,401.50		

receivable	(China) Technology Co., Ltd.				
Accounts receivable	Anhui Gotion Xianglv Technology Co., Ltd.	168,957.19	8,447.86		
Accounts receivable	V-G HIGH-TECH Energy Solutions Co., Ltd.	176,869,743.47	8,843,487.17		
Advance payments	Shanghai Electric Gotion New Energy Technology Co., Ltd.	394,893.31		197,775.41	
Advance payments	Shanghai Gotion Digital Energy Technology Co., Ltd	1,109,339.03			
Other accounts receivable	Beijing Full- Service Oil & Gas Technology Co., Ltd.	4,447,880.00	4,447,880.00	4,447,880.00	4,447,880.00
Other accounts receivable	Hefei Gotion Cycle Technology Co., Ltd	243,869.37	12,193.47		
Other accounts receivable	Jiangxi Hzone Lithium Industry Technology Co., Ltd.	57,900,645.15	57,900,645.15		
Other accounts receivable	Hefei Deli New Materials Technology Co., Ltd.			4,163,761.06	208,188.05
Total		2,107,673,484.95	216,506,205.05	1,026,030,334.98	61,639,148.92

**(2) Accounts payable**

Monetary Unit: RMB

Item name	Related party	Ending book balance	Opening book balance
Accounts Payable	Anhui Minsheng Property Management Co., Ltd.	924,308.00	1,235,475.00
Accounts Payable	Beijing Fuweisi Petroleum Gas Technology Co., Ltd.	23,332.00	23,332.00
Accounts Payable	Hefei Xingyuan New Energy Materials Co., Ltd	252,650,606.07	142,072,312.81
Accounts Payable	Shanghai Dajiang Network Technology Co., Ltd.		808,000.00
Accounts Payable	Anhui Gotion Xianglv Technology Co., Ltd.	292,614,335.14	212,257,494.69
Accounts Payable	Huabei Aluminum New Material Technology Co., Ltd.	103,983.77	153,180.32
Accounts Payable	MCC Ramu New Energy Technology Co., Ltd.	9,787,983.30	38,769,534.09
Accounts Payable	Anhui Chiyu New Material	254,814,040.05	42,036,213.56



	Technology Co., Ltd.		
Accounts Payable	Hefei Qianrui Technology Co., Ltd.	55,607,682.95	181,616,746.45
Accounts Payable	Hefei Tiansheng Lithium Technology Co., Ltd.	18,803,387.26	17,053,628.86
Accounts Payable	Jiangxi Yunwei New Material Co., Ltd.	18,144,444.80	6,033,404.20
Accounts Payable	Anhui Jincheng Energy Storage Technology Co., Ltd.	1,916,627.00	20,330,957.74
Accounts Payable	Bengbu Jinshi Technology Co., Ltd.	64,291,234.08	18,527,518.01
Accounts Payable	Hefei Dongyu Business Management Co., Ltd.	643,809.90	601,958.70
Accounts Payable	Hefei Yuanyuan Technology Co., Ltd.	243,807,009.83	86,277,622.85
Accounts Payable	Nanjing Shengshi Precision Industry Co., Ltd.	141,023,015.56	132,912,595.56
Accounts Payable	Hefei Deli New Materials Technology Co., Ltd.	18,612,415.15	
Accounts Payable	Tongling Anxuanda New Energy Technology Co., Ltd.	114,557,707.84	
Contract liabilities	Beijing Gotion Fu Wei Si Guang Chu Chong Technology Co., Ltd.	480,979.11	543,506.39
Contract liabilities	Litong Energy Science and Technology Co., Ltd.	2,344,559.16	2,344,559.16
Contract liabilities	Volkswagen AG	9,353,454.51	23,000,631.10
Contract liabilities	Anhui Gotion Xianglv Technology Co., Ltd.	18,307.43	738,788.97
Contract liabilities	Thailand New Gotion Co., Ltd.	233,292.33	
Contract liabilities	Anhui Gotion Charity Foundation	530,973.45	
Contract liabilities	Nanjing Shengshi Precision Industry Co., Ltd.	179,978.76	
Other payable	Anhui Gotion New Energy Investment Co., Ltd.	8,129,981.96	19,042,826.00
Other payable	Anhui Minsheng Property Management Co., Ltd.	24,902,203.09	13,600,612.23
Other payable	Hefei Dongyu Business Management Co., Ltd.	12,928,372.18	5,423,798.92
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.	21,274,094.71	39,930,824.55
Other payable	Volkswagen AG	302.73	302.73
Other payable	Chuzhou Guozhi New Energy Technology Co., Ltd.	1,449,407.43	88,630.98
Other payable	Hefei Xuanyi Equity Investment Co., Ltd.	2,699,800.00	
Other payable	Hefei Donghuan Real Estate Co., Ltd.		4,600.00
Other payable	Anhui Tangchi Film and Television Cultural Industry Co., Ltd.	106,342.00	

