

Stock Code: 601689

Abbr.: Tuopu Group

# **Ningbo Tuopu Group Co., Ltd.**

## **Annual Report 2021**



**April 2021**

## Important Notes

**I. The Board of Directors, Board of Supervisors, Directors, Supervisors and Senior Management of Ningbo Tuopu Group Co., Ltd. hereby guarantee that the information presented in this report shall be true, accurate and complete and free of any false records, misleading statements or material omissions, and they will bear joint and several liability for such information.**

**II. All directors attended the meeting of the Board of Directors.**

**III. BDO China Shu Lun Pan Certified Public Accountants LLP (Special General Partnership) issued a standard and unqualified audit report for the Company.**

**IV. Wu Jianshu, a person in charge of the Company, Hong Tieyang, an officer in charge of accounting work and accounting institution (Accounting Officer) hereby declare and warrant that the financial statements in the annual report are authentic, accurate, and complete.**

### **V. Profit Distribution Plan or Capital Reserve Converted to Additional Shares Plan Approved by the Board during the Reporting Period**

As audited by BDO China Shu Lun Pan Certified Public Accountants LLP (Special General Partnership), Ningbo Tuopu Group Co., Ltd. ("The Parent Company") realized a net profit at RMB 690,398,367.25 in 2021, after a statutory surplus reserve at RMB 69,039,836.72 is withdrawn at 10% of the realized net profit, the profit available for distribution in the year is RMB 621,358,530.53; with the undistributed profit at the beginning of the year at RMB 2,898,141,748.80 added, and the cash dividends at RMB 189,552,010.38 distributed in 2021 deducted, the cumulative profit available for distribution at the end of 2021 is RMB 3,329,948,268.95.

According to the resolution passed at the 18th meeting of the fourth Board of Directors of the Company, the profit distribution plan laid down for 2021 is: with a total of 1,102,046,572 shares on the date of plan announcement as the base number, RMB 2.78 per 10 shares (tax included) will be distributed to all shareholders as cash dividends. Then the gross amount of cash dividends proposed for distribution is RMB 306,368,947.02 (tax included), in 30.12% of the net profit attributable to shareholders of public company. The remaining undistributed profit rolls over to the next year. The Company will not convert any public reserve funds into additional share capital or issue any bonus shares this year.

If there is a change in the said total shares in the period from the date of the announcement of profit distribution plan to the record date for distribution, the Company is prepared to keep the gross amount of cash dividends as stated above, adjust the proportion of dividend per share, and otherwise announce the particulars of adjustment.

The above profit distribution plan is prospectively submitted to the general meeting of the Company for consideration.

### **VI. Risk statement of forward-looking statements**

☒Applicable ☐Non-applicable

The forward-looking description of the future development strategy, business plan, performance forecast and other aspects in relation to the Company as contained herein will not constitute a substantial commitment to investors. All investors of the Company are advised to be cautious about the investment risks.

### **VII. Whether there is any non-operating capital occupation by the controlling shareholder and its affiliates**

No

**VIII. Whether there is any external guarantee provided in violation of the prescribed decision procedures**

No

**IX. Whether there are more than half of the directors who cannot guarantee the annual report disclosed by the Company as to its authenticity, accuracy and completeness**

No

**X. Significant risk statement**

The Company has described the significant risks that may adversely affect the future development of the Company and the realization of its business objectives herein. Refer to "Section 3 Discussion and Analysis of Operation Conditions"

**XI. Others**

☒Applicable ☐Non-applicable

On November 18, 2021, the Company held the 14th session of the Fourth Board of Directors, where the proposal on the public issuance of convertible corporate bonds was considered and approved. On December 6, 2021, the Company held the second extraordinary general meeting in 2021, where the said proposal was considered and approved.

On December 29, 2021, the application filed by the Company for public issuance of convertible corporate bonds was accepted by China Securities Regulatory Commission (CSRC).

On January 21, 2022, the Company received the "Notice of CSRC's Feedback on the Review of Administrative Licensing Project" (No. 213502) issued by CSRC.

On February 18 and March 9, 2022, the Company disclosed the "Reply to the Feedback on the Application Documents for the Public Issuance of Convertible Corporate Bonds by Ningbo Tuopu Group Co., Ltd." and "Reply to the Feedback on the Application Documents for the Public Issuance of Convertible Corporate Bonds by Ningbo Tuopu Group Co., Ltd. (Revised)" respectively.

On April 11, 2022, the 41st working meeting of 2022 of the CSRC 18th Issuance Review Committee reviewed the application filed by the Company for public issuance of convertible corporate bonds. According to the review results at the meeting, this application filed by the Company for public issuance of convertible corporate bonds was reviewed and passed.

As of the disclosure of this report, the Company has not yet received any written approval document from CSRC. This event is still in process and the Company is expected to perform its information disclosure obligations in due course where applicable.

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Directory of Documents Available for Reference	Financial statements affixed with the signatures and seals of the legal representative of the Company, the officer in charge of accounting work and accounting institution
	Original audit report affixed with the seal of the accounting firm and the signature and seal of CPAs
	All original company documents and announcements disclosed on the website designated by CSRC during the reporting period

## Section 1 Definitions

### I. Definitions

In this report, unless the context requires otherwise, the following words and terms shall be construed as:

Common terms and definitions		
The Company, issuer, Tuopu	Refers to	Ningbo Tuopu Group Co., Ltd.
MECCA HK	Refers to	MECCA INTERNATIONAL HOLDING ( HK ) LIMITED, the controlling shareholder of the Company
Reporting Period	Refers to	From January 1, 2021 to December 31, 2021
Board of Directors, Board of Supervisors, General Meeting of Shareholders	Refers to	Board of Directors, Board of Supervisors, General Meeting of Shareholders of Ningbo Tuopu Group Co., Ltd.
1.00 Yuan, 10,000 Yuan, 100 million Yuan	Refers to	¥1.00, ¥10,000.00, ¥100,000,000.00

## Section 2 Company Profile and Key Financial Indicators

### I. Company Information

Company Name in Chinese	宁波拓普集团股份有限公司
Company Abbreviation in Chinese	拓普集团
Company Name in English	Ningbo Tuopu Group Co.,Ltd.
Company Abbreviation in English	Tuopu Group
Legal Representative of the Company	Wu Jianshu

### II. Contact Person and Contact Information

	Security of the Board	Representative of Securities Affairs
Name	Wang Mingzhen	Gong Yuchao
Contact Address	268 Yuwangshan Rd, Beilun District, Ningbo, Zhejiang	268 Yuwangshan Rd, Beilun District, Ningbo, Zhejiang
Tel.	0574-86800850	0574-86800850
Fax	0574-86800877	0574-86800877
E-mail	wmz@tuopu.com	gyc@tuopu.com

### III. General Informaiton Summary

Registered Address of the Company	268 Yuwangshan Rd, Daqi Street, Beilun District, Ningbo, Zhejiang
Change History of Registered Address of the Company	On June 16, 2020, changed from "No. 215 Huangshan West Road, Beilun District, Ningbo, Zhejiang " to "268 Yuwangshan Rd, Daqi Street, Beilun District, Ningbo, Zhejiang "
Office Address of the Company	268 Yuwangshan Rd, Daqi Street, Beilun District, Ningbo, Zhejiang
Postal Code of Office Address	315806
Website	www.tuopu.com
E-mail	tuopu@tuopu.com

**IV. Information Disclosure and Location**

Media Name and Website where The Company Discloses its Annual Report	Securities Times
Stock Exchange Website where The Company Discloses its Annual Report	SSE website ( <a href="http://www.sse.com.cn">www.sse.com.cn</a> )
Location for Annual Report of the Company	Office of Board Secretary

**V. Overview of Stock Information**

Overview of Stock Information				
Stock Type	Stock Exchange	Stock Abbreviation	Stock Code	Stock Abbreviation Before Change
A-share	Shanghai Stock Exchange	Tuopu Group	601689	-

**VI. Other Related Information**

Accounting firm appointed by the Company (domestic)	Name	BDO China Shu Lun Pan Certified Public Accountants LLP (Special General Partnership)
	Office Address	5/F, 61 East Nanjing Rd, Shanghai
	Name of Undersigned Accountants	Yu Weiyang, Tang Wei
The sponsor institution hired by the company to perform the continuous supervision in the reporting period	Name	China Merchants Securities Co. Ltd
	Office Address	111 Fuhua First Rd, Futian Street, Futian District, Shenzhen, Guangdong
	Name of undersigned sponsor's representatives	Xiao Yan, Tan Guotai
	Period of continuous supervision	201From July 26, 2016 to the date of using up the raised funds

**VII. Key Accounting Data and Financial Indicators over the Past Three Years****(1) Key Accounting Data**

Unit: Yuan Currency: RMB

Key Accounting Data	2021	2020	Increase/decrease compared with previous year	2019
Operating income	11,462,693,679.86	6,511,094,914.05	76.05	5,358,953,813.60
Net profit attributable to shareholders of the listed Company	1,017,253,691.77	628,200,888.31	61.93	456,205,818.45
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	970,594,278.55	574,682,817.67	68.89	414,524,818.47
Net cash flow generated by operational activities	1,186,819,193.35	1,123,685,580.01	5.62	1,239,421,359.40
	End of 2021	End of 2020	Increase/Decrease at the end of the current year	End of 2019

			compared with the end of the previous year (%)	
Net assets attributable to shareholders of the listed company	10,588,767,194.07	7,786,994,893.67	35.98	7,375,492,362.88
Total assets	18,682,692,767.26	12,115,228,519.89	54.21	11,234,314,273.34

**(2) Key Financial Indicators**

Key Financial Indicators	2021	2020	Increase/Decrease at the end of the current year compared with the end of the previous year (%)	2019
Basic Earnings per Share (RMB/Share)	0.93	0.60	55.00	0.43
Diluted Earnings per Share (RMB/Share)	0.93	0.60	55.00	0.43
Basic Earnings per Share after deducting non-recurring gains and losses (RMB/Share)	0.88	0.54	62.96	0.39
Weighted Average ROE	10.35	8.29	Increased by 2.06%	6.25
Weighted Average ROE after deducting non-recurring gains and losses (%)	9.87	7.58	Increased by 2.29%	5.68

Notes to the key accounting data and financial indicators over the previous three years at the end of the reporting period

☐Applicable ☒Non-applicable

**VIII. Differences in Accounting Data under Chinese and International Accounting Standards**

**(1) Differences in net profit and net assets attributable to shareholders of listed company in the financial reports disclosed under international accounting standards and Chinese accounting standards**

☐Applicable ☒Non-applicable

**(2) Differences in net profit and net assets attributable to shareholders of listed company in the financial report disclosed under international accounting standards and Chinese accounting standards**

☐Applicable ☒Non-applicable

**(3) Notes to differences between international and Chinese accounting standards:**

☐Applicable ☒Non-applicable

**IX. Key financial data of 2021 by quarter**

Unit: Yuan Currency: RMB

	Q1 (From January to March)	Q2 (From April to June)	Q3 (From July to September)	Q4 (From October to December)
Operating income	2,426,455,130.26	2,490,291,932.94	2,906,207,812.64	3,639,738,804.02
Net profit attributable to shareholders of the listed company	246,045,799.62	213,656,388.17	293,624,386.80	263,927,117.18
Net profit attributable to shareholders of the	239,833,607.79	204,856,310.46	286,196,999.99	239,707,360.31

listed company after deducting non-recurring gains and losses				
Net cash flow generated by operating activities	156,558,517.95	588,776,360.01	99,539,984.40	341,944,330.99

Notes to differences between quarterly data and disclosed periodic report data

☐Applicable ☒Non-applicable

#### X. Non-recurring Gains and Losses Items and Amounts

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Non-recurring Gains and Losses Items	Amount in 2021	Note (if applicable)	Amount in 2020	Amount in 2019
Gains and losses from disposal of non-current assets	-1,620,899.20		8,703,377.39	-5,661,936.43
Approval beyond authority, or without formal approval document, or incidental tax rebates, deducts and exempts				
Government subsidies included in the current profit and loss, but closely associated with the regular business operations of the Company, except for government subsidies that are consistent with national policies and continuously granted at a fixed quota or amount under certain national standard	35,898,407.13	X, VII, 84	34,350,267.41	27,118,972.85
Payment for the use of funds charged from non-financial enterprises that is included in current profit and loss				
Income generated from the investment cost of the Company in acquiring subsidiaries, associates and joint ventures that is less than the fair value of the identifiable net assets held by the invested entity at the acquisition of investment				
Gains and losses from exchange of non-monetary assets				
Gains and losses from the engagement of others in investment or management	17,563,635.87			
Provisions for impairment of various assets due to force majeure factors including natural disasters				
Gains and losses from restructuring of debts				
Expenses incurred in enterprise restructuring, including those incurred in staff placement and integration				
Gains and losses from the part of				



transactions whose prices are clearly unfair in excess of the fair value				
Net profits and losses for the current period from the beginning of the period to the date of the merger arising from a business combination under the same control				
Profits and losses generated from contingent events that are unrelated to the regular business operations of the Company				
Profits and losses resulting from the changes in fair value for holding trading financial assets, derivative financial assets and trading financial liabilities, derivative financial liabilities and investment income from disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other obligatory right investments, except for valid hedging businesses associated with the regular business operations of the Company	252,506.50		18,164,183.51	30,527,989.21
Reversal of the receivables and contract assets depreciation reserves for separate impairment test				
Gains and losses from external entrusted loans				311,202.83
Profits and losses generated from a change in the fair value of investment real estates that are subsequently measured by the fair value model				
Impact of one-off adjustment to the current profit and loss under the requirements of taxation, accounting and other laws and regulations on the current profit and loss				
Custody fee income from entrusted operations				
Non-operating income and expenses other than the above	3,575,775.34		2,813,550.60	-3,171,370.86
Other gains and losses items that fit the definition of non-recurring gains and losses				
Less: Impact of income tax	8,942,931.42		10,201,281.57	7,365,066.09
Amount of influence of minority shareholders' equity (after tax)	67,081.00		312,026.70	78,791.53
Total	46,659,413.22		53,518,070.64	41,680,999.98

Notes of the circumstances in which extraordinary gain or loss items as defined or illustrated in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 – Extraordinary Gains or Losses were defined by the Company as its recurring gain or loss

items.

☐Applicable ☒Non-applicable

#### XI. Items Measured by Fair Value

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Item	Opening Balance	Ending Balance	Changes in Current Period	Impact on Current Profit
Equity instrument investments	176,111.00	1,507,846.86	1,331,735.86	252,506.50
Short-term financial products		320,000,000.00	320,000,000.00	
Receivables Financing	742,203,122.21	972,493,168.64	230,290,046.43	
Total	742,379,233.21	1,294,001,015.50	551,621,782.29	252,506.50

#### XII. Other

☒Applicable ☐Non-applicable

### Section 3 Discussion and Analysis of Operation Conditions

#### I. Discussion and Analysis of Operating Conditions

As driven by the positive influence of broad product line in the NEV industry, system research and development abilities and innovative business practices, rapid increase of sales revenue and profit was achieved this year, and all operation and management activities went smoothly. More details are provided below:

##### (1) Marketing and sales.

The Tier0.5 cooperation mode rolled out by the Company and its strategic customers has made an exemplary success. Under this mode, the number and amount of components per vehicle are higher, and the Company is able to provide better QSTP products and services to customers, create value for customers, and maintain good customer loyalty. Adhering to the cooperation concept of “quick response and all-out cooperation”, the Company has been highly rated by strategic customers, and there is an ample potential of business growth.

In the international market, the Company has engaged in full-on cooperation with some US innovative car makers such as RIVIAN and LUCID, technology-intensive companies, and traditional car makers such as FORD, GM, and FCA. In the domestic market, the Company has updated cooperation levels with Huawei, Jinkang, HiPhi, Xiaomi, Lixiang and other innovative car makers.

With the roll-out of the product platform strategy and the increased level of market acceptance of the new marketing mode, the number of new orders accepted by the Company increases substantially compared to prior years, which in turn paves the way for fast-growing sustainable development in future.

## (2) R&D and innovation.

During the reporting period, the Company intensified the efforts in R&D investment, allocated more resources, and maintained its leading edge in research and development. For product R&D, continuous efforts were made to improve the current product lines and develop new products to enrich the product lines. Exploiting the mechanical, electronic control, software and chassis tuning capabilities developed in the R&D process of brake-by-wire IBS, referring to the accumulated experience of rubber and vacuum pumps, the Company quickly rolled out the development of the air suspension system project. Under this project, the amount of components per vehicle is RMB 5,000-10,000, which heralds an enormous market potential in the era of vehicle consumption upgrade. In addition, the Company wrapped up the development of some new products such as rotary screen drivers and ESC columns, which will be brought to the market step by step. At present, the Company has received aluminum subframe orders placed by Lixiang and heat pump assembly orders for some models placed by FAW, and the heat pump sub-components project goes well. In addition, the power-adjustable steering columns and IBS project goes well.

For manufacturing research and development, the Company used virtual simulation technology to quicken up the research and development of manufacturing processes and quality control, exploit visual detection, product traceability, AI and other technologies to realize intelligent manufacturing, substantially improve the precision of quality control, reduce the time spent for equipment installation, commissioning and process trial run, and achieve fast and high-quality volume production.

Inadequate basic research is supposed to be the main reason accounting for technical difficulties in the domestic industry. Certain underlying problems concerning material, technology, electronic control, software and testing have to be solved in the process of promoting the research and development of product industrialization. Driven by this reason, the Company appointed domestic and foreign experts and specialists in materials, mechanics, chemistry and other related fields, kicked off the basic research from fundamental knowledge, principles and ideas, “planning ahead ensures slow yet steady progress”. Owing to these efforts, good achievements have been accomplished in some aspects. The degradable and eco-friendly material and the aluminum alloy material without heat treatment, which are developed in house, have been put into industrial application and recognized by customers. These invented materials provide important means to carrying out the T0.5 level strategy, which also helps the Company maintain global leading edge in future.

## (3) Capacity landscaping.

According to the updates of new orders and based on the projection of the future penetration rate of NEVs, the Company has paced up the capacity landscaping and completed the construction of Xiangtan Base, the Phase II and Phase III of Ningbo

Hangzhou Bay New District, and the production base in Yinzhou, Ningbo covering about 1,500 acres of land.

(4) Cost control.

During the reporting period, the cost of raw materials and labor services has obviously risen, the Company implements cost control by purchasing in large quantity, technological innovation, strict budget control and other proper measures. With a plurality of research projects in process, many technical specialists have been recruited, leading to a rapid increase in R&D expenditure. With new factories built, the management and manufacturing overhead incurred in production ramp-up and trial production is relatively high. As driven by the capacity increase needs of the Company, capital expenditure is increasing enormously and the ratio of depreciation and amortization is increasing sharply. In future, R&D cost and capital expenditures are expected to be diluted with the sales growth, so that a reasonable gross profit level would be maintained.

(5) Manufacturing upgrade.

The Company proceeds digital factory, implements MES management system, enables effective management in respect of quality control, product traceability, lean production, equipment management, and promotes the interconnectivity between the company-wide data and customer data, in order to build an smart factory accredited with Industry 4.0.

After the recall of steering knuckles, the Company made further investments in smart factories and traceability system, which enhanced the overall satisfaction level of customers.

(6) Launching of convertible bond financing.

As encouraged by the rapid growth of chassis lightweight, the Company launched the issuance of convertible bonds and prospectively raised RMB 2.5 billion, in order to further enhance its financial strength and assure the rapid development of the project.

## **I. Industry landscaping during the reporting period**

In 2021, despite the adverse factors such as shortage of chips and rising material price, China sold 26.24 million units, an increase of 3.8% over the last year, in which NEVs contributes 3.521 million units, an increase up to 157.5% over the last year, marking the penetration of NEVs in the fast-growing period.

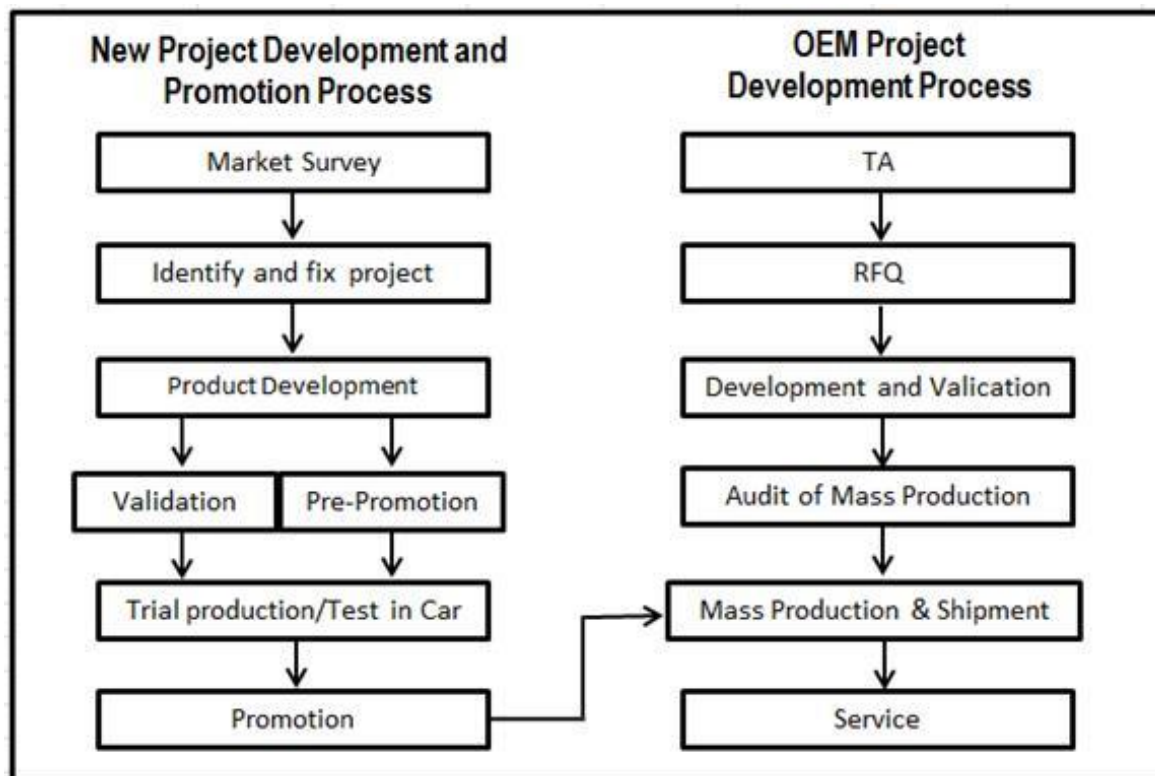
## **II. Business operations engaged by the Company during the reporting period**

### **1. Main operations**

The Company specializes in the research and development, production and sales of auto parts. The main products include automobile vibration control system, interior and exterior trim parts, body lightweight products, cabin comfort system, thermal management system, chassis system, air suspension system, intelligent driving system. The major customers it serves include international and domestic smart electric car makers and traditional OEM

car makers at home and abroad. In line with the business philosophy of creating value for customers, the Company adheres to R&D and innovation, boosts global landscaping, enhances overall competitiveness, and strives to be a more trusted partner for car makers.

## 2. Business process and operation pattern



## III. Analysis of core competitiveness during the reporting period

√Applicable □Non-applicable

The NEVs track in which the Company is currently engaged heralds the market capacity at trillion-level, its enormous potential of market development, long business life cycle, and technology-intensive and capital-intensive character offer a historical opportunity for the Company to stride forward. In the course of 39 years after founding, the Company has been consistently enhancing overall competitiveness, raised the competition threshold and shaped a moat.

### 1. Strength of product platform.

Keeping up with the trend of industry development, the Company makes a prospective distribution of NEVs track, expands its product lines, and forms a platform-based corporation. Now it owns 8 product lines: automobile vibration control system, interior & exterior system, body lightweight products, cabin comfort system, thermal management system, chassis system, air suspension system, intelligent driving system. The unit price of components per vehicle is about 30,000 and these product lines are accessible to enormous potentials of expansion.

The Company has a wide range of product lines which can provide customers with one-stop, system-grade and modularized products and services, and some products are scarce and hardly benchmarked in the global market of automobile parts. In the era of industrial transformation and business model innovation, labor collaboration with customers can in turn enhance customer satisfaction and pave the way for getting bigger and stronger.

The Company has a wide array of product lines such as suspension system, brake-by-wire and steering-by-wire, impressive chassis tuning capabilities, and requisite factors to integrate drive-by-wire chassis and skateboard chassis. Drive-by-wire chassis is an essential condition to realize high-level auto piloting. In contrast, skateboard chassis can create a new car-making model featuring faster speed of making and lower cost. With a proven ability to render further services to customers, the Company is highly responsive to the technology development trend of vehicle E/E control architecture and sub-domain control and the creative car-making model that may appear.

The product lines are briefly described here: 1. Damping system, comprising powertrain mount support, drive motor damper, cylinder support, torsional damper, sub-frame support, and hydraulic bushing; 2. Interior & exterior system, comprising roof, main carpet, coat rack, heat and sound insulation components, luggage insulation components, and exterior trim products such as sealing strips and decorative strips; 3. Body lightweight products, comprising one-piece front and rear floor panels, body structural part, door structural part, and battery pack structural part; 4. Cabin comfort system, comprising rotary screen controller, electric tailgate, electric sliding door, and seat comfort system; 5. Thermal management system, comprising integrated heat pump assembly, multi-port valve, electronic water pump, and electronic expansion valve; 6. Chassis system, comprising front and rear sub-frames, aluminum sub-frame, control arms, rods, and steering knuckles; 7. Air suspension system, comprising integrated air supply unit, air spring, and height sensor; 8. Intelligent driving system, comprising steer-by-wire, brake-by-wire, and power-adjustable steering columns.

## 2. Strength of customer group.

The Company undertakes the mission statement of creating values for its customers and has been generally accepted by customers in cooperation. The TUOPU brand reputation has been enhanced, along with higher loyalty level of customers. In the era of intelligent electrification, capitalizing on the core competitiveness generated from QSTP, the Company has established and maintained stable cooperation with domestic and overseas carmakers.

In line with the key customer strategy, the Company takes resource-focused approach to explore Tier0.5 cooperation pattern, and renders services characterized by “responsive and highly cooperative” to strategic customers, which in turn earns positive review and

recognition from customers, and paves the way for supplying components fit to millions of vehicles.

### 3. Strength of R&D.

The only way leading to a world-class automobile parts enterprise is to improve capabilities of R&D and innovation. Sticking to R&D and innovation, the Company was the first participant within the industry to lay down the forward R&D development strategy as early as twenty years ago. After the technological accumulation for years, the Company has demonstrated the system-grade synchronous forward R&D capabilities with respect to five modules and the integrated R&D capabilities of machines, electronic control, and software, and has a number of independent intellectual property rights such as invention patents. The Company kicks off basic research works in order to further maintain its leading edge in research and development. With uninterrupted investments in system construction, recruitment of talents and testing capacity, the Company maintains the average percentage of annual R&D investments in operating income at a level about 5%, signaling the continuous improvement of R&D competitiveness.

With R&D centers set up in North America, Europe, Shanghai, Shenzhen, and Ningbo, the Company is able to provide better services to global customers and recruit quality talents at home and abroad. Thanks to its efforts, the Company has put a scientific research team consisting of nearly 2,000 members in place, including more than 100 holders of doctoral and master degrees.

The Company has set up a test center of global excellence which has the testing and validation capabilities with respect to materials, products, systems and vehicles. With certified CNAS ISO/IEC17025 system, the Company has been appointed by many automakers to conduct in-vehicle tests.

Leveraging the top-down R&D capabilities, the Company can expand its product line and enhance the value of components per vehicle, and also renders T0.5-level service to customers.

### 4. Strength of plant layout and capacity.

The Company has set up manufacturing bases in Ningbo, Chongqing, Wuhan and other places encircling major automobile industry clusters in China. To render better services to global customers, the Company has established manufacturing plants or warehouse centers in the United States, Canada, Brazil and Malaysia, the prospective plants in Poland and Mexico are in process. Under this plant layout, the Company is able to render faster and more efficient services to its customers and guarantee the business development on global platforms.

The penetration rate of NEVs features by a rapid increase, just as the industry participants experience, but the industrial chain capacity of NEVs is obviously insufficient, global auto part makers are under a heavy burden of transformation, their investment willingness is weak, and the investment level and rate of home auto part makers are not enough. According to the company-specific capacity requirement and future forecasts, the Company is expected to build up capacity in order to maintain its leading edge in production capacity, technology, and equipment.

In addition, the automobile industry requires a large-sum investment in the plant layout, the construction period is long and the complex equipment and process are involved, so it can hardly be replaced like the cellphone industry chain.

## 5. Strength of management

Under the IATF16949 quality system, the Company has established a specific management system with typical features through years of innovation efforts. For management structure, the division-based management structure is laid down for the group, which can relieve the stress of management, highlight the business operations, improve the efficiency of operation, and lead to relative competition; divisions are subject to the horizontal flat management with sales activities standing in the core, for market-oriented construction of the organization, pool resources and make quick response; under the pyramid organization, business units enforce standard processes to improve efficiency and reduce cost.

For management system, the Company has established a full set of standard processes, management systems and assessment indicators as directed by process, information, standardization, and lean production, and is leveraging some information tools such as SAP, PLM, OA, and MES to implement exact processes, which in turn improves the efficiency of management and decision.

For incentive mechanism, the Company lays up a career platform that is adequately authorized for staff members, in which the Company tapes into internal development and promotion mode that is fair and just, in order to keep the channel of promotion smooth, fit to the growth strategy, and form a positive cycle for business growth and career path.

## 6. Strength of talents.

The Company puts the screening and training of talents in priority. The post-doctoral workstation within the Company solicits and recruits technical specialists globally. Adhering to the concept of “recruiting and promoting members on their merits”, the Company is committed to building a competitive management team. The Company has established an integrated, specific and open financial indicator system to transform officers from managers to operators and entrepreneurs.



The Company encourages for the formation of a learning organization that is fully authorized, and forges a young and experienced international team specialized in sales, R&D activities and production who can pave the way for leapfrog development of the Company.

#### 7. Strength of culture.

The Company undertakes the mission statement of “making our customers, employees, shareholders, the community and partners satisfied, and becomes a corporate citizen of excellence.

Aligning with the business philosophy of serving the country with industrial achievements, the Company stands at the industry front, gets immersed in R&D and innovation, goes all out to solve “bottlenecking” technical issues, and contributions to the industry safety and development. Adhering to the operation concept of legal compliance, the Company undertakes social responsibility and is committed to infusing positive energy into social development.

The Company gives its employees an access to comfortable workplace, equal interpersonal relationships, appealing salary and benefits, and an extraordinary career development platform, in order to tap into the potentials of all employees. The Company has established partnerships with suppliers, respected the business philosophy of seeking equality and win-win results, and driven the common development of the supply chain.

The Company values and protects the interests of investors, strictly abides by the rules governing information disclosure and other provisions, and distributes dividends to investors even though the capital expenditures have been increased. All staff members are united to improve operating performance, in order to maximize the benefits to investors.

#### 8. Strength of equity structure.

The Company is run and operated by founder, which in turn maintains the prudence of major decisions, values long-term benefits and development, makes quick decisions and assures good execution. The founder holds a higher percentage of shares, keeps a clear equity structure, and exercises longstanding control on the Company from the top-level design, in order to keep the Company running steadily for a long time and have an ample potential for capital expansion. The members of the Board of Directors led by the chairman demonstrate impressive experience, have clear division of work, keep a low profile, keep ambitious and energetic, and use their best endeavors to drive the Company to the forefront of the industry in the right way.

#### 9. Strength of risk control.

The Company keeps the debt-to-equity ratio at low level and has an abundant cash flow. The well-established financial system and the strict risk control system can in turn

guarantee the implementation of strategic plan and investment plan, or allow it to seek mergers and expansion whenever appropriate, or reduce the risk exposure to business operation, and maintain its long-term investment value.

#### IV. Condition of main operations during the reporting period

As of the end of the reporting period, the Company's total assets were RMB 18.683 billion, an increase of 54.21% over the previous period; total liabilities were RMB 8.062 billion, an increase of 87.62% over the previous period; the asset-liability ratio was 43.15%; the owner's equity attributable to the parent company was RMB 10.589 billion, an increase of 35.98% over the previous period.

During the reporting period, the Company earned an operating income of RMB 11.463 billion, an increase of 76.05% over the previous period; total profit was RMB 1.146 billion, an increase of 61.43% over the previous period; the net profit attributable to shareholders of the listed company was RMB 1.017 billion, an increase of 61.93% over the previous period.

During the reporting period, the net cash flow generated from operating activities was RMB 1.187 billion. The rapid increase in sales revenue and accounts receivable and amount of inventories reveal its good operating capabilities; the cash outflow from investment activities was RMB 5.291 billion, in which the cash expended for the purchase and construction of fixed assets and other long-term assets was RMB 3.521 billion, which in turn prepares it to meet the rapid growth of the NEVs market and level up the competition barriers.

#### (1) Analysis of main business operations

##### 1. Analysis of changes in related items in the income statement and cash flow statement

Unit: Yuan      Currency: RMB

Subject	Amount in the current period	Amount in previous period	Change as percentage (%)
Operating income	11,462,693,679.86	6,511,094,914.05	76.05
Operating cost	9,184,077,297.76	5,034,014,528.39	82.44
Cost of sales	157,043,325.10	123,896,252.24	26.75
Overhead expenses	295,450,552.98	233,071,874.47	26.76
Financial expenses	35,618,447.47	44,118,562.59	-19.27
R&D cost	502,493,456.38	354,851,747.66	41.61
Net cash flow from operating activities	1,186,819,193.35	1,123,685,580.01	5.62
Net cash flows from investing activities	-3,736,424,732.92	-587,280,804.65	NA
Net cash flow from financing activities	2,823,560,530.55	-564,960,874.38	NA

Note to the reason for changes in operating income: attributed to large volume of orders placed by domestic and foreign valued customers solicited by the Company in the current period

Note to the reason for changes in operating cost: attributed to an increase of operating income in the current period over the previous period

Note to the reason for changes in cost of sales: attributed to an increase of the wages distributed to sales force and of business hospitality in the current period

Note to the reason for changes in overhead expenses: attributed to an increase of the number of

management staff and of salary paid to them in the current period

Note to the reason for changes in financial expenses: attributed to an increase of interest income in the current period

Note to the reason for changes in R&D expenses: attributed to a continuous intensification of R&D and innovation efforts and of R&D investments in the current period

Note to the reason for changes in net cash flow from operating activities: attributed to an increase of payment received in the current period

Note to the reason for changes in net cash flows from investment activities: attributed to a substantial increase of cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets in the current period.

Note to the reason for the change in net cash flow from financing activities: attributed to the receipt of funds raised by non-public offering of shares in the current period.