Other payable	Hebei Xinxuan Transportation Co., Ltd.		140,000.00
Total		1,576,614,829.79	1,009,225,914.11

## 7. Related party commitments

## 8. Others

## 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		Vesting in this period		Failure in current period	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Administrative staff	3,940,000.00	45,704,000.00	6,174,249.00	114,816,856.33	7,716,805.00	181,093,901.50	5,658,173.00	181,936,592.61
Salesman	620,000.00	7,192,000.00	1,723,982.00	32,072,688.64	1,758,300.00	41,452,662.00	1,260,117.00	38,705,487.69
Research staff	3,185,000.00	36,946,000.00	7,349,100.00	136,737,437.30	7,078,200.00	166,782,708.00	4,650,584.00	150,661,304.88
Manufacturing personnel	280,000.00	3,248,000.00	1,562,154.00	29,062,241.38	1,208,700.00	26,824,608.00	709,466.00	23,213,953.62
Total	8,025,000.00	93,090,000.00	16,809,485.00	312,689,223.65	17,762,005.00	416,153,879.50	12,278,340.00	394,517,338.80

Stock options or other equity instruments issued at the end of the period.

☒ Applicable ☐ 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 period	
	Range of exercise price	Remaining term of contract	Range of exercise price	Remaining term of contract
Administrative staff	18.57-39.1 yuan	11-19 months	11.6-12.7 yuan	1-48 months
Salesman	18.57-39.1 yuan	11-19 months	11.6-12.7 yuan	1-48 months
Research staff	18.57-39.1 yuan	11-19 months	11.6-12.7 yuan	1-48 months
Manufacturing personnel	18.57-39.1 yuan	11-19 months	11.6-12.7 yuan	1-48 months

Other remarks:

### 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
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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.	1,441,085,788.96
Total expenses confirmed by equity-settled share payment in this period.	217,093,503.46

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
Management personnel	139,764,732.51	
R&D personnel	77,328,770.95	
Total	217,093,503.46	

Other remarks:

According to the Proposal on the Company's Fourth Employee Stock Ownership Plan (Draft) and its Abstract discussed and adopted at the Annual General Meeting of Shareholders in 2023, the Resolution of the 7th Meeting of the 9th Board of Directors of the company, and the Employee Stock Ownership Plan under which 700 participants, including Steven Cai, Zhang Hongli, Wang Qisui, and Wang Qiang, will be granted up to 9 million shares (an additional 2,000,000 shares are reserved) from the Employee Stock Ownership Plan, and the source of shares is Common Shares A of Gotion High-Tech repurchased by the company. The price at which the Employee Stock Ownership Plan purchases the Company's repurchased shares is RMB 11.60 per share. The duration of this Employee Stock Ownership Plan is 60 months. The shares acquired by the first batch of participants in the Employee Stock Ownership Plan will be released in three distinct batches, with respective lock-up periods of 24 months, 36 months, and 48 months. Similarly, the shares obtained by the second batch of participants will also be released in three batches, with lock-up periods of 12 months, 24 months, and 36 months, respectively. All commenced on the date when the company announced that the last underlying shares were transferred to the name of the Employee Stock Ownership Plan (the 802.50 repurchased shares in the "repurchase-specialized securities account of Gotion High-tech Co., Ltd." opened by the Company were transferred to the special account of the "Third Employee Stock Ownership Plan of Gotion High-tech Co., Ltd." in the form of non-transaction transfer on December 24, 2024) after the Employee Stock Ownership Plan Draft was discussed and adopted by the general meeting of the company. When the lock-up period expires, the rights and interests covered by the Employee Stock Ownership Plan will be released to the holders in four batches at the rate of 40%:30%:30% per year according to the company performance goal and their individual performance assessment results in the current year and following years. To achieve the company-level performance assessment goal, based on the operating revenue or net profit in 2023, the operating revenue's growth rate or net profit shall not be less than 50% and 30% compared to the previous year for years 2024, 2022 and 2026.