**Particulars of major changes in the business type, profit composition or source of profit of the Company during the current period**

☐Applicable ☒Non-applicable

## 2. Analysis of revenue and cost

√Applicable □Non-applicable

The revenue and cost of the Company in 2021 can be summarized as:

### (1). Condition of main business operations by industry, product, region and selling pattern

Unit: Yuan Currency: RMB

Main business operations by industry						
By industry	Operating income	Operating cost	Gross profit rate (%)	Increase/Decrease of operating income over the previous year (%)	Increase/Decrease of operating cost over the previous year (%)	Increase/Decrease of gross profit rate over the previous year (%)
Automobile parts	11,017,000,524.49	8,861,356,542.47	19.57	75.04	78.59	Decreased by 1.59%
Main business operations by product						
By product	Operating income	Operating cost	Gross profit rate (%)	Increase/Decrease of operating income over the previous year (%)	Increase/Decrease of operating cost over the previous year (%)	Increase/Decrease of gross profit rate over the previous year (%)
Vibration control system	3,347,130,942.76	2,549,744,262.83	23.82	30.73	35.45	Decreased by 2.66%
Trimming system	3,578,317,237.17	2,961,118,834.98	17.25	60.89	62.32	Decreased by 0.73%
Power chassis system	2,624,152,854.50	2,160,202,629.82	17.68	97.21	91.61	Increased by 2.41%
Mechatronic system	182,721,283.49	134,670,732.50	26.30	2.21	5.40	Decreased by 2.23%
Thermal management system	1,284,678,206.57	1,055,620,082.34	17.83	NA	NA	NA
Main business operations by region						
By region	Operating income	Operating cost	Gross profit rate (%)	Increase/Decrease of operating income over the previous year (%)	Increase/Decrease of operating cost over the previous year (%)	Increase/Decrease of gross profit rate over the previous year (%)

Domestic	8,260,898,166.08	6,760,489,458.76	18.16	78.17	80.40	Decreased by 1.01%
Overseas	2,756,102,358.41	2,100,867,083.71	23.77	66.28	72.99	Decreased by 2.96%
Condition of main business operations by selling pattern						
Selling pattern	Operating income	Operating cost	Gross profit rate (%)	Increase/Decrease of operating income over the previous year (%)	Increase/Decrease of operating cost over the previous year (%)	Increase/Decrease of gross profit rate over the previous year (%)
Direct selling	11,017,000,524.49	8,861,356,542.47	19.57	75.04	78.59	Decreased by 1.59%

**(2). Analysis of production output and quantity sold**

√Applicable □Non-applicable

Main product	Unit	Production output	Quantity sold	Quantity of inventories	Increase/Decrease of production output over the previous year (%)	Increase/Decrease of quantity sold over the previous year(%)	Increase/Decrease of inventories over the previous year(%)
vibration control system	10,000 sets	742.19	727.64	185.50	34.74	32.72	8.51
Trimming system	10,000 sets	435.17	442.31	11.60	60.34	64.07	-38.11
Power chassis system	10,000 sets	286.27	280.66	22.86	71.47	70.63	32.53
Mechatronic system	10,000 sets	69.64	68.95	3.56	3.63	3.75	24.00
Thermal management	10,000 sets	53.44	51.39	2.05	NA	NA	NA

**(3) Performance condition of major purchase and sales contracts**

□Applicable√Non-applicable

**(4). Cost analysis**

Unit: Yuan

Summary by industry							
By industry	Construction of	Amount in the	As a percentage	Amount in previous	As a	Change in the	Remark

	cost	current period	of total cost in the current period (%)	year	percentage of total cost in previous year	amount in the current period as a percentage of previous period (%)	
Automobile parts	Direct cost of material	6,982,110,445.90	78.79	3,834,145,459.25	77.27	82.10	
Automobile parts	Direct cost of labor service	561,987,933.36	6.34	332,857,963.49	6.71	68.84	
Automobile parts	Manufacturing expenses	1,317,258,163.21	14.87	794,879,320.74	16.02	65.72	
Summary by product							
By product	Construction of cost	Amount in the current period	As a percentage of total cost in the current period (%)	Amount in previous year	As a percentage of total cost in previous year	Change in the amount in the current period as a percentage of previous period (%)	Remark
vibration control system	Direct cost of material	1,906,698,759.74	21.52	1,407,114,177.14	28.36	35.50	
vibration control system	Direct cost of labor service	216,728,262.34	2.45	152,476,586.42	3.07	42.14	
vibration control system	Manufacturing expenses	426,317,240.75	4.81	322,836,229.27	6.51	32.05	
Trimming system	Direct cost of material	2,297,828,215.94	25.93	1,414,731,639.06	28.51	62.42	
Trimming system	Direct cost of labor service	164,045,983.46	1.85	97,599,152.40	1.97	68.08	
Trimming system	Manufacturing expenses	499,244,635.58	5.63	311,952,431.05	6.29	60.04	
Power chassis system	Direct cost of material	1,704,399,874.93	19.23	896,288,716.30	18.06	90.16	
Power chassis system	Direct cost of labor service	154,022,447.51	1.74	78,016,577.57	1.57	97.42	
Power chassis system	Manufacturing expenses	301,780,307.38	3.41	153,101,896.45	3.09	97.11	

system	expenses						
Mechatronic system	Direct cost of material	122,281,025.11	1.38	116,010,926.75	2.34	5.40	
Mechatronic system	Direct cost of labor service	4,996,284.18	0.06	4,765,647.10	0.10	4.84	
Mechatronic system	Manufacturing expenses	7,393,423.21	0.08	6,988,763.98	0.14	5.79	
Thermal management system	Direct cost of material	950,902,570.17	10.73	0.00	0.00	Na	
Thermal management system	Direct cost of labor service	22,168,021.73	0.25	0.00	0.00	Na	
Thermal management system	Manufacturing expenses	82,549,490.44	0.93	0.00	0.00	Na	

**(5) Changes in the scope of consolidation due to changes in the equity of major subsidiaries during the reporting period**

☐Applicable ☒Non-applicable

**(6) Significant changes or adjustments to business operations, products or services during the reporting period**

☐Applicable ☒Non-applicable

**(7). Main customers and main suppliers**

**A. Condition of main customers**

The sales amount from the top five customers is RMB 7,201.1105 million, in 62.82% of the annual sales amount; in which, the sales amount from the related parties of the top five customers is 0, in 0% of the annual sales amount.

During the reporting period, the sales to a single customer accounts for 50% of total sales amount, there are circumstances in which the Company solicits new customers or heavily relies on a few customers out of the Top 5 customers.

☐Applicable ☒Non-applicable

**B. Condition of main suppliers**

The purchase amount from the top five suppliers is RMB 1,350.9319 million, in 18.16% of the annual purchase amount; in which, the purchase amount from the related parties of the top five suppliers is 0, in 0% of the annual purchase amount.

During the reporting period, the purchase from a single supplier accounts for 50% of total purchase amount, there are circumstances in which the Company solicits new suppliers or heavily relies on a few suppliers out of the Top 5 suppliers.

☐Applicable ☒Non-applicable

**3. Expenses**

√Applicable □Non-applicable

Unit: Yuan

Subject	2021	2020	Change as Percentage (%)	Reason for Change
Cost of sales	157,043,325.10	123,896,252.24	26.75	Attributed to an increase of the wages distributed to sales force and of business hospitality in the current period
Overhead expenses	295,450,552.98	233,071,874.47	26.76	Attributed to an increase of the number of management staff and of salary paid to them in the current period
Financial expenses	35,618,447.47	44,118,562.59	-19.27	Attributed to an increase of interest income in the current period
R&D cost	502,493,456.38	354,851,747.66	41.61	Attributed to the further extent of R&D innovation and the increase in R&D cost in the current period

**4. R&D investment****(1). Particulars of R&D investment**

√Applicable □Non-applicable

Unit: Yuan

Expendable R&D investment in the current period	502,493,456.38
Capitalized R&D investment in the current period	0
Total R&D investment	502,493,456.38
Total R&D investment as a percentage of operating income (%)	4.38%
Number of R&D members in the Company	0

**(2) List of R&D specialists**

√Applicable □Non-applicable

Number of R&D specialists	2,350
R&D specialists as a percentage of total staff members (%)	18.38
Educational level of R&D specialists	
Kind of educational level	Number of specialists by academic degrees
Holders of doctoral degree	5
Holders of master degree	97



Holders of bachelor degree	1084
Holders of college degree	1164
Holders of high school degree or below	
Age group of R&D specialists	
Kind of age group	Number of specialists by age group
Below 30 (excluding 30)	848
30-40 (including 30, excluding 40)	984
40-50 (including 40, excluding 50)	463
50-60 (including 50, excluding 60)	55
60 and above	

**(3) Particulars**

☐Applicable ☒Non-applicable

**(4) Reasons for major changes in the structure of R&D specialists and the impact on the future development of the Company**

☐Applicable ☒Non-applicable

**5. Cash flow**

☒Applicable ☐Non-applicable

Unit: Yuan

Item	2021	2020	Change as percentage (%)	Reason for change
Net cash flow from operating activities	1,186,819,193.35	1,123,685,580.01	5.62	Attributed to an increase of the payment received in the current period
Net cash flow from investing activities	-3,736,424,732.92	-587,280,804.65	NA	Attributed to a substantial increase of the cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets in the current period
Net cash flow from financing activities	2,823,560,530.55	-564,960,874.38	NA	Attributed to the receipt of funds raised by non-public offering of shares in the current period

**(2) Explanation of major changes in profits caused by operations other than main operations**

☐Applicable ☒Non-applicable

**(3) Analysis of assets and liabilities**

√Applicable □Non-applicable

**1.Assets and liabilities**

Unit: Yuan

Item	Amount at the end of the current period	Amount at the end of the current period as a percentage of total assets (%)	Amount at the end of previous period	(%) Amount at the end of previous period as a percentage of total assets	(%) Change in the amount at the end of the current period as a percentage of the amount at the end of previous period (%)	Remark
Cash and bank balances	1,271,450,147.37	6.81	787,123,646.45	6.50	61.53	Attributed to the receipt of capital raised from non-public offerings in the current period
Trading financial assets	321,507,846.86	1.72	176,111.00	0.00	182459.78	Attributed to an increase of the amount of wealth management products subscribed in the current period
Notes receivable	3,168,220,804.95	16.96	1,783,267,007.65	14.72	77.66	Attributed to an increase of the amount of accounts receivable due to a substantial increase in operating income in the current period
Received Prepayments	84,489,104.36	0.45	42,883,818.40	0.35	97.02	Attributed to an increase of advance payment for materials in the current period
Other receivable	44,679,367.27	0.24	31,087,166.38	0.26	43.72	Attributed to an increase of deposits and security deposits paid in the current period
Inventories	2,296,983,843.07	12.29	1,502,751,836.88	12.40	52.85	Attributed to an increase of amount of inventories due to a substantial increase in operating income in the current period
Other Current Assets	266,187,079.91	1.42	173,824,691.82	1.43	53.14	Attributed to an increase of VAT credit refund in the current period
Fixed Assets	5,831,567,302.57	31.21	4,248,257,966.73	35.07	37.27	Attributed to an increase of the machinery and equipment purchased in the current period

Projects under Construction	1,990,647,471.76	10.66	943,993,396.96	7.79	110.88	Attributed to an increase of the plants and equipment under construction in the current period
Right-of-use Assets	58,788,393.16	0.31		0.00	100.00	Attributed to the recognition of right-of-use assets under the "New Lease Standards" adopted in the current period
Goodwill	208,676,584.61	1.12	253,310,074.24	2.09	-17.62	Attributed to the provision for impairment of goodwill in the current period
Long-term unamortized expenses	95,018,634.21	0.51	57,679,259.94	0.48	64.74	Attributed to an increase of decoration costs and logistics equipment in the current period
Deferred Income Tax Assets	135,100,879.84	0.72	94,968,559.88	0.78	42.26	Attributed to an increase of deductible temporary differences in the current period
Other Non-current Assets	558,231,000.78	2.99	296,957,402.06	2.45	87.98	Attributed to the increase in received prepayments for construction and equipment in the current period
Short-term loan	1,214,591,106.66	6.50	400,378,888.89	3.30	203.36	Attributed to an increase in bank borrowings in the current period
Notes Payable	2,333,423,633.37	12.49	1,471,327,551.91	12.14	58.59	Attributed to an increase of the amount of purchased materials due to a substantial increase in operating income in the current period
Accounts Payable	3,225,754,064.50	17.27	1,898,255,116.17	15.67	69.93	Attributed to an increase of the amount of purchased materials due to a substantial increase in operating income in the current period
Payroll payable	193,766,884.51	1.04	138,292,361.67	1.14	40.11	Attributed to an increase of the balance of wages payable due to the increase in the staff members in the current period
Tax Payable	148,102,445.81	0.79	82,865,303.29	0.68	78.73	Attributed to an increase of VAT payable, enterprise income tax payable and land use tax payable at the end of the current period
Non-current Liabilities Due within 1 Year	19,018,076.84	0.10		0.00	100.00	Attributed to the reclassification of financial lease borrowings to this item in the current period

Other Current Liabilities	193,908,274.06	1.04	1,507,896.52	0.01	12759.52	Attributed to an increase in financing lease borrowings in the current period
Long-term loan	310,000,000.00	1.66		0.00	100.00	Attributed to an increase in long-term bank borrowings in the current period
Lease Liabilities	40,685,114.26	0.22		0.00	100.00	Attributed to the recognition of lease liabilities under the "New Lease Standards" adopted in the current period
Deferred Income Tax Liabilities	75,749,671.63	0.41	51,907,987.42	0.43	45.93	Attributed to an increase in deferred income tax liabilities resulting from the one-off depreciation of equipment and appliances below RMB 5 million in the current period

## 2. Overseas assets

√Applicable □Non-applicable

### (1) Scale of assets

Including: overseas assets RMB 764,915,141.06 (Unit: Yuan Currency: RMB), in 4.09 % of total assets.

### (2) Explanation for the reason why overseas assets account for a higher percentage

□Applicable √Non-applicable

**3. Major asset restrictions as of the end of the reporting period**

√Applicable □Non-applicable

Unit: Yuan

Item	Book value at the end of the period	Reason for restricted use
Monetary Funds	335,777,756.39	Security deposit
Notes receivable	315,417,218.51	Pledge
Receivable financing	821,788,525.63	Pledge
Fixed Assets	853,207,227.97	Mortgage
Intangible Assets	104,522,557.95	Mortgage
Total	2,430,713,286.45	/

**4. Other Notes**

□Applicable √Non-applicable

**(4) Analysis of industry operational information**

□Applicable √Non-applicable Analysis of Operational Information in Automobile Manufacturing Industry

**1. Production capacity**

□Applicable √Non-applicable

**2. Production output and quantity sold of vehicles**

□Applicable √Non-applicable

**3. Production output and quantity sold of automobile parts**

□Applicable √Non-applicable

**4. NEVs**

□Applicable √Non-applicable

**5. Automobile financing**

□Applicable √Non-applicable

**6. Other Notes**

□Applicable √Non-applicable

**(5) Investment condition****Overall analysis of external equity investments**

□Applicable √Non-applicable

**1. Significant equity investment**

□Applicable √Non-applicable

**2. Significant non-equity investment**

□Applicable √Non-applicable

iCondition of purchased land

On January 19, 2021, Tuopu EV Thermal Management System (Ningbo) Co., Ltd., a wholly-owned subsidiary of the Company, was awarded the right to use 308 mu state-owned construction land in Hangzhou Bay New Zone, Ningbo, at a consideration of RMB 61.58 million in bidding process.

On February 26, 2021, Tuopu EV Thermal Management System (Ningbo) Co., Ltd., a wholly-owned subsidiary of the Company, was awarded the right to use 341 mu state-owned construction land in Hangzhou Bay New Zone, Ningbo, at a consideration of RMB 68.21 million in bidding process.

## ii. Updates of investments

NO.	Date of Signing	Reference number of announcement	Title of announcement	Main content	Update of event
1	November 2016	2016-076	Tuopu Group's announcement on the investment agreement signed with Hangzhou Bay New Zone	The Company signed the "Investment Agreement" with the Development and Construction Management Committee of Ningbo Hangzhou Bay New Zone, and prospectively invests and constructs a production base intended for the automobile parts production project in Ningbo Hangzhou Bay New Zone.	At present, Phase 2 has been completed and shifts to the trial operation stage.
2	January 2018	2018-002	Tuopu Group's announcement on the investment intent agreement signed in Xiangtan	The Company and the Administration Committee of Xiangtan Economic and Technological Development Zone signed the "Investment and Entry Contract" in relation to Hunan Production Base Project, and prospectively constructs the interior trims project with an annual capacity of 300,000 sets and the chassis products production base project with an annual capacity of 600,000 sets in Xiangtan Economic and Technological Development Zone.	At present, the certificate of real estate title has been granted to the Company and the project has been completed and put into operation.
3	February 2018	2018-004	Tuopu Group's announcement on the investment intent agreement signed by its wholly-owned Subsidiary	Taizhou Tuopu Automobile Parts Co., Ltd., a wholly-owned subsidiary of the Company, signed the "Investment Attraction Agreement" with the Administration Committee of Toumen Port Economic Development Zone of Zhejiang, and prospectively invests and constructs the NVH interior trim parts system project with an annual capacity of 300,000 sets in Toumen Port Economic Development Zone.	At present, the certificate of real estate title has been granted to the Company and the project has been completed and put into operation.
4	December	2021-086	Tuopu Group's	The Company and the People's Government	On December 30, 2021, the Company

	2021		announcement on the investment intent agreement signed in Chongqing	of Shapingba District, Chongqing signed the “Project Cooperation Agreement for Tuopu NEV Chassis lightweight System - Interior Trim Sound Insulation System Production Base”, with an intent of investing RMB 1.5 billion in Shapingba District to construct the production base for NEV product lines by phase.	incorporated Tuopu Automotive Chassis System (Chongqing) Co., Ltd., a wholly-owned subsidiary in Shapingba District, Chongqing, identified as one of the entities performing this Agreement. On January 17, 2022, the subsidiary bade for the right to use about 180 mu of industrial land for a consideration of RMB 90.21 million. The building program is under the review and approval process of the Planning Department.
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**(3) Financial assets measured at fair value**

☐Applicable ☒Non-applicable

**(6) Disposal of major assets and equity**

☐Applicable ☒Non-applicable

## (7) Analysis of major controlling and participating companies

√Applicable □Non-applicable

Unit: in 10,000 Yuan

Company name	Registered capital	Total assets in the reporting period	Total liabilities in the reporting period	Total net assets in the reporting period	Operating income in the reporting period	Net profit in the current period
Ningbo Intelligent Brake	5,000.00	5,452.94	1,720.86	3,732.09	18,272.13	8.06
Tuopu Imp&Exp.	20,000.00	42,699.33	32,426.16	10,273.17	186,742.86	-3,743.88
Tuopu Parts	20,000.00	134,148.87	113,473.29	20,675.58	531,944.68	-363.76
Tuopu Acoustics Vibration	20,000.00	101,277.83	85,476.05	15,801.77	328,846.55	722.84
Sichuan Tuopu	2,000.00	7,000.65	3,518.63	3,482.02	16,790.66	1,309.05
Yantai Tuopu	6,280.00	7,755.10	1,878.78	5,876.32	8,892.76	200.28
Pinghu Tuopu	20,800.00	26,421.89	6,680.95	19,740.94	49,542.78	2,654.33
Sichuan Maigao	15,000.00	27,277.00	6,750.12	20,526.88	22,501.85	1,132.43
Zhejiang Towin	18,000.00	56,390.05	10,850.91	45,539.15	39,996.56	1,667.15
Tuopu Mechatronic System	250,000.00	400,052.27	103,493.61	296,558.66	365,174.87	32,588.86
Ningbo Qianhui	2,725.86	9,386.66	2,540.37	6,846.29	6,970.67	180.84
Tuopu North American Ltd	5.00	4,196.40	4,554.62	-358.22	60,862.90	-138.05
Tuopu Electrical Appliances	5,000.00	15,338.57	5,385.16	9,953.42	13,005.18	1,409.53
Ningbo Borgers	2,100.00	21,022.16	6,372.24	14,649.92	38,563.36	2,076.45



(8) Structured entities controlled by the Company

☐Applicable ☒Non-applicable

## VI. Discussion and Analysis on the Future Development of the Company

(1) Industry structure and trend

☒Applicable ☐Non-applicable

The automobile industry is placed in the situation of drastic change and far-reaching changes are taking place in respect of industry, technology, business model, marketing model, profit model and supply chain model.

1. A general consensus as to the revolutionary trend of "electrifying, intelligence, and networking" in the automotive industry has been reached across the globe. The issue related to technical route, energy saving and environmental protection, battery recycling and other directions has been skipped, and global car makers are working towards this trend.

2. Technology-intensive companies make cars with innovative companies across borders, stirring up a new trend in the automotive industry. Great innovators like Tesla, who are making cars from the point of consumers, as if they were users, have made great success. The past industrial OEM pattern has been broken down, it is time for car makers to pinpoint a new identity and rebuild core competitiveness.

3. China is expected to get an upper hand in the electrification tide. The strategy of swapping market share for technology leads to success in high-speed rail and electrical appliance, but not in traditional vehicles. Now there are some opportunities for NEVs due to the following reasons:

First, the Chinese government has been consistently promoting electrification five years ago; second, the entrepreneurship and dividend of engineers are now prevailing in China; third, China has technological accumulation and progress in respect of 5G, big data, artificial intelligence, and auto piloting. If a new round of cutting-edge technologies can be applied to the automotive industry, the technological monopoly of EU, US and Japanese old-brand car makers will be broken down, Chinese car makers will stand on the same starting line with global leaders and are expected to get an upper hand in the new round of competition.

4. A revolution is projected for China's auto parts industry, which will turn the past scenario of technology hollowing, small scale, and lack of R&D and innovation. Some auto parts giants with global competitiveness are expected to stand out of China's auto parts industry.

### (2) Development strategy of the Company

☒Applicable ☐Non-applicable

Amid the great revolution of the automotive industry, the Company is determined to be a technology-intensive large platform supplier with extensive industrial landscape, intensive product technology, impressive R&D capabilities, and a broad range of customer

groups, establish Tier 0.5 cooperation with customers, lead the revolution of the relations between car makers and auto parts suppliers, strive to be a one-hundred-billion-level giant in China's auto parts industry and a world-class auto parts supplier, empower the development of NEV industry, and contribute to attaining the goal of "Carbon Peaking and Carbon Neutrality".

1. Platform strategy. Now the Company owns 8 product lines: automobile vibration control system, interior & exterior system, body lightweight products, cabin comfort system, thermal management system, chassis system, air suspension system, intelligent driving system. The unit price of components per vehicle is about 30,000 and these product lines are accessible to enormous potentials of expansion.

2. Technology strategy. The Company adheres to R&D and innovation, enhances its R&D capabilities of mechanics, electronic control, software and chassis tuning, increases the technology-intensive level of products, addresses the industry-wide "bottlenecking" technical issue, and make own contribution to the industrial development.

3. Intelligent manufacturing strategy. The Company is intensifying the efforts to implement the digital factory strategy, improving the quality control level, process capability, automation and value stream analysis capability through virtual simulation, and endeavoring to change the international impression on "Made in China".

Its geographical location in Qianwan New Area Industrial Park witnesses the rise of "Wisdom in China". First, many product types essentially covering all product lines; second, a wide range of processes including stamping, forging, HP die casting, LP casting, differential pressure casting, extrusion casting, injection molding, die pressing, precision machining, welding, painting, assembling; third, with state-of-the-art equipment, many sorts of domestic advanced equipment and automated production lines are densely distributed; fourth, access to leading manufacturing management practice, a wide array of advanced manufacturing and management tools such as AGVs and digital Kanban are put into efficient use; fifth, with products tailored for international and domestic markets. Despite with the sharp rise of tariffs and international freight rates, the international competitiveness of "Made in China" are highlighted. With sufficient orders, busy production activities and trucks coming in and out take on a thriving image, leaving an impression of the rise of China as a great power and the national industry upgrade.

4. T0.5 level market strategy. Capitalizing on the advantages of product line, R&D and OSTP (Quality, Service, Technology, Cost), the Company is trying to create a new Tier0.5 business model and increase the amount of components per vehicle.

With a definitive strategic goal, the Company relies on internal development and M&A cases. Sticking to the internal venturing initiative, it doesn't give up any chance of seeking value-added mergers and acquisitions. Especially after 2025, the Company is

expected to embrace a lot of mergers and acquisitions opportunities, which would in turn keep its expansion on the fast lane.

### **(3) Business plan**

√Applicable □Non-applicable

In 2022, the Company is anticipated to exploit the market, speed up the mass production project, improve the management level, control cost, drive the rapid development, and prepare for attaining the medium-term strategic goal in alignment with the predefined strategy.

#### **1. Sales and market.**

Relying on the overall strength, the Company is anticipated to promote the key account strategy, establish strategic cooperation with key accounts under the Tier 0.5 cooperation framework, and to seek collaborations with innovative car makers and exploit the business opportunities at home and abroad.

As the mechatronic system goes well, the Company will further expand the mechatronic system this year. The Company has planned for branding, collaborative marketing, and marketing highlights, and the performance of mechatronic system is expected to substantially increase this year.

2. New project development. Efforts will be made to increase R&D investment, carry out project, attain the desired capacity, and to further expand product lines.

3. Capacity landscaping. It is scheduled to complete the construction of Phase 4, 5, 6, 7 Project of Qianwan New Area and the Chongqing Factory with a covered area of about 1,500 mu this year.

4. Cost control. Efforts will be made to promote the budget control system and lean production system for cost cut-down.

5. Digital factory. Efforts will be made to promote digital demonstration factory. In addition, other works undertaken by the Company, including quality control, lean production, system innovation, are pushed forward.

### **(4) Potential risks**

√Applicable □Non-applicable

1. Exchange rate, tariffs, fluctuations in material prices, and price reduction requested by customers may expose business operations to risk. The Company intends to resolve these risks by enhancing overall competitiveness. In the course of 39 years after founding, it has maintained good momentum in spite of this kind of risks, and developed a full set of risk control mechanisms based on experience.

2. The NEVs track in which the Company is currently engaged has been fully recognized by governments and the industry community and put into practice, with proven

signs of right direction and bright future. For this reason, there is no risk borne in the strategic direction and investments. 1. Exchange rate, tariffs, fluctuations in material prices, and price reduction requested by customers may expose business operations to risk. The Company intends to resolve these risks by enhancing overall competitiveness. In the course of 39 years after founding, it has maintained good momentum in spite of this kind of risks, and developed a full set of risk control mechanisms based on experience.

#### (5)Others

☐Applicable ☒Non-applicable

#### **VII. Explanation on the circumstances and reasons why the Company did not disclose under the standards due to inapplicability of the standards or special reasons such as state secrets and business secrets**

☐Applicable ☒Non-applicable

## **Section IV Corporate Governance**

### **I. Notes to Corporate Governance**

☐Applicable ☐Non-applicable

The Company acted in strict compliance with the "Company Law", "Securities Law", relevant regulations of CSRC and SSE, and the provisions under the "Articles of Association", in order to improve the corporate governance structure, improve internal control system, and operate the internal control system. General meeting, Board of Directors, Board of Supervisors, independent directors and the management operated precisely by following the internal control procedure, in order to secure the legitimate rights and interests of the Company and its shareholders.

#### 1. Shareholders and General Meeting

The shareholders reviews the events to the extent permitted in the functions and powers of general meeting under the relevant provisions, the "Articles of Association" and the "Rules of Proceedings of General Meeting", and appoints lawyers to witness the procedures of holding and convening the general meeting and to maintain the legitimate rights and interests of the shareholders, especially the minority shareholders. The Company holds the general meeting in the form of internet voting and polling and the procedures of convening and holding the general meeting and voting at the general meeting are legal and valid. During the reporting period, significant events including regular reports, profit distribution, reappointment of audit institution, related-party transactions, use of raised funds, and initiation of public issuance of convertible bonds were considered and resolved.

#### 2. Controlling Shareholders and Listed Companies

The controlling shareholder, actual controller and the related parties of the Company exercise their powers and assume obligations under the applicable laws and regulations, and there is no activity that directly or indirectly interferes with the business operations beyond the general meeting. During the reporting period, the Company did not provide a guarantee for the controlling shareholder and its affiliates, nor did the controlling shareholder occupy the funds of the Company.

#### 3. Directors and Board of Directors

The Board of Directors consists of 9 directors including 3 independent directors. Four special committees, Strategy and Investment Committee, Auditing Committee, Nomination Committee, and Remuneration and Assessment Committee, are affiliated under the Board of Directors. The Board of Directors and special committees have laid down the rules of proceedings. Directors are able to present at the meeting of Board of Directors, perform due diligence, earnestly maintain the legitimate rights and interests of the Company and all shareholders on time under the "Articles of Association" and other applicable laws and regulations.

#### 4. Supervisors and Board of Supervisors

The Board of Supervisors consists of 3 supervisors including 1 supervisor as staff representative, and has laid down the “Rules of Proceedings of Board of Supervisors”. The supervisors have fulfilled their duties, taken accountability for shareholders by supervising the amendment of the Articles of Association, provision of guarantee to subsidiaries, periodic reports, key decisions in connection with production and operations, use of raised funds, launching of public issuance of convertible corporate bonds and related party transactions, and performed the role of the Board of Supervisors in supervising.

#### 5. Officers

During the reporting period, officers have performed due diligence in accordance with the Articles of Association, to the extent authorized by the general meeting and Board of Directors and permitted by the rules and regulations of the Company.

#### 6. Information Disclosure and Transparency

The Company discloses relevant information in a true, accurate, complete, timely and fair manner exactly under the "Guidelines for Governance of Listed Companies", "Rules Governing the Listing of Shares", "Articles of Association" and "Information Disclosure Management System" and other applicable regulations. The portal site designated by the Company for its information disclosure is the SSE website and the newspaper designated for its information disclosure is Securities Times.

#### 7. Insider Information Control

With the “Insider Registration Management System” available, the Company intensifies the insider information management practice and specifies the registration and filing process of insiders, which in turn paves the way for proper confidentiality of insider information. During the reporting period, the Company controls the route and scope of transmitting insider information, make sure that information is disclosed fairly, and maintain the legitimate rights and interests of investors exactly in accordance with the “Insider Registration Management System”.

Whether there is a material difference concerning corporate governance provisions between corporate governance and laws, administrative regulations, and CSRC regulations on listed company governance; in case of material difference, state the reason.

☐Applicable ☒Non-applicable

II.Measures taken by the controlling shareholder and actual controller of the Company to maintain the independence of the company-specific assets, persons, finance, organization and business, as well as the solutions, updates on work and follow-up plans that are anticipated to influence its independence

☐Applicable ☒Non-applicable

Conduct of the same or similar business as the Company by the controlling shareholder, actual controller and other entities under their respective control, influence of peer-to-peer competition or the drastic changes of peer-to-peer competition on the Company, countermeasures taken, updates on solution and follow-up solution plan.

☐Applicable ☒Non-applicable

### III. Brief Information about General Meetings

Session	Date of convention	The search index of the specified website to publish resolutions	Date of disclosure to publication of resolutions	Resolution
2021 first extraordinary general meeting	March 15, 2021	www.sse.com.cn	March 16, 2021	More details are available in “Bulletin on Resolutions of the 2021 First Extraordinary General Meeting of Tuopu Group (Bulletin #: 2021-015).

2020 general meeting	May 10, 2021	www.sse.com.cn	May 11, 2021	More details are available in "Bulletin on Resolutions of the 2020 General Meeting of Tuopu Group (Bulletin #: 2021-041).
2021 second extraordinary general meeting	December 6, 2021	www.sse.com.cn	December 7, 2021	More details are available in "Bulletin on Resolutions of the 2021 Second Extraordinary General Meeting of Tuopu Group (Bulletin #: 2021-083).

**Preferred shareholders whose voting rights have been restored request to convene an extraordinary general meeting**

☐Applicable ☒Non-applicable

**Note to General Meeting**

☒Applicable ☐Non-applicable

During the reporting period, the Company held three general meetings. These meetings are convened and held under the applicable laws, regulations and these "Articles of Association"; the persons present at and convening such meetings hold legal and valid qualifications; the voting procedure is consistent with the applicable relevant laws, regulations, normative documents and these "Articles of Association". The voting results are legal and valid.

**IV. Information About Directors, Supervisors and Officers****(1) Changes in shares held and remuneration of current and resigned directors, supervisors and officers during the reporting period**

√Applicable □Non-applicable

Unit: Shares

Name	Capacity (Note)	Gender	Age	Date of taking office	Date of leaving	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Increase/Decrease in shares in the year	Reason for increase/decrease	Total pre-tax remuneration received from the Company during the reporting period (in 10,000 Yuan)	Whether receive remuneration from related parties of the Company
Wu Jianshu	Chairman, Director	Male	58	2020-10-19	2023-10-18	7,210,308	7,210,308	0		0	No
Wang Bin	Chairman, Managing Director	Male	47	2020-10-19	2023-10-18	0	0	0		250	No
Pan Xiaoyong	Chairman, Vice general manager	Male	41	2020-10-19	2023-10-18	0	0	0		450	No
Wu Weifeng	Chairman, Vice general manager	Male	45	2020-10-19	2023-10-18	0	0	0		250	No
Jiang Kaihong	Chairman, Vice general manager	Male	51	2020-10-19	2023-10-18	0	0	0		200	No
Wang Weiwei [Note 1]	Director	Male	38	2022-02-10	2023-10-18	0	0	0		120	No
Zhou Ying	Independent director	Female	45	2020-10-19	2023-10-18	0	0	0		5	No
Zhao Xiangqiu	Independent director	Female	52	2020-10-19	2023-10-18	0	0	0		5	No
Wang Yongbin	Independent director	Male	65	2020-10-19	2023-10-18	0	0	0		5	No
Wang	Board Secretary	Male	43	2020-10-19	2023-10-18	0	0	0		60	No

Mingzh en											
Yan Qunli	Board Chairman, Supervisor	Male	50	2020-10-19	2023-10-18	0	0	0		66	No
Duan Xiaoch eng	Supervisor	Male	40	2020-10-19	2023-10-18	0	0	0		72	No
Li Weiguo [Note 2]	Staff representative, supervisor	Male	49	2022-03-14	2023-10-18	700	0	-700	Transacted before taking office	25	No
Hong Tieyang	Financial Director	Male	44	2020-10-19	2023-10-18	0	0	0		48	No
Wang Chengca i(left)	Staff representative, supervisor	Male	41	2020-10-19	2022-03-14	0	0	0		26.28	No
Total	/	/	/	/	/	7,211,008	7,210,308	-700	/	1,582.28	/

Note 1: On 10 February 2022, Mr. Wang Weiwei was approved by the 2022 first extraordinary general meeting on February 10, 2022 and appointed as a director of the Fourth Board of Directors in additional election;

Note 2: On 14 March 2022, Mr. Li Weiguo was approved by the congress of workers and staff and appointed as a supervisor of the Fourth Board of Supervisors in by-election.

Name	Working Experience
Wu Jianshu	Formerly as Chairman of Ningbo Tuopu Shock Absorbing System Co., Ltd., Chairman of Ningbo Tuopu Soundproof System Co., Ltd., Chairman of Ningbo Tuopu Coupling Co., Ltd., Chairman of Ningbo Tuopu Automobile Special Rubber Co., Ltd., Chairman of Ningbo Tuopu Brake System Co., Ltd. Currently in the capacity of Chairman of MECCA INTERNATIONAL HOLDING (HK) LIMITED, Chairman and Director of the Company.
Wang Bin	Formerly as Vice general manager of Ningbo Economic and Technological Development Zone Tuopu Industrial Co., Ltd., Director and General manager of Ningbo Tuopu Shock Absorbing System Co., Ltd., General manager of Ningbo Tuopu Import and Export Co., Ltd., Vice general manager and Director of Ningbo Tuopu Brake System Co., Ltd. Currently in the capacity of Director and General manager of the Company.
Pan Xiaoyong	Formerly as Vice President of Ningbo Tuopu Acoustics Vibration Technology Co., Ltd., Manager of System Development Department of Ningbo Tuopu Acoustics Vibration Technology Co., Ltd., and Director of Ningbo Tuopu Brake System Co., Ltd. Currently in the capacity of President of Ningbo Yuxiang Smart Mobility Co., Ltd. and Director and Deputy GM (Vice President) of the Company.
Wu Weifeng	Formerly as Director of of Ningbo Tuopu Acoustics Vibration Technology Co., Ltd., General manager of Ningbo Tuopu Automobile Special Rubber Co., Ltd., General manager of Ningbo Bahe Mould Co., Ltd., Vice general manager of Ningbo Tuopu Soundproof System Co., Ltd., Vice general manager and Director of Ningbo Tuopu Brake System Co., Ltd. Currently in the capacity of Director and Vice general manager of the Company.
Jiang Kaihong	Formerly as Manager of Engineering Department of Ningbo Economic and Technological Development Zone, Director of R&D Center of Ningbo Tuopu Shock Absorbing System Co., Ltd., President of Ningbo Tuopu Automobile Parts Co., Ltd., Vice President of Electronic System Division of



	Ningbo Tuopu Brake System Co., Ltd. Currently in the capacity of Director and Deputy GM (Vice President) of the Company, and Senior General Manager of Ningbo Yuxiang Smart Mobility Co., Ltd.
Wang Weiwei	Formerly as General manager of Intelligent braking system and Stability Control System of Ningbo Tuopu Group Co., Ltd., currently in the capacity of Director of the Company, General Manager of Brake System of Ningbo Yuxiang Smart Mobility Co., Ltd.
Zhou Ying	CPA, CPV. Formerly worked in Beilun Finance Bureau, currently serve Ningbo Donghai Accounting Firm. Currently in the capacity of independent director of the Company.
Zhao Xiangqiu	Formerly as a practicing lawyer in Zhejiang Fanxin Law Firm, currently as a lawyer, partner and executive director of Zhejiang Yahui Law Firm. Currently as a lawyer and partner of Zhejiang Tai'an Law Firm. Currently as an independent director of the Company.
Wang Yongbin	Formerly taught in Zhejiang Agricultural University at Ningbo after graduation, formerly as a professor of machinery at Zhejiang Wanli University, the first tutor of master candidates, General manager of the Institute of Mechatronic System Technology, Director of Mechatronic System Technology Laboratory, now retired. Currently as an independent director of the Company, concurrently hold the office of independent director in Ningbo Jifeng Auto Parts Co., Ltd. (603997.SH), NBTM New Materials Group Co., Ltd. (600114.SH), Zhejiang LERA New Energy Power Technology Co., Ltd., and Ningbo Da Zhi Machine Technology Co., Ltd.
Wang Mingzhen	Formerly as General manager of Ningbo Tuopu Import and Export Co., Ltd., Supervisor of Ningbo Tuopu Group Co., Ltd. Currently as Board Secretary of the Company.
Yan Qunli	Formerly as Director of Mold Center, Project Manager of Engineering Department and Manager of Engineering Department of Ningbo Ningbo Economic and Technological Development Zone Tuopu Industrial Co., Ltd., Vice general manager of Marketing of Ningbo Tuopu Automobile Parts Co., Ltd., General manager of Shock Absorbing System NO.1 Department of Ningbo Tuopu Brake System Co., Ltd., and Director and Vice general manager of Ningbo Tuopu Brake System Co., Ltd. Current as the chairman of Board of Supervisors of the Company.
Duan Xiaocheng	Formerly as System Integration Section Chief of Ningbo Tuopu Acoustics Vibration Technology Co., Ltd., Chief Engineer of R&D Center of Ningbo Tuopu Group Co., Ltd., and Vice President of R&D Center of Ningbo Tuopu Group Co., Ltd. Currently in the capacity of President of Powertrain and Chassis Division and Supervisor of the Company.
Li Weiguo	Formerly as Planning Director and Group Management Representative of Ningbo Tuopu Group Co., Ltd. Currently as Managing Director of Management Department and Staff Representative Supervisor of the Company.
Hong Tieyang	Formerly as Financial Officer of Ningbo Huazhong Plastic Products Co., Ltd., Project Manager of Ningbo Zhongcheng Tax Accountant Firm, and Financial Manager of Ningbo Tuopu Group Co., Ltd. Currently as Financial Director of the Company.
Wang Chengcai	Holder of Master Degree of Laws, Economist. Formerly as a lecturer at the School of Humanities and Social Sciences of Jingchu Institute of Technology, part-time lawyer at Hubei Fazhixing Law Firm, legal counsel assistant of China Youngman Automobile Group Co., Ltd., legal specialist of SELF Electronics Co., Ltd., Manager of Legal Department of Ningbo Cixing Co., Ltd. Supervisor and Legal Director of the Company, left Tuopu Group on 14 March 2022.

Other Notes

□Applicable √Non-applicable

## (2) Office held by current and resigned directors, supervisors and officers during the reporting period

### 1. Office held in corporate shareholder

√Applicable □Non-applicable

Name of persons in office	Name of corporate shareholder	Office held in corporate shareholder	Date of office held	Date of end of office
Wu Jianshu	MECCA INTERNATIONAL HOLDING (HK) LIMITED	Chairman	2008-07-21	
Note to office held in corporate shareholder	No			

### 2. Office held in other entities

√Applicable □Non-applicable

Name of persons in office	Name of other entity	Office held in other entity	Date of office held	Date of end of office
Zhou Ying	Ningbo Donghai Accounting Firm	Manager		
Zhao Xiangqiu	Zhejiang Yahui Law Firm	Lawyer, partner		
Wang Yongbin	Ningbo Jifeng Auto Parts Co., Ltd.	Independent director		
Wang Yongbin	NBTM New Materials Group Co., Ltd.	Independent director		
Wang Yongbin	Zhejiang LERA New Energy Power Technology Co., Ltd.	Independent director		
Wang Yongbin	Ningbo Da Zhi Machine Technology Co., Ltd.	Independent director		
Notes to office held in other entities	No			

## (3) Remuneration of Directors, Supervisors and Officers

√Applicable □Non-applicable

Decision-making procedure as to the remuneration of directors, supervisors and officers	Under the "Articles of Association", the remuneration of directors and supervisors is decided at the general meeting; the remuneration of officers is decided by the Board of Directors.
Basis for fixing the remuneration of directors, supervisors and officers	Fixed according to the industry and local conditions, by referring to the comparable standard of similar listed companies and the actual condition of the Company, where applicable
Actual payment of the remuneration of directors, supervisors and officers	During the reporting period, the remunerations of directors, supervisors and officers have been paid.
Total remuneration received by all directors, supervisors and officers at the end of the reporting period	RMB 15.8228 million

## (4) Changes in directors, supervisors and officers

√Applicable □Non-applicable

Name	Office held	Changes	Reason for change
Wang Weiwei	Director	Elected	Director appointed in additional

			election
Li Weiguo	Staff representative supervisor	Elected	Appointed in by-election after the former staff representative supervisor resigned
Wang Chengcai	Staff representative supervisor	left	Resigned

**(5) Notes to punishments imposed by securities regulatory institutions over the past three years**

☐ Applicable ☒ Non-applicable

**(6) Others**

☐ Applicable ☒ Non-applicable

**V. Information about the Board of Directors held during the reporting period**

Session	Date of convention	Resolution
The Fourth Board of Directors The Third Meeting	2021-1-18	The following proposal was considered and passed: 1. "Proposal on Bidding for the Right to Use State-owned Construction Land" More details are available in the "Bulletin on Resolutions of the Third Meeting of the Fourth Board of Directors of Tuopu Group" available on the SSE website (Bulletin #: 2021-002)
The Fourth Board of Directors The Fourth Meeting	2021-2-24	The following proposals were considered and passed: 1. "Proposal on Increasing the Entrusted Wealth Management Limit of Idle Raised Funds" 2. "Proposal on Increasing Idle Raised Funds to Supplement Working Capital Limit" 3. "Proposal on Increasing Capital Stock of Wholly-owned Subsidiary (Hunan Tuopu)" 4. "Proposal on Increasing Capital Stock of Wholly-owned Subsidiary (Tuopu Electronics)" 5. "Proposal on Bidding for the Right to Use State-owned Construction Land" 6. "Proposal on Amending the Articles of Association" 7. "Proposal on Holding the 2021 First Extraordinary General Meeting" More details are available in the "Bulletin on Resolutions of the Fourth Meeting of the Fourth Board of Directors of Tuopu Group" available on the SSE website (Bulletin #: 2021-005)
The Fourth Board of Directors The Fifth Meeting	2021-3-18	The following proposal was considered and passed: 1. "Proposal on Providing Industrial Plant Lease Guarantee for Overseas Wholly-owned Subsidiary" More details are available in the "Bulletin on Resolutions of the Fifth Meeting of the Fourth Board of Directors of Tuopu Group" available on the SSE website (Bulletin #: 2021-016)
The Fourth Board of Directors The Sixth Meeting	2021-4-19	The following proposals were considered and passed: 1. "Proposal on the 2020 Work Report of Board of Directors" 2. "Proposal on the 2020 Performance Report of Independent Directors" 3. "Proposal on the 2020 Performance Report of the Auditing Committee of the Board of Directors" 4. "Proposal on the 2020 Work Report of the General Manager" 5. "Proposal on the 2020 Financial Final Account Report"

		6. "Proposal on the 2020 Internal Control Evaluation Report" 7. "Proposal on the deposit and Use of Raised Funds in 2020" 8. "Proposal on Applying for the Credit Line from Banks in 2021" 9. "Proposal on Conducting Bill Pool Business in 2021" 10. "Proposal on Renewal of Auditing Institution in 2021" 11. "Proposal on Profit Distribution in 2020" 12. "Proposal on the Full Text and Extracts of the <2020 Annual Report>" 13. "Proposal on Confirming Connected Transactions in 2020" 14. "Proposal on Forecasting Routine Connected Transactions in 2021" 15. "Proposal on Using a Part of Temporarily Idle Raised Funds to Entrust Financial Management" 16. "Proposal on Using a Part of Temporarily Idle Raised Funds to Supplement Working Capital" 17. "Proposal on applying New Revenue Accounting Standards and Changing applicable Accounting Policies" 18. "Proposal on applying New Lease Accounting Standards and Changing applicable Accounting Policies" 19. "Proposal on using raised funds to replace self-raised funds that have been previously invested in equity investment projects" 20. "Proposal on using raised funds to replace the bank acceptance bills that have been previously invested in equity investment projects" 21. "Proposal on Increasing the Implementation Subjects of equity Investment Projects" 22. "Proposal on <Distribution Plan of Dividends and Returns to Shareholders in the Next Three Years (2021-2023)>" 23. "Proposal on holding the 2020 Annual General Meeting" More details are available in the "Bulletin on Resolutions of the Sixth Meeting of the Fourth Board of Directors of Tuopu Group" available on SSE website (Bulletin #: 2021-024)
The Fourth Board of Directors The Seventh Meeting	2021-4-26	The following proposal was considered and passed: 1. "Proposal on <The 2021 Q1 Report>" More details are available in the "The 2021 Q1 Report of Tuopu Group" available on the SSE website
The Fourth Board of Directors The Eighth Meeting	2021-6-1	The following proposals were considered and passed: 1. "Proposal on Incorporating Tuopu PV Technology (Ningbo Hangzhou Bay New Area) Co., Ltd." 2. "Proposal on Incorporating Tuopu PV Technology (Beilun) Co., Ltd." 3. "Proposal on Incorporating Tuopu PV Technology (Pinghu) Co., Ltd." More details are available in the "Bulletin on Resolutions of the Eighth Meeting of the Fourth Board of Directors of Tuopu Group" (Bulletin #: 2021-045)
The Fourth Board of Directors The Ninth Meeting	2021-7-29	The following proposals were considered and passed: 1. "Proposal on Making Additional Investments in Polish Subsidiary" More details are available in the "Bulletin on Resolutions of the Ninth Meeting of the Fourth Board of Directors of Tuopu Group" (Bulletin #: 2021-055)
The Fourth Board of Directors The Tenth Meeting	2021-8-19	The following proposals were considered and passed: 1. "Proposal on <The 2021 Semi-annual Report of Tuopu Group> and the Extracts of Report" 2. "Proposal on the "Special Report on the Deposit and Use of Raised Funds of Tuopu Group in the First Half of 2021"

		More details are available in the "Bulletin on Resolutions of the Tenth Meeting of the Fourth Board of Directors of Tuopu Group" (Bulletin #: 2021-058)
The Fourth Board of Directors The Eleventh Meeting	2021-8-24	The following proposal was considered and passed: 1. "Proposal on Conducting Financial Leasing Sale and Leaseback Business" More details are available in the "Bulletin on Resolutions of the Eleventh Meeting of the Fourth Board of Directors of Tuopu Group" (Bulletin #: 2021-061)
The Fourth Board of Directors The Twelfth Meeting	2021-9-29	The following proposals were considered and passed: 1. "Proposal on Changing the Use of Part of Raised Funds and Permanently Supplementing Working Capital" 2. "Proposal on Holding the 2021 Second Extraordinary General Meeting" More details are available in the "Bulletin on Resolutions of the Twelfth Meeting of the Fourth Board of Directors of Tuopu Group" (Bulletin #: 2021-064)
The 2021 First Interim Board of Directors	2021-10-14	The following proposal was considered and passed: 1. "Proposal on Calling Off the 2021 Second Extraordinary General Meeting" More details are available in the "Bulletin on Resolutions of the 2021 First Interim Board of Directors of Tuopu Group" (Bulletin #: 2021-068)
The Fourth Board of Directors The Thirteenth Meeting	2021-10-21	The following proposals were considered and passed: 1. "Proposal on <The 2021 Q3 Report of Tuopu Group>" 2. "Proposal on Revocation of the <Proposal on Changing the Use of Part of Raised Funds and Permanently Supplementing Working Capital>" 3. "Proposal on Using Part of Temporarily Idle Raised Funds to Temporarily Supplement Working Capital" More details are available in the "Bulletin on Resolutions of the Thirteenth Meeting of the Fourth Board of Directors of Tuopu Group" (Bulletin #: 2021-070)
The Fourth Board of Directors The Fourteenth Meeting	2021-11-18	The following proposals were considered and passed: 1. "Proposal on the Company's Eligibility for Public Issuance of Convertible Corporate Bonds" 2. "Proposal on the Company's Plan for Public Issuance of Convertible Corporate Bonds" 3. "Proposal on the Company's Pre-plan for Public Issuance of Convertible Corporate Bonds" 4. "Proposal on the Feasibility Analysis Report on the Use of Funds Raised by the Company's Public Issuance of Convertible Corporate Bonds" 5. "Proposal on the Company's Public Issuance of Convertible Corporate Bonds to Dilute Immediate Returns and Remedial Measures and Commitments Made by Related Subjects" 6. "Proposal on the <Rules of Proceedings of Convertible Corporate Bondholders' Meeting> of the Company " 7. "Proposal on the Report on the Use of the Funds Previously Raised by Company" 8. "Proposal on Requesting the General Meeting to Authorize the Board of Directors and its Authorized Persons to Deal With the Specific Matters of the Public Issuance of Convertible Corporate Bonds in Full Authority" 9. "Proposal on Providing Guarantee for Wholly-owned

		Sub-subsidiary to Apply for Bank Loans" 10. "Proposal on Requesting to Hold the "2021 Second Extraordinary General Meeting" More details are available in the "Bulletin on Resolutions of the Fourteenth Meeting of the Fourth Board of Directors of Tuopu Group" (Bulletin #: 2021-075)
The Fourth Board of Directors The Fifteenth Meeting	2021-12-27	The following proposals were considered and passed: 1. "Proposal on Incorporating A Wholly-owned Subsidiary" 2. "Proposal on Bidding for the Right to Use State-owned Construction Land" More details are available in the "Bulletin on Resolutions of the Fifteenth Meeting of the Fourth Board of Directors of Tuopu Group" (Bulletin #: 2021-087)

## VI. Performance of Duties by Directors

### (1) Information about the presences of directors in board meeting and general meeting

Name of director	Whether as independent director	Presences in board meeting						Presences in general meeting
		Number of mandatory attendances in board meeting this year	Number of attendances in person	Number of attendances by communication means	Number of attendances by proxy	Number of absences	Whether failed to present in two consecutive meetings in person	Number of presences
Wu Jianshu	No	14	14	0	0	0	No	3
Wang Bin	No	14	14	0	0	0	No	3
Pan Xiaoyong	No	14	14	0	0	0	No	3
Wu Weifeng	No	14	14	0	0	0	No	3
Jiang Kaihong	No	14	14	0	0	0	No	3
Zhou Ying	Yes	14	14	2	0	0	No	3
Zhao Xiangqiu	Yes	14	14	2	0	0	No	3
Wang Yongbin	Yes	14	14	2	0	0	No	3

Notes to failure to be present in two consecutive meetings board meetings

☐Applicable ☒Non-applicable

Number of board meetings convened in the year	14
Including: number of on-site meetings	12
Number of meetings convened by communication means	0
Number of meetings convened on site by communication means	2

(2) Information about the objections raised by directors against related matters

☐Applicable ☒Non-applicable

(3)Others

☐Applicable ☒Non-applicable**VII. Information about Special Committees under the Board**☒Applicable ☐Non-applicable

(1) Members of special committees under the Board of Directors

Category of Special Committees	Name of Member
Auditing Committee	Zhou Ying(Chairman, Convenor)、Wang Yongbin、Wang Bin
Nomination Committee	Wang Yongbin(Chairman, Convenor)、Zhao Xiangqiu、Wu Jianshu
Remuneration and Assessment Committee	Zhao Xiangqiu(Chairman, Convenor)、Zhou Ying、Wu Jianshu
Strategy Committee	Wang Bin(Chairman, Convenor)、Pan Xiaoyong、Wu Weifeng

**(2) Four meetings held by the Auditing Committee during the reporting period**

Date of convention	Session	Key Opinions and Suggestions	Other Circumstances about Performance of Duties
9 April 2021	The Fourth Board of Directors The Second Working Meeting of the Auditing Committee	The following businesses were transacted and passed: 1. "Proposal on the Full Text and Abstract of <The 2020 Annual Report>" 2. "Proposal on the Performance Report of the Auditing Committee of the Board of Directors in 2020" 3. "Proposal on the 2020 Internal Control Evaluation Report" 4. "Proposal on Renewing the Appointment of Auditing Institution in 2021" 5. "Proposal on Profit Distribution in 2020" 6. "Proposal on the 2020 Financial Final Account Report" 7. "Proposal on Confirming Related Party Transactions in 2020" 8. "Proposal on the deposit and Use of Raised Funds in 2020" 9. "Proposal on Using a Part of Temporarily Idle Raised Funds to Entrust Financial Management" 10. "Proposal on Using a Part of Temporarily Idle Raised Funds to Supplement Working Capital" 11. "Proposal on applying New Revenue Accounting Standards and Changing applicable Accounting Policies" 12. "Proposal on applying New Lease Accounting Standards and Changing applicable Accounting Policies" 13. "Proposal on using raised funds to replace self-raised funds that have been previously invested in equity investment projects" 14. "Proposal on using raised funds to replace the bank acceptance bills that have been previously invested in	

		equity investment projects" 15. "Proposal on Increasing the Implementation Subjects of equity Investment Projects"	
16 April 2021	The Fourth Board of Directors The Third Working Meeting of the Auditing Committee	The following business was transacted and passed: 1. "Proposal on the 2021 Q1 Report"	
19 August 2021	The Fourth Board of Directors The Fourth Working Meeting of the Auditing Committee	The following business was transacted and passed: 1. "Proposal on the 2021 Semi-annual Report of Tuopu Group and the Extracts of Report"	
21 October 2021	The Fourth Board of Directors The Fifth Working Meeting of the Auditing Committee	The following business was transacted and passed: 1. "Proposal on the 2021 Q3 Report"	

**(3). The Remuneration and Assessment Committee held the meeting during the reporting period**

Date of convention	Session	Key Opinions and Suggestions	Other Circumstances about Performance of Duties
9 April 2021	The Fourth Board of Directors The First Working Meeting of Remuneration and Assessment Committee	The following business was transacted and passed: In 2020, the Company strictly complied with the "Labor Law"; the management performed the duty of due diligence; the remuneration payable to all employees were paid in full sum and on schedule in accordance with the applicable law.	
19 August 2021	The Fourth Board of Directors The Second Working Meeting of Remuneration and Assessment Committee	The following business was transacted and passed: I. In the first half of 2021, the Company strictly complied with the "Labor Law"; the management performed the duty of due diligence; the remuneration payable to all employees were paid in full sum and on schedule in accordance with the applicable law.	

**(4). The Strategy and Investment Committee held the second meeting during the reporting period**

Date of convention	Session	Key Opinions and Suggestions	Other Circumstances about Performance of Duties
18 January 2021	The Fourth Board of Directors The Third Working Meeting of Strategy and Investment Committee	The following business was transacted and passed: "Proposal on Bidding for the Right to Use State-owned Construction Land"	



18 November 2021	The Fourth Board of Directors The Fourth Working Meeting of Strategy and Investment Committee	The following business was transacted and passed: The matter related to the initiation of public issuance of convertible corporate bonds;	
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**(5). Particulars about the Objected Matters**

☐Applicable ☒Non-applicable

**VIII. Notes to Risks Identified by the Board of Supervisors**

☐Applicable ☒Non-applicable

The Supervisory Committee has no objection to the supervision matters during the reporting period.

**IX. Employees of the Parent and Major Subsidiaries at the End of The Reporting Period****(1)Staff members**

Number of staff members serving the parent company	5,065
Number of staff members serving major subsidiaries	7,719
Total number of staff members in service	12,784
Number of retiring employees to whom the parent company and other subsidiaries have to bear costs and expenses	
Composition of job positions	
Category of job positions	Number of specialsts
Production staff	6,708
Marketing staff	402
Technical staff	3,371
Financial staff	187
Administrative staff	2,116
Total	12,784
Education Background	
Category of education	Number of members (persons)
Holders of doctoral, master degrees	108
Holders of bachelor degrees	1,372
Graduated from junior college, technical secondary school	4,638
Others	6,666
Total	12,784

**(2)Salary policy**

☒Applicable ☐Non-applicable

In line with the strategic development needs of the Company and considering the general salary of the industry and local salary level, the Company has prepared a package of incentive salary rules that are more favorable to strategic talents. The Company has been adhering to the concept of sustainable development. Along with the development process, the Company provides more favorable benefits and salary to staff members, allowing them to share the gains from the development. According to the situation of development, availability of talents, and the general salary of the industry, the salary policy applicable to staff members may be subject to a change from time to time, with a view to meeting the needs of sustainable development and attracting more prominent talents to grow with the Company.

**(3) Training plan**√Applicable ☐Non-applicable

Given the characteristics of the automobile industry and the company-specific development plan, the Company has developed a well-organized and efficient training system, in order to prepare necessary talents for R&D, processes, tests, quality, production, purchasing activities, transportation, marketing sales, finance, IT and human resources. The Company provides staff members with an access to all sorts of professional learning, take part in industry technical exchanges and management forums. In turn, staff members at all levels can attend well-organized training sessions, acquire good job-related skills, improve business and management capabilities, and provide ample talent reserves for the long-term sustainable development.

**(4) Outsourcing of labor services**☐Applicable √Non-applicable**X. The plan for the profit distribution of common stocks or the transfer of capital reserves****(1) Preparation, execution or adjustment of cash dividend policy**√Applicable ☐Non-applicable

To maintain the continuity and stability of the profit distribution policy, make the transparency and operability of dividend distribution decisions more transparent and viable, and protect the legitimate rights and interests of small and medium shareholders, the Company drafted the “Tuopu Group’s Plan for Dividend Distribution to Shareholders in the Next Three Years (2021-2023)” under the relevant regulations released by CSRC, SSE and other authorities, as well as the “Articles of Association”, which was considered and passed at the general meeting of 2020. The above plan was disclosed on SSE website on 20 April 2021.

The above plan sets out: if the Company is available for distributing cash dividends, then it is prioritized to distribute dividends in cash. Profit can be distributed in cash, stocks or a combination of both. Where the conditions for dividend distribution are satisfied, with an adequate amount of statutory reserve funds and surplus reserve funds retained, if there is no event of significant cash expenditures, the profit distributed in cash in a single year shall be in principle no less than 30% of the profit available for distribution in the current year.

The Company is strictly implementing the above plan of dividend distribution to shareholders.

**(2) Special note to cash dividend policy**√Applicable ☐Non-applicable

Whether this policy complies with the provisions of these Articles of Association or the requirements of the resolutions of the general meeting	√Y <input type="checkbox"/> N
Whether the dividend standard and proportion are definitive and clear?	√Y <input type="checkbox"/> N
Whether the relevant decision procedures and mechanisms are complete?	√Y <input type="checkbox"/> N
Whether independent directors have performed their duties of due diligence and fulfilled due roles?	√Y <input type="checkbox"/> N
Whether the minority shareholders have the chance to fully express their opinions and demands, and whether their legitimate rights and interests are fully protected?	√Y <input type="checkbox"/> N

**(3) If the Company earns profit during the reporting period and the parent's profit available to shareholders for distribution is positive, but no cash profit distribution plan has been proposed, the Company is required to give the exact reasons and the intended use and the plan of utilizing undistributed profits.**

☐Applicable √Non-applicable

## **XI. Conditions and Impact of Equity Incentive Plan, ESOP (employee stock ownership plan) or Other Employee Incentive Measures of the Company**

### **(1) Related incentive events have been disclosed in the provisional announcement and there is no progress or change in subsequent implementation**

☐Applicable ☒Non-applicable

Incentives that are not disclosed in the provisional announcement or there is a progress in subsequent implementation

Condition of equity incentives

☐Applicable ☒Non-applicable

Other notes

☐Applicable ☒Non-applicable

ESOP

☐Applicable ☒Non-applicable

Other incentives

☐Applicable ☒Non-applicable

### **(2) Share incentives granted by directors, supervisors and officers during the reporting period**

☐Applicable ☒Non-applicable

### **(3) During the reporting period, the evaluation mechanism for officers, as well as the condition of establishment and implementation of the incentive mechanism**

☐Applicable ☒Non-applicable

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

☐Applicable ☐Non-applicable

During the reporting period, the Company has established a strict internal control management system exactly as per the laws and regulations formulated by CSRC and those under the “Company Law” and “Articles of Association”, continued to modified and specified such internal control management system in consideration of industry-wide characteristics and its business operations, improved the efficiency of business decisions, provided some guarantee for the legal compliance of business operations and management and the asset safety, and promoted the steady execution of company strategies.

Such internal control system is structurally reasonable, the internal control system framework suits the requirements of five ministries and commissions including the Ministry of Finance and the China Securities Regulatory Commission that internal control system should be complete, reasonable and effective, and meets the needs of company management and development. The Company is modifying the internal control system and making it work, has attained the anticipated objective as to internal control, and protected the interests of the Company and all shareholders. At the 18th session of the Fourth Board of Directors, the "Proposal on the 2021 Internal Control Evaluation Report" was considered and passed, and the full text of the “2021 Internal Control Evaluation Report of Tuopu Group” was disclosed on the SSE website on the same day.

Notes to significant deficiencies in internal control during the reporting period

☐Applicable ☒Non-applicable

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

☐Applicable ☐Non-applicable

During the reporting period, the Company subjected its subsidiaries to total budget control and enhanced the early warning competence by modifying the effective internal control mechanism. With an internal control system deployed from the management level to the business level, the Company further

strengthened the ability in total risk control by performing financial data analysis on the OA and ERP systems.

#### **XIV. Notes to relevant information on the internal control audit report**

☒Applicable ☐Non-applicable

The Company appointed BDO China Shu Lun Pan Certified Public Accountants LLP (Special General Partnership) to audit its internal control and issued standard unqualified audit report. More details are available in the “2021 Internal Control Audit Report of Ningbo Tuopu Group Co., Ltd.” as disclosed on the SSE website on the same day (Xin Kuai Bao Zi [2022] No. ZF10293).

Whether the internal control audit report has been disclosed: Yes

Type of internal control audit report: Standard and unqualified audit report

#### **XV. Rectification of self-examining problems in the special action as to listed company governance**

Non-applicable

#### **XVI. Others**

☐Applicable ☒Non-applicable

## **Section 5 Environmental and Social Responsibility**

### **I. Information about environment**

#### **(1) Notes to the environmental protection conditions of companies and their important subsidiaries announced by the environmental protection authority as key emission entities**

☒Applicable ☐Non-applicable

##### **1. Information about emissions**

☒Applicable ☐Non-applicable

During the reporting period, the key emissions of relevant companies or subsidiaries announced by the environmental protection authorities are provided as follows:

(1) Under the "Notice of Ningbo Municipal Bureau of Ecology and Environment on printing and handing out the list of key emission entities in Ningbo in 2021" (Yong Huan Fa (2021) No.27), as circulated by Ningbo Municipal Bureau of Ecology and Environment on April 30, 2021, the plant addressed at Guanhai Road, Chunxiao Street, Beilun District, Ningbo ("Guanhai Road Plant") is included on the list of key water environment emission entities and the list of key soil environment supervised entities; the plant addressed at Longtanshan Rd, Beilun District, Ningbo ("Longtanshan Road Plant") is included on the list of key soil environment supervised entities.

(2) Under the "Notice of Ningbo Municipal Bureau of Ecology and Environment on printing and handing out the list of key emission entities in Ningbo in 2021" (Yong Huan Fa (2021) No.27), as circulated by Ningbo Municipal Bureau of Ecology and Environment on April 30, 2021, the wholly-owned subsidiary plant Ningbo Tuopu Automotive Electronics Co., Ltd. ("Tuopu Automotive Electronics") addressed in Hangzhou Bay New Area, Ningbo, is included on the list of key soil environment supervised entities.

(3) Under the "Notice on release of the list of key emission entities in Jinhua in 2021 (Updated)", as circulated by Jinhua Ecological Environment Bureau on 3 November 2021, Zhejiang Towin Automobile Parts Co., Ltd., ("Zhejiang Towin"), the wholly-owned subsidiary addressed at Wuxi County Baihuashan Industrial Park, Jinhua, is included on the list of key water environment emission entities and the list of key soil environment supervised entities.

(4) Under the "Notice on the list of key emission units in Sichuan in 2021 (Suining) (Updated)", as circulated by Suining Ecological Environment Bureau on 15 November 2021, Sichuan Maigao Automobile Parts Co., Ltd. ("Sichuan Maigao"), the wholly-owned subsidiary addressed at Industrial Concentration Development Zone of Anju, Suining, is included on the list of key soil environment supervised entities.

## 2. Construction and operation of pollution control facilities

√Applicable □Non-applicable

All plants of the Company arrange production facilities in a reasonable way, improve processes and increase the recycling of water, and reduce the emissions of sewage, waste liquid, general solid wastes and hazardous wastes. The automatic waste monitoring system is running normally and transmitting data to the environment protection authority in real time, allowing environment protection authorities at all levels to perform real-time monitoring. Each plant has set up a yard for storage of hazardous wastes in accordance with the measures applicable to the control of hazardous wastes, taken reasonable measures against seepage, leakage and overflowing, maintained the hazardous waste management account and transfer form, and subjected hazardous wastes to the transfer form system.

The construction and operation of pollution control facilities in the plants or subsidiaries included on the list of key emission entities are as follows:

(1) Guanhai Road Plant, Longtanshan Road Plant: diversion of rainwater and sewage, diversion of clean water and sewage, obtain the permit for urban sewage to the drainage pipeline system, and the emission permits granted by Ningbo Ecological Environment Bureau. The serial numbers of emission permits are 91330200761450380T001V, 91330200761450380T002U, 91330200761450380T003W、91330200761450380T004Y, 91330200761450380T006Z, 91330200761450380T005W, 91330200761450380T007Y.

Production wastewater: the production wastewater as gathered from the plant area via the pipeline to the regulating tank of sewage treatment station are subject to neutralization, flocculation, coarse sedimentation, air flotation, acidifying, aerobic biochemistry reaction, sedimentation and regulating. Once acceptable to the standard, the production wastewater will be discharged to the municipal sewage pipeline, an intelligent sewage treatment control system that can prevent any unacceptable sewage from accessing to the municipal sewage pipeline. An automatic monitoring system is implemented in the plant area, which allows the environmental protection authority to monitor how the sewage station operates in the plant area.

Domestic sewage: The oily wastewater generated in the canteen is pretreated by the oil trapping facility, and the domestic sewage is treated by the septic tank. Once acceptable to the pipeline conveyance standard designated by Chunxiao Sewage Treatment Plant, the domestic wastewater will be discharged to the municipal sewage pipeline system.

The above wastewater and sewage subject to the treatment process are finally discharged to Chunxiao municipal sewage pipeline system via a drain outlet, finally to Chunxiao Sewage Treatment plant. The normative standard applicable to sewage discharge of Chunxiao Plant: total zinc is subject to Grade 1 standard as contained in Table 4 of the "Integrated Wastewater Discharge Standard" (GB8978-1996), other contents are subject to the pipeline conveyance standard of Chunxiao Sewage Treatment Plant. Actual data of production wastewater test: total zinc is 0.038mg/L, pH value is 8.31, suspended matter is 10mg/L, COD is 55mg/L; domestic wastewater test data: pH value is 7.60, suspended matter is 97mg/L, COD It is 354mg/L, all data are acceptable.

In the plant, rubber scraps, non-conforming products in production, and scrap metal generated by mold repair are identified as general solid wastes, sorted out by category, then disposed and recycled. Waste activated carbon, waste paint slags, pickling and phosphate slags, and waste oil generated in the production process are identified as hazardous wastes, a yard for storage of hazardous wastes has been set up in accordance with the national applicable provisions. The application for transfer of hazardous wastes has been submitted in accordance with the applicable management provisions of Ningbo Ecological Environment Bureau. And the agreements for disposal of hazardous wastes have been signed with Ningbo Beilun Environmental Solid Waste Disposal Co., Ltd., Hangzhou Fuyang Shenneng Solid Waste Environmental Recycling Co., Ltd., and Ningbo Zhende Environmental Technology Co., Ltd.

(2) Tuopu Automotive Electronics: diversion of rainwater and sewage, diversion of clean water and sewage, obtain the permit for urban sewage to the drainage pipeline system, serial no.: Zhe Zi No.19119; obtain the emission permit granted from Hangzhou Bay New Area Ecological Environment Bureau, serial no.:91330201MA2833A9XR001Q.

Production wastewater: the production wastewater as gathered from the plant area via the pipeline to the regulating tank of sewage treatment station are subject to neutralization, flocculation, coarse sedimentation, air flotation, acidifying, aerobic biochemistry reaction, sedimentation and regulating. Once acceptable to the standard, the production wastewater will be discharged to the municipal sewage

pipeline of the Development Zone. Unacceptable sewage is prohibited from accessing to the municipal sewage pipeline.

Domestic sewage: The oily wastewater generated in the canteen is pretreated by the oil trapping facility, and the domestic sewage is treated by the septic tank. Once acceptable to the pipeline conveyance standard designated by Hangzhou Bay New Area Sewage Treatment Plant, the domestic wastewater will be discharged to the municipal sewage pipeline system.

Subject to the treatment process, one pipeline of the above wastewater and sewage is discharged via 02WS863 drain outlet, the other pipeline is discharged via 01WS703 drain outlet to the municipal wastewater pipeline Hangzhou Bay New Area, finally treated in the Municipal Wastewater Treatment Plant.

The normative standard applicable to sewage discharge of Tuopu Automotive Electronics: Grade 3 standard of "Integrated Wastewater Discharge Standard" (GB8978-1996 Ammonia nitrogen and total phosphorus are subject to the "Zhejiang Local Standard Industrial Enterprise Wastewater Nitrogen and Phosphorus Pollutant Indirect Discharge Limits" (DB33/887-2013 ), then discharged into the municipal sewage pipeline, and finally treated in the sewage treatment plant to meet the Grade 1 standard of the "Urban Sewage Treatment Plant Pollutant Discharge Standard" (GB18918-2002) before being discharged into the sea.

Subject to treatment, the sewage from the Hangzhou Bay plant enters the urban pipe network standard. Actual test data of production wastewater: pH value is 7.02, COD is 1.3mg/L, ammonia nitrogen is 8.29MG/L, suspended solids is 10MG/L, petroleum is 0.06MG/L, total phosphorus is 0.06MG/L, Zinc is 0.016MG/L, and anionic surfactant is 0.05MG/L, all of which meet the specifications

In the plant, metal scraps, non-conforming products in production, scrap metal from mold repairs, rubber scraps, and waste packaging are identified as general solid waste, collected, then disposed and utilized. Waste paint slags, pickling and phosphate slags, and waste oil generated in the production process are identified as hazardous wastes, dedicated stacking field and storehouse for hazardous wastes are set up under the national provisions applicable to collection, packaging, storage, conveyance and disposal of hazardous wastes, the storage registration account is created on Zhejiang Solid Wastes Monitoring Information System, the hazardous waste transfer declaration is made on the "National Solid Waste and Chemical Management Information System" in line with the hazardous waste control requirements of the Environmental Protection Bureau, and hazardous waste disposal agreements have been signed with Ningbo Wanrun Special Oil Products Co., Ltd., Lanxi Zili Environmental Technology Co., Ltd., Ningbo Beilun Environmental Solid Waste Disposal Co., Ltd., Zhejiang Kaikang Metal Products Co., Ltd., Ningbo Bochuan Waste Liquid Disposal Co., Ltd., and Zhejiang Yongli Environmental Technology Co., Ltd.

(3) Zhejiang Towin: diversion of rainwater and sewage, diversion of clean water and sewage, obtain the permit for urban sewage to the drainage pipeline system, serial no.: Zhe Wu Wu Pai Zi No. 2017069; obtain the emission permit granted from Jinhua Ecological Environment Bureau, serial no.: 91330723MA29PBM72F001U.

Production wastewater: the production wastewater as gathered from the plant area via the pipeline to the regulating tank of sewage treatment station are subject to neutralization, flocculation, coarse sedimentation, air flotation, acidifying, aerobic biochemistry reaction, sedimentation and regulating. Once acceptable to the standard, the production wastewater will be discharged to the municipal sewage pipeline of the Development Zone. An automatic monitoring system is implemented to prevent any unacceptable sewage from accessing to the municipal sewage pipeline. The environmental protection authorities at all levels across the nation can monitor how the sewage station operates in the plant area and the emission indexes.

Domestic sewage: The oily wastewater generated in the canteen is pretreated by the oil trapping facility, and the domestic sewage is treated by the septic tank. Once acceptable to the pipeline conveyance standard designated by Wuyi NO.1 Sewage Treatment Plant, the domestic wastewater will be discharged to the municipal sewage pipeline system.

The above wastewater and sewage subject to the treatment process are finally discharged to the municipal sewage pipeline system of Wuyi Baihuashan Industrial Park via a drain outlet, finally to Wuyi Sewage Treatment plant.

The normative standard applicable to sewage discharge of Zhejiang Towin: total zinc is subject to Grade 3 standard of "Integrated Wastewater Discharge Standard" (GB8978-1996), the sewage subject to

treatment process is discharged into the municipal pipeline system. Actual data of production wastewater test: pH value is 7.20, COD is 90mg/L, ammonia nitrogen is 6.6mg/L, all data are acceptable.

In Zhejiang Towin Plant, rubber scraps, non-conforming products in production, and scrap metal generated by mold repair are identified as general solid wastes, collected, then disposed and utilized. Waste paint slags, pickling and phosphate slags, and waste oil generated in the production process are identified as hazardous wastes, a dedicated storehouse for hazardous wastes is set up under the national provisions applicable to collection, packaging, storage, conveyance and disposal of hazardous wastes, the storage registration account is created on Zhejiang Solid Wastes Monitoring Information System, and the agreements for disposal of hazardous wastes have been signed with Zhejiang Red Lion Environmental Protection Co., Ltd. and Zhejiang Yulong Environmental Protection Technology Co., Ltd.

Zhejiang Towin Plant arranges production facilities in a reasonable way, improves processes and increase the recycling of water, and reduces the emissions of sewage. The automatic waste monitoring system is running normally and transmitting data to the environment protection authority in real time. The access control facility (environmental protection authorities at the central, provincial, municipal and county level can perform real-time monitoring) is added. The plant has set up a yard and storehouse for hazardous wastes in accordance with the measures applicable to the control of hazardous wastes, and maintained the hazardous waste management account and transfer form.

(4) Sichuan Maigao: diversion of rainwater and sewage, diversion of clean water and sewage, obtain the permit for urban sewage to the drainage pipeline system, and the emission permit granted from Suining Ecological Environment Bureau of Sichuan (serial no.: 91510904071417225P001U).

Production wastewater: the production wastewater as gathered from the plant area via the pipeline to the regulating tank of sewage treatment station are subject to neutralization, flocculation, coarse sedimentation, air flotation, acidifying, aerobic biochemistry reaction, sedimentation and regulating. Once acceptable to the standard, the production wastewater will be discharged to Longyanjing Sewage Treatment Plant. An automatic monitoring system is implemented, which allows the environmental protection authorities at all levels in Sichuan to monitor how the sewage station operates in the plant area and the emission indexes.

The above wastewater and sewage subject to the treatment process are discharged into the municipal sewage pipeline of Anju Industrial Concentration Development Zone, finally to Longyanjing Sewage Treatment Plant.

The normative standard applicable to sewage discharge of the plant is Grade 3 standard of "Integrated Wastewater Discharge Standard" (GB8978-1996). The sewage subject to treatment process is discharged into the municipal pipeline system. Actual data of production wastewater test: total zinc is <0.09 mg/L, pH value is 7.2, COD is 281 mg/L; ammonia nitrogen is 20.8 mg/L (Category 5 standard value applicable to this project), total phosphorus is 8 mg/L (Category 5 standard value applicable to this project), petroleum is 0.32 mg/L. Actual data of domestic wastewater test: pH value is 7.4, suspended matter is 70mg/L, COD is 278 mg/L, all data are acceptable.