## 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 RMB 10 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, 2024, 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, 2024, the Company has no other material contingencies to disclose.

#### (2) Even if the Company does not have important contingencies to be disclosed, it shall also state

There are no important contingencies to be disclosed in the Company.

## XVII. Post-balance sheet events

### 1. The profit distribution

Dividends to be distributed per 10 shares (RMB)	1.00
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Dividend per 10 shares declared after consideration and approval (RMB)	1.00
The profit distribution plan	<p>According to the profit distribution plan for 2024 discussed and adopted at the 12th meeting of the 9th Board of Directors on April 24, 2025: 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. The plan still needs to be deliberated by the general meeting of shareholders.</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<sub>6</sub>”) 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 RMB 200 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 RMB 202,539,167.00. On December 18, 2023, Zhejiang Yongtai filed a lawsuit with Taizhou Intermediate People’s Court of Zhejiang Province against Feidong Gotion and Hefei Qianrui Technology Company Co., Ltd.(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 Gotion and Hefei Qianrui to pay the payment and losses totaling RMB 311,183,184.51 to it after deduction of the guarantee deposit of RMB 200 million.

In accordance with the Civil Judgment issued by the Intermediate People’s Court of Hefei City, Anhui Province, on December 18, 2024 ([2023] Wan 01 Min Chu 1693), the court has mandated that Yongtai Technology is required to refund a deposit to Feidong Gotion and compensate for the cost of fund occupation.

On December 18, 2024, the Intermediate People’s Court of Hefei City, Anhui Province, issued a Civil Judgment ([2024] Wan 01 Min Chu 570) in which it dismissed all claims presented by Yongtai Technology. The court determined that the claims for damages resulting from breach of contract were devoid of both factual and legal support. As of December 31, 2024, the funds that had been frozen in the bank account of Feidong Gotion Battery Material Co., Ltd totaled RMB 1,187,947.19. As of the date of this report, these previously frozen funds have been released.

(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 RMB138,435,447.08. As of the date of this report, the aforementioned frozen funds have not yet been unfrozen. 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, 2024, 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	600,000.00	0.00
Total	600,000.00	0.00

#### (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	Proportion of provision		Amount	Proportion	Amount	Proportion of provision	
Including:										
Accounts receivable with provision for bad debt made by portfolio	600,000.00	100.00%	30,000.00	5.00%	570,000.00	0.00				
Included										

ing:										
Portfolio 1	600,000.00	100.00%	30,000.00	5.00%	570,000.00	0.00				
Total	600,000.00	100.00%	30,000.00	5.00%	570,000.00	0.00				

Provision for bad debts by portfolio:

Unit: RMB

Name	Closing balance		
	Book balance	Bad-debt provision	Provision ratio
Provisions for bad debts of accounts receivable	600,000.00	30,000.00	5.00%

Description for basis of determining the combination:

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

### (3) Provision, recovery or return of bad debt reserve in current period

Provision for bad debt made in the current period:

Unit: RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Withdrawal or write-back	Write off	Others	
Provision for bad debt of accounts receivable	0.00	30,000.00				30,000.00
Total	0.00	30,000.00				30,000.00

Among them, significant amount of bad-debt provision withdrawn or written back in the current period:

Unit: RMB

Entity Name	Amount recovered or reversed	Reason for reversal	Recovery method	Basis and reasonableness of the original bad debt provision ratio
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### (4) The status of accounts receivable and contracted assets in the top five of the ending balance collected according to debtors