In the plant, rubber scraps, non-conforming products in production, and scrap metal generated by mold repair are identified as general solid wastes, collected, then disposed and utilized. Waste paint slags, pickling and phosphate slags, and waste oil generated in the production process are identified as hazardous wastes, a dedicated yard and storehouse for hazardous wastes is set up under the national provisions applicable to collection, packaging, storage, conveyance and disposal of hazardous wastes, the application for transfer of hazardous wastes has been submitted in accordance with the applicable management provisions of Anju Environmental Protection Bureau, and the agreements for disposal of hazardous wastes have been signed with Sichuan Maigao and Zigong Jinlong Cement Co., Ltd.

The plant arranges production facilities in a reasonable way, improves processes and increase the recycling of water, and reduces the emissions of sewage. The automatic sewage monitoring system is operating normally and connected to the environmental protection authority for data transmission in real time, and the environmental protection authorities at the provincial, city and county levels can monitor it in real time. Sichuan Maigao has been approved in the environmental protection acceptance procedure by Suining Environmental Protection Bureau and filed for urban rainwater and sewage pipeline. Acting in strict accordance with the national emission standards, Sichuan Maigao is committed to improving the environment, with minor impact on the surrounding environment. The sludge, waste oil, and waste paint slag generated from the sewage station are disposed by Sichuan Maigao and Zigong Jinlong Cement Co., Ltd.

### 3. EIA of construction projects and administrative permits granted to other environmental protection

√Applicable □Non-applicable

All construction projects in each plant are subject to the project-specific EIA requirement and comply with the national emission standards, approved by the environmental protection acceptance and filed for urban rainwater and sewage pipeline. All environmental impact factors are acceptable to the project-specific EIA requirement. Each plant is committed to improving the environment.

### 4. Emergency response for environmental contingencies

√Applicable □Non-applicable

The Company has laid down the integrated and dedicated emergency responses to environmental contingencies, which can direct the rescue operations in case of environmental contingencies. The Company makes announcement on Zhejiang Business Announcement Platform for Environmental Contingencies, under the record number:330206-2022-013-L.

### 5. In-house environmental monitoring plan

√Applicable □Non-applicable

The Company tests wastewater, waste gas, and noise at plant boundaries in all plants at regular intervals every year, which are found to be acceptable under the national standards; the plan for disposal of hazardous wastes is submitted earlier each year.

### 6. Administrative penalties due to environmental concerns during the reporting period

√Applicable □Non-applicable

During the reporting period, Pinghu Tuopu Special Fabric Co., Ltd., a wholly-owned subsidiary of the Company, subjected to an administrative penalty of RMB 100,000 by Pinghu Branch of Jiaxing Ecological Environment Bureau on 2 August 2021 for failing to store hazardous wastes under the applicable national regulations. (Jia Huan (Ping) Fa [2021] No. 45).

In September 2021, Pinghu Tuopu Special Fabric Co., Ltd. rectified the environmental violation under the above administrative penalties, causing no serious environmental pollution, which should not be considered a material breach of laws and regulations.

### 7. Other environmental information that should be disclosed

□Applicable √Non-applicable

#### (2)Notes to the environmental protection of the companies other than key emission entities

□Applicable √Non-applicable

#### (3)Relevant information that benefits ecosystem protection, pollution control, and fulfillment environmental responsibilities

□Applicable √Non-applicable

#### (4)Measures and effects taken to reduce carbon emissions during the reporting period

√Applicable □Non-applicable

In light of business development and capacity extension, the Company has set up many plants. In June and July 2021, the Company incorporated the wholly-owned sub-subsidiaries Tuopu Photovoltaic Technology (Ningbo Hangzhou Bay New Area) Co., Ltd., Tuopu Photovoltaic Technology (Ningbo Beilun) Co., Ltd., and Tuopu Photovoltaic Technology (Pinghu) Co., Ltd., and intends to capitalize on the roofs of these plants to build and operate distributed photovoltaic power stations, make full use of



clean energy, directly reduce carbon emissions, reduce energy consumption and cost. Until now, 32 MW PV power stations have been built and connected to the grid, 20 MW is under construction, 30 MW is scheduled for 2023; 800 KWh energy storage stations are under construction, 2000 Kwh are scheduled for 2023.

This project stays in line with the company vision and mission statement and improves eco-friendly development level, signifying its attention to ESG control, contributing to the goal of peak carbon dioxide emissions and carbon neutrality.

## **II.Fulfillment of social responsibility**

☒Applicable ☐Non-applicable

The management has consistently valued corporate social responsibility and the Company's vision is to faithfully maintain five social relations: to make customers, employees, shareholders, society and partners satisfied.

To make customers satisfied: customer-centered, create value for customers and provide customers with a full package of QSTP services.

To make shareholders satisfied: with continued efforts to improve business performance, the management pays back shareholders with a high rate of return. The Company proposes to distribute the dividends of RMB 306 million to return investors, in a ratio of 30.12% of the net profit attributable to the parent for the year. In addition, the Company is working to enhance the management of investor relations. With proper information disclosure, further efforts are made to improve the initiative, pertinence and effectiveness of information disclosure, and to subject to the supervision of investors. The Company proactively creates open, fair, transparent and multi-dimensional investor relations through general meetings, SSE e Interaction, phone calls from and to investors, exchange meetings with investors, investors' survey among other interaction platforms. In June 2021, the Company held an on-site investor exchange meeting, with more than 200 investors present at the meeting. The president shared the business scenarios, financial standing and potential development strategy to investors, and enhanced its value and capital market influence, which in turn gained extensive recognition of investors and market value returns.

To make employees satisfied: the Company strictly abides by the "Labor Law" and other applicable laws and regulations, and has laid down rules and regulations with a view to maintaining the rights and interests of staff members. A reasonable human resource management system and well-designed compensation system have been established. While improving the benefits distributed to staff members, the management also proposes the setup of a learning organization and fosters working scenarios in which employees would actively and spontaneously "emulate, learn from, catch up with, help and in turn surpass each other". Meanwhile, the Company activates the mechanism of trial and error and fault tolerance to devise career development platform for all staff members to attain their career plans and goals.

To make the society satisfied: lawful business operations and tax payments, highly responsive to COVID-19 prevention, fulfilling corporate citizenship obligations; creating job opportunities, boosting local economic growth. Practically putting environmental protection and sustainable development policies into operation, more details are available in "Section 5 I. Information about environment".

To make partners satisfied: strictly following business rules, transmitting advanced business philosophies, and helping suppliers grow together.

## **III.Particulars of consolidating and expanding the deliverables of poverty alleviation, rural revitalization and other tasks**

☐Applicable ☒Non-applicable

## Section 6 Significant Events

### II. Performance of commitments

(1) Commitments made by actual controllers, shareholders, related parties, acquirers of the Company, and the Company and other related parties making commitments during the reporting period or continuing to the reporting period

√Applicable □Non-applicable

Background of commitment	Type of commitment	Committed by	Content of commitment	Date and deadline of commitment	Whether there is a deadline for performance	Whether performed strictly and timely	If such commitments cannot be completed timely, state the specific reason	If such commitments cannot be completed timely, state the next plan
Commitment related to the share reform								
Commitment made in the report of acquisition or the report of equity change								
Commitment related to significant asset restructuring								
Commitment related to IPO	intratype competition	MECCA INTERNATIONAL	1. The Company does not have, and will not be directly or indirectly engaged in, or by any form including but not limited to holding, participating of shares, joint venture, associate	March 2012, continuous	No	Yes	NA	NA

	ition	AL HOLDI NG (HK) LIMITE D	<p>partnership, lease, agent operation, trust or other similar form engage in any operation or activity that may have constituted or substantially constitute a current or potential competition against the existing and future operations of Tuopu Group and its holding subsidiaries.</p> <p>2. For companies and economic entities directly or indirectly controlled by the Company, the Company will procure such companies and economic entities to perform the obligations of avoiding competition as contained in the letter of commitment having equivalent standards to the Company/Enterprise by sending out institutions and persons (including but not limited to directors, managing directors, financial officers) or by gaining the controlling status (e.g.: shareholders' rights, directors' rights), so as to keep such companies and economic entities from competing against Tuopu Group and its subsidiaries.</p> <p>3. If any change in policies and regulations or other reasons that are not attributable to the Company unavoidably causes other companies or economic entities controlled by Company or any company or economic entity that the Company may impose significant impact has constituted or may potentially constitute competition, Tuopu Group shall have the right of first refusal as to the trusted management (contracting operation, leasing operation) or acquisition in respect of such operations that have constituted or may potentially constitute competition.</p> <p>4. The above commitments are unconditional, if a violation of the above commitments inflicts any financial loss to Tuopu Group, the Company will indemnify other shareholders or interested parties of Tuopu Group against such losses as comprehensive, prompt and sufficient.</p> <p>5. This letter of commitment shall remain in force and effect whenever the Company and any company controlled by the Company are related to Tuopu Group.</p>					
Commitment related to IPO	Resolv e related	MECCA INTERN ATION	<p>1. The Company and its controlled entities will do the utmost to avoid related transactions with the issuer and its subsidiaries.</p> <p>2. If related party transactions are unavoidable, both parties to the</p>	March 2012, continuous	No	Yes	NA	NA

	party transactions	AL HOLDING (HK) LIMITED	<p>transactions will strictly follow the normal business code of conduct. The pricing policy applicable to related party transactions must follow the principles of fairness, impartiality and openness in the market, and the transaction price is fixed at the price at which the transaction are conducted with an independent third party in the market. For major related party transactions without market price available for comparison or pricing is restricted, the transaction price shall be fixed at the cost of the commodities or labor services traded in accordance with a reasonable profit standard with a view to ensuring fair transaction prices.</p> <p>3. The Company undertakes to perform the necessary procedures in strict accordance with the current national laws, regulations, normative documents, the “Articles of Association”, the “Related Party Transaction Control System” and other applicable provisions, adhere to the principles of market fairness, fairness and openness, and define the rights and obligations of both parties, and maintain the fairness and reasonableness of related party transactions, without any circumstance prejudicing the interests of all shareholders of Tuopu.</p> <p>4. The Company and its controlled entities will not illegally occupy the funds and any other assets and resources of Tuopu Group for any reason or in any manner whatsoever, and will not require Tuopu Group to provide any form of guarantee under any circumstances whatsoever.</p> <p>5. The above commitments are unconditional, if a violation of the above commitments inflicts any financial loss to Tuopu Group, the Company will indemnify other shareholders or interested parties of Tuopu Group against such losses as comprehensive, prompt and sufficient.</p> <p>6. This letter of commitment shall remain in force and effect whenever the Company and its controlled entities are related to Tuopu Group.</p>					
Commitment related to IPO	other	MECCA INTERN	If the issuer's prospectus contains any falsified records, misleading statements or material omissions, which constitutes a	March 2015, continuous	No	Yes	NA	NA

		ATION AL HOLDI NG (HK) LIMITE D	significant and substantial impact on determining whether the issuer meets the issuance conditions as prescribed by law, the Company will, within 30 days after the CSRC rules illegal facts, repurchase the restricted shares that are originally transferred, and urge the issuer to repurchase all new shares in this public offering; the Company will fix the repurchase price at the higher of the issuer's stock issue price and the average transaction price of the issuer's stock within 30 trading days before the CSRC rules illegal facts, and repurchase all the original restricted shares that have been sold. If the issuer's shares are involved in the issuance of bonus shares or conversion of capital reserves into share capital, such issue price and repurchase quantity will be adjusted where applicable. The Company will indemnify the investors enduring financial losses in securities transactions due to false records, misleading statements or material omissions in the issuer's prospectus for this public offering of stocks. Within 30 days after such illegal facts are ruled by CSRC, the stock exchange or the judicial authority, the Company will, in line with the principles of simplifying procedures, actively negotiating, compensating in advance, maintaining the interests of investors, especially small and medium investors, and in accordance with the measurable economic losses directly endured by investors, elect to reconcile with investors, mediate with investors through third parties, or otherwise establish investor compensation funds to actively indemnify the investors harmless from and against the direct economic losses endured therein. The standard, scope of subjects and sum of such indemnity shall be subject to the final indemnification plan prevailing in the occurrence of the above circumstances.					
Commitment related to IPO	other	MECCA INTERN ATION AL HOLDI NG	From August 31, 2012, nothing will procure Ningbo Tuopu Group Co., Ltd. to use any raised funds from this issuance and listing for real estate business or real estate enterprises.	August 2012, continuous	No	Yes	NA	NA

		(HK) LIMITE D						
Commitment related to IPO	other	Ningbo Tuopu Group Co., Ltd.	If the issuer's prospectus contains any falsified records, misleading statements or material omissions, which constitutes a significant and substantial impact on determining whether the issuer meets the issuance conditions as prescribed by law, the Company will, within 30 days after the CSRC rules illegal facts, repurchase the restricted shares that are originally transferred, and urge the issuer to repurchase all new shares in this public offering; the Company will fix the repurchase price at the higher of the issuer's stock issue price and the average transaction price of the issuer's stock within 30 trading days before the CSRC rules illegal facts, and repurchase all the original restricted shares that have been sold. If the issuer's shares are involved in the issuance of bonus shares or conversion of capital reserves into share capital, such issue price and repurchase quantity will be adjusted where applicable. The Company will indemnify the investors enduring financial losses in securities transactions due to false records, misleading statements or material omissions in the issuer's prospectus for this public offering of stocks. Within 30 days after such illegal facts are ruled by CSRC, the stock exchange or the judicial authority, the Company will, in line with the principles of simplifying procedures, actively negotiating, compensating in advance, maintaining the interests of investors, especially small and medium investors, and in accordance with the measurable economic losses directly endured by investors, elect to reconcile with investors, mediate with investors through third parties, or otherwise establish investor compensation funds to actively indemnify the investors harmless from and against the direct economic losses endured therein. The standard, scope of subjects and sum of such indemnity shall be subject to the final indemnification plan prevailing in the occurrence of the above circumstances.	March 2015, continuous	No	Yes	NA	NA
Commitment related	other	Ningbo	If the company's stock price falls below its audited net assets per	March 2015,	No	Yes	NA	NA

to IPO		Tuopu Group Co., Ltd.	share in the previous year within three years after its IPO and listing (hereinafter referred to as "net asset value per share", total number of the ordinary shareholders' equity attributable to the parent in the consolidated financial statements/number of shares of the company at the end of the year, if the company conducts ex-rights or ex-dividends due to distribution of cash dividends, bonus shares, conversion of share capital, additional issuance of new shares, the above price should be adjusted accordingly, hereinafter inclusive). The Company repurchases its shares through centralized bidding, tender offer or other means as approved by the securities regulatory authorities. The Company further commits that total amount of funds used to repurchase shares must not exceed the total sum of funds raised by its IPO of new shares; the amount of funds used to repurchase its shares for stabilizing the stock price within each period of 12 months from the date of listing shall not be less than RMB 50 million, and the repurchase price must not exceed the latest audited net asset value per share before the announcement of such price stability plan.	continuous				
Commitment related to IPO	other	Ningbo Tuopu Group Co., Ltd.	From August 31, 2012, nothing will procure Ningbo Tuopu Group Co., Ltd. to use any raised funds from this issuance and listing for real estate business or real estate enterprises.	August 2012, continuous	No	Yes	NA	NA
Commitment related to IPO	Resolve related party transactions	Wu Jianshu	1. I and controlled entities will do the utmost to avoid related transactions with the issuer and its subsidiaries. 2. If related party transactions are unavoidable, both parties to the transactions will strictly follow the normal business code of conduct. The pricing policy applicable to related party transactions must follow the principles of fairness, impartiality and openness in the market, and the transaction price is fixed at the price at which the transaction are conducted with an independent third party in the market. For major related party transactions without market price available for comparison or pricing is restricted, the transaction price shall be fixed at the cost of the commodities or labor services traded in accordance with a reasonable profit standard with a view to ensuring fair transaction	March 2012, continuous	No	Yes	NA	NA

			<p>prices.</p> <p>3. I undertake to perform the necessary procedures in strict accordance with the current national laws, regulations, normative documents, the “Articles of Association”, the “Related Party Transaction Control System” and other applicable provisions, adhere to the principles of market fairness, fairness and openness, and define the rights and obligations of both parties, and maintain the fairness and reasonableness of related party transactions, without any circumstance prejudicing the interests of all shareholders of Tuopu.</p> <p>4. I and controlled entities will not illegally occupy the funds and any other assets and resources of Tuopu Group for any reason or in any manner whatsoever, and will not require Tuopu Group to provide any form of guarantee under any circumstances whatsoever.</p> <p>5. The above commitments are unconditional, if a violation of the above commitments inflicts any financial loss to Tuopu Group, I will indemnify other shareholders or interested parties of Tuopu Group against such losses as comprehensive, prompt and sufficient.</p> <p>6. This letter of commitment shall remain in force and effect whenever I and any company controlled by I are related to Tuopu Group.</p>					
Commitment related to IPO	Resolve intraype competition	Wu Jianshu	<p>1. I does not have, and will not be directly or indirectly engaged in, or by any form including but not limited to holding, participating of shares, joint venture, associate partnership, lease, agent operation, trust or other similar form engage in any operation or activity that may have constituted or substantially constitute a current or potential competition against the existing and future operations of Tuopu Group and its holding subsidiaries. 2. For companies and economic entities directly or indirectly controlled by I, I will procure such companies and economic entities to perform the obligations of avoiding competition as contained in the letter of commitment having equivalent standards to I by sending out institutions and persons</p>	March 2012, continuous	No	Yes	NA	NA



			(including but not limited to directors, managing directors, financial officers) or by gaining the controlling status (e.g.: shareholders' rights, directors' rights), so as to keep such companies and economic entities from competing against Tuopu Group and its subsidiaries. 3. If any change in policies and regulations or other reasons that are not attributable to I unavoidably causes other companies or economic entities controlled by Company/Enterprise or any company or economic entity that I may impose significant impact has constituted or may potentially constitute competition, Tuopu Group shall have the right of first refusal as to the trusted management (contracting operation, leasing operation) or acquisition in respect of such operations that have constituted or may potentially constitute competition. 4. The above commitments are unconditional, if a violation of the above commitments inflicts any financial loss to Tuopu Group, I will indemnify other shareholders or interested parties of Tuopu Group against such losses as comprehensive, prompt and sufficient. 5. This letter of commitment shall remain in force and effect whenever I and any company controlled by I are related to Tuopu Group.					
	Other	Wu Jianshu	The Company will indemnify the investors enduring financial losses in securities transactions due to false records, misleading statements or material omissions in the issuer's prospectus for this public offering of stocks. Within 30 days after such illegal facts are ruled by CSRC, the stock exchange or the judicial authority, the Company will, in line with the principles of simplifying procedures, actively negotiating, compensating in advance, maintaining the interests of investors, especially small and medium investors, and in accordance with the measurable economic losses directly endured by investors, elect to reconcile with investors, mediate with investors through third parties, or otherwise establish investor compensation funds to actively indemnify the investors harmless from and against the direct economic losses endured therein. The standard, scope of subjects and sum of such indemnity shall be subject to the final	March 2015, continuous	No	Yes	NA	NA

			indemnification plan prevailing in the occurrence of the above circumstances.					
Commitment related to refinancing								
Commitment related to equity incentives								
Other commitments made to the small and medium shareholders of the Company								
Other commitments								

**(2) There is an expected profit as to the assets or projects of the Company, and the reporting period still falls in the profit expectation period, the Company states whether the assets or projects attain the original profit expectation and gives the reason**

☐Attained ☐Not attained ☒Non-applicable

**(3) The status of performance of commitments and its impact on the goodwill impairment test**

☐Applicable ☒Non-applicable

**II. Whether there is any non-operating capital occupation by the controlling shareholder and its affiliates**

☐Applicable ☒Non-applicable

**III. Violation of guarantee**

☐Applicable ☒Non-applicable

**IV. Notes of the Board of Directors to the "Modified Audit Opinion Report" Released by the Accounting Firm**

☐Applicable ☒Non-applicable

**V. Notes to Analysis of the Reasons and Impact of Changes in Accounting Policies, Accounting Estimates or Corrections of Major Accounting Errors**

**(1) Notes to analysis of the Reasons and Impact of Changes in Accounting Policies or Accounting Estimates**

☒Applicable ☐Non-applicable

The Ministry of Finance issued the "Accounting Standards for Business Enterprises No. 21-Lease (2018 Revision)" (Cai Kuai [2018] No. 35) on Dec.7, 2018, the Company will implement the updated version of revenue standards from January 1, 2021. From the 2021 Q1 report, the accounting statements will be disclosed under the provisions of the "New Lease Standards", and the amount of retained earnings at the beginning of the period and other related items in the financial statements will be adjusted according to the cumulative impact of the first implementation of the standard, and the information of comparable periods will not be adjusted. This accounting policy change is not expected to have a significant impact on the financial standing and operating results of the Company, nor does it impair the interests of the company and shareholders.

**(2) Notes to Analysis of the Reasons and Impact of the Correction of Major Accounting Errors**

☐Applicable ☒Non-applicable

**(3) Communication with the Former Accounting Firm**

☐Applicable ☒Non-applicable

**(4) Other Notes**

☐Applicable ☒Non-applicable

**VI. Appointment and Dismissal of Accounting Firm**

Unit: in 10,000 Yuan Currency: RMB

	Current Accounting Firm
Name of domestic accounting firm	BDO China Shu Lun Pan Certified Public Accountants LLP (Special General Partnership)
Remuneration paid to domestic accounting firm	225
Audit period of domestic accounting firm	11

	Name	Remuneration
Accounting firm responsible for internal control audit	BDO China Shu Lun Pan Certified Public Accountants LLP (Special General Partnership)	40
Sponsor	China Merchants Securities Co. Ltd	NA

Notes to appointment and dismissal of accounting firm

☒Applicable ☐Non-applicable

The 2020 general meeting convened by the Company on May 10, 2021 considered and passed the “Resolution on Renewal of the Appointment of Audit Institution for 2020”, and decided to renew the appointment of BDO China Shu Lun Pan Certified Public Accountants LLP (Special General Partnership) as the audit institution of 2021, who will provide audit and internal control audit services of the financial report of 2021 for the Company.

Notes to change of accounting firm during the reporting period

☐Applicable ☒Non-applicable

## **VII. Circumstance of delisting risk**

### **(1) Reasons leading to the warning for delisting risk**

☐Applicable ☒Non-applicable

### **(2) Proposed responses by the Company**

☐Applicable ☒Non-applicable

### **(3) Exposure to the risk of delisting and the reason behind it**

☐Applicable ☒Non-applicable

## **VIII. Events concerning bankruptcy and reorganization**

☐Applicable ☒Non-applicable

## **IX. Significant Lawsuits and Arbitrations**

☐The Company is involved in any significant lawsuits and arbitrations in the current year

☒The Company is not involved in any significant lawsuits and arbitrations in the current year

## **X. Listed companies and their directors, supervisors, officers, controlling shareholders, and actual controllers suspected of violations of laws and regulations and the situation of punishments and rectifications**

☐Applicable ☒Non-applicable

## **XI. Notes to the Credit Standing of the Company and Its Controlling Shareholders and Actual Controllers during the Reporting Period**

☐Applicable ☒Non-applicable

## **XII. Significant Related-party Transactions**

### **(1) Related-party transactions related to daily operations**

#### **1. Events that have been disclosed in the provisional announcement and there is no progress or change in subsequent implementation**

☐Applicable ☒Non-applicable

#### **2. Events that have been disclosed in the provisional announcement, but there is no progress or change in subsequent implementation**

☐Applicable ☒Non-applicable

#### **3. Events that are not disclosed in the provisional announcement**

☐Applicable ☒Non-applicable

### **(2) Related-party transactions in the acquisition or sale of assets or equity**

#### **1. Events that have been disclosed in the provisional announcement and there is no progress or changes in subsequent implementation**

☐Applicable ☒Non-applicable

#### **2. Events that have been disclosed in the provisional announcement, but there is a progress or change in subsequent implementation**

☐Applicable ☒Non-applicable

**3. Events that are not disclosed in the provisional announcement**

☐Applicable ☒Non-applicable

**4. Where there is a performance agreement involved, the performance achieved during the reporting period shall be disclosed**

☐Applicable ☒Non-applicable

**(3) Significant related-party transactions of joint external investment****1. Events that have been disclosed in the provisional announcement and there is no progress or changes in subsequent implementation**

☐Applicable ☒Non-applicable

**2. Events that have been disclosed in the provisional announcement, but there are progress or changes in subsequent implementation**

☐Applicable ☒Non-applicable

**3. Events that are not disclosed in the provisional announcement**

☐Applicable ☒Non-applicable

**(4) Related credits and liabilities****1. Events that have been disclosed in the provisional announcement, but there is no progress or change in subsequent implementation**

☐Applicable ☒Non-applicable

**2. Events that have been disclosed in the provisional announcement, but there is a progress or change in subsequent implementation**

☐Applicable ☒Non-applicable

**3. Events that have not been disclosed in the provisional announcement**

☐Applicable ☒Non-applicable

**(5) Financial business between the Company and the associated financial company, the Company's holding financial company and the related party**

☐Applicable ☒Non-applicable

**(6) Other**

☐Applicable ☒Non-applicable

**XIII. Major contracts and contract performance****1. Matters relating to trusteeship, contracting and leasing**

☐Applicable ☒Non-applicable

**2. Contracting**

☐Applicable ☒Non-applicable

**3. Leasing**

☐Applicable ☒Non-applicable

**(2) Guarantee**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

External guarantees by the Company (other than its guarantees to subsidiaries)														
Guarantor	Relation between the guarantor and the listed company	Guaranteed party	Guaranteed amount	Date of guarantee occurred (date of agreement execution)	From	Until	Type of guarantee	Main debts	Collateral (if any)	Whether the guarantee has been fulfilled	Whether the guarantee is overdue	Guarantee overdue amount	Counter-guarantee situation	Whether it is a guarantee for related parties
Total amount of guarantees during the reporting period (other than guarantees to subsidiaries)														
Total balance of guarantees at the end of the reporting period (A) (other than guarantees to subsidiaries)														
Guarantees by the Company to its subsidiaries														
Total amount of guarantees to subsidiaries during the reporting period						114,174,400								
Total balance of guarantees to subsidiaries at the end of the reporting period (B)						114,174,400								
Total amount of company guarantees (including its guarantees to subsidiaries)														
Total guarantees (A+B)						114,174,400								
Total guarantees as a percentage of the Company's net assets (%)						1.08								
Including:														
Amount of guarantees provided for shareholders, actual controllers and their related parties (C)						0								
Amount of debt guarantee provided directly or indirectly for the guaranteed object whose asset-liability ratio exceeds 70% (D)						0								

Amount of the total guarantees exceeding 50% of the net assets (E)	0
Total of the above three guarantees (C+D+E)	0
Note to unexpired guarantees that may bear joint liability for repayment	NA
Statement of guarantees	<p>(1) Tuopu Poland sp.z.o.o, ("Tuopu Poland") is a wholly-owned subsidiary established by Tuopu Group in Poland in March 2021. It leases 7R PROJEKT 35 Sp. z oo ("7R Project Company"). The customized plant will accept and produce European orders and has assigned a lease agreement with 7R Project Company on March 15, 2021. Given business practices and actual needs, the Company provided performance guarantee for the said plant lease agreement signed by Tuopu Poland.</p> <p>The total liability of the letter of guarantee is up to 7 million euros (calculated at the exchange rate on the day before the announcement on March 19, 2021, equivalent to RMB 54.174 million), and the effective term covers the validity period of the said lease agreement (84 months counted from March 15, 2021) and five months after its expiration or termination, but no later than August 1, 2029.</p> <p>The above performance guarantees have been reviewed and approved at the 5th meeting of the fourth Board of Directors. More details are available in "Announcement of Tuopu Group on Providing Performance Guarantees for the Lease of Industrial Plants for Overseas Wholly-owned Subsidiaries" disclosed by the company on the portal site of Shanghai Stock Exchange on March 19, 2021. (Announcement No. 2021-018).</p> <p>(2) Top Hangzhou Bay PV Technology Co., Ltd. is a new wholly-owned sub-subsidiary incorporated on June 11, 2021, specialized in photovoltaic power generation, prospectively applies to China Development Bank Ningbo Branch for a long-term loan project up to RMB 60 million. The Company will provide mortgage guarantees for the loan in the form of its own land, plant and other assets.</p> <p>The above performance guarantees have been reviewed and approved at the 14th meeting of the Fourth Board of Directors. More details are available in "Announcement of Tuopu Group on Providing Performance Guarantees for Bank Loans to Wholly-owned Sub-subsidiary" disclosed by the Company on the portal site of Shanghai Stock Exchange on November 20, 2021. (Announcement No. 2021-079).</p> <p>The gross sum of the above two guarantees is RMB 114,174,400.</p>

**(3) Entrusting others to manage cash assets****1. Entrusted financial management****(1) General conditions of entrusted financial management**

√Applicable □Non-applicable

Unit: in 10,000 Yuan Currency: RMB

Type	Source of funds	Amount incurred	Unmatured amount	Unrecovered amount after the maturity
Structured deposits	Raised funds	177,000.00	32,000.00	0.00

**Other Conditions**

□Applicable √Non-applicable

**(2) Individual entrusted financial management**

√Applicable □Non-applicable

Unit:10000Yuan Currency: RMB

Trustee	Type of entrusted financial management	Amount of entrusted financial management	Start date of entrusted financial management	End date of entrusted financial management	Source of funds	Use of funds	Method of fixing returns	Annualized returns	Expected returns (if any)	Actual returns or losses	Actual recovery	If subject to statutory procedure	If there is any entrusted financial management plan	Extent of impairment provision (if any)
Bank of China Beilun Sub-branch	Structured deposits	19,900.00	2021/3/19	2021/6/21	Raised funds		Guaranteed non-fixed returns	3.50%		179.37	19,900.00	Yes		



Bank of Ningbo Xinqi Sub-branch	Structured deposits	30,100.00	2021/3/19	2021/6/21	Raised funds		Guaranteed non-fixed returns	3.60%		279.06	30,100.00	Yes		
Shanghai Pudong Development Bank Ningbo Development Zone Sub-branch	Structured deposits	10,000.00	2021/6/16	2021/9/15	Raised funds		Guaranteed non-fixed returns	3.30%		82.50	10,000.00	Yes		
Bank of Ningbo Xinqi Sub-branch	Structured deposits	20,000.00	2021/6/21	2021/9/22	Raised funds		Guaranteed non-fixed returns	3.60%		183.45	20,000.00	Yes		
Ping An Bank Beilun Sub-branch	Structured deposits	10,000.00	2021/6/18	2021/12/17	Raised funds		Guaranteed non-fixed returns	3.35%		167.04	10,000.00	Yes		
Bank of	Structure	10,000.00	2021/7/9	2021/12/28	Raised		Guarant	3.62%		170.59	10,000.0	Yes		

China Beilun Sub-branch	d deposits				funds		eed non-fix ed returns				0			
Bank of China Beilun Sub-branch	Structure d deposits	5,000.00	2021/7/9	2021/12/28	Raised funds		Guarant eed non-fix ed returns	3.62%		85.29	5,000.00	Yes		
Bank of Hangzhou Beilun Sub-branch	Structure d deposits	10,000.00	2021/7/9	2021/12/28	Raised funds		Guarant eed non-fix ed returns	3.80%		179.07	10,000.00	Yes		
Bank of Hangzhou Beilun Sub-branch	Structure d deposits	22,000.00	2021/7/9	2021/12/28	Raised funds		Guarant eed non-fix ed returns	3.80%		393.95	22,000.00	Yes		
Bank of Hangzhou Beilun Sub-branch	Structure d deposits	8,000.00	2021/7/9	2021/12/28	Raised funds		Guarant eed non-fix ed returns	3.80%		143.25	8,000.00	Yes		
Bank of China Beilun	Structure d deposits	22,000.00	2021/12/30	2022/6/28	Raised funds		Guarant eed non-fix	3.80%				Yes		

Sub-branch							ed returns							
Bank of Hangzhou Beilun Sub-branch	Structured deposits	5,000.00	2021/12/30	2022/3/31	Raised funds		Guaranteed non-fixed returns	3.95%				Yes		
Bank of Hangzhou Beilun Sub-branch	Structured deposits	5,000.00	2021/12/30	2022/3/31	Raised funds		Guaranteed non-fixed returns	3.95%				Yes		

**Other Conditions**

☐Applicable ☒Non-applicable

**(3) Impairment provision for entrusted financial management**

☐Applicable ☒Non-applicable

**2. Conditions of entrusted loans****(1) General conditions of entrusted loans**

☐Applicable ☒Non-applicable

**Other conditions**

☐Applicable ☒Non-applicable

**(2) Individual entrusted loans**

☐Applicable ☒Non-applicable

**Other Conditions**

☐Applicable ☒Non-applicable

**(3) Impairment provision for entrusted loans**

☐Applicable ☒Non-applicable

**3. Other Conditions**

☐Applicable ☒Non-applicable

**(4) Other Significant Contracts**

☐Applicable ☒Non-applicable

**XIV. Note to other major events that have a significant impact on investors' value judgments and investment decisions**

☐Applicable ☒Non-applicable

## Section 7 Changes in Shares and Shareholders

**I. Condition in change of equity**

**(1) Condition in change of shares**

**1. Condition in change of shares**

Unit: shares

	Before this change		Increased or decreased amount in this period (+/-)					After this change	
	Number of shares	Shares held (%)	New issue	Bonus issue	Shares converted from capital reserves	Other	Subtotal	Number of shares	Shares held (%)
I. Shares held subject to restricted	0	0	47,058,823			-47,058,823	0	0	0

sale									
1. Shares held by the state government									
2. Shares held by state-owned corporates									
3. Shares held by other domestic capital			38,352,472			-38,352,472	0	0	0
Including: shares held by domestic non-state-owned corporates									
Shares held by domestic natural persons									
4. Shares held by foreign capital			8,706,351			-8,706,351	0	0	0
Including: shares held by foreign corporates			8,706,351			-8,706,351	0	0	0
I. Shares held subject to restricted sale									
1. Shares held by the state government	1,054,987,749	100				47,058,823	47,058,823	1,102,046,572	100
2. Shares held by state-owned corporates	1,054,987,749	100				47,058,823	47,058,823	1,102,046,572	100
3. Shares held by other domestic capital									
Including: shares held by domestic non-state-owned corporates									
Shares held by domestic									

natural persons									
4. Shares held by foreign capital	1,054,987,749	100	47,058,823			0	47,058,823	1,102,046,572	100

## 2. Changes in shares

☒Applicable ☐Non-applicable

On February 23, 2021, the Company completed the private offering of A-shares. The Company issued 47,058,823 A-shares to 14 specific investors. Total number of shares increased from 1,054,987,749 to 1,102,046,572. More details are available in the "Announcement of Tuopu Group's Private Offering of Shares and Changes in Share Capital" (Announcement No.: 2021-004) disclosed on the portal site of the Shanghai Stock Exchange on February 25, 2021.

## 3. Impact of changes in shares on financial indexes such as EPS and net assets per share in the most recent year and the most recent period (if any)

☒Applicable ☐Non-applicable

On February 23, 2021, the Company concluded the private offering of 47,058,823 A-shares to 14 specific investors. Total number of shares increased from 1,054,987,749 to 1,102,046,572. This private offering diluted the EPS and ROE for 2021.

## 4. Other content as the Company deems necessary to disclose or required by the securities regulatory institution

☐Applicable ☒Non-applicable

### (2) Changes in restricted sale of shares

☐Applicable ☒Non-applicable

						Unit: shares
Name of shareholder	Number of shares	Number of shares	Number of additional	Number of	Reason for restricted sale	Date of removal of

	on restricte d sale at the beginnin g of the year	removed from restricted sale in this year	shares on restricted sale in this year	shares on restricte d sale at the end of the year		restricted sale
New China Asset Management Co., Ltd.	0	11,764,705	11,764,705	0	6-month lock-up period of shares in private offering	2021-8-23
UBS AG	0	5,764,705	5,764,705	0	6-month lock-up period of shares in private offering	2021-8-23
CITIC Securities Co., Ltd. (Self-run)	0	5,764,705	5,764,705	0	6-month lock-up period of shares in private offering	2021-8-23
China Securities Co., Ltd.	0	4,705,882	4,705,882	0	6-month lock-up period of shares in private offering	2021-8-23
HFT Investment Management Co., Ltd.	0	3,529,411	3,529,411	0	6-month lock-up period of shares in private offering	2021-8-23
CITIC Securities Co., Ltd. (asset management)	0	2,211,302	2,211,302	0	6-month lock-up period of shares in private offering	2021-8-23
New China Fund Management Co., Ltd.	0	2,141,176	2,141,176	0	6-month lock-up period of shares in private offering	2021-8-23
China Galaxy Securities Co., Ltd.	0	2,117,647	2,117,647	0	6-month lock-up period of shares in private offering	2021-8-23
Huaneng Guicheng Trust Co., Ltd.	0	1,882,352	1,882,352	0	6-month lock-up period of shares in private offering	2021-8-23
Goldman Sachs & Co. LLC	0	1,529,411	1,529,411	0	6-month lock-up period of shares in private offering	2021-8-23

MORGAN STANLEY & CO. INTERNATIONAL PLC.	0	1,412,235	1,412,235	0	6-month lock-up period of shares in private offering	2021-8-23
Zhejiang Zhonghao Investment Co., Ltd.	0	1,411,764	1,411,764	0	6-month lock-up period of shares in private offering	2021-8-23
Chengdu Fusen-Noble House Co., Ltd.	0	1,411,764	1,411,764	0	6-month lock-up period of shares in private offering	2021-8-23
Beijing Renaissance Era Investment Management Co., Ltd.	0	1,411,764	1,411,764	0	6-month lock-up period of shares in private offering	2021-8-23
Total	0	47,058,823	47,058,823	0	/	/



## II. Issuance of Securities and Public Listing

### (1) Issuance of securities as of the reporting period

☐Applicable ☒Non-applicable

Unit: shares Currency: RMB

Kinds of stocks and derivative securities	Date of issuance	Issue price (or interest rate upon issuance)	Shares issued	Date of public trading	Shares approved for public trading	Date of trade closure
Common shares						
Private offering of common shares	2021-2-2	RMB 42.5	47,058,823	2021-2-24	47,058,823	

Notes to the issuance of securities as of the reporting period (if there are bonds applicable to different interest rates in the period, state the reasons separately):

☐Applicable ☒Non-applicable

Subject to the approval ([2020]1982) granted by CSRC, the Company concluded the private offering of 47,058,823 A-shares at an offering price of RMB 42.50 on 23 February 2021, the gross sum of funds raised is RMB 1,999,999,977.50. With the issuance cost of RMB 21,582,130.76 deducted, the net sum of funds raised is RMB 1,978,417,846.74. BDO CHINA SHU LUN PAN CERTIFIED PUBLIC ACCOUNTANTS LLP (Special General Partnership) released the “Capital Verification Report” (Xin Kuai Shi Bao [2021] ZF10047). The lock-up period of this private offering is 6 months. On 23 August 2021, the restricted sale of shares was lifted and available for public trading.

### (2) Changes in the total number of capital stock of the Company and changes in the structure of shareholders and changes in the structure of assets and liabilities

☒Applicable ☐Non-applicable

Subject to the approval granted by CSRC, the Company concluded the private offering of 47,058,823 A-shares to 14 specific investors on February 23, 2021, with the net sum of funds raised of RMB 1,978,417,846.74. After the private offering, the capital stock of the Company increased from 1,054,987,749 shares to 1,102,046,572 shares, which means an increase in the capital stock and net assets of the Company.

### (3) Existing employee shares

☐Applicable ☒Non-applicable

-

### III. Shareholders and actual controllers

#### (1) Total shareholders

Total number (accounts) of common shareholders as of the end of the reporting period	36,612
Total number of ordinary shareholders (accounts) as of the end of the previous month before the disclosure date of the annual report	26,103
Total number (accounts) of preferred shareholders whose voting rights have been restored as of the end of the reporting period	NA
Total number (accounts) of preferred shareholders whose voting rights were restored at the end of the previous month prior to the disclosure of this annual report	NA

#### (2) Shares held by the top ten shareholders and top ten tradable shareholders (or shareholders not subject to restricted sale) as of the end of the reporting period

Unit: Shares

Shares held by the top ten shareholders							
Name of Shareholder (Full Name)	Increase/D ecrease during the reporting period	Number of shares held at the end of the period	Percent age (%)	Number of shares held subject to restricted sale	Condition of pledge, marking or freezing		Nature of shareholders
					Status of shares	Numb er of shares	
MECCA INTERNATIONAL HOLDING (HK) LIMITED		693,680,000	62.94	0	No		Foreign corporate

Hong Kong Securities Clearing Company Limited		38,764,082	3.52		Unknown	Unknown	Unknown
Shanghai Ruiyang Investment Management Co., Ltd.-Ruiyang Emerging Growth Private Placement Investment Fund		17,600,000	1.60		Unknown	Unknown	Unknown
Wu Jianshu		7,210,308	0.65	0	No		Foreign person
Ningbo Zhuyue Investment Management Co., Ltd.		5,407,630	0.49	0	No		Domestic non-SOE corporate
Huaneng Guicheng Trust Co., Ltd.		4,883,183	0.44		Unknown	Unknown	Unknown
Bank of Communications Co., Ltd.-Southern Growth Pioneer Hybrid Securities Investment Fund		4,722,095	0.43		Unknown	Unknown	Unknown
Shanghai Pudong Development Bank Co., Ltd.- E Fund Yuxiang Return Bond Securities Investment Fund		4,303,700	0.39		Unknown	Unknown	Unknown
CITIC Securities-CITIC Bank-CITIC Securities Dividend Value One-year Commingled Collective Asset Management Plan		4,298,009	0.39		Unknown	Unknown	Unknown
Shanghai Panjing Investment Management Center (Limited Partnership)-Shengxin Phase 2 Private Placement Securities Investment Fund		4,176,800	0.38		Unknown	Unknown	Unknown
Shares held by the top ten shareholders not subject to restricted sale							
Name of Shareholder					Class and number of shares		
					Number of tradable shares held not subject to restricted sale	Class	Number of shares
MECCA INTERNATIONAL HOLDING (HK) LIMITED					693,680,000	RMB common share	693,680,000
Hong Kong Securities Clearing Company Limited					38,764,082	RMB common share	38,764,082

Shanghai Ruiyang Investment Management Co., Ltd.-Ruiyang Emerging Growth Private Placement Investment Fund	17,600,000	RMB common share	17,600,000
Wu Jianshu	7,210,308	RMB common share	7,210,308
Ningbo Zhuyue Investment Management Co., Ltd.	5,407,630	RMB common share	5,407,630
Huaneng Guicheng Trust Co., Ltd.	4,883,183	RMB common share	4,883,183
Bank of Communications Co., Ltd.-Southern Growth Pioneer Hybrid Securities Investment Fund	4,722,095	RMB common share	4,722,095
Shanghai Pudong Development Bank Co., Ltd.- E Fund Yuxiang Return Bond Securities Investment Fund	4,303,700	RMB common share	4,303,700
CITIC Securities-CITIC Bank-CITIC Securities Dividend Value One-year Commingled Collective Asset Management Plan	4,298,009	RMB common share	4,298,009
Shanghai Panjing Investment Management Center (Limited Partnership)-Shengxin Phase 2 Private Placement Securities Investment Fund	4,176,800	RMB common share	4,176,800
Description of the repurchase of special accounts among the top ten shareholders	NA		
Notes to the voting rights entrusted by or to, and waived by the above shareholders	NA		

Notes to the associated relationship or concerted action of the above shareholders	<p>Among these shareholders:</p> <p>1. Mr. Wu Jianshu holds 100% of the shares in MECCA INTERNATIONAL HOLDING (HK) LIMITED.</p> <p>2. Ningbo Zhuyue Investment Management Co., Ltd. is a wholly-owned sub-subsidiary of MECCA INTERNATIONAL HOLDING (HK) LIMITED, the controlling shareholder of the Company, and is a person acting in concert. In addition, the Company doesn't know whether there is an associated relationship among the above shareholders or whether they are parties acting in concert.</p>
Notes to the preferred shareholders whose voting rights have been restored and the number of shares held	NA

Number of shares held by the top ten shareholders subject to restricted sale and the conditions of restricted sales

☐Applicable ☒Non-applicable

**(3) Strategic investors or general legal persons becoming the top ten shareholders due to the placement of new shares**

☐Applicable ☒Non-applicable

**IV. Controlling Shareholder and Actual Controller**

(1) Information about controlling shareholders

**1 Corporate**

☒Applicable ☐Non-applicable

Name	MECCA INTERNATIONAL HOLDING (HK) LIMITED
Head or legal representative	Wu Jianshu
Date of Incorporation	July 21st, 2008
Main business operations	Investment
Shareholding status of other domestic and overseas listed companies that hold or participate in shares during the reporting period	NA
Other notes	NA

**2 Natural person**

☐Applicable ☒Non-applicable

**3 Special notes to no controlling shareholders in the Company**

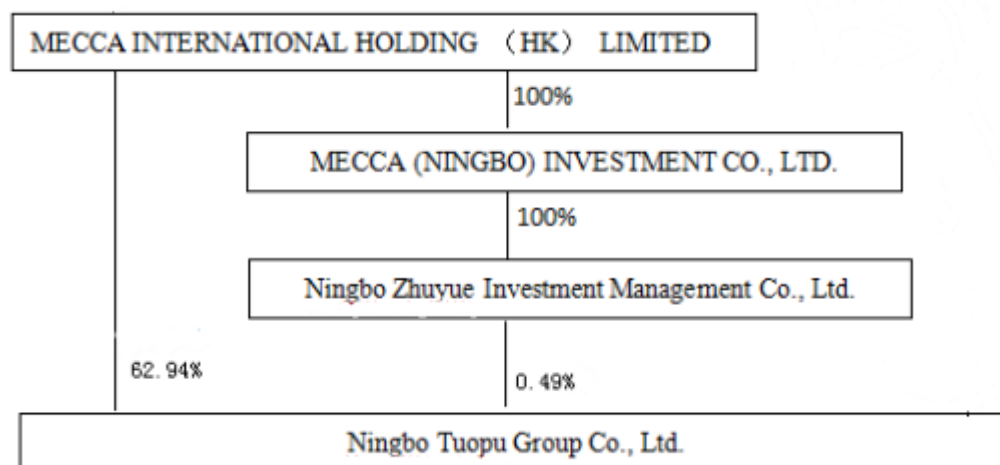
☐Applicable ☒Non-applicable

**4. Notes to Changes of Controlling Shareholders during the Reporting Period**

☐Applicable ☒Non-applicable

**5 Block diagram of the equity rights and control relations between the Company and controlling shareholders**

☒Applicable ☐Non-applicable



**(2) Actual controllers**

**1 Corporate**

☐Applicable ☒Non-applicable

**2 Natural person**

☒Applicable ☐Non-applicable

Name	Wu Jianshu
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Nationality	Hong Kong
Whether the above person has acquired the right of residence in other countries or regions	Yes
Jobs and titles	Formerly as Chairman of Ningbo Tuopu Shock Absorbing System Co., Ltd., Chairman of Ningbo Tuopu Soundproof System Co., Ltd., Chairman of Ningbo Tuopu Coupling Co., Ltd., Chairman of Ningbo Tuopu Automobile Special Rubber Co., Ltd., Chairman of Ningbo Tuopu Brake System Co., Ltd. Currently in the capacity of Chairman of MECCA INTERNATIONAL HOLDING (HK) LIMITED, Chairman of Ningbo Tuopu Group Co., Ltd.
Domestic or overseas listed companies controlled by the above person in the past 10 years	NA

### 3 Special notes to no controlling shareholders in the Company

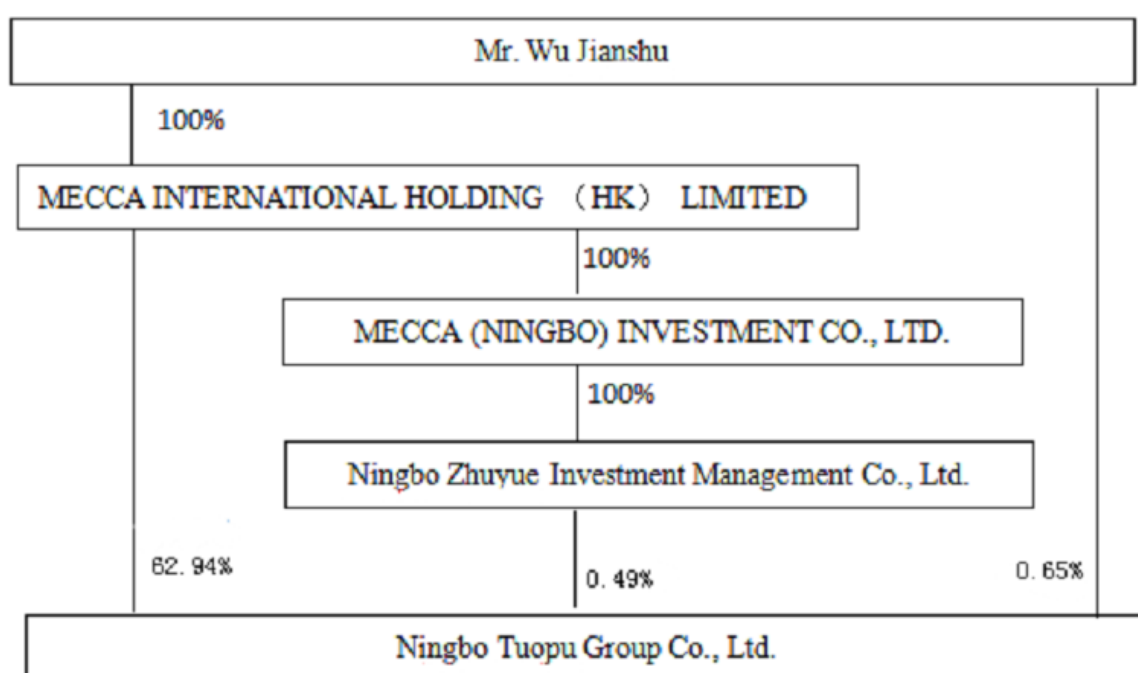
☐Applicable ☒Non-applicable

### 4 Index and date of changes in controlling shareholders during the reporting period

☐Applicable ☒Non-applicable

### 5 Block diagram of the equity rights and control relations between the Company and controlling shareholders

☐Applicable ☒Non-applicable



### 6 Actual controller who controls the company through trust or other asset management methods

☐Applicable ☒Non-applicable

### (3) Other information about the controlling shareholder and actual controller

☐Applicable ☒Non-applicable

**V. The controlling shareholder or the first majority shareholder of the Company and its persons acting in concert, with the accumulative number of pledged shares accounting for more than 80% of the shares held by them**

☐Applicable ☒Non-applicable

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

☐Applicable ☒Non-applicable

**VII. Notes to restricted reduction of shares**

☐Applicable ☒Non-applicable

**VIII. Status of share repurchases made during the reporting period**

☐Applicable ☒Non-applicable

## **Section 8 Information about Preference Shares**

☐Applicable ☒Non-applicable

## **Section 9 Information of Corporate Bonds**

**I. Corporate bonds, debentures and non-financial corporate debt financing instruments**

☐Applicable ☒Non-applicable

**II. Condition of convertible corporate bonds**

☐Applicable ☒Non-applicable



## Section 10 Financial Report

### I. Audit report

√Applicable □Non-applicable

#### Audit Report

Xin Kuai Shi Bao Zi [2022] No. ZF10292

To the shareholders of Ningbo Tuopu Group Co., Ltd.

#### I. Opinion

We have audited the financial statements of Ningbo Tuopu Group Co., Ltd. (hereinafter referred to as "Tuopu Group"), including the parent company's and the consolidated balance sheet dated December 31, 2021, the parent company's and the consolidated income statement, the parent company's and the consolidated cash flow statement and the parent company's and the consolidated statement of changes in owners' equity for the year 2021 ended, as well as the notes to relevant financial statements.

In our opinion, the attached financial statements are prepared, in all material respects, in accordance with "Accounting Standards for Business Enterprises", which fairly reflected the consolidated and the parent company's financial position of Ningbo Tuopu Group Co., Ltd. as at December 31, 2021 and the consolidated and the parent company's operating results and cash flows for the year 2021 ended.

#### II. Basis for Our Opinion

We conducted our audit in accordance with the Auditing Standards for Certified Public Accountants in China. Our responsibilities under those standards are further described in the CPA's Responsibilities for the Audit of the Financial Statements section of our report. According to the "Code of Ethics for Chinese Certified Public Accountants", we are independent of Tuopu and have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified during the audit are summarized as follows:

Key Audit Matters	How the matter was addressed in the audit
<b>(1) Recognition of revenue</b>	
<p>More details about the accounting policies for revenue recognition and the analysis of revenue are available in the accounting policies as referred to in Note (38) of "V. Significant Accounting Policies and Accounting Estimates" and Note (61) of "VII. Notes to Items of the Consolidated Financial Statements".</p> <p>In 2021, Tuopu Group's income from main business operations is RMB 11,017,000,500.</p> <p>Because revenue is one of the key performance indexes of Tuopu Group,</p>	<p>Our main audit procedures for the above key audit matters related to recognition of revenue are as described below:</p> <ol style="list-style-type: none"> <li>1. Understand the internal control system in relation to revenue recognition and the design and implementation of the financial accounting system, and test the effectiveness of its operation;</li> <li>2. We understand and evaluate whether the revenue recognition policy of the Company is appropriate or not by reviewing sales contracts and interviews with management;</li> <li>3. Perform an analytical review of revenue and gross profit based on product types and customer types, and determine whether there are abnormal fluctuations in the amount of revenue during the current period;</li> </ol>

<p>there is an inherent risk of management manipulating the time point of revenue recognition in order to achieve specific goals or expectations. In this regard, we regard Tuopu Group's revenue recognition as a key audit matter.</p>	<p>4. Classify sales regions, select samples from the income transactions as recorded in respect of this year, check invoices, sales contracts, delivery orders, customs declaration forms, B/Ls and other supporting documents, and evaluate whether the relevant revenue recognition complies with the revenue recognition accounting policies of the Company;</p> <p>5. Conduct cut-off test on the operating income recognized before and after the balance sheet date in order to evaluate whether the operating income is recognized in the appropriate period;</p> <p>6. Make external confirmation of the account receivable balance and sales of major customers, and confirm whether the account receivable balance at the end of the period and the current income amount are true and accurate;</p> <p>7. Check whether the information related to operating income has been properly presented in the financial statements.</p>
<p><b>(2) Impairment of goodwill</b></p>	
<p>The details and analysis of the accounting policies for impairment of goodwill are available in the accounting policies as referred to in Note (30) of "V. Significant Accounting Policies and Accounting Estimates" and Note (28) of "VII. Notes to Items of the Consolidated Financial Statements".</p> <p>As of December 31, 2021, the original book value of Tuopu Group's goodwill is RMB 286,784,900, and the amount of provision for impairment is RMB 78,108,300.</p> <p>The management conducts an impairment test on the goodwill formed by the business combination at the end of each year. The result of the impairment test of goodwill is fixed by the estimation</p>	<p>Our main audit procedures in respect of the above key audit matters related to the impairment of goodwill are as follows:</p> <p>1. We evaluate and test the effectiveness of the design and implementation of internal controls related to the goodwill impairment test, including the adoption of key assumptions and the review and approval of the amount of impairment provision;</p> <p>2. Referring to industry practices, assess the appropriateness of the valuation method used by the management for cash flow forecasts;</p> <p>3. Comparing key input values such as revenue growth rate, perpetual growth rate and cost increase with past performance, perform prudent evaluation on the key assumptions and judgments used in preparing discounted cash flow forecasts;</p> <p>4. Discuss with the management and others about the reasonableness of the methods used in the process of goodwill impairment test, the assumptions of key</p>

<p>report of relevant asset group recoverable value as prepared by the management. The recoverable amount of the relevant asset group is calculated and fixed by the present value of the estimated future cash flow. The discounted cash flow forecasts are prepared by using major judgments and estimates, especially determining the growth rate during the forecast period, perpetual growth rate, gross profit margin, discount rate.</p> <p>Since the process of goodwill impairment test is very complex, which relates to significant management estimates and judgments, we regard the impairment of goodwill as a key audit matter.</p>	<p>assessments, the selection of parameters, the forecast of future income and the discount rate of cash flow;</p> <p>5. Conduct a retrospective review by comparing the forecast of the previous year with the performance of this year to assess the reliability and historical accuracy of the management's forecasting process;</p> <p>6. Evaluate the competence, professionalism and objectivity of the specialists appointed by the management, and reach a consensus on the content of their works;</p> <p>7. Check whether the information related to the impairment of goodwill has been properly presented and disclosed in the financial statements.</p>
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#### IV. Other Information

The management of Tuopu Group(hereinafter referred to as the Management) is responsible for the other information. The other information includes the information covered in Tuopu's annual report for the year 2021 ended, other than the financial statements and our audit report.

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

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

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

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

The Management is responsible for preparing the financial statements in accordance with the requirements of Accounting Standards for Business Enterprises to achieve a fair presentation, and for designing, implementing and maintaining necessary internal control 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 Tuopu's ability to continue operating, disclosing matters related to continuous operation (if applicable) and using the hypothesis of continuous operation unless there is a plan to liquidate, terminate operations or no other realistic options.

The management is responsible for supervising the financial reporting process of Tuopu.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an

audit conducted in accordance with the audit standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit in accordance with the audit standards, we exercise professional judgment and maintain professional skepticism throughout the audit. 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 one 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 appropriate audit procedures, 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.

(4) Conclude on the appropriateness of using the going concern assumption by the Management. At the same time, draw a conclusion, based on the audit evidence obtained, on whether there is significant uncertainty in matters or situations that may cause major doubts about Tuopu's ability in continuous operation. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the information available up to the date of our audit report. However, future events or conditions may result in Tuopu's inability to continue operating.

(5) Evaluate the overall presentation (including the disclosures), structure and content of the financial statements, and whether the financial statements fairly reflect the relevant transactions and events.

(6) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within Tuopu to express an opinion on the financial statements. We are responsible for guiding, supervising and implementing the group audit, and remain solely responsible for our audit opinion.

We have communicated with those charged with governance on such matters as the scope of audit as planned, the schedule and material audit findings, including the defects in the internal control that are worth paying attention to found in this audit.

We have also provided those charged with governance with a statement on observing the professional ethics related to independence, and communicated with those charged with governance on all the relationships and other matters that might be reasonably deemed to affect our independence, and relevant preventative measures (if applicable).

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**BDO China Shu Lun Pan Certified Public Accountants LLP**  
**(Special General Partnership)**

**Chinese CPA: Yu Weiyang**  
**(Project partner)**

**Chinese CPA: Tang Wei**

**Shanghai, China**

**Date: 13 April 2022**

## II. Financial Statements

## Consolidated Balance Sheet

As of 31 December 2021

Prepared by: Ningbo Tuopu Group Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	2December 31, 2021	December 31, 2020
<b>Current assets:</b>			
Cash and Bank Balances	VII、 1	1,271,450,147.37	787,123,646.45
Deposit Reservation for Balance			
Loans to Banks and Other Financial Institutions			
Trading Financial Assets	VII、 2	321,507,846.86	176,111.00
Derivative Financial Assets			
Notes receivable	VII、 4	364,139,072.40	296,283,951.73
Accounts receivable	VII、 5	3,168,220,804.95	1,783,267,007.65
Receivables Financing	VII、 6	972,493,168.64	742,203,122.21
Prepayments	VII、 7	84,489,104.36	42,883,818.40
Premium Receivable			
Reinsurance Accounts Receivable			
Reinsurance Contract Reserves Receivable			
Other Receivables	VII、 8	44,679,367.27	31,087,166.38
Including: interest receivable			
Dividends Receivable		3,719,979.84	
Buying Back the Sale of Financial Assets			
Inventory	VII、 9	2,296,983,843.07	1,502,751,836.88
Contract Assets			
Holding for-sale assets			
Non-current Assets Due within 1 Year			
Other Current Assets	VII、 13	266,187,079.91	173,824,691.82
Subtotal of Current Assets		8,790,150,434.83	5,359,601,352.52
<b>Non-current Assets:</b>			
Granting of loans and advances			
Investment in Creditor's Rights			
Investment in Other Creditor's Rights			
Long-term Receivables			
Long-term Equity Investment	VII、 17	129,477,775.53	150,295,983.58
Investment in Other Equity Instruments			
Other Non-current Financial Assets			
Investment Property	VII、 20	29,929,216.74	31,603,418.12
Fixed Assets	VII、 21	5,831,567,302.57	4,248,257,966.73
Projects under Construction	VII、 22	1,990,647,471.76	943,993,396.96

Productive Biological Assets			
Oil and gas assets			
Right-of-use Assets		58,788,393.16	
Intangible Assets	VII、26	855,105,073.23	678,561,105.86
Development Expenditure			
Goodwill	VII、28	208,676,584.61	253,310,074.24
Long-term unamortized expenses	VII、29	95,018,634.21	57,679,259.94
Deferred Income Tax Assets	VII、30	135,100,879.84	94,968,559.88
Other Non-current Assets	VII、31	558,231,000.78	296,957,402.06
Total Non-current Assets		9,892,542,332.43	6,755,627,167.37
Total Assets		18,682,692,767.26	12,115,228,519.89
<b>Current Liabilities:</b>			
Short-term loan	VII、32	1,214,591,106.66	400,378,888.89
Borrowings from the Central Bank			
Borrowings from Banks and Other Financial Institutions			
Transactional financial liabilities			
Derivative Financial Liabilities			
Notes Payable	VII、35	2,333,423,633.37	1,471,327,551.91
Accounts Payable	VII、36	3,225,754,064.50	1,898,255,116.17
Received Prepayments	VII、37		
Contract liabilities	VII、38	22,575,563.28	22,685,660.41
Financial Assets Sold for Repurchase			
Deposit Taking and Interbank Deposit			
Receiving from Vicariously Traded Securities			
Receiving from Vicariously Sold Securities			
Payroll payable	VII、39	193,766,884.51	138,292,361.67
Tax Payable	VII、40	148,102,445.81	82,865,303.29
Other Payables	VII、41	15,363,015.51	15,722,105.17
Including: interest payable			
Dividends Payable			
Service Charge and Commission Payable			
Reinsurance Accounts Payable			
Holding for-sale liabilities			
Non-current Liabilities Due within 1 Year	VII、43	19,018,076.84	
Other Current Liabilities	VII、44	193,908,274.06	1,507,896.52
Subtotal of Current Liabilities		7,366,503,064.54	4,031,034,884.03
<b>Non-current Liabilities:</b>			
Insurance Contract Reserves			
Long-term loan	VII、45	310,000,000.00	

Bonds Payable			
Including: Preferred Stocks			
Perpetual Bonds			
Lease Liabilities		40,685,114.26	
Long-term Payables			
Long-term payroll payable			
Expected Liabilities			
Deferred Income	VII、51	269,329,507.52	214,204,302.56
Deferred Income Tax Liabilities	VII、30	75,749,671.63	51,907,987.42
Other Non-current Liabilities			
Total Non-current Liabilities		695,764,293.41	266,112,289.98
Total Liabilities		8,062,267,357.95	4,297,147,174.01
<b>Owners' Equity (or Shareholders' Equity):</b>			
Paid-in capital (or share Capital)	VII、53	1,102,046,572.00	1,054,987,749.00
Other Equity Instruments			
Including: Preferred Stocks			
Perpetual Bonds			
Capital Reserves	VII、55	5,340,798,886.81	3,409,439,863.07
Less: Treasury Share			
Other Comprehensive Incomes	VII、57	-24,978,896.47	-20,631,668.74
Special Reserves			
Surplus Reserves	VII、59	543,809,467.58	474,769,630.86
General Risk Reserves			
Undistributed Profits	VII、60	3,627,091,164.15	2,868,429,319.48
Total Shareholders' Equity Attributable to the Parent Company		10,588,767,194.07	7,786,994,893.67
Minority Shareholders' Equity		31,658,215.24	31,086,452.21
Total Shareholders' Equity		10,620,425,409.31	7,818,081,345.88
Total Liabilities and Shareholders' Equity		18,682,692,767.26	12,115,228,519.89

Legal Representative: Wu Jianshu    Accounting Work Officer: Hong Tieyang    Accounting Institution Officer: Hong Tieyang

### Balance Sheet of the Parent Company

As of 31 December 2021

Prepared by: Ningbo Tuopu Group Co., Ltd.

Unit: Yuan    Currency: RMB

Item	Note	December 31, 2021	December 31, 2020
<b>Current Assets:</b>			
Cash and Bank Balances		495,802,119.38	191,701,837.06
Trading Financial Assets		320,000,000.00	
Derivative Financial Assets			
Notes receivable			
Accounts receivable	XVII、1	1,778,649,685.56	1,840,937,312.96
Receivables Financing		248,682,850.00	
Prepayments		46,040,551.32	20,784,751.77

Other Receivables	XVII、2	136,297,080.46	76,146,034.58
Including: interest receivable			
Dividends Receivable		3,719,979.84	
Inventory		827,202,417.23	658,887,785.40
Contract Assets			
Holding for-sale assets			
Non-current Assets Due within 1 Year			
Other Current Assets			
Subtotal of Current Assets		3,852,674,703.95	2,788,457,721.77
<b>Non-current Assets:</b>			
Investment in Creditor's Rights			
Investment in Other Creditor's Rights			
Long-term Receivables			
Long-term Equity Investment	XVII、3	6,970,931,120.31	4,071,774,944.06
Investment in Other Equity Instruments			
Other Non-current Financial Assets			
Investment Property		29,929,216.74	31,603,418.12
Fixed Assets		2,351,941,233.80	2,125,534,955.22
Projects under Construction		236,446,945.07	324,037,109.77
Productive Biological Assets			
Oil and gas assets			
Right-of-use Assets			
Intangible Assets		253,862,756.23	261,540,370.50
Development Expenditure			
Goodwill			
Long-term unamortized expenses		18,599,173.24	18,012,648.52
Deferred Income Tax Assets		38,776,770.35	33,565,021.69
Other Non-current Assets		84,846,194.82	53,576,040.76
Total Non-current Assets		9,985,333,410.56	6,919,644,508.64
Total Assets		13,838,008,114.51	9,708,102,230.41
<b>Current Liabilities:</b>			
Short-term loan		800,806,666.66	400,378,888.89
Transactional financial liabilities			
Derivative Financial Liabilities			
Notes Payable		531,091,664.57	165,480,933.26
Accounts Payable		1,417,930,187.52	1,070,753,965.63
Received Prepayments			
Contract liabilities		988,691.79	1,448,964.90
Payroll payable		73,996,046.73	73,653,497.54
Tax Payable		69,719,441.49	54,138,713.22
Other Payables		5,080,317.49	5,126,892.30
Including: interest payable			
Dividends Payable			
Holding for-sale liabilities			
Non-current Liabilities Due within 1 Year			



Other Current Liabilities		192,538,221.24	188,365.44
Subtotal of Current Liabilities		3,092,151,237.49	1,771,170,221.18
<b>Non-current Liabilities:</b>			
Long-term loan		300,000,000.00	
Bonds Payable			
Including: Preferred Stocks			
Perpetual Bonds			
Lease Liabilities			
Long-term Payables			
Long-term payroll payable			
Expected Liabilities			
Deferred Income		74,925,064.60	70,962,922.25
Deferred Income Tax Liabilities		54,328,617.08	28,630,095.25
Other Non-current Liabilities			
Subtotal of Non-current Liabilities		429,253,681.68	99,593,017.50
Total Liabilities		3,521,404,919.17	1,870,763,238.68
<b>Owners' Equity (or Shareholders' Equity):</b>			
Paid-in Capital (or Share Capital)		1,102,046,572.00	1,054,987,749.00
Other Equity Instruments			
Including: Preferred Stocks			
Perpetual Bonds			
Capital Reserves		5,340,798,886.81	3,409,439,863.07
Less: Treasury Share			
Other Comprehensive Incomes			
Special Reserves			
Surplus Reserves		543,809,467.58	474,769,630.86
Undistributed Profits		3,329,948,268.95	2,898,141,748.80
Total Owners' Equity (or Shareholders' Equity)		10,316,603,195.34	7,837,338,991.73
Total Liabilities and Owners' Equity (or Shareholders' Equity)		13,838,008,114.51	9,708,102,230.41

Legal Representative: Wu Jianshu    Accounting Work Officer: Hong Tieyang    Accounting Institution Officer: Hong Tieyang

### Consolidated Income Statement

For the Period from January 2021 to December 2021

Unit: Yuan    Currency: RMB

Item	Note	2021	2020
<b>I. Total Operating Revenue</b>		11,462,693,679.86	6,511,094,914.05
Including: Operating Revenue	VII、61	11,462,693,679.86	6,511,094,914.05
Interest Income			
Earned Premiums			
Service Charge and Commission Income			
<b>II. Total Operating Cost</b>		10,244,907,294.48	5,848,025,496.26
Including: Operating Cost	VII、61	9,184,077,297.76	5,034,014,528.39
Interest Expenditures			

Service Charge and Commission Expenses			
Surrender Value			
Net Claims Paid			
Net Amount of Withdrawn Reserve for Insurance Liability Contract			
Policyholder Dividend Expense			
Reinsurance Cost			
Taxes and Surcharges	VII、 62	70,224,214.79	58,072,530.91
Sales Expenses	VII、 63	157,043,325.10	123,896,252.24
Administration expenses	VII、 64	295,450,552.98	233,071,874.47
Research and development expense	VII、 65	502,493,456.38	354,851,747.66
Financial Expenses	VII、 66	35,618,447.47	44,118,562.59
Including: interest expenses		22,173,845.92	19,744,058.04
Interest Income		23,748,186.60	17,108,552.05
Add: Other income	VII、 67	35,952,112.57	33,135,066.17
Investment Income (Mark "-" for Loss)	VII、 68	35,465,407.66	43,244,216.77
Including: Investment Income from Affiliates and Joint Ventures		17,901,771.79	25,080,033.26
Profits from derecognition of Financial Assets at Amortized Cost			
Exchange Gains (Mark "-" for Losses)			
Profit of Net Exposure Hedging (Mark "-" for Loss)			
Incomes from changes in fair value (losses marked with "-")	VII、 70	252,506.50	
Credit Impairment Losses (Mark "-" for Loss)	VII、 71	-75,923,630.95	-19,654,766.99
Asset Impairment Losses (Mark "-" for Loss)	VII、 72	-69,095,096.13	-22,439,872.62
Asset Disposal Income (Mark "-" for Loss)	VII、 73	195,282.02	8,747,482.63
III. Operating Profit (Mark "-" for Loss)		1,144,632,967.05	706,101,543.75
Add: Non-operating Revenues	VII、 74	8,055,283.76	5,654,672.25
Less: Non-operating Expenses	VII、 75	6,415,200.41	1,670,025.65
IV. Total Profit (Mark "-" for Total Loss)		1,146,273,050.40	710,086,190.35
Less: Income Tax Expense	VII、 76	128,441,109.88	79,951,976.75
V. Net Profit (Mark "-" for Net Loss)		1,017,831,940.52	630,134,213.60
(1) Classified by operation continuity			
1. Net Profit as a Going Concern (Mark "-" for Net Loss)		1,017,831,940.52	630,134,213.60
2. Net Profit of Discontinued Operation (Mark "-" for Net Loss)			
(2). Classified by the attribution of ownership			
1. Net Profit Attributable to Shareholders of Parent Company		1,017,253,691.77	628,200,888.31
2. Minority Shareholders' Profit and Loss		578,248.75	1,933,325.29
VI. Net Amount of Other Comprehensive Incomes after Tax		-4,353,713.45	-16,254,480.41

(1) Net Amount of Other Comprehensive Incomes after Tax Attributable to the Parent Company's Owner		-4,347,227.73	-16,250,685.21
1, Other comprehensive income that cannot be reclassified as P/L			
(1) Re-measure the variation of the defined benefit plan			
(2) Other comprehensive income that cannot be transferred to P/L under the equity method			
(3) Changes in the fair value of investment in other equity instruments			
(4) Changes in the fair value of the credit risk of the enterprise			
2. Other comprehensive income that will be reclassified as P/L		-4,347,227.73	-16,250,685.21
(1) Other comprehensive income that can be transferred to P/L under the equity method			
(2) Changes in the fair value of investment in other creditor's rights			
(3) Financial assets reclassified into other comprehensive income			
(4) Provisions for the credit impairment of investment in other creditor's rights			
(5) Cash flow hedge reserves			
(6) Currency translation difference		-4,347,227.73	-16,250,685.21
(7) Others			
(2) Net Amount of Other Comprehensive Incomes After Tax Attributable to Minority Shareholders		-6,485.72	-3,795.20
VII. Total Comprehensive Income		1,013,478,227.07	613,879,733.19
(1) Total Comprehensive Income Attributable to the Parent Company's Owner		1,012,906,464.04	611,950,203.10
(2) Total Comprehensive Income Attributable to Minority Shareholders		571,763.03	1,929,530.09
VIII. Earnings per Share:			
(1) Basic Earnings per Share		0.93	0.60
(2) Diluted Earnings per Share		0.93	0.60

If there is a business combination under the same control in the current period, the net profit earned by the combined party before the combination is: RMB 0, and the net profit earned by the combined party in the previous period is: RMB 0.