Unit: RMB

Entity Name	Ending balance of accounts receivable	Closing balance of contracted assets	Ending balance of accounts receivable and contracted assets	Proportion of total balance of accounts receivable and contracted assets at the end of the period	Ending balance of allowance for bad debts on accounts receivable and impairment provision for contract assets
Anhui Zhenkui	300,000.00		300,000.00	50.00%	15,000.00



Construction Engineering Co., Ltd.					
Anhui Yijia Construction Engineering Co., Ltd.	300,000.00		300,000.00	50.00%	15,000.00
Total	600,000.00		600,000.00	100.00%	30,000.00

## 2. Other receivable

Monetary Unit: RMB

Item	Ending balance	Beginning balance
Dividends receivable	530,000,000.00	230,000,000.00
Other receivable	875,868,559.19	1,259,764,873.56
Total	1,405,868,559.19	1,489,764,873.56

### (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.	530,000,000.00	230,000,000.00
Total	530,000,000.00	230,000,000.00

#### 2) Important dividends receivable with an age of more than 1 year

Monetary Unit: RMB

Project (or Invested Unit)	Closing balance	Aging	Reason for failure to recover	Whether impairment occurs and the basis for judging it
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#### 3) Disclosure by method of provision for bad debt

☐ Applicable ☒ Not applicable

#### 4) Provision, recovery, or return of bad debt reserve in the current period

Monetary Unit: RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Withdrawal or write-back	Charge-off or write-off	Other changes	
Bad debt provisions of other	548,004.40	162,698.60				710,703.00

receivables						
<b>Total</b>	548,004.40	162,698.60				710,703.00

Among them, significant amount of bad-debt provision withdrawn or written back in the current period:

Monetary Unit: RMB

Company name	Amount recovered or reversed	Reason for reversal	Recovery method	Basis and reasonableness of the original bad debt provision ratio
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Other remarks:

## (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	872,168,289.57	1,259,365,594.58
Security deposit	3,701,625.00	724,789.00
Others	709,347.62	222,494.38
<b>Total</b>	<b>876,579,262.19</b>	<b>1,260,312,877.96</b>

### 2) Other receivable disclosed by aging

Monetary Unit: RMB

Aging	Ending book balance	Beginning book balance
1 year or less	84,847,209.57	174,873,992.57
1 to 2 years	35,285,783.62	1,084,915,721.39
2 to 3 years	755,946,269.00	
Above 3 years	500,000.00	523,164.00
Above 5 years	500,000.00	523,164.00
<b>Total</b>	<b>876,579,262.19</b>	<b>1,260,312,877.96</b>

### 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	Proportion of provision		Amount	Proportion	Amount	Proportion of provision	
Including:										
Other receivable with	876,579,262.19	100.00%	710,703.00		875,868,559.19	1,260,312,877.96	100.00%	548,004.40		1,259,764,873.56

provision for bad debt made by portfolio										
Including:										
Including: Portfolio 1	863,880,581.01	98.55%	0.00		863,880,581.01	1,259,324,998.80	99.92%			1,259,324,998.80
Portfolio 2	12,698,681.18	1.45%	710,703.00	5.60%	11,987,978.18	987,879.16	0.08%	548,004.40	55.47%	439,874.76
Total	876,579,262.19	100.00%	710,703.00	5.60%	875,868,559.19	1,260,312,877.96	100.00%	548,004.40	55.47%	1,259,764,873.56

Provision for bad debt made by portfolio: 0

Monetary Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debt	Provision ratio
Portfolio 1	863,880,581.01		0.00%
Total	863,880,581.01		

Basis for determining the portfolio:

Provision for bad debts made by portfolio: 710,703.00

Monetary Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debt	Provision ratio
Portfolio 2	12,698,681.18	710,703.00	5.60%
Total	12,698,681.18	710,703.00	

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, 2024	548,004.40			548,004.40
Balance as at January 1, 2024 in the current period				
Provisions in the current period	162,698.60			162,698.60
Balance at December 31, 2024	710,703.00			710,703.00

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	548,004.40	162,698.60				710,703.00
Total	548,004.40	162,698.60				710,703.00

Of which, the important amount of bad debt provision reversed or recovered in this period is:

Monetary Unit: RMB

Entity name	Amount to be recovered or reversed	Reason for reversal	Method of recovery	Basis for determining the original bad debt provision ratio and its reasonableness
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#### 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	755,932,144.00	2-3 years	86.24%	
2nd	Receivable and payable	47,456,985.00	Within 1 year: RMB 40,925,564.51, 1-2 years: RMB 6,531,420.49	5.41%	
3rd	Receivable and payable	24,234,232.73	Within 1 year: RMB 6,031,513.34, 1-2 years: RMB: 18,202,719.39	2.76%	
4th	Receivable and payable	9,929,461.32	Within 1 year: RMB 8,904,806.23, 1-2 years: RMB: 1,024,655.09	1.13%	
5th	Receivable and payable	6,001,759.79	Within 1 year: RMB 40,925,564.51, 1-2 years: RMB: 6,531,420.49	0.68%	
Total		843,554,582.84		96.22%	

**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	22,178,146,522.48		22,178,146,522.48	21,359,804,309.00		21,359,804,309.00
Investment in joint ventures and associates	290,377,684.78	68,246,928.73	222,130,756.05	179,831,690.55		179,831,690.55
Total	22,468,524,207.26	68,246,928.73	22,400,277,278.53	21,539,635,999.55		21,539,635,999.55

**(1) Investment in subsidiaries**

Monetary Unit: RMB

Investee	Beginning balance (book value)	Beginning balance of 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	17,469,339,249.84		760,406,370.41				18,229,745,620.25	
Jiangsu Dongyuan Electric Group Co., Ltd.	839,960,277.53		3,287,223.36				843,247,500.89	
Jiangxi Gotion New Energy Technology Co., Ltd.	521,757,734.40		2,630,627.02				524,388,361.42	
Jiangsu Gotion New Energy Technology Co., Ltd.	2,005,078,563.87		325,289.81				2,005,403,853.68	
Feidong Gotion New Material Co., Ltd.	523,668,483.36		-907,297.12				522,761,186.24	
Gotion High-Tech (HK) Co., Ltd.			52,600,000.00				52,600,000.00	
Total	21,359,804,309.00		818,342,213.48				22,178,146,522.48	

**(2) Investment in joint ventures and associates**

Monetary Unit: RMB

Investee	Beginning balance (book value)	Beginning balance of impairment provision	Increase/decrease in the current period								Ending balance (book value)	Ending balance of 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.	114,848,364.52				-46,601,435.79				68,246,928.73			68,246,928.73
Anhui Anwa New Energy Technology Co., Ltd.	64,983,326.03				-2,043,974.49		5,050,932.68				67,990,284.22	
Zhongnan Energy (Anhui) Co., Ltd.			154,000,000.00		140,471.83						154,140,471.83	
Subtotal	179,831,690.55		154,000,000.00		-48,504,938.45		5,050,932.68		68,246,928.73		222,130,756.05	68,246,928.73
Total	179,831,690.55		154,000,000.00		-48,504,938.45		5,050,932.68		68,246,928.73		222,130,756.05	68,246,928.73

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 revenue and operating costs**

Monetary Unit: RMB

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Revenue	Costs	Revenue	Costs
Other business	16,934,615.62	11,960,541.93	30,473,809.90	15,640,139.80
Total	16,934,615.62	11,960,541.93	30,473,809.90	15,640,139.80

**5. 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 the cost method	300,000,000.00	120,000,000.00
Long-term equity investment income accounted by equity method	-48,504,938.45	-72,442,737.23
Others	4,668,502.85	-4,648,595.20
Total	256,163,564.40	42,908,667.57

**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	-14,411,144.14	
Government grants included into the current profit or loss (excluding the government grants that are closely related to the Company's business, compliant to national policies and regulations, are granted in accordance with established criteria with ongoing effects on the Company's profits and losses)	990,000,989.16	
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	244,347,107.67	
Non-operating income and expenses other than the above items	-16,953,239.75	
Other profit and loss items that meet the definition of non-recurring gains and losses	100,811,727.98	

Less: impact on income tax	288,688,389.16	
Impact on minority equity (after tax)	70,860,711.08	
Total	944,246,340.68	--

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	4.77%	0.68	0.68
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profits and losses	1.04%	0.15	0.15