Legal Representative: Wu Jianshu    Accounting Work Officer: Hong Tieyang    Accounting Institution Officer: Hong Tieyang

### Income Statement of the Parent Company

For the Period from January 2021 to December 2021

Unit: Yuan    Currency: RMB

Item	Note	2021	2020
I. Operating Revenue	XVII、4	5,953,933,512.30	3,812,588,627.87
Less: Operating Cost	XVII、4	4,689,682,162.26	2,834,521,118.72

Taxes and Surcharges		35,012,834.25	34,558,652.15
Sales Expenses		8,181,542.00	3,458,522.18
Administration expenses		138,293,024.79	116,526,814.41
Research and development expense		334,185,990.08	291,842,003.68
Financial Expenses		1,617,645.39	14,801,082.01
Including: interest expenses		16,038,069.45	19,206,506.13
Interest Income		17,786,838.32	4,849,517.72
Add: Other income		12,194,311.65	14,345,810.36
Investment Income (Mark "-" for Loss)	XVII、5	35,465,407.66	180,416,534.81
Including: Investment Income from Affiliates and Joint Ventures		17,901,771.79	25,080,033.26
Profits from Derecognition of Financial Assets at Amortized Cost			
Profit of Net Exposure Hedging (loss in "-")			
Incomes from changes in fair value (loss in "-")			
Credit Impairment Losses (loss in "-")		-24,390,573.22	-38,718,677.92
Asset Impairment Losses (loss in "-")		-8,494,568.12	-5,058,272.24
Asset Disposal Income (loss in "-")		941,236.12	-601,831.86
II. Operating Profit (loss in "-")		762,676,127.62	667,263,997.87
Add: Non-operating Revenues		1,576,264.30	1,864,571.67
Less: Non-operating Expenses		2,296,967.69	448,631.07
III. Total Profit (total loss in "-")		761,955,424.23	668,679,938.47
Less: Income Tax Expense		71,557,056.98	47,789,719.00
IV. Net Profit (Mark for Net Loss)		690,398,367.25	620,890,219.47
(I) Net Profit as a Going Concern (net loss in "-")		690,398,367.25	620,890,219.47
(II) Net Profit of Discontinued Operation (net loss in "-")			
V. Net Amount of Other Comprehensive Incomes After Tax			
(1) Other comprehensive income that cannot be reclassified as P/L			
1. Re-measure the variation of the defined benefit plan			
2. Other comprehensive income that cannot be transferred to P/L under the equity method			
3. Changes in the fair value of investment in other equity instruments			
4. Changes in the fair value of the credit risk of the enterprise			
(2) Other comprehensive income that will be reclassified as P/L			
1. Other comprehensive income that can be transferred to P/L under the equity method			
2. Changes in the fair value of investment in other creditor's rights			

3. Financial assets reclassified into other comprehensive income			
4. Provisions for the credit impairment of investment in other creditor's rights			
5. Cash flow hedge reserves			
6. Currency translation difference			
7. Others			
VI. Total Comprehensive Income		690,398,367.25	620,890,219.47
VII. Earnings per Share:			
(I) Basic Earnings per Share		0.63	0.59
(II) Diluted Earnings per Share		0.63	0.59

Legal Representative: Wu Jianshu    Accounting Work Officer: Hong Tieshang    Accounting Institution Officer: Hong Tieshang

### Consolidated Cash Flow Statement

For the Period from January 2021 to December 2021

Unit: Yuan    Currency: RMB

Item	Note	2021	2020
I. Cash Flow Generated by Operational Activities:			
Cash from Sales of Merchandise and Provision of Services		12,258,008,436.31	6,530,642,868.71
Net Increase in Customer's Bank Deposits and Interbank Deposits			
Net Increase in Borrowings from the Central Bank			
Net Increase in Borrowings from Other Financial Institutions			
Cash Arising from Receiving Premiums for the Original Insurance Contract			
Net Amount Arising from Reinsurance Business			
Net Increase in Deposits and Investments from Policyholders			
Cash Arising from Interests, Service Charges and Commissions			
Net Increase in Borrowings from Banks and Other Financial Institutions			
Net Increase in Repurchase Business Funds			
Net Amount of Cash Received from the Vicariously Traded Securities			
Tax Refund		308,679,642.97	181,015,889.86
Other Received Cashes Related to Operational Activities	VII、78	132,210,754.56	120,356,568.18
Subtotal of cash inflow from operational activities		12,698,898,833.84	6,832,015,326.75
Cash Paid for Merchandise and Services		9,413,188,151.08	4,171,704,603.08

Net Increase in Loans and Advances to Customers			
Net Increase in Deposits with Central Bank and Other Financial Institutions			
Cash Paid for Original Insurance Contract Claims			
Net increase of funds lent			
Cash Paid for Interests, Service Charges and Commissions			
Cash Paid for Policy Dividends			
Cash Paid to and for Employees		1,292,836,037.31	863,443,268.09
Cash Paid for Taxes and Surcharges		366,068,479.39	339,305,713.24
Other Paid Cashes Related to Operational Activities	VII、78	439,986,972.71	333,876,162.33
Subtotal of cash outflow from operational activities		11,512,079,640.49	5,708,329,746.74
Net cash flow generated by operating activities		1,186,819,193.35	1,123,685,580.01
<b>II. Cash Flow from Investment Activities:</b>			
Cash Arising from Disposal of Investments		1,467,563,635.87	1,678,164,183.51
Cash Arising from Investment Incomes		35,000,000.00	
Net Cash Arising from Disposal of Fixed Assets, Intangible Assets and Other Long-term Assets		51,659,857.46	20,542,230.33
Net Cash Arising from Disposal of Subsidiaries and Other Business Units			
Other Received Cashes Related to Investment Activities			
Subtotal of cash inflow from investment activities		1,554,223,493.33	1,698,706,413.84
Cash Paid for Purchase and Construction of Fixed Assets, Intangible Assets and Other Long-term Assets		3,520,648,226.25	1,405,987,218.49
Cash Paid for Investments		1,770,000,000.00	880,000,000.00
Net Increase in Pledge Loans			
Net Cash Paid for Acquisition of Subsidiaries and Other Business Units			
Other Paid Cashes Related to Investment Activities			
Subtotal of Cash Outflow from Investment Activities		5,290,648,226.25	2,285,987,218.49
Net amount of cash flow generated by investment activities		-3,736,424,732.92	-587,280,804.65
<b>III. Cash Flow from Financing Activities:</b>			
Cash Arising from Absorbing Investments		1,978,417,846.74	
Including: Cash Arising from Subsidiaries Absorbing Investments by Minority			

Shareholders			
Cash Arising from Borrowings		2,179,755,470.00	576,775,000.00
Other Received Cashes Related to Financing Activities	VII、78	1,000,000.00	
Subtotal of cash inflow from financing activities		4,159,173,316.74	576,775,000.00
Cash Paid for Debts Repayment		1,056,449,918.89	921,675,000.00
Cash Paid for Distribution of Dividends and Profits or Payment of Interests		207,000,683.79	220,060,874.38
Including: Dividends and Profits Paid to Minority Shareholders by Subsidiaries			
Other Paid Cashes Related to Financing Activities	VII、78	72,162,183.51	
Subtotal of cash outflow from financing activities		1,335,612,786.19	1,141,735,874.38
Net cash flow generated by financing activities		2,823,560,530.55	-564,960,874.38
<b>IV. Impact of Fluctuation in Exchange Rate on Cash and Cash Equivalents</b>		-13,149,022.08	-11,759,547.02
<b>V. Net Increase in Cash and Cash Equivalents</b>		260,805,968.90	-40,315,646.04
Add: Cash and Cash Equivalents at the Commencement of the Period		674,866,422.08	715,182,068.12
<b>VI. Cash and Cash Equivalents at the End of the Period</b>		935,672,390.98	674,866,422.08

Legal Representative: Wu Jianshu    Accounting Work Officer: Hong Tieyang    Accounting Institution Officer: Hong Tieyang

**Cash Flow Statement of the Parent Company**  
For the Period from January 2021 to December 2021

Unit: Yuan    Currency: RMB

Item	Note	2021	2020
<b>I. Cash Flow Generated by Operational Activities:</b>			
Cash from Sales of Merchandise and Provision of Services		5,102,705,556.30	2,328,443,759.77
Tax Refund			
Other Received Cashes Related to Operational Activities		36,545,686.42	52,156,057.09
Subtotal of cash inflow from operational activities		5,139,251,242.72	2,380,599,816.86
Cash Paid for Merchandise and Services		2,672,538,944.20	1,086,508,531.20
Cash Paid to and for Employees		541,182,194.28	477,432,560.14
Cash Paid for Taxes and Surcharges		225,107,365.46	244,443,630.66
Other Paid Cashes Related to Operational Activities		197,961,036.02	198,896,378.47
Subtotal of cash outflow from operational activities		3,636,789,539.96	2,007,281,100.47

Net cash flow generated by operating activities		1,502,461,702.76	373,318,716.39
<b>II. Cash Flow from Investment Activities:</b>			
Cash Arising from Disposal of Investments		1,467,563,635.87	1,691,336,501.55
Cash Arising from Investment Incomes		35,000,000.00	150,000,000.00
Net Cash Arising from Disposal of Fixed Assets, Intangible Assets and Other Long-term Assets		24,383,813.88	128,809,847.55
Net Cash Arising from Disposal of Subsidiaries and Other Business Units			
Other Received Cashes Related to Investment Activities		311,900,000.00	16,003,000.00
Subtotal of cash inflow from investment activities		1,838,847,449.75	1,986,149,349.10
Cash Paid for Purchase and Construction of Fixed Assets, Intangible Assets and Other Long-term Assets		394,695,648.75	418,264,872.95
Cash Paid for Investments		4,689,974,384.30	1,515,591,204.56
Net Cash Paid for Acquisition of Subsidiaries and Other Business Units			
Other Paid Cashes Related to Investment Activities		369,704,073.13	50,050,000.00
Subtotal of Cash Outflow from Investment Activities		5,454,374,106.18	1,983,906,077.51
Net amount of cash flow generated by investment activities		-3,615,526,656.43	2,243,271.59
<b>III. Cash Flow from Financing Activities:</b>			
Cash Arising from Absorbing Investments		1,978,417,846.74	
Cash Arising from Borrowings		1,250,000,000.00	400,000,000.00
Other Received Cashes Related to Financing Activities		1,000,000.00	
Subtotal of cash inflow from financing activities		3,229,417,846.74	400,000,000.00
Cash Paid for Debts Repayment		550,378,888.89	744,900,000.00
Cash Paid for Distribution of Dividends and Profits or Payment of Interest		204,783,413.17	220,031,735.47
Other Paid Cashes Related to Financing Activities		57,090,308.69	
Subtotal of cash outflow from financing activities		812,252,610.75	964,931,735.47
Net cash flow generated by financing activities		2,417,165,235.99	-564,931,735.47
<b>IV. Impact of Fluctuation in Exchange Rate on Cash and Cash Equivalents</b>			
<b>V. Net Increase in Cash and Cash Equivalents</b>			
Add: Cash and Cash Equivalents at the		304,100,282.32	-189,369,747.49
		191,701,837.06	381,071,584.55



Commencement of the Period			
<b>VI. Cash and Cash Equivalents at the End of the Period</b>		495,802,119.38	191,701,837.06

Legal Representative: Wu Jianshu    Accounting Work Officer: Hong Tieyang    Accounting Institution  
Officer: Hong Tieyang

**Consolidated Statement of Changes in Owners' Equity**  
For the Period from January 2021 to December 2021

Unit: Yuan Currency: RMB

Item	2021														Minority Shareholders' Equity	Total Shareholders' Equity
	Shareholders' Equity Attributable to the Parent Company's Owner															
	Paid-in Capital (or Share Capital)	Other Equity Instruments			Capital Reserves	Less : Treasury Shares	Other Comprehensive Incomes	Special Reserves	Surplus Reserves	General Risk Reserves	Undistributed Profits	Others	Subtotal			
Preferred Stocks		Perpetual Bonds	Others													
I. Balance at the End of Last Year	1,054,987,749.00				3,409,439,863.07		-20,631,668.74		474,769,630.86		2,868,429,319.48		7,786,994,893.67	31,086,452.21	7,818,081,345.88	
Add: Changes in Accounting Policies																
Correction of Errors in the Previous Period																
Consolidated under the Same Control																
Others																
II. Balance at the Start of This Year	1,054,987,749.00				3,409,439,863.07		-20,631,668.74		474,769,630.86		2,868,429,319.48		7,786,994,893.67	31,086,452.21	7,818,081,345.88	
III. Increases or Decreases	47,058,823.00				1,931,359,023.74		-4,347,227.73		69,039,836.72		758,661,844.67		2,801,772,300.40	571,763.03	2,802,344,063.43	

in This Period (Decreases in "-")															
(I) Total Comprehensive Income							-4,347,227.73				1,017,253.69 1.77		1,012,906.46 4.04	571,763.03	1,013,478,227.07
(II) Shareholders' Contribution and Reduction in Capital	47,058,823.00				1,931,359.02 3.74								1,978,417.84 6.74		1,978,417,846.74
1. Common stock invested by the owner	47,058,823.00				1,931,359.02 3.74								1,978,417.84 6.74		1,978,417,846.74
2. Capital Invested by Holders of Other Equity Instruments															
3. Amount of Share-based Payments Recorded into Shareholders'															

Equity															
4. Others															
(III) Profit Distribution									69,039,836.72		-258,591,847.10		-189,552,010.38		-189,552,010.38
1. Appropriation of Surplus Reserves									69,039,836.72		-69,039,836.72				
2. Appropriation of General Risk Reserves															
3. Distribution to Owners (or Shareholders)											-189,552,010.38		-189,552,010.38		-189,552,010.38
4. Others															
(IV) Internal Carry-forward of Shareholders' Equity															
1. Capital Reserves Transferred into Capital (or Share Capital)															
2. Surplus Reserves Transferred into Capital (or Share Capital)															

3. Surplus Reserves Covering Losses															
4. Carry-forward retained earnings of the variation of the defined benefit plan															
5. Other Carry-forward Retained Earnings of the Comprehensive Income															
6. Others															
(V) Special Reserves															
1. Withdrawal in this period															
2. Used in this period															
(VI) Others															
IV. Balance at the End of This Period	1,102,046,572.00				5,340,798,886.81		-24,978,896.47		543,809,467.58		3,627,091,164.15		10,588,767,194.07	31,658,215.24	10,620,425,409.31

Item	2020														
	Shareholders' Equity Attributable to the Parent Company's Owner													Minority Sharehold ers' Equity	Total Shareholders' Equity
	Paid-in Capital (Or Share Capital)				Capital Reserves	Less: Treas ury Shar e	Other Compreh ensive Incomes	Spe cial Res erve s	Surplus Reserve s	Gene ra l Risk Rese rves	Undistri buted Profits	Ot her s	Subtotal		
I. Balance at the End of Last Year	1,054,987,749.00				3,409,439,863.07		-4,380,983.53		412,680,608.91		2,502,765,125.43		7,375,492,362.88	29,156,922.12	7,404,649,285.00
Add: Changes in Accounting Policies															
Correcti on of Errors in the Previous Period															
Consoli dated under the Same Control															
Others															
II. Balance at the Start of This Year	1,054,987,749.00				3,409,439,863.07		-4,380,983.53		412,680,608.91		2,502,765,125.43		7,375,492,362.88	29,156,922.12	7,404,649,285.00
III. Increases or Decreases in This Period (Decreases in “-“)							-16,250,685.21		62,089,021.95		365,664,194.05		411,502,530.79	1,929,530.09	413,432,060.88

(I) Total Comprehensive Income							-16,250,685.21				628,200,888.31		611,950,203.10	1,929,530.09	613,879,733.19
(II) Shareholders' Contribution and Reduction in Capital															
1. Common stock invested by the owner															
2. Capital Invested by Holders of Other Equity Instruments															
3. Amount of Share-based Payments Recorded into Shareholders' Equity															
4. Others															
(III) Profit Distribution									62,089,021.95		-262,536,694.26		-200,447,672.31		-200,447,672.31
1. Appropriation of Surplus Reserves									62,089,021.95		-62,089,021.95				
2.															

Appropriation of General Risk Reserves															
3. Distribution to Owners (or Shareholders)											-200,447,672.31		-200,447,672.31		-200,447,672.31
4. Others															
(IV) Internal Carry-forward of Shareholders' Equity															
1. Capital Reserves Transferred into Capital (or Share Capital)															
2. Surplus Reserves Transferred into Capital (or Share Capital)															
3. Surplus Reserves Covering Losses															
4. Carry-forward retained earnings of the variation															



of the defined benefit plan															
5. Other Carry-forward Retained Earnings of the Comprehensive Income															
6. Others															
(V) Special Reserves															
1. Withdrawal in this period															
2. Used in this period															
(VI) Others															
IV. Balance at the End of This Period	1,054,987,749.00				3,409,439,863.07		-20,631,668.74		474,769,630.86		2,868,429,319.48		7,786,994,893.67	31,086,452.21	7,818,081,345.88

Legal Representative: Wu Jianshu    Accounting Work Officer: Hong Tieyang    Accounting Institution Officer: Hong Tieyang

**Statement of Changes in Owners' Equity of the Parent Company**  
For the Period from January 2021 to December 2021

Unit: Yuan    Currency: RMB

Item	2021										
	Paid-in Capital (or Share Capital)	Other Equity Instruments			Capital Reserves	Less: Treasury Share	Other Comprehensive Incomes	Special Reserves	Surplus Reserves	Undistributed Profits	Total Shareholders' Equity
		Preferred Stocks	Perpetual Bonds	Others							
I. Balance at the End of Last Year	1,054,987,749.00				3,409,439,863.07				474,769,630.86	2,898,141,748.80	7,837,338,991.73
Add: Changes in											

Accounting Policies											
Correction of Errors in the Previous Period											
Others											
II. Balance at the Start of This Year	1,054,987,749.00				3,409,439,863.07				474,769,630.86	2,898,141,748.80	7,837,338,991.73
III. Increases or Decreases in This Period (Decreases in “-“)	47,058,823.00				1,931,359,023.74				69,039,836.72	431,806,520.15	2,479,264,203.61
(1) Total comprehensive income										690,398,367.25	690,398,367.25
II) Shareholders' Contribution and Reduction in Capital	47,058,823.00				1,931,359,023.74						1,978,417,846.74
1. Common stock invested by the owner	47,058,823.00				1,931,359,023.74						1,978,417,846.74
2. Capital Invested by Holders of Other Equity Instruments											
3. Amount of Share-based Payments Recorded into Shareholders' Equity											
4. Others											
(III) Profit Distribution									69,039,836.72	-258,591,847.10	-189,552,010.38
1. Appropriation of Surplus Reserves									69,039,836.72	-69,039,836.72	
2. Distribution to Owners (or Shareholders)										-189,552,010.38	-189,552,010.38
3. Others											
(IV) Internal Carry-forward of Shareholders' Equity											
1. Capital Reserves Transferred into Capital (or Share Capital)											

2. Surplus Reserves Transferred into Capital (or Share Capital)											
3. Surplus Reserves Covering Losses											
4. Carry-forward retained earnings of the variation of the defined benefit plan											
5. Other Carry-forward Retained Earnings of the Comprehensive Income											
6. Others											
(V) Special Reserves											
1. Withdrawal in this period											
2. Used in This Period											
(VI) Others											
IV. Balance at the End of This Period	1,102,046,572.00				5,340,798,886.81				543,809,467.58	3,329,948,268.95	10,316,603,195.34

Item	2020										
	Paid-in Capital (Or Share Capital)	Other Equity Instruments			Capital Reserves	Less: Treas ury Share	Other Com prehe nsive Inco mes	Speci al Reser ves	Surplus Reserves	Undistributed Profits	Total Shareholders' Equity
		Preferre d Stocks	Perpetual Bonds	Others							
I. Balance at the End of Last Year	1,054,987,749.00				3,409,439,863.07				412,680,608.91	2,539,788,223.59	7,416,896,444.57
Add: Changes in Accounting Policies											
Correction of Errors											

in the Previous Period											
Others											
II. Balance at the Start of This Year	1,054,987,749.00				3,409,439,863.07				412,680,608.91	2,539,788,223.59	7,416,896,444.57
III. Increases or Decreases in This Period (Decreases in “-“)									62,089,021.95	358,353,525.21	420,442,547.16
(I) Total Comprehensive Income										620,890,219.47	620,890,219.47
(II) Shareholders' Contribution and Reduction in Capital											
1. Common stock invested by the owner											
2. Capital Invested by Holders of Other Equity Instruments											
3. Amount of Share-based Payments Recorded into Shareholders' Equity											
4. Others											
(III) Profit Distribution									62,089,021.95	-262,536,694.26	-200,447,672.31
1. Appropriation of Surplus Reserves									62,089,021.95	-62,089,021.95	
2. Distribution to Owners (or Shareholders)										-200,447,672.31	-200,447,672.31
3. Others											
(IV) Internal Carry-forward of Shareholders' Equity											
1. Capital Reserves Transferred into Capital (or Share Capital)											
2. Surplus Reserves											

Transferred into Capital (or Share Capital)											
3. Surplus Reserves Covering Losses											
4. Carry-forward retained earnings of the variation of the defined benefit plan											
5. Other Carry-forward Retained Earnings of the Comprehensive Income											
6. Others											
(V) Special Reserves											
1. Withdrawal in this period											
2. Used in this period											
(VI) Others											
IV. Balance at the End of This Period	1,054,987,749.00				3,409,439,863.07				474,769,630.86	2,898,141,748.80	7,837,338,991.73

Legal Representative: Wu Jianshu    Accounting Work Officer: Hong Tieyang    Accounting Institution Officer: Hong Tieyang

### III. Basic Information about the Company

#### 1. Company Profile

√Applicable □Non-applicable

Ningbo Tuopu Group Co., Ltd. (hereinafter referred to as "Company" or "The Company"), a company limited by shares changed from Ningbo Tuopu Brake System Co., Ltd., incorporated by MECCA INTERNATIONAL HOLDING (HK) LIMITED, Ningbo Jinlun Equity Investment Partnership (Limited Partnership) and Ningbo Jinrun Equity Investment Partnership (Limited Partnership), holder of the Corporate Business License (Registration No.: 91330200761450380T), listed on Shanghai Stock Exchange (SSE) in March 2015, is specialized in manufacturing - automobile manufacturing.

As of December 31, 2021, the Company has issued a total of 1,102,046,572 shares, with a registered capital of RMB 1,102,046,572 million, registered address: 268 Yuwangshan Road, Daqi Street, Beilun District, Ningbo, Zhejiang, headquartered in 268 Yuwangshan Road, Daqi Street, Beilun District, Ningbo, Zhejiang, is engaged in R&D, production and sales of automobile parts. MECCA INTERNATIONAL HOLDING (HK) LIMITED is the parent company of the Company is, and Wu Jianshu is the actual controller of the Company.

This financial statement was approved for release by the Board of Directors on April 13, 2022.

#### 2. Scope of consolidated statement

√Applicable □Non-applicable

As of December 31<sup>st</sup>, 2021, the subsidiaries included in the scope of consolidated statement of the Company are as follows:

Name of Subsidiary
1.Ningbo Tuopu Import and Export Co., Ltd. (hereinafter referred to as "Tuopu Imp&Exp.")
2. Ningbo Tuopu Automobile Parts Co., Ltd. (hereinafter referred to as "Tuopu Parts")
3. Ningbo Tuopu Acoustics Vibration Technology Co., Ltd. (hereinafter referred to as "Tuopu Acoustics Vibration")
4. Yantai Tuopu Automobile Parts Co., Ltd. (hereinafter referred to as "Yantai Tuopu")
5. Liuzhou Tuopu Automobile Parts Co., Ltd. (hereinafter referred to as "Liuzhou Tuopu")
6. Shenyang Tuopu Automobile Parts Co., Ltd. (hereinafter referred to as "Shenyang Tuopu")
7. Ningbo Tuopu Intelligent braking system Co., Ltd. (hereinafter referred to as "Tuopu Intelligent Brake")
8. Tuopu North American Ltd (hereinafter referred to as "North American ")
9. Ningbo Qianhui Automobile Trim Parts Co., Ltd. (hereinafter referred to as "Ningbo Qianhui")
10. Tuopu North American USA Limited,INC (hereinafter referred to as "Tuopu North American USA")
11. Sichuan Tuopu Automobile Parts Co., Ltd. (hereinafter referred to as "Sichuan Tuopu")
12. Wuhan Tuopu Maigao Automobile Parts Co., Ltd. (hereinafter referred to as "Wuhan Tuopu")
13. Pinghu Tuopu Special Fabric Co., Ltd. (hereinafter referred to as "Pinghu Tuopu")
14. Shanghai Towin Automotive Technology Co., Ltd. (hereinafter referred to as "Shanghai Towin")
15. Ningbo Tuopu Industrial Automation Co., Ltd. (hereinafter referred to as "Tuopu Industrial Automation")
16. Ningbo Tuopu Investment Co., Ltd. (hereinafter referred to as "Tuopu Investment")

Name of Subsidiary
17. Ningbo Yuxiang E-commerce Co., Ltd. (hereinafter referred to as "Yuxiang E-commerce")
18. Tuopu Group International Co., Ltd. (hereinafter referred to as "Tuopu International")
19. Baoji Tuopu Maigao Automobile Parts Co., Ltd. (hereinafter referred to as "Baoji Tuopu")
20. Taizhou Tuopu Automobile Parts Co., Ltd. (hereinafter referred to as "Taizhou Tuopu")
21. Ningbo Tuopu Mechatronic System Co., Ltd. (hereinafter referred to as "Tuopu Mechatronic System")
22. Tuopu Do Brasil Autopeças Ltda. (hereinafter referred to as "Tuopu Brasil")
23. Tuopu Sweden Technology AB (hereinafter referred to as "Tuopu Sweden")
24. Jinzhong Tuopu Automobile Parts Co., Ltd. (hereinafter referred to as "Jinzhong Tuopu")
25. Shenzhen Towin Automotive Technology Co., Ltd. (hereinafter referred to as "Shenzhen Towin")
26. Zhejiang Towin Automobile Parts Co., Ltd. (hereinafter referred to as "Zhejiang Towin")
27. Sichuan Maigao Automobile Parts Co., Ltd. (hereinafter referred to as "Sichuan Maigao")
28. Hunan Tuopu Automobile Parts Co., Ltd. (hereinafter referred to as "Hunan Tuopu")
29. TUOPU (MALAYSIA) SDN.BHD. (hereinafter referred to as "Tuopu Malaysia")
30. Tuopu USA, LLC (hereinafter referred to as "Tuopu USA")
31. Ningbo Tuopu Chassis System Co., Ltd. (hereinafter referred to as "Tuopu Chassis")
32. Tuopu EV Thermal Management System (Ningbo) Co., Ltd. (hereinafter referred to as "Tuopu Thermal Management")
33. Huzhou Tuopu Automobile Parts Co., Ltd. (hereinafter referred to as "Huzhou Tuopu")
34. Xi'an Tuopu Automobile Parts Co., Ltd. (hereinafter referred to as "Xi'an Tuopu")
35. Shanghai Tuopu Automobile Parts Co., Ltd. (hereinafter referred to as "Shanghai Tuopu")
36. TUOPU POLAND SP.Z.O.O (hereinafter referred to as "Tuopu Poland")
37. Tuopu Photovoltaic Technology (Ningbo Beilun) Co., Ltd. (hereinafter referred to as "Tuopu Photovoltaic Technology (Ningbo Beilun)")
38. Tuopu Photovoltaic Technology (Ningbo Hangzhou Bay New Area) Co., Ltd. (hereinafter referred to as "Tuopu Photovoltaic Technology (Ningbo Hangzhou Bay New Area)")
39. Tuopu Photovoltaic Technology (Pinghu) Co., Ltd. (hereinafter referred to as "Tuopu Photovoltaic Technology (Tuopu Photovoltaic Technology (Pinghu))")
40. Ningbo Yuxiang Smart Mobility Co., Ltd. (hereinafter referred to as "Yuxiang Smart Mobility")
41. Tuopu Automotive Chassis (Chongqing) Co., Ltd. (hereinafter referred to as "Chongqing Chassis")

More details about the subsidiaries of the Company are available in "IX. Interests in other entities".

More details about the changes in the scope of consolidation are available in "VIII. Changes in the scope of consolidation".

#### IV. Basis for Preparing the Financial Statement

##### 1. Basis for the preparation

The Company prepares the financial statement, as a going concern. based on transactions and matters that have actually occurred, in accordance with “Accounting Standards for Business Enterprises - Basic Standards” issued by the Ministry of Finance and all specific accounting standards, application guidelines for accounting standards for business enterprises, explanations on the accounting standards for business enterprises and other related regulations (hereinafter collectively as “Accounting Standards for Business Enterprises”), and the disclosure provisions in the “Preparation Rules for Information Disclosures by Companies Offering Securities to the Public No. 15 - General Provisions on Financial Reports” issued by CSRC.

##### 2. Going concern

√Applicable ☐Non-applicable

These financial statements have been prepared on a going concern basis.

The Company has going-concern ability for at least 12 months from the end of the reporting period, without any significant item affecting the capability for continuing as a going concern.

#### V. Significant Accounting Policies and Accounting Estimates

Notes to specific accounting policies and accounting estimates:

√Applicable ☐Non-applicable

The following disclosures cover the specific accounting policies and accounting estimates formulated by the Company according to the characteristics of its production and operation.

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

These financial statements are in line with the provisions of the “Accounting Standards for Business Enterprises” as enacted by the Ministry of Finance, and truly and fully reflect the consolidated and the parent’s financial standing as of December 31, 2021, as well as the consolidated and the parent’s operating results and cash flows in 2021.

##### 2. Accounting Period

The period from the 1st day of January to the 31st day of December in the Gregorian calendar is counted as an accounting period.

##### 3. Operating cycle

√Applicable ☐Non-applicable

The Company's operating cycle is 12 months.

##### 4. Functional currency

The functional currency applicable to the Company is Renminbi. Subsidiaries affiliated to the Company determine their functional currency according to the main economic environment in which they are operating. These financial statements will be presented in RMB.

##### 5. The accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control

√Applicable ☐Non-applicable

Business combination under common control: The assets and liabilities acquired by the merging party in business combination shall be measured at the book value of the assets, liabilities of the merged party (including goodwill incurred in the acquisition of the merged party by ultimate controlling party) in the consolidated financial statements of the ultimate controlling party on the date of combination. The difference between the book value of the net assets obtained and the book value of the consideration paid for the combination (or total nominal value of the issued shares) is adjusted to capital premium in capital



reserve. Adjustments shall be made to retained earnings in the event that the share premiums in the capital reserves are not sufficient for write-down.

Business combinations involving entities not under common control: The assets paid and liabilities incurred or committed as a consideration of business combination by the merging party were measured at fair value on the date of acquisition and the difference between the fair value and its book value shall be charged to the profit or loss for the period. Where the cost of combination is higher than the fair value of the identifiable net assets acquired from the merging party in business combination, such difference shall be recognized as goodwill; where the cost of combination is less than the fair value of the identifiable net assets acquired from the merging party in business combination, such difference shall be charged to the profit or loss for the period. The identifiable assets, liabilities and contingent liabilities of the merged party obtained in business combination that meet the recognition conditions are measured at their fair values on the purchase date.

The fees which are directly related to the business combination shall be recognized as the profit or loss in the period when the costs are incurred; the transaction expenses of issuing equity securities or debt securities for business merger shall be initially capitalized for equity securities or debt securities.

## **6. Preparation method of consolidated financial statements**

☒Applicable ☐Non-applicable

### **(1). Scope of Consolidation**

The scope of consolidation of the consolidated financial statements is based on controlling interests and includes the Company and all the subsidiaries. Control means that the Company has the rights over the investee, enjoys variable returns through participating in relevant activities of the investee, and has the ability to influence the amount of returns by exercising its rights over the investee.

### **(2). Procedures of Consolidation**

The Company regards the Enterprise Group as an accounting entity and prepares consolidated financial statements in accordance with unified accounting policies to reflect the overall financial position, operating result and cash flow of the Enterprise Group. The influence of internal transactions between the Company and the Subsidiaries and between the Subsidiaries shall be offset. Where internal transaction indicates the occurrence of impairment loss to relevant assets, such loss shall be recognized in full. In preparing the consolidated financial statements, where the accounting policies and the accounting periods are inconsistent between the Company and subsidiaries, the financial statements of subsidiaries are adjusted where necessary in accordance with the accounting policies and accounting period of the Company.

The owner's equity, the net profit or loss and the comprehensive income attributable to minority shareholders of a subsidiary of the current period are presented separately under the owners' equity in the consolidated balance sheet, the net profit and the total comprehensive income in the consolidated income statement respectively. Where losses attributable to the minority shareholders of a subsidiary of the current period exceed the minority shareholders' interest entitled in the shareholders' equity of the subsidiary at the beginning of the period, the excess is allocated against the minority shareholders interest.

### **(1) Acquisition of subsidiaries or Business**

For acquisition of subsidiaries or business due to business combination involving entities under common control during the reporting period, the operating results and cash flows of such subsidiaries

or business from the beginning to the end of the reporting period when the acquisition occurs shall be included in the consolidated financial statements. Adjustments shall be made to the opening balance of the consolidated financial statements and the related items in the comparative statements simultaneously as if the consolidated reporting entity has been in existence since the beginning of the control by the ultimate controlling party.

Where the control over the investee under common control is made possible due to additional investment or other reasons, the equity investment held before gaining control of the combined party is recognized as relevant profit or loss, other comprehensive income and changes of other net assets at the later of the date of acquisition of the original equity and the date when the combining and the combined parties are under common control, and shall be written down to the opening retained earnings or current profit or loss in the comparative reporting period.

For acquisition of subsidiaries or business due to business combination involving entities not under common control during the reporting period, the identifiable assets, liabilities and contingent liabilities shall be included in the consolidated financial statements based on the fair value determined on the date of the acquisition.

In connection with imposing control over the investee not under joint control due to additional investment and other reasons, the equity of acquiree held before acquisition date shall be remeasured by the Company at the fair value of such equity on the acquisition date and the difference between fair value and book value shall be recognized as investment income in current period. Other comprehensive income related to the equity held by the Acquiree before the acquisition date which can be reclassified into future profit or loss, and other changes of owners' equity accounted for under equity

## (2) Disposal of Subsidiaries or Business

### General Treatment

When losing control of the investee due to partial disposal of the equity investment, or any other reasons, the remaining equity investment is remeasured at fair value at the date in which control is lost. The sum of consideration received from disposal of equity investment and the fair value of the remaining equity investment, net of the difference between the sum of the Company's previous share of the subsidiary's net assets recorded from the acquisition date or combination date and the sum of goodwill, is recognized in investment income in the period in which control is lost. Other comprehensive income related to the equity investment of the original subsidiary that can be reclassified into future profit or loss, and other changes of owners' equity accounted for under equity method shall be recognized in investment income in the period in which control is lost.

### Disposal of Subsidiary Achieved by Stages

When disposal of equity interests of subsidiaries through multiple transaction until the control is lost, generally transactions in stages are treatment as a package deal in accounting if the transaction terms, conditions, and economic impact of disposal of the subsidiary's equity interests comply with one or more of the following:

- i. These transactions are achieved at the same time or the mutual effects on each other are considered;
- ii. A complete set of commercial results can be achieved with reference to the series of transactions as a whole;
- iii. Achieving a transaction depends on at least achieving of one of the other transaction;
- iv. One transaction recognized separately is not economical, but it is economical when considered together with other transactions.

When losing control of a subsidiary in disposal of equity interests through multiple transactions is recognized as a package deal, these transactions shall be in accounting treated as loss control of a subsidiary in disposal of equity interests achieved. However, the differences between price on each disposal and disposal of investment on the subsidiary's net assets shall be recognized in other

comprehensive income in the consolidated financial statements, and included in profit or loss for the period when the control is lost.

When all transactions in disposal of equity interests of subsidiaries are not a package deal, accounting treatment for partial disposal of equity investments of subsidiary without losing control shall be applied before control is lost. When the control is lost, general accounting treatment for disposal of a subsidiary shall be used.

### (3) Acquisition of Minority Interest of Subsidiaries

The Company shall adjust the share premium in the capital reserve of the consolidated balance sheet with respect to any difference between the long-term equity investment arising from the purchase of minority interest and the net assets attributing to the parent company continuously calculated on the basis of the newly increased share proportion as of the acquisition date or date of combination, adjust the retained earnings if the share premium in the capital reserve is insufficient for write-down.

### (4) Partial Disposal of Equity Investment in Subsidiaries without Losing Control

Disposal price and disposal of long-term equity investment shall be entitled to the difference between the shares of the net assets of the subsidiaries calculated continuously from the date of purchase or acquisition. Adjustments shall be made to the equity premiums in the capital reserve of consolidated balance sheet. When the equity premiums in the capital reserve are not sufficient for write-down, the retained earnings shall be adjusted.

## 7. Classification of Joint Arrangement and Accounting Treatment Methods of Joint Operation

√Applicable □Non-applicable

Joint arrangement can be divided into joint operation and joint venture.

Joint operation refers to a joint arrangement in which the parties have rights to the assets and obligations for the liabilities relating to the joint operation.

The Company recognizes the following items related to the share of interests in the joint operation:

(1) Recognize the assets held separately by the Company and the assets jointly held in accordance with the share of the Company;

(2) Recognize the liabilities assumed separately by the Company and the liabilities jointly assumed in accordance with the share of the Company;

(3) Recognize the income generated through the sale of the Company's share of the output of the joint operation;

(4) Recognize the income generated through the sale of the output of the joint operation in accordance with the share of the Company;

(5) Recognize the expenses incurred separately, and the expenses incurred in joint operation in accordance with the share of the Company.

The Company's investment in joint venture is accounted for by the equity method, as specified in the note "V. 21. Long-term Equity Investment".

## 8. Recognition criteria of cash and cash equivalents

Cash refers to the cash on hand of the Company and deposits that are available for payment at any time. Cash equivalents refer to investments held by the Company featuring short duration, strong liquidity, easy conversion into cash of known amount and low risk of changes in value.

## 9. Conversion of transactions and financial statements denominated in foreign currencies

√Applicable □Non-applicable

### (1) Foreign currency transactions

Foreign currency transactions shall be translated into RMB at the spot exchange rate on the day when the transactions occurred, or at an exchange rate fixed in accordance with a systematic and reasonable method that is similar to the spot exchange rate on the day when the transactions occurred.

Balance sheet date foreign currency monetary items shall be translated using the spot exchange rate at the balance sheet date. The resulting exchange differences are recognized in profit or loss for the current period, except for those differences related to the principal and interest on a specific-purpose

borrowing denominated in foreign currency for acquisitions, construction or production of the qualified assets, which should be capitalized as cost of the assets.

## 2. Translation of foreign currency financial statements

All assets and liabilities items in balance sheet are translated based on spot exchange rate on the balance sheet date; owners' equity items other than "undistributed profits" are translated at a spot exchange rate when accrued. Revenue and expense items as contained in the income statement are translated at a spot exchange rate at the transaction occurrence date. For disposal of overseas operation, the translation difference as stated in the foreign currency financial statements relating to overseas operation, is accounted for in the profit and loss account in the current period from owners' equity items.

## 10. Financial instruments

☒Applicable ☐Non-applicable

The Company recognizes a financial asset, financial liability or equity instrument when it becomes a party to a financial instrument contract.

### 1. Classification of the financial instruments

According to the Company's business model for management of the financial assets and the contractual cash flow features of the financial assets, the financial assets, when initially recognized, are classified as: financial assets at amortized cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss.

For financial assets that meet the following conditions and are not designated to be measured at fair value through the current profit or loss, the Company classifies them as financial assets at amortized cost:

- The business model is aimed at collecting contract cash flow;
- Contract cash flow is the payment of principal and interest based on the outstanding principal amount.

For financial assets that meet the following conditions and are not designated to be measured at fair value through current profit or loss, the Company classifies them as financial assets at fair value through other comprehensive income (debt instruments).

- The business model is aimed at both collecting contract cash flows and selling financial asset;
- Contract cash flow is the payment of principal and interest based on the outstanding principal amount.

The Company will, at the time of initial recognition, irrevocably designate non-trading investments in equity instruments as financial assets measured at fair value and the change shall be included in other comprehensive income (equity instrument). The designation is made on the basis of independent investment, and the related investments fit the definition of an equity instrument from an issuer's perspective.

In addition to the aforementioned financial assets at amortized cost and at fair value through other comprehensive income, the Company classifies all other financial assets as financial assets at fair value through current profit or loss. At the time of initial recognition, for financial assets that should have been classified as financial assets at amortized cost or fair value through other comprehensive income, the Company can irrevocably designate them as financial assets at fair value through current profit or loss in order to eliminate or significantly reduce the accounting mismatch.

The financial liabilities, when initially recognized, are classified as: financial liabilities at fair value through profit or loss and financial liabilities at amortized cost.

Financial liabilities which meet one of the following conditions will be, when initially measured, designated as financial liabilities at fair value through profit or loss:

1) Such designation may be able to eliminate or significantly reduce the accounting mismatch.

2) The portfolio of financial liabilities or the portfolio of financial assets and financial liabilities shall be subject to management and performance evaluation on the basis of fair value according to the enterprise risk management or investment strategy contained in the formal documentations, and a report shall be made to the key management personnel within the enterprise on this basis.

3) Such financial liabilities shall contain embedded derivatives to be split separately.

## 2. Recognition and measurement of financial instruments

### (1) Financial assets at amortized cost

Financial assets at amortized cost include notes receivable, accounts receivable, other receivables, long-term receivables and creditors investment, which shall be initially measured at fair value, and the relevant transaction expenses should be initially capitalized; The accounts receivable that do not contain material financing compositions and those for which the Company decides to not take into account the financing compositions of no more than one year shall be initially measured at the contract transaction price.

The interest calculated by effective interest method during the holding period is recorded into the current profit and loss.

At the time of recovery or disposal, the difference between the price obtained and the book value shall be included in the current profit or loss.

(2) Financial assets measured at fair value and its changes are included in other comprehensive income (debt instruments)

Financial assets measured at fair value and its changes are included in other comprehensive income (debt instruments) include receivables financing and investments in other creditor's rights. They are initially measured at fair value, and the value, other than the interest, the impairment loss or profit and the profit or loss on foreign exchange, shall be included in other comprehensive income.

Upon derecognition, the cumulative profits or losses previously included in other comprehensive income shall be removed from other comprehensive income and included in the profit or loss for the period.

### (3) Financial assets at fair value through other comprehensive income (equity instruments)

Financial assets at fair value through other comprehensive income (equity instruments) include investment in other equity instruments. They are initially measured at fair value, and the transaction expenses shall be initially capitalized. These financial assets are subsequently measured at fair value, and the change in fair value shall be included in other comprehensive income. The dividends obtained shall be included in the profit or loss for the period.

Upon derecognition, the cumulative profits or losses previously included in other comprehensive income shall be removed from other comprehensive income and included in the carry-forward retained earnings.

### (4) Financial assets at fair value through profit or loss in this period

Financial assets at fair value through profit or loss include trading financial assets, derivative financial assets and other non-current financial assets. They are initially measured at fair value, and the transaction expenses related to them are included in the profit or loss for the period. These financial assets are subsequently measured at fair value, and the change in fair value shall be included in the profit or loss for the period.

### (5) Financial Liabilities Measured in Fair Value with Changes Recorded into Current Profit and Loss

Financial liabilities at fair value through profit or loss include trading financial liabilities and derivative financial liabilities. They are initially measured at fair value, and the transaction expenses related to them are included in the profit or loss for the period. These financial liabilities are subsequently measured at fair value, and the change in fair value shall be included in the profit or loss for the period.

Upon derecognition, the difference between their book value and the consideration paid is included in the profit or loss for the period.

#### (6) Financial liabilities at amortized cost

Financial liabilities at amortized cost include short-term loans, notes payable, accounts payable, other payables, long-term loans, bonds payable, and long-term payables. They are initially measured at fair value, and the transaction expenses shall be initially capitalized.

The interest calculated by effective interest method during the holding period is recorded into the current profit and loss.

Upon derecognition the difference between the consideration paid and the book value of these financial liabilities is included in the current profit or loss.

### 3. Derecognition and transfer of financial assets

The Company derecognizes financial assets when any one of the following conditions is satisfied:

- The contractual right to receive cash flows of the financial assets has been terminated;
- The financial asset have been transferred and virtually all the risks and rewards related to the ownership of the financial asset shave been transferred to the transferee;
- The financial assets have been transferred, and while the Company has neither transferred nor retained virtually all of the risks and rewards related to the ownership of the financial assets, it has not retained control of the financial assets.

The financial assets have been transferred, and while the Company has neither transferred nor retained virtually all of the risks and rewards related to the ownership of the financial assets, it has not retained control of the financial assets.

The substance-over-form principle shall be adopted while making judgment on whether the transfer of financial assets satisfies the above conditions for termination of recognition.

The transfer of financial assets can be classified into entire transfer and partial transfer. If the transfer of an entire financial asset satisfies the conditions for termination of recognition, the difference between the two amounts below shall be recorded into profit or loss for the period:

(1) The book value of the financial asset transferred;

(2) The consideration received as a result of the transfer, plus the accumulative amount of the change in fair value previously recorded into the owners' equities (in cases where the transferred financial assets are financial assets at fair value through other comprehensive income (debt instruments)).

If the partial transfer of financial assets satisfies the conditions for termination of recognition, the overall book value of the transferred financial asset shall be apportioned according to their respective relative fair value between the recognition terminated part and the remaining part, and the difference between the two amounts below shall be recorded into profit or loss for the current period:

(1) The book value of the recognition terminated portion;

(2) The sum of consideration of the recognition terminated portion and the corresponding portion of accumulated change in fair value previously recorded into owners' equity (in cases where the transferred financial assets are financial assets at fair value through other comprehensive income (debt instruments)). Financial assets will still be recognized if they fail to satisfy the conditions for termination of recognition, with the consideration received recognized as a financial liability.

### 4. Recognition for termination of financial liabilities

When the current obligation under a financial liability is completely or partially discharged, the recognition of the whole or relevant portion of the liability is terminated; an agreement is entered between the Company and a creditor to replace the original financial liabilities with new financial

liabilities with substantially different terms, terminate the recognition of the original financial liabilities as well as recognize the new financial liabilities.

If all or part of the contract terms of the original financial liabilities are substantially amended, the recognition of the original financial liabilities will be terminated in full or in part, and the financial liabilities whose terms have been amended shall be recognized as a new financial liability.

When recognition of financial liabilities is terminated in full or in part, the difference between the book value of the financial liabilities terminated and the consideration paid (including transferred non-cash assets or new financial liability) is recognized in profit or loss for the current period.

Where the Company repurchases part of its financial liabilities, the book value of such financial liabilities will be allocated according to the relative fair value between the continued recognized part and terminated part on the repurchase date. The difference between the book value of the financial liabilities terminated and the consideration paid (including transferred non-cash assets or new financial liability) is recognized in profit or loss for the current period.

#### 5. Method of determining the fair values of financial assets and liabilities

The fair value of a financial instrument that is traded in an active market is determined at the quoted price in the active market. The fair value of a financial instrument that is not traded in an active market is determined by using a valuation technique. The Company uses the valuation technique when it is applicable under current conditions and there are enough available data and other information to support and the technique should maximize the use of relevant observable. It chooses the inputs which are consistent with the asset or liability's characteristics considered by market participants in the transaction of the relevant asset or liability and makes the maximum use of relevant observable inputs. Unobservable inputs are used under the circumstance that the relevant observable inputs cannot be obtained or not feasible.

#### 6. Test method and accounting treatment for impairment of financial assets

The Company estimates the expected credit loss on the financial assets at amortized cost and the financial assets at fair value through other comprehensive income (debt instruments), and financial guarantee contracts, either alone or in combination.

The Company calculates the probability-weighted amount of the current value of the difference between the cash flows receivable under the Contract and the cash flows expected to receive, and recognizes the expected credit loss, by taking into account all the reasonable and well-founded information, including past events, current condition and forward-looking economic situation, and weighting the risk of default.

If the credit risk of this financial instrument has been significantly increased upon initial recognition, the Company measures its loss provision in accordance with the amount equivalent to the expected credit loss of the financial instrument throughout the duration; if the credit risk of this financial instrument is not significantly increased upon initial recognition, the Company will measure the loss provision of this financial instrument by the amount of its expected credit loss in the twelve months to come. The increased or reversed amount of the loss provision resulting therefrom is included in the current profit or loss as the impairment loss or profit.

The Company recognizes the relative changes in the risk of default within the expected duration of financial instruments, and assesses whether the credit risk of financial instruments has significantly increased since the initial recognition by comparing the risk of default of financial instruments on the

balance sheet date with the risk of default on the initial recognition date. If the financial instrument becomes overdue for more than 30 days, the Company believes that the credit risk of this financial instrument has been significantly increased, unless there are concrete evidences that the credit risk of this financial instrument has not been significantly increased upon initial recognition.

If the financial instrument carries low credit risk at the balance sheet date, the Company believes that the credit risk of this financial instrument is not significantly increased upon initial recognition.

If there are objective evidences showing that a certain financial asset has been subject to credit impairment, the Company will accrue impairment provision for this financial asset on the individual asset basis.

The Company will always measure the loss provision for the accounts receivable and contract assets generated by transactions regulated by “Accounting Standards for Enterprises No. 14 – Revenue” (2017), whether they contain material financing compositions or not, by the amount of the expected credit loss throughout the duration.

The Company will always measure the loss provision for the lease receivable by the amount of the expected credit loss throughout the duration.

The Company shall write down the book balance of a financial asset directly if it no longer reasonably expects that the contract cash flow of the financial asset can be recovered in whole or in part.

## **11. Notes receivable**

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

☐Applicable ☒Non-applicable

## **12. Accounts receivable**

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

☐Applicable ☒Non-applicable

## **13. Receivables financing**

☐Applicable ☒Non-applicable

## **14. Other accounts receivable**

### **Determination method and accounting treatment method of expected credit loss of other accounts receivable**

☐Applicable ☒Non-applicable

## **15. Inventories**

☒Applicable ☐Non-applicable

### **1. Category and cost of inventories**

Inventories are classified as raw materials, turnover materials, commodity stocks, products in progress and materials commissioned for processing.

Inventories are initially measured at cost. Inventory costs include procurement costs, processing costs, and other expenses incurred to bring the inventory to its current location and condition.

### **2. Determination of cost for delivered inventory**

Cost of inventories is determined using the weighted average method.

### **3. Basis for the determination of net realizable value and different type of inventories**

On the balance sheet date, inventories shall be measured at the lower of cost and net realizable value. A provision shall be made for inventory price drops if inventory costs exceed the net realizable value. Net realizable value refers to the amount after deducting the estimated costs to be incurred at the time of



completion, the estimated selling expenses and taxes from the estimated sales price of inventories during daily activities.

Net realizable value of held-for-sale commodity stocks, such as finished goods, goods-in-stock, and held-for-sale raw materials, during the normal course of production and operation, shall be determined by their estimated sales less the related selling expenses and taxes; the net realizable value of material inventories, which need to be processed, during the normal course of production and operation, shall be determined by the amount after deducting the estimated cost of completion, estimated selling expenses and relevant taxes from the estimated selling price of finished goods; the net realizable value of inventories held for execution of sales contracts or labor contracts shall be calculated on the ground of the contracted price. If an enterprise holds more inventories than the quantity stipulated in the sales contract, the net realizable value of the exceeding part shall be calculated on the ground of general selling price.

The inventory falling price reserves withdrawn shall be reversed within the amount withdrawn, and the reversed amount shall be included in current profit or loss, if the net realizable value of an inventory is higher than its book value after the withdrawal due to the disappearance of the factors that influence the writing-down of its value.

#### 4. Inventory system

The perpetual inventory system is adopted.

#### 5. Amortization of low-value consumables and packaging materials

Low-value consumables are amortized using the immediate write-off method;

Packaging materials are amortized using the immediate write-off method.

### 16. Contract Assets

#### (1). Recognition methods and standards of contract assets

☒Applicable ☐Non-applicable

The Company shall show the contract assets or contract liabilities in the balance sheet in accordance with the relationship between the performance of the contract obligations and the Customer payment. The Company shall list its right to receive consideration due to the transfer of goods or services to the Customer (and such rights are subject to factors other than the passage of time) as contractual assets. Contract assets and contract liabilities under the same contract shall be shown on a net basis. The Company's unconditional right (depending solely on the passage of time) to collect consideration from the Customer shall be shown separately as a receivable.

#### (2). Determination method and accounting treatment for the expected credit loss of contract assets

☒Applicable ☐Non-applicable

See "10. 6. Testing methods and accounting treatment methods for impairment of financial assets" for specified determination method and accounting treatment for the expected credit loss of contract assets.

### 17. Held-for-sale assets

☐Applicable ☒Non-applicable

### 18. Debt investment

#### (1). Determination method and accounting treatment method of expected credit loss of debt investment

☐Applicable ☒Non-applicable

### 19. Other debt investment

#### (1). Determination methods and accounting treatment methods of expected credit losses of other debt investments

☐Applicable ☒Non-applicable

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

☐Applicable ☒Non-applicable

**21. Long-term Equity Investment**

☒Applicable ☐Non-applicable

**1. Joint control or significant influence criterion**

Joint control is the contractually agreed sharing of control of an arrangement, and exists only when requiring the unanimous consent of the parties sharing control before making decisions about the relevant activities of the arrangement. The Company together with the other joint venture parties can jointly control over the investee and are entitled to the right of the net assets of the investee, as the investee is joint venture of the Company.

Significant influence refers to the power to participate in making decisions on the financial and operating policies of an enterprise, 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.

**2. Determination of initial investment cost****(1) Long-term equity investments formed through business combination of entities**

For long-term equity investment in a subsidiary generated due to business combinations involving entities under common control, the share of the book value in the consolidated financial statements of the ultimate controlling party on the date of combinations shall be taken as the initial investment cost of the long-term equity investments. For difference between the initial cost of long-term equity investment and the book value of the consideration paid, adjustments shall be made to the equity premiums in the capital reserve. When the equity premiums in the capital reserve are not sufficient for write-down, the retained earnings shall be adjusted. Where control over the investee under common control is available due to additional investment or other reasons, for difference between the initial cost of long-term equity investment recognized in accordance with the above principles, and the sum of the book value of long-term equity investment prior to the combination and the book value of newly paid consideration for the acquisition of further shares on the date of combination, adjustments shall be made to equity premiums. When the equity premiums are not sufficient for write-down, the retained earnings shall be written down.

For long-term equity investment in a subsidiary generated due to business combinations involving entities not under common control, the cost of the combination recognized on the date of combination shall be taken as the initial investment cost of the long-term equity investments. In relation to imposing control over the investee not under common control as a result of additional investment and other reasons, the initial investment shall be the sum of the book value of the equity investment originally held and the newly increased investment cost.

**(2) Long-term equity investments acquired by means other than business combination**

The initial cost of a long-term equity investment obtained by cash payment shall be the purchase costs actually paid.

The initial cost of investment of a long-term equity investment obtained by means of issuance of equity securities shall be the fair value of the equity securities issued.

**3. Subsequent measurement and recognition of profit or loss****(1) Long-term equity investment calculated by cost method**

Long-term equity investment in subsidiaries of the company is calculated by cost method, unless the investment meets the conditions for holding for sale. except for the actual consideration paid for the acquisition of investment or the declared but not yet distributed cash dividends or profits which are included in the consideration, investment gains are recognized as the Company' shares of the cash dividends or profits declared by the investee.

**(2) Long-term equity investment accounted for by equity method**

Long-term equity investments of associates and jointly controlled entities are calculated using equity method. Where the initial investment cost exceeds the investment, the difference between the share of the fair value of the investee's identifiable net assets shall be enjoyed and no adjustment shall be made to the initial investment cost of long-term equity investment; where the initial investment cost is less than the investment, the difference between the share of the fair value of the investee's identifiable net assets shall be enjoyed and be included in current profit or loss, and adjustments shall be made to the initial investment cost of long-term equity investment.

The Company recognizes the investment income and other comprehensive income according to the shares of net profit or loss and other comprehensive income realized by the investee which it shall be entitled or shared respectively, and simultaneously makes adjustment to the book value of long-term equity investments; the book value of long-term equity investment shall be reduced by attributable share of the profit or cash dividends for distribution declared by the investee; in relation to other changes of owner's equity except for net profits and losses, other comprehensive income and profit distributions of the investee (hereinafter referred to as "changes in other owners' equity"), the book value of long-term equity investments shall be adjusted and included in owner's equity.

When recognizing the amount of proportion of net profit or loss, other comprehensive income and other changes of owner's equity, in the investee which it entitles, fair value of the identifiable assets of the investee at the time when the investment is obtained shall be used as basis, and adjustment shall be made to the net profit, other comprehensive income and others of the investee in accordance with the accounting policies and accounting period of the Company.

The unrealized profit or loss resulting from internal transactions between the Company and its associate or joint venture shall be offset in portion to its equity interests, based on which investment income shall be recognized, except when the assets invested or sold constitute transaction. Any losses resulting from transactions, which are attributable to impairment of assets, shall be fully recognized.

The Company shall be liable for net loss incurred by the Company to the joint venture or associate, and shall write it down to zero with the book value of the long-term equity investment and other long-term equity which substantially constitute net investment in the joint venture or associate. Where a joint venture or associate later realizes net profits, the Company shall resume recognition of its share of income after the share of income has made up for the unrecognized share of loss.

### (3) Disposal of long-term equity investments

For disposal of long-term equity investment, the difference between the book value and the consideration actually received shall be included in the current profit or loss.

For long-term equity investments accounted by partial equity disposal method, the remaining equity is still accounted by the equity method. Other comprehensive income recognized by the original equity method shall be carried forward in a corresponding proportion on the same basis as the direct disposal of related assets or liabilities by the investee. Changes in the interests of the owners are carried forward to the current profit and loss on a pro ratio basis.

When losing joint control or significant influence over the investee due to disposal of equity investment or other reasons, other comprehensive income of the original equity investment recognized accounted by equity method shall be treated using the same basis as the direct disposal of related assets or liabilities by the investee upon the termination of the use of equity methods. Other changes of owner's equity shall be converted to the current profit or loss upon the termination of use of equity methods.

When losing the control over the investee due to partially disposal of equity investment and other reasons, the remaining equities after disposal shall be accounted for under equity method in preparation of individual financial statements provided that joint control or significant influence over the investee can be imposed, and shall be adjusted as if such remaining equities has been accounted for under the equity method since they are obtained. Other comprehensive income recognized prior to the acquisition of controls over the investee shall be carried over proportionally using the same basis as the direct disposal of related assets or liabilities by the investee. Other changes of owner's equity due to the use of equity method shall be carried over into the current profit or loss proportionally. Where the remaining equities after disposal cannot impose joint control or significant influence over the investee, it shall be recognized as financial asset, and the difference between fair value and the book value on the date of losing control shall be included in the current profit or loss. All the other comprehensive incomes and other changes of owners' equity recognized prior to the acquisition of controls over the investee shall be carried over.

When losing control over a subsidiary in step-by-step disposal of its equity interests through multiple transactions is recognized as a package deals, these transactions shall be in accounting treated as loss of control of a subsidiary in disposal of equity interests. The differences between price on each disposal

prior to loss of control and the long-term equity investment book value of the disposed equity shall be recognized as other comprehensive income in individual financial statements, and included in the current profit or loss when the control is lost. Transactions not recognized as a package deal shall be accounted for separately.

## 22. Investment property

### (1). In case of cost measurement:

Depreciation or amortization method

Investment property refers to the real estate held to generate rental income or capital appreciation, or both, including leased land use rights, land use rights held for transfer after appreciation, and leased buildings (including buildings that are leased after completion of self-construction or development activities and buildings in construction or development that are used for rental in the future).

Subsequent expenditures related to fixed assets shall be included in the cost of fixed assets when the relevant economic benefits are likely to flow in and the cost can be measured reliably; otherwise, it shall be included in the current profit and loss when occurred.

The Company adopts the cost mode to measure the existing investment property. Other subsequent expenditures shall be included in current profit or loss at the time of occurrence. Investment property measured at cost - buildings held for leasing shall adopt the same depreciation policy for fixed assets of the company, land use rights held for leasing shall adopt the same amortization policy for the intangible assets.

## 23. Fixed Assets

### (1). Conditions for recognition of fixed assets

√Applicable □Non-applicable

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and have a service life of more than one accounting year. Fixed asset is recognized when it meets the following conditions:

- (1) It is probable that the economic benefits associated with the fixed asset will flow to the enterprise;
- (2) Its cost can be reliably measured.

Fixed assets are initially measured at cost (with the influence of expected disposal costs taken into consideration).

Subsequent expenditures related to fixed assets shall be included in the cost of fixed assets when the relevant economic benefits are likely to flow in and the cost can be measured reliably; the book value of the replaced part is derecognized; other subsequent expenditures shall be included in current profit or loss at the time of occurrence.

### (2). Methods for depreciation

√Applicable □Non-applicable

Category	Depreciation Method	Useful Lives of Depreciation	Residual Ratio	Annual Depreciation
Housing and building	Straight-line method	20	10%	4.50%
Machinery and equipment	Straight-line method	5-10	10%	18.00%-9.00%
Means of transportation	Straight-line method	5	10%	18.00%
Office equipment and others	Straight-line method	5	10%	18.00%
Buildings for commercial use	Straight-line method	Land use certificate indicates the remaining years but no longer than 40 years	10%	

The depreciation of fixed assets is classified and accrued using the straight-line method, and the depreciation rate is fixed according to the type of fixed assets, estimated useful life and estimated net residual value rate. Fixed assets with impairment provision made, the depreciation amount shall be determined according to the book value net of the depreciation reserves and the remaining useful life in the future period. If the useful life of each part of fixed assets is different or provides economic benefits to the enterprise in different manners, different depreciation rates or depreciation methods shall be chosen and depreciation shall be accrued separately.

### **(3). Recognition basis, valuation and depreciation method of fixed assets under financing lease**

☐Applicable ☒Non-applicable

## **24. Projects under construction**

☒Applicable ☐Non-applicable

Construction in progress is measured at the actual costs incurred. The actual cost includes construction costs, installation costs, borrowing costs that meet the capitalization conditions, and other necessary expenditures incurred before the construction in progress reaches its intended use status. Construction in progress reaching predetermined serviceable conditions shall be converted to fixed assets and begin counting for depreciation the following month.

## **25. Borrowing Costs**

☒Applicable ☐Non-applicable

### **1. Criteria for recognition of capitalized borrowing costs**

For borrowing costs incurred by the Company that are directly attributable to the acquisition, construction or production of assets qualified for capitalization, the costs will be capitalized and included in the costs of the related assets. Other borrowing costs shall be recognized as expense in the period in which they are incurred and included in profit or loss for the current period.

Assets qualified for capitalization are assets (fixed assets, investment property, inventories, etc.) that necessarily take a substantial period of time for acquisition, construction or production to get ready for their intended use or sale.

### **2. Capitalization period of borrowing costs**

The capitalization period shall refer to the period between the commencement and the cessation of capitalization of borrowing costs, excluding the period in which capitalization of borrowing costs is temporarily suspended.

Capitalization of borrowing costs begins when the following three conditions are fully satisfied:

(1) Expenditures for the assets (including cash paid, transferred non-currency assets or expenditure for holding debt liability for the acquisition, construction or production of assets qualified for capitalization) have been incurred;

(2) Borrowing costs have been incurred;

(3) Acquisition, construction or production that are necessary to enable the asset reach its intended usable or salable condition have commenced.

Capitalization of borrowing costs shall be suspended during periods in which the qualifying asset under acquisition and construction or production ready for the intended use or sale.

### **3. Suspension of capitalization period**

Capitalization of borrowing costs shall be suspended during periods in which the acquisition, construction or production of a qualifying asset is interrupted abnormally, when the interruption is for a continuous period of more than 3 months; if the interruption is a necessary step for making the qualifying asset under acquisition and construction or production ready for the intended use or sale, the capitalization of the borrowing costs shall continue. The borrowing costs incurred during such period shall be recognized as profits and losses of the current period. When the acquisition and construction or production of the asset resumes, the capitalization of borrowing costs commences.

### **4. Calculation of capitalization rate and amount of borrowing costs**

Specific borrowings for the acquisition, construction or production of assets qualified for capitalization, borrowing costs of the specific borrowings actually incurred in the current period minus the interest income earned on the unused borrowing loans as a deposit in the bank or as investment

income earned from temporary investment will be used to determine the amount of borrowing costs for capitalization.

General borrowings for the acquisition, construction or production of assets qualified for capitalization, the to-be-capitalized amount of interests on the general borrowing shall be calculated and determined by multiplying the weighted average asset disbursement of the part of the accumulative asset disbursements minus the specifically borrowed loans by the capitalization rate of the general borrowing used. The capitalization rate shall be calculated and determined according to the weighted average interest rate of the general borrowing.

During the period of capitalization, the exchange balance on the principals and interests of special foreign currency borrowings shall be capitalized and shall be included in the cost of assets eligible for capitalization. The exchange balance on the principals and interests of foreign currency borrowings other than the special foreign currency borrowings shall be included in current profit or loss.

## 26. Biological Assets

☐Applicable ☒Non-applicable

## 27. Oil and Gas Assets

☐Applicable ☒Non-applicable

## 28. Right-of-use assets

☐Applicable ☒Non-applicable

## 29. Intangible Assets

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

☒Applicable ☐Non-applicable

1. Intangible assets are initially measured at cost upon acquisition

(1) Intangible assets are initially measured at cost upon acquisition

The costs of an externally purchased intangible asset include the purchase price, relevant taxes and expenses paid, and other expenditures directly attributable to putting the asset into condition for its intended use.

(2) Subsequent measurement

The service life of intangible assets shall be analyzed and judged upon acquisition.

As for intangible assets with a finite service life, they are amortized using the straight-line method over the term in which economic benefits are brought to the firm; If the term in which economic benefits are brought to the firm by an intangible asset cannot be estimated, the intangible asset shall be taken as an intangible asset with indefinite service life, and shall not be amortized.

2. Estimated useful lives for the intangible assets with finite service life

Item	Estimated useful lives	Amortization Method	Basis
Land use rights	38-50 years	Straight-line method	Land use certificate
Software	2-10 years	Straight-line method	Expected benefited period
Emission rights	5 years	Straight-line method	Emission permits

3. basis for the judgment of intangible assets with uncertain service life and the procedure for reviewing their service life

As of December 31<sup>st</sup>, 2021, the Company has no intangible assets with uncertain useful life.

4. Specific criteria for the division of research phase and development phase

The expenses for internal research and development projects of the Company are divided into expenses in the research phase and expenses in the development phase.

Research phase: Scheduled innovative investigations and research activities to obtain and understand scientific or technological knowledge.

Development phase: Apply the research outcomes or other knowledge to a plan or design prior to a commercial production or use in order to produce new or essentially-improved materials, devices, products, etc.

### 5. Specific condition for capitalizing expenditure during the development phase

Expenses in the research phase are recorded into the profits and losses for the current period when they occur. Expenditure during the development phase that simultaneously satisfies the following conditions shall be recognized as intangible assets. Otherwise shall be included in current profit or loss:

(1) It is technically feasible to complete such intangible asset so that it will be available for use or for sale;

(2) There is intention to complete the intangible asset for use or sale;

(3) The intangible asset can produce economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there exists usage for the intangible asset;

(4) There is sufficient support in terms of technology, financial resources and other resources in order to complete the development of the intangible asset, and there is capability to use or sell the intangible asset;

(5) The expenses attributable to the development stage of the intangible asset can be measured reliably.

The R&D expenditures incurred shall be included in current profit or loss if it is impossible to distinguish expenditure during the research phase and expenditure during the development phase.

### (2). Accounting policies for internal research and development expenditures

☐Applicable ☒Non-applicable

### 30. Impairment of long-term assets

☒Applicable ☐Non-applicable

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

Goodwill formed due to business combination, intangible assets with uncertain service life and intangible assets that have not yet reached serviceable conditions, shall be tested for impairment at least at the end of each year, regardless of whether there is any indication of impairment.

When the Company carry out impairment test to goodwill, the Company shall, as of the purchasing day, allocate on a reasonable basis the book value of the goodwill formed by merger of enterprises to the relevant asset groups, or if there is a difficulty in allocation, to allocate it to the sets of asset groups. The relevant asset group or combination of asset groups is the asset group or combination of asset groups that can benefit from the synergies of business combination.

For the purpose of impairment test on the relevant asset groups or the sets of asset groups containing goodwill, if any evidence shows that the impairment of asset groups or sets of asset groups related to goodwill is possible, an impairment test will be made first on the asset groups or sets of asset groups not containing goodwill, thus calculating the recoverable amount and comparing it with the relevant book value so as to recognize the corresponding impairment loss. Asset group or combination of group assets containing goodwill are tested for impairment and the book value and recoverable amount shall be compared. If the recoverable amount is less than the book value, the amount of impairment loss shall be deducted and apportioned to the book value of goodwill in asset group or combination of asset groups, before deducting to the book value of all other assets proportionally based on the proportion of the book value of all assets other than goodwill in the asset group or combination of asset groups. Once the above asset impairment loss is recognized, it will not be reversed in the subsequent accounting periods.

**31. Long-term prepaid expenses**

√Applicable □Non-applicable

Long-term prepaid expenses are expenses which have occurred but will benefit over 1 year and shall be amortized over the current period and subsequent periods.

Item	Amortization Method	Amortization period
Renovation cost	Straight-line method	5 years
Software maintenance fee	Straight-line method	5 years
Others	Straight-line method	3-5 years

**32. Contract liabilities****(1). Recognition method of contract liabilities**

√Applicable □Non-applicable

The Company shall show the contract assets or contract liabilities in the balance sheet in accordance with the relationship between the performance of the contract obligations and the Customer payment. The Company's obligation to transfer goods or provide services to customers for which consideration has been received or receivable are presented as contractual liabilities. Contract assets and contract liabilities under the same contract shall be shown on a net basis.

**33. Employee remuneration****(1). Accountant arrangement method of short-term remuneration**

√Applicable □Non-applicable

During the accounting period when the staff provides service, the Company will recognize the short-term remuneration actually incurred as liabilities, and the liabilities would be charged into current profits and loss or costs of assets.

The Company will pay social insurance and housing funds, and will make provision of trade union funds and staff education costs in accordance with the requirements. During the accounting period when the staff provides service, the Company will determine the relevant amount of employee benefits in accordance with the required provision basis and provision ratios.

The expenses on employee benefit incurred by the Company shall be included in the current profit or loss or related asset cost based on the actual amount when actually incurred, and the non-monetary benefit shall be measured at its fair value.

**(2). Accounting treatment method of retirement benefit plan**

√Applicable □Non-applicable

**(1) Defined contribution plan**

The Company will pay basic pension insurance and unemployment insurance in accordance with the relevant provisions of the local government for the staff. During the accounting period when the staff provides service, the Company will calculate the amount payable in accordance with the local stipulated basis and proportions which will be recognized as liabilities, and the liabilities would be charged into current profits and loss or costs of assets.

**(2) Defined benefit plan**

The welfare responsibilities generated from defined benefit scheme based on the formula determined by projected unit credit method would be vested to the service period of the staff and charged into current profits and loss or costs of assets.

The deficit or surplus formed by the present value of obligations of the defined benefit plan minus the fair value of the assets of the defined benefit plan is recognized as a net liability or net asset of the defined benefit plan. If there is a surplus in the defined benefit plan, the Company shall use the lower of the surplus of the defined benefit plan and the asset ceiling to measure the net assets of the defined benefit plan.

All defined benefit plan obligations, including obligations expected to be paid within twelve months after the end of the annual reporting period in which employees render services, are discounted at the market rate of return in respect of the national debts matching the term and currency of the defined



benefit plan, or in respect of high-quality corporate bonds available on the active market on the balance sheet date.

The service cost incurred by the defined benefit plan and the net interest of the net liabilities or net assets of the defined benefit plan are included in the current profit and loss or the related asset cost; the changes in the net liabilities or net assets of the defined benefit plan are recorded in other comprehensive income, and it will not be reversed to profit or loss in the subsequent accounting period. When the original defined benefit plan is terminated, all that originally included in other comprehensive income will be carried forward to undistributed profit within the scope of equity.

At the settlement of the defined benefit plan, the gain or loss from the settlement is recognized by the difference between the present value of the obligation of the defined benefit plan and the settlement price determined on the settlement date.

### **(3).Accountant arrangement method of termination benefits**

☒Applicable ☐Non-applicable

Where the Company pays termination benefit to employees, the liabilities of employee remuneration generated by termination benefit shall be recognized at the earlier of the following date and included in the current profit or loss: when the company cannot unilaterally withdraw termination benefit provided by labor relationship termination plan or layoff proposal; when the Company recognizes costs or expenses related to a restructuring of the payment of termination benefits.

### **(4).Accountant arrangement method of other long-term employee benefits**

☐Applicable ☒Non-applicable

## **34. Lease liabilities**

☐Applicable ☒Non-applicable

## **35. Estimated liabilities**

☐Applicable ☒Non-applicable

## **36. Share-based payment**

☐Applicable ☒Non-applicable

## **37. Preference shares, perpetual bonds and other financial instruments**

☐Applicable ☒Non-applicable

## **38. Revenue**

### **(1). Accounting policies for revenue recognition and measurement**

☒Applicable ☐Non-applicable

The Company has fulfilled its contractual obligation to recognize income when the Customer obtains control over the relevant goods or services. Obtaining control over related goods or services means to be able to dominate the use of the goods or services and obtain virtually all economic benefits from it.

Where the Contract contains the performance of two or more obligations, the Company shall, on the commencement date of the Contract, apportion the transaction price to each individual performance obligation on the basis of the relative proportion of the individual selling price of the goods or service committed by each individual performance obligation. The Company shall measure its income on the basis of the transaction price apportioned to each individual performance obligation.

The transaction price refers to the amount of consideration the Company is expected to be entitled to receive for the transfer of goods or services to the Customer, excluding payments received on behalf of third parties and the amounts expected to be refunded to the Customer. The Company determines the transaction price in accordance with Contract terms and by taking into consideration its past practices. In determining the transaction price, it takes into consideration the impact of variable consideration, material financing elements in the Contract, non-cash consideration, consideration payable to customers and other factors. The Company determines the transaction price that includes the variable consideration at an amount not exceeding the amount of accumulated recognized income which is not likely to be materially reversed when the relevant uncertainty is eliminated. Where there is material financing components in the Contract, the Company shall determine the transaction price on the basis of the amount payable based on the assumption that the Customer pays in cash upon obtaining control over the goods or services, and

shall amortize the difference between the transaction price and the Contract consideration by effective interest method during the Contract period.

It shall be deemed as fulfilling performance obligation within a certain period of time if one of the following conditions is satisfied. Otherwise, it shall be deemed as fulfilling performance obligation at a certain point in time:

- The Customer obtains and consumes the economic benefits arising from the Company's performance of obligations at the same time of that the Company perform its obligations.
- The Customer can control the goods under construction during the process that the Company perform its obligations.
- The product produced by the Company during the performance of its obligations is irreplaceable in use, and the Company shall be entitled to receive payment for the accumulated part of the performance completed so far during the whole Contract period.

For obligations performed within a certain period of time, the Company shall recognize income on the basis of the performance progress during that period, except when the performance progress cannot be reasonably determined. The Company will adopt output method or input method to determine the performance progress by taking the nature of the goods or services into consideration. Where the performance progress cannot be reasonably determined and the costs incurred are expected to be compensated, the Company shall recognize income on the basis of the costs incurred until the performance progress can be reasonably determined.

For obligations performed at a certain point of time, the Company recognizes income at the point when the Customer obtain control over relevant goods or services. The Company takes the following indications into consideration when determining whether the Customer has obtained control over relevant goods or services:

- The Company is entitled to collect payment in respect of the goods or services immediately, i.e. the Customer is obliged to make payment in respect of the goods or services immediately
- The Company has transferred legal ownership of the goods to the Customer, i.e. the Customer has legal ownership of the goods.
- The Company has physically transferred the goods to the Customer, i.e. the Customer has physically possessed the goods.
- The Company has transferred the principal risks and rewards in the ownership of the goods to the Customer, i.e. the Customer has obtained the principal risks and rewards in the ownership of the goods.
- The Customer has received the goods or services, etc.

## 2. Specific principles

### (1) Domestic company

#### 1) Domestic sales

For sales to domestic carmakers, the goods received by customer and the notice of issuing an invoice is treated as the time point of revenue recognition. For domestic after-sales market sales, the time of delivery is treated as the time point of revenue recognition.

#### 2) Overseas

For general trade sales, customs declaration and export are treated as the revenue confirmation time point. For the sales based on DDU and DDP as contained in the sales contract, the time of arrival at the destination and the acknowledgment of receipt by customer is treated as the time point of revenue recognition.

### (2) Tuopu North American Ltd

The time of shipment and the acknowledgment of receipt by customer is treated as the time point of revenue recognition.

(2). Different business models adopted for similar businesses leading to differences in revenue recognition accounting policies

☐Applicable ☒Non-applicable

## 39. Contract costs

☒Applicable ☐Non-applicable

Contract costs include contract performance costs and contract acquisition costs.

The Company recognizes the costs incurred for performing the contract and that not fall within the scope of inventories, fixed assets or intangible assets as stipulated by related standards as an asset when the following conditions are met:

- The cost is directly related to a current or anticipated contract.
- The cost increases the Company's future resources to perform obligations.
- The cost is expected to be recovered

The Company regards the incremental cost incurred to acquire the contract and that are expected to be recovered as contract acquisition costs, and recognizes them as an asset.

Assets related to contract costs shall be amortized using the same basis as income recognition of goods or services related to the asset. However, the Company shall include the amount in current profit or loss if the amortization period of the contract acquisition cost is less than one year.

The Company shall draw an impairment provision for the excess part when the book value of an asset related to the contract cost is higher than the difference between the following two items, and recognize it as an impairment loss of the asset:

1. The remaining consideration expected to be obtained due to the transfer of goods or services related to the asset;

2. Estimated costs to be incurred for the transfer of goods or services related to the asset.

The Company shall reverse the impairment provision withdrawn and include it in current profit or loss if the impairment factors of the previous period change and cause the aforementioned difference higher than the book value of the asset. However, the book value of the asset after reverse shall not exceed the book value of the asset on the reverse date under the assumption that no provision for the impairment is withdrawn.

#### 40. Government subsidies

☒Applicable ☐Non-applicable

##### 1. Type

Government grants are monetary assets and non-monetary assets acquired by the Company from the government free of charge. Government grants are classified into government grants related to assets and government grants related to revenue.

Government grants related to assets refer to government grants acquired by the Company for the purpose of purchasing or constructing or otherwise forming long-term assets. Government grants related to revenue refer to the government grants other than those related to assets.

The company classifies government grants into asset-related grants in accordance with the following criteria:

If the government document specifies the specific intended project of subsidies, it will be classified according to the relative ratio of the amount paid of the asset and the amount paid included in the expenses as part of the specific project, and the classification ratio needs to be checked and if necessary, changed on each balance sheet date.

The company classifies government grants into revenue-related grants in accordance with the following criteria:

If the government documents have not yet specified the intended subjects of grants, the Company will classify the government grants as asset-related or income-related according to the following criteria:

##### 2. Confirmation of time point

Government subsidies are confirmed when the company can meet its attached conditions and can be received.

##### 3. Accounting treatment

Government grants related to assets shall write off the book value of relevant assets or be recognized as deferred income. When recognized as deferred income, the government grant related to assets will be period by period credited to the profits and losses of the current period in a reasonable and systematic manner within the service life of relevant assets (those related to the Company's daily activities shall be recognized as other income; those unrelated to the Company's daily activities shall be recognized as non-operating income).

The revenue-related government grants shall be recognized as deferred income if they are used to compensate relevant expenses or losses in subsequent periods, and they shall be included in profit and loss of the current period (those related to Company's routine activities shall be included in other income; those unrelated to the Company's routine activities shall be included in non-operating income) or used to

offset relevant expenses or losses during the recognition of related expenses or losses; the grants used to compensate related expenses or losses incurred shall be included in profit and loss of the current period (those related to Company's routine activities shall be included in other income; those unrelated to the Company's routine activities shall be included in non-operating income) or used to offset relevant expenses or losses.

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

☒Applicable ☐Non-applicable

Income tax includes current income tax and deferred income tax. The Company will include current income tax and deferred income tax in the current profit or loss, except for income tax arising from business combination and transaction or event directly included in the owners' equity (including other comprehensive income).

Deferred income tax assets and deferred income tax liabilities shall be calculated and recognized on the basis of the difference (temporary difference) between the tax basis of the assets and liabilities and their book value.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilized. For deductible losses and tax credits that can be reversed in the future period, deferred tax assets shall be recognized to the extent that it is probable that taxable profit will be available in the future to offset the deductible losses and tax credits.

Save as the exceptions, deferred income tax liabilities shall be recognized for the taxable temporary difference.

Special circumstances in which deferred income tax assets or deferred income tax liabilities are not recognized include:

- Initial recognition of goodwill;
- Transaction or event that is not a business combination and would not affect accounting profit and taxable income (or deductible loss) at the time of occurrence.

For taxable temporary differences related to investments in subsidiaries, associates and joint ventures, deferred income tax liability is recognized, unless the Company can control the timing of reversal of such temporary differences and such temporary differences are not likely to be reversed in the foreseeable future. For deductible temporary differences related to the investments of subsidiaries, associates and joint ventures, deferred tax asset is recognized when the temporary differences are likely to be reversed in the foreseeable future and the taxable income amount used to offset the deductible temporary differences is likely to be obtained in the future.

On the balance sheet date, the Company reviews the book value of the deferred income tax assets. The book value of the deferred income tax asset will be written down if sufficient taxable income is not likely to be obtained to offset the benefit of the deferred income tax asset in the future period. The write-down amount will be reversed when sufficient taxable income is likely to be obtained.

After granted the legal rights of net settlement and with the intention to use net settlement or obtain assets and repay debt at the same time, the net amount after offsetting its current income tax assets and current income tax liabilities shall be recorded.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities shall be, as stipulated by tax law, measured by the applicable tax rate of the period of expected recovery of the relevant assets or settlement of the relevant liabilities.

- The taxpayer has the legal right to settle the current income tax assets and current income tax liabilities on a net basis;
- Deferred income tax assets and deferred tax liabilities are related to the income tax to be paid by the same entity liable to pay tax to the same tax collection and management authority or related to different entities liable to pay tax. The relevant entity liable to pay tax is intended to apply net settlement of current income tax assets and liabilities or, at the same time, obtain assets and repay debt in every future period that deferred income tax assets and liabilities with importance would be reversed.

## 42. Lease

### (1). Accounting of operating lease

☐Applicable ☒Non-applicable

### (2). Accounting treatment method of financing lease

☐Applicable ☒Non-applicable

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

☒Applicable ☐Non-applicable

Accounting policy effective from January 1, 2021

Lease refers to a contract in which the landlord transfers the right to use the asset to the tenant in a given period to obtain consideration. On the commencement date of the contract, the Company assesses whether the contract is a lease or includes a lease. If a party in the contract transfers the right to control the use of one or more identified assets in a given period in exchange for consideration, the contract is a lease or includes a lease.

If the contract contains a plurality of separate leases at the same time, the Company will split the contract and perform accounting treatments for each of the separate leases. If the contract contains both lease and non-lease parts, the tenant and landlord shall separate the lease and non-lease parts.

For rent derates, late payments and other rent reductions in connection with current lease contracts directly caused by the outbreak of COVID-19, if all of the following conditions are satisfied, the Company will apply a simplified method to all lease options, and does not evaluate whether there is a lease change or reassess lease classification:

- The lease consideration subject to deduction is reduced or basically remains unchanged compared to that before deduction, in which the lease consideration can be undiscounted or discounted at the discount rate before deduction;
- The deduction only applies to the lease payments payable before June 30, 2022, an increase in lease payments payable after June 30, 2022 will not impact this condition, and a decrease in lease payments payable after June 30, 2022 will not satisfy this condition; and
- Other terms and conditions of the lease have not changed significantly after considering qualitative and quantitative factors.

#### 1. The Company as tenant

##### (1) Right-of-use assets

On the start date of the lease term, the Company recognizes the right-of-use asset for leases other than short-term leases and low-value asset leases. Right-of-use assets are initially measured at cost, which includes:

The initial measurement amount of the lease liability;

For lease payments paid on or before the start of the lease term, if there is a lease incentive, the amount of the lease incentive already enjoyed is deducted;

Initial direct expenses incurred by the Company;

The Company's estimated cost for dismantling and removing the leased assets, restoring the site where the leased assets are located, or restoring the leased assets to the state as set out in the lease terms and conditions, except for the costs incurred for the production of inventory.

The Company subsequently uses the straight-line method to depreciate the right-of-use assets. If it can be reasonably determined that the ownership of the leased asset will be obtained at the end of the lease term, the Company shall depreciate the leased asset over the remaining useful life; otherwise, the leased asset will be depreciated over the lease term or the remaining useful life of the leased asset, whichever is shorter.

The Company determines whether the right-of-use asset has been impaired under the principles as set out in "Note III. (XIX). Long-term asset impairment", and performs accounting treatment for the identified impairment loss.

##### (2) Lease liabilities

On the commencement of the lease term, the Company recognizes lease liabilities for leases other than short-term leases and leases of low-value assets. Lease liabilities are initially measured based on the present value of the unpaid lease payments. Lease payments include:

Fixed payment (including the actual fixed payment), if there is a lease incentive, the relevant amount of the lease incentive will be deducted;

Variable lease payments that depend on an index or rate;

The amount expected to be paid based on the residual value of the guarantee provided by the company;

The exercise price of the purchase option, provided that the Company reasonably determines that it will exercise the option;

The amount to be paid to exercise the option to terminate the lease, provided that the lease term reflects that the company will exercise the option to terminate the lease.

The Company takes the interest rate implicit in the lease as the discount rate, but if the interest rate implicit in the lease cannot be reasonably determined, the company's incremental borrowing interest rate is used as the discount rate.

The Company calculates the interest expense of the lease liability during each period of the lease term according to a fixed periodic interest rate, and includes it in the current profit and loss or the cost of related assets.

Variable lease payments that are not included in the measurement of lease liabilities are included in the current profit and loss or the cost of related assets when they actually occur.

After the commencement of the lease term, in any of the following circumstances, the Company re-measures the lease liability and adjusts the corresponding right-of-use asset. 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, it will The difference is included in the current profit and loss:

- When the evaluation results of the purchase option, the renewal option or the termination option change, or the actual exercise of the aforementioned option is inconsistent with the original evaluation result, the company will discount the lease payment after the change and the revised discount The present value of the rate calculation remeasures the lease liability;

- When the actual fixed payment changes, the expected payable amount of the guarantee residual value changes, or the index or ratio used to determine the lease payment changes, the company calculates the present value based on the changed lease payment and the original discount rate Remeasure the lease liability. However, if changes in lease payments originate from changes in floating interest rates, the revised discount rate is used to calculate the present value.

### (3) Short-term leases and low-value asset leases

The Company elects not to recognize right-of-use assets and lease liabilities for short-term leases and low-value asset leases, and calculates the relevant lease payments in the current profit and loss or related asset costs on a straight-line basis in each period of the lease term. Short-term lease refers to a lease that does not include purchase options for a lease period not exceeding 12 months at the beginning of the lease period. Low-value asset leasing refers to a lease with a lower value when a single leased asset is a new asset. If the Company subleases or expects to sublease the leased assets, the original lease is not a low-value asset lease.

### (4) Lease change

If the lease is changed and the following conditions are met at the same time, the company shall treat the lease change as a separate lease for accounting treatment:

The lease change expands the scope of the lease by adding one or more use rights to leased assets;

The increased consideration is equivalent to the amount of the individual price of the expanded part of the lease scope adjusted according to the contract conditions.

If the lease change is not accounted for as a separate lease, on the effective date of the lease change, the Company reapportions the consideration of the contract after the change, re-determines the lease term, and calculates the current lease payment based on the lease payment after the change and the revised discount rate. The value of the lease liability is remeasured.

If the lease change causes the scope of the lease to be reduced or the lease term is shortened, the Company will correspondingly reduce the book value of the right-of-use asset, and the relevant gains or losses from the partial or complete termination of the lease are included in the current profit and loss. If other lease changes cause the lease liability to be remeasured, the company adjusts the book value of the right-of-use asset accordingly.

#### (5) Rent reductions related to COVID-19

For rents applicable to the simplified method of rent deducts in connection with the outbreak of COVID-19, the Company does not assess whether there is a lease change, continues to calculate the interest expense of the lease liability at the same discount rate as that before reduction and record it in the current gain and loss, and continues to accrue the depreciation of right-of-use assets in the same way as that before reduction. In the event of rent deducts, the Company will treat the reduced rent as the variable lease payment amount. Where the original rent payment obligation is discharged by reaching deduction agreement, the discounted amount at the undiscounted or pre-discount discount rate will write down the cost or expense of relevant assets and adjust the lease liabilities accordingly; in the event of a delay in the rent payment, the Company will write down the lease liabilities recognized in the previous period when the actual payment is incurred.

For short-term leases and low-value asset leases, the Company continues to record the original contract rent in the cost or expense of the relevant assets in the same way as that before reduction. In the event of rent deducts, the Company will treat the reduced rent as the variable lease payment and write down the costs or expenses of relevant assets during the period of reduction; in the event of a delay in the rent payment, the Company will recognize the rent payable as payable during the period of original payment and write down the payables recognized before write-down when the actual payment is incurred.

## 2. The Company as Landlord

On the commencement date of the lease, the Company divides the lease into financial lease and operating lease. Finance lease refers to a lease in which almost all the risks and rewards related to the ownership of the leased asset are transferred regardless of whether the ownership is ultimately transferred. Operating leases refer to leases other than financial leases. When the Company acts as a sublease lessor, it classifies subleases based on the right-of-use assets generated from the original lease.

### (1) Accounting treatment of operating leases

The lease receipts of operating leases are recognized as rental income in each period of the lease term according to the straight-line method. The Company capitalizes the initial direct costs incurred related to operating leases, and allocates them to the current profit and loss on the same basis as the confirmation of rental income during the lease term. Variable lease payments that are not included in the lease receipts are included in the current profit and loss when they actually occur. If an operating lease is changed, the company will account for it as a new lease from the effective date of the change, and the

amount of advance receipts or lease receivables related to the lease before the change shall be regarded as the receipts of the new lease.

## (2) Accounting treatment of financial leasing

On the commencement date of the lease, the Company recognizes the financial lease receivables for the financial lease and terminates the recognition of the financial lease assets. When the Company initially measures the financial lease receivables, the net lease investment is taken as the entry value of the financial lease receivables. The net lease investment is the sum of the unguaranteed residual value and the present value of the lease payment that has not been received at the beginning of the lease term, discounted at the interest rate implicit in the lease.

The Company calculates and recognizes the interest income for each period of the lease term based on a fixed periodic interest rate. The derecognition and impairment of financial lease receivables shall be accounted for in accordance with this Note "III. (X). Financial Instruments".

Variable lease payments that are not included in the measurement of the net lease investment are included in the current profit and loss when they actually occur.

If a financial lease is changed and the following conditions are met at the same time, the Company shall treat the change as a separate lease for accounting treatment:

- The change expands the scope of the lease by adding one or more use rights to leased assets;
- The increased consideration is equivalent to the amount of the individual price of the expanded part of the lease scope adjusted according to the contract conditions.

If the change of the financial lease is not accounted for as a separate lease, the company shall deal with the changed lease in the following situations:

- If the change takes effect on the lease start date, the lease will be classified as an operating lease, and the Company will start accounting for it as a new lease from the lease change effective date, and use the net lease investment before the lease change effective date as The book value of the leased asset;
- If the change takes effect on the lease start date, the lease will be classified as a financial lease, and the company will conduct accounting treatment in accordance with the policy of this note "III. (X). Financial Instruments" on the modification or renegotiation of the contract.

## (3) Rent reductions related to COVID-19

- For operating leases applicable to the simplified method of rent reduction in connection with the outbreak of COVID-19, the Company continues to recognize the original contract rent as rental income in the same way as that before reduction; in the event of rent deducts, the Company treats the reduced rent as variable lease payments and write down the lease income during the period of reduction; in the event of a delay in the rent payment, the Company will recognize the receivable rent as an account receivable during the period of original collection and write down the receivable recognized before write-down when actually received.
- For financial leasing applicable to the simplified method of rent deducts in connection with the outbreak of COVID-19, the Company continues to calculate the interest expense of the lease liability at the same discount rate as that before reduction and recognize it as rent income. In the event of rent deducts, the Company will treat the reduced rent as variable lease payments, where the right to collect original rent is waived by reaching deduction agreement, the discounted amount at the undiscounted or pre-discount discount rate is used to write down the originally recognized lease income, and the part insufficient to write down is recorded in the investment income and the financial lease receivables are adjusted accordingly; in the event of a delay in the rent collection, the Company will write down the finance lease receivables recognized before write-down when actually received.

## 3. Sale and leaseback transaction

The Company evaluates and determines whether the asset transfer in the sale and leaseback transaction is a sale in accordance with the principles described in "III. (XXIV). Revenue".



## (1) As tenant

If the asset transfer in the sale and leaseback transaction is a sale, the company as the lessee measures the right-of-use asset formed by the sale and leaseback based on the portion of the original asset's book value related to the right to use obtained from the leaseback, and only transfers it to the lease. The rights of the person confirm the relevant gains or losses; if the asset transfer in the sale and leaseback transaction does not belong to the sale, the company as the lessee continues to confirm the transferred assets and at the same time confirms a financial liability equal to the transfer income. For the accounting treatment of financial liabilities, see "III. (x). Financial Instruments".

## (2) As landlord

If the asset transfer in the sale and leaseback transaction is a sale, the company acts as the lessor to account for the purchase of the asset, and the asset lease is accounted for in accordance with the aforementioned "2. The company as the lessor" policy; in the sale and leaseback transaction If the transfer of assets is not a sale, the company as the lessor does not recognize the transferred assets, but recognizes a financial asset equal to the transfer income. For the accounting treatment of financial assets, see "III. (X). Financial Instruments".

## Accounting policy effective before January 1, 2021

Leases are divided into financial leases and operating leases. Finance lease refers to a lease that has substantially transferred all the risks and rewards related to asset ownership. Operating leases refer to leases other than financial leases.

For rent derates, late payments and other rent reductions in connection with current lease contracts directly caused by the outbreak of COVID-19, if all of the following conditions are satisfied, the Company will apply a simplified method to all lease options, and does not evaluate whether there is a lease change or reassess lease classification:

- The lease consideration subject to deduction is reduced or basically remains unchanged compared to that before deduction, in which the lease consideration can be undiscounted or discounted at the discount rate before deduction;
- The deduction only applies to the lease payments payable before June 30, 2022, an increase in lease payments payable after June 30, 2022 will not impact this condition, and a decrease in lease payments payable after June 30, 2022 will not satisfy this condition; and
- Other terms and conditions of the lease have not changed significantly after considering qualitative and quantitative factors.

## 1. Accounting treatment of operating leases

(1) The lease fee paid by the Company for rented assets shall be apportioned on a straight-line basis during the entire lease period without deducting the rent-free period and included in the current expenses. The initial direct expenses related to the lease transaction paid by the Company shall be included in the current expenses.

When the asset lessor bears the lease-related expenses that should be borne by the company, the company deducts this part of the cost from the total rent, amortizes the deducted rent during the lease term, and counts it into the current expenses.

For operating leases applicable to the simplified method of rent reduction in connection with the outbreak of COVID-19, the Company continues to recognize the original contract rent as rental income in the same way as that before reduction; in the event of rent deducts, the Company treats the reduced rent as contingent rent and record it in gain or loss during the period of deducts; in the event of a delay in rent payment, the Company will recognize the payable rent as an account payable during the period of original payment and write down the payable recognized before write-down when actually paid.

(2) The lease fee charged by the Company for lease of assets shall be apportioned on a straight-line basis during the entire lease period without deducting the lease-free period and recognized as lease-related income. The initial direct expenses paid by the company related to the lease transaction shall be included in the current expenses; if the amount is large, it shall be capitalized and included in the

current income in installments based on the same basis as the lease-related income recognition during the entire lease period.

When the Company bears the lease-related expenses that should be borne by the lessee, the company deducts this part of the expenses from the total rental income, and distributes the deducted rental expenses during the lease term.

For operating leases applicable to the simplified method of rent reduction in connection with the outbreak of COVID-19, the Company continues to recognize the original contract rent as rental income in the same way as that before reduction; in the event of rent deducts, the Company treats the reduced rent as variable lease payments and write down the lease income during the period of reduction; in the event of a delay in the rent payment, the Company will recognize the receivable rent as an account receivable during the period of original collection and write down the receivable recognized before write-down when actually received.

#### 43. Other significant accounting policies and accounting estimates

☐Applicable ☒Non-applicable

#### 44. Changes in significant accounting policies and accounting estimates

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

☒Applicable ☐Non-applicable

Content and reason of changes in accounting policies	Approval procedure	Remark (Name and amount of the items subject to significant impact)
The Ministry of Finance issued the "Accounting Standards for Business Enterprises No. 21-Lease (2018 Revision)" (Cai Kuai [2017] No. 35) on Dec.7, 2018, the Company will implement the updated version of revenue standards from January 1, 2021.	"Accounting Standards for Business Enterprises No. 21-Lease (2018 Revision)" (Cai Kuai [2018] No. 35)	The company will carry out the new lease standards from January 1, 2021. On the consolidated balance sheet at the beginning of the year, the right-of-use assets will be recognized at RMB 5,692,642.06, and the lease liabilities will be recognized at RMB 1,887,412.42. The lease liabilities due within one year are reclassified as non-current liabilities due within one year with the amount recognized as RMB 3,805,229.64.

##### Other Notes

- The Company as tenant

The Company elects to adjust the amount of retained earnings and other related items in the financial statements at the beginning of the year when the new lease standard was first implemented based on the cumulative impact of the new lease standard implementation for the first time, without adjusting the comparable period information.

For operating leases existing before the date of initial application, the Company measures the lease liability at the present value of the remaining lease payments on the date of initial application discounted at the rate applicable to its incremental borrowings on the date of initial application, and chooses one of the following two methods for each lease to measure the right-of-use asset:

- Assume that the book value of the new lease standard is adopted from the commencement date of the lease term, the rate applicable to its incremental borrowings on the date of initial application is treated as the discount rate.

- An amount equal to the lease liability and adjusted as necessary for prepaid rent.

For operating leases prior to the date of initial application, the Company applies one or more of the following simplified treatments for each lease while adopting the said method:

1) Leases that will be completed within 12 months after the first implementation date are treated as short-term leases;

2) To measure lease liabilities, use the same discount rate for leases with similar characteristics;

3) The measurement of right-of-use assets does not include initial direct costs;

4) If there is an option to renew the lease or to terminate the lease, the lease term shall be determined according to the actual exercise of the option before the first execution date and other latest conditions;

5) As an alternative to the impairment test of the right-of-use asset, according to this accompanying note "III. (23) Estimated liabilities", assess whether the contract containing the lease is a loss-making contract before the first execution date, and record it in the balance sheet according to the first execution date. Adjust the amount of loss reserves for the right-of-use asset;

6) For lease changes that occur before the beginning of the year when the new lease standard is first implemented, no retrospective adjustment will be made, and the accounting treatment will be carried out in accordance with the new lease standard according to the final arrangement of the lease change.

To measure the lease liability, the Company discounts the lease payments using the rate applicable to the tenant's incremental borrowings as at 1 January 2021.

Outstanding minimum lease payments for significant operating leases disclosed in the consolidated financial statements as at december 31, 2020	7,104,781.98
Present value discounted at the rate applicable to the Company's incremental borrowing as of January 1, 2021	5,692,642.06
Lease liabilities under the new leases standard as at 1 January 2021	5,692,642.06
Differences between the above discounted present value and the lease liability	

For the financial leases that existed before the date of initial application, the Company shall measure the right-of-use assets and lease liabilities according to the original book values of the assets under the financial lease and the financial lease payments payable on the date of initial application.

• The Company as landlord

For sub-leases classified as operating leases before the date of initial application and still existing after the date of initial application, the Company reassesses based on the remaining contract terms and terms of the original lease and sub-lease on the date of initial application, and classifies them under the provisions of the new lease standards. If it is reclassified as finance lease, the Company will treat it as a new finance lease.

Except for sub-lease, the Company does not have to adjust the lease as tenant under the new lease standards. The Company conducts accounting treatment under the new lease standards from the date of initial application.

• The main impacts of the Company's application of the new lease standards on the financial statements are stated below:

Content and reasons for changes in accounting policies	Impacted financial statement items	Impact amount on balance as at January 1, 2021	
		Consolidated	Parent

Content and reasons for changes in accounting policies	Impacted financial statement items	Impact amount on balance as at January 1, 2021	
		Consolidated	Parent
(1) Adjustment of the Company as tenant to the existing operating lease before the date of initial application	Right-of-use assets	5,692,642.06	
	Lease liabilities	1,887,412.42	
	Non-current liabilities due within one year	3,805,229.64	

(2) "Interpretation No.14 of Accounting Standards for Business Enterprises" in force  
On February 2, 2021, the Ministry of Finance issued the "Interpretation No. 14 of Accounting Standards for Business Enterprises" (Cai Kuai [2021] No. 1, hereinafter referred to as "Interpretation No. 14"), which will come into force on the date of publication. The relevant business operations added from January 1, 2021 to the date of application shall be adjusted under the Interpretation No. 14.

①Government-Private Partnership (PPP) project contracts

Interpretation No. 14 is applicable to PPP project contracts that meet both the "dual characteristics" and "dual controls" as described in the Interpretation. Retrospective adjustments should be made to relevant PPP project contracts that commenced before December 31, 2020 and have not been completed on the date of application, if retrospective adjustment is inoperable, it shall be applied from the beginning of the earliest period of the retrospective adjustment, and the information of the comparable period shall not be adjusted to the retained earnings at the beginning of the current year and other relevant items of the financial statement on the date of application of the cumulative effect adjustment.

The application of this provision has no material impact on the financial position and operating results of the Company.

②Benchmark interest rate reform

Interpretation No. 14 simplifies the accounting treatment for circumstances in which the benchmark interest rate reform leads to changes of the basis for determining cash flows related to financial instrument contracts and lease contracts.

Under the provisions of the Interpretation, the business related to the benchmark interest rate reform that occurred before December 31, 2020 should be subject to retrospective adjustment, except where retrospective adjustment is inoperable, without need to adjust the data in the comparative financial statements of the previous period. On the application date of the interpretation, the difference between the original book value and the new book value of financial assets and financial liabilities is recorded in the retained earnings or other comprehensive income at the beginning of the annual reporting period in which the interpretation is applied. The application of this provision has no material impact on the financial position and operating results of the Company.

(3) "Notice on Adjusting the Scope of Application of the Regulations on the Accounting Treatment of Rent Concessions Related to the Outbreak of COVID-19" in force

On June 19, 2020, the Ministry of Finance issued the "Regulations on the Accounting Treatment of Rent Concessions Related to the Outbreak of COVID-19" (Cai Kuai [2020] No. 10), the Company may elect to adopt a simplified approach for accounting treatment of rent deducts, delay in rent payment and other rent concessions directly caused by the outbreak of COVID-19.

On May 26, 2021, the Ministry of Finance issued the "Notice on Adjusting the Scope of Application of the Regulations on the Accounting Treatment of Rent Concessions Related to the Outbreak of COVID-19" (Cai Kuai [2021] No. 9), which will come into force from May 26, 2021, the scope of application of rent concessions related to the outbreak of COVID-19 applicable to simplified approach under the "Regulations on the Accounting Treatment of Rent Concessions Related to the Outbreak of COVID-19" is adjusted from "such concessions are only applicable to lease payments due before June 30, 2021" to "such concessions are only applicable to lease payments payable before June 30, 2021", and other applicable conditions remain unchanged.

The Company has elected to applied simplified approach for accounting treatment of all lease contracts satisfying the requirements before the adjustment of the scope of application, apply simplified approach for accounting treatment of similar lease contracts satisfying the conditions after the adjustment of the scope of application, and subject the relevant lease contracts for which the accounting treatment is conducted with lease change before the release of such notice to retrospective adjustments, without adjusting the comparative financial statement data of the previous period; for relevant rent concessions that have occurred between January 1, 2021 and the effective date of such notice, but not yet subject to accounting treatment under the provisions of such notice, adjustment will be made against such notice.

The application of this provision has no material impact on the financial position and operating results of the Company.

(4) Presentation of the centralized management of funds as contained in the "Interpretation No. 15 of Accounting Standards for Business Enterprises" in force

On December 30, 2021, the Ministry of Finance issued the "Interpretation No. 15 of Accounting Standards for Business Enterprises" (Cai Kuai [2021] No. 35, hereinafter referred to as "Interpretation No. 15"), and the content of "Presentation of Centralized Fund Management" will come into force from the date of publication, and the financial statement data of the comparable period will be adjusted accordingly.

Interpretation No. 15 specifies how the balance related to the centralized and consistent management of the funds of the parent and member units through internal settlement centers and financial firms should be presented and disclosed in the balance sheet. The application of this provision has no material impact on the financial position and operating results of the Company.

## (2). Changes in significant accounting estimates

☐Applicable ☒Non-applicable

## (3). Since 2021, the company first implemented the revised revenue standards, the new rent standards, and adjusted related items of the financial statements at the beginning of the year

☒Applicable ☐Non-applicable

### Consolidated Balance Sheet

Unit: Yuan Currency: RMB

Item	December 31st, 2020	January 1st, 2021	Adjusted Figures
<b>Current assets:</b>			
Cash and Bank Balances	787,123,646.45	787,123,646.45	
Deposit Reservation for Balance			
Loans to Banks and Other Financial Institutions			
Trading Financial Assets	176,111.00	176,111.00	
Derivative Financial Assets			
Notes receivable	296,283,951.73	296,283,951.73	
Accounts receivable	1,783,267,007.65	1,783,267,007.65	
Receivables Financing	742,203,122.21	742,203,122.21	
Prepayments	42,883,818.40	42,883,818.40	
Premium Receivable			
Reinsurance Accounts Receivable			
Reinsurance Contract Reserves Receivable			
Other Receivables	31,087,166.38	31,087,166.38	
Including: interest receivable			
Dividends Receivable			
Buying Back the Sale of Financial Assets			
Inventory	1,502,751,836.88	1,502,751,836.88	
Contract Assets			

Holding for-sale assets			
Non-current Assets Due within 1 year			
Other Current Assets	173,824,691.82	173,824,691.82	
Subtotal of Current Assets	5,359,601,352.52	5,359,601,352.52	
<b>Non-current Assets:</b>			
Granting of loans and advances			
Investment in Creditor's Rights			
Investment in Other Creditor's Rights			
Long-term Receivables			
Long-term Equity Investment	150,295,983.58	150,295,983.58	
Investment in Other Equity			
Other Non-current Financial Assets			
Investment Property	31,603,418.12	31,603,418.12	
Fixed Assets	4,248,257,966.73	4,248,257,966.73	
Projects under Construction	943,993,396.96	943,993,396.96	
Productive Biological Assets			
Oil and gas assets			
Right-of-use Assets		5,692,642.06	5,692,642.06
Intangible Assets	678,561,105.86	678,561,105.86	
Development Expenditure			
Goodwill	253,310,074.24	253,310,074.24	
Long-term unamortized expenses	57,679,259.94	57,679,259.94	
Deferred Income Tax Assets	94,968,559.88	94,968,559.88	
Other Non-current Assets	296,957,402.06	296,957,402.06	
Subtotal of Non-current Assets	6,755,627,167.37	6,761,319,809.43	5,692,642.06
Total Assets	12,115,228,519.89	12,120,921,161.95	5,692,642.06
<b>Current Liabilities:</b>			
Short-term loan	400,378,888.89	400,378,888.89	
Borrowings from the Central Bank			
Borrowings from Banks and Other Financial Institutions			
Transactional financial liabilities			
Derivative Financial Liabilities			
Notes Payable	1,471,327,551.91	1,471,327,551.91	
Accounts Payable	1,898,255,116.17	1,898,255,116.17	
Received Prepayments			
Contract liabilities	22,685,660.41	22,685,660.41	
Financial Assets Sold for Repurchase			
Deposit Taking and Interbank Deposit			
Receiving from Vicariously Traded Securities			
Receiving from Vicariously Sold Securities			
Payroll payable	138,292,361.67	138,292,361.67	
Tax Payable	82,865,303.29	82,865,303.29	
Other Payables	15,722,105.17	15,722,105.17	

Including: interest payable			
Dividends Payable			
Service Charge and Commission Payable			
Reinsurance Accounts Payable			
Holding for-sale liabilities			
Non-current Liabilities Due within 1 Year		3,805,229.64	3,805,229.64
Other Current Liabilities	1,507,896.52	1,507,896.52	
Subtotal of Current Liabilities	4,031,034,884.03	4,034,840,113.67	3,805,229.64
<b>Non-current Liabilities:</b>			
Insurance Contract Reserves			
Long-term loan			
Bonds Payable			
Including: Preferred Stocks			
Perpetual Bonds			
Lease Liabilities		1,887,412.42	1,887,412.42
Long-term Payables			
Long-term payroll payable			
Expected Liabilities			
Deferred Income	214,204,302.56	214,204,302.56	
Deferred Income Tax Liabilities	51,907,987.42	51,907,987.42	
Other Non-current Liabilities			
Subtotal of Non-current Liabilities	266,112,289.98	267,999,702.40	1,887,412.42
Total Liabilities	4,297,147,174.01	4,302,839,816.07	5,692,642.06
<b>Owners' Equity(or Shareholders' Equity):</b>			
Paid-in Capital (or Share Capital)	1,054,987,749.00	1,054,987,749.00	
Other Equity Instruments			
Including: Preferred Stocks			
Perpetual Bonds			
Capital Reserves	3,409,439,863.07	3,409,439,863.07	
Less: Treasury Share			
Other Comprehensive Incomes	-20,631,668.74	-20,631,668.74	
Special Reserves			
Surplus Reserves	474,769,630.86	474,769,630.86	
General Risk Reserves			
Undistributed Profits	2,868,429,319.48	2,868,429,319.48	
Total Owners' Equity (Shareholders' Equity) Attributable to the Parent Company	7,786,994,893.67	7,786,994,893.67	
Minority Shareholders' Equity	31,086,452.21	31,086,452.21	
Total Owners' Equity(or Shareholders' Equity)	7,818,081,345.88	7,818,081,345.88	
Total Liabilities and Total Owners' Equity(or Shareholders' Equity)	12,115,228,519.89	12,120,921,161.95	5,692,642.06

Notes to adjustment of all items:

√Applicable □Non-applicable

The Company will carry out the new lease standards from January 1, 2021. On the consolidated balance sheet at the beginning of the year, the right-of-use assets will be recognized at RMB 5,692,642.06,

and the lease liabilities will be recognized at RMB 1,887,412.42. The lease liabilities due within one year are reclassified as non-current liabilities due within one year, with the recognized amount of RMB 3,805,229.64.

## Balance Sheet of the Parent Company

Unit: Yuan Currency: RMB

Item	December 31st, 2020	January 1st, 2021	Adjusted amount
<b>Current assets:</b>			
Cash and Bank Balances	191,701,837.06	191,701,837.06	
Trading Financial Assets			
Derivative Financial Assets			
Notes receivable			
Accounts receivable	1,840,937,312.96	1,840,937,312.96	
Receivables Financing			
Prepayments	20,784,751.77	20,784,751.77	
Other Receivables	76,146,034.58	76,146,034.58	
Including: interest receivable			
Dividends Receivable			
Inventory	658,887,785.40	658,887,785.40	
Contract Assets			
Holding-for-sale assets			
Non-current Assets Due within 1 Year			
Other Current Assets			
Subtotal of Current Assets	2,788,457,721.77	2,788,457,721.77	
<b>Non-current Assets:</b>			
Investment in Creditor's Rights			
Investment in Other Creditor's Rights			
Long-term Receivables			
Long-term Equity Investment	4,071,774,944.06	4,071,774,944.06	
Investment in Other Equity Instruments			
Other Non-current Financial Assets			
Investment Property	31,603,418.12	31,603,418.12	
Fixed Assets	2,125,534,955.22	2,125,534,955.22	
Projects under Construction	324,037,109.77	324,037,109.77	
Productive Biological Assets			
Oil and gas assets			
Right-of-use Assets			
Intangible Assets	261,540,370.50	261,540,370.50	
Development Expenditure			
Goodwill			
Long-term unamortized expenses	18,012,648.52	18,012,648.52	
Deferred Income Tax Assets	33,565,021.69	33,565,021.69	
Other Non-current Assets	53,576,040.76	53,576,040.76	
Subtotal of Non-current Assets	6,919,644,508.64	6,919,644,508.64	
Total Assets	9,708,102,230.41	9,708,102,230.41	
<b>Current Liabilities:</b>			
Short-term loan	400,378,888.89	400,378,888.89	
Transactional financial liabilities			



Derivative Financial Liabilities			
Notes Payable	165,480,933.26	165,480,933.26	
Accounts Payable	1,070,753,965.63	1,070,753,965.63	
Received Prepayments			
Contract liabilities	1,448,964.90	1,448,964.90	
Payroll payable	73,653,497.54	73,653,497.54	
Tax Payable	54,138,713.22	54,138,713.22	
Other Payables	5,126,892.30	5,126,892.30	
Including: interest payable			
Dividends Payable			
Holding for-sale liabilities			
Non-current Liabilities Due within 1 Year			
Other Current Liabilities	188,365.44	188,365.44	
Subtotal of Current Liabilities	1,771,170,221.18	1,771,170,221.18	
<b>Non-current Liabilities:</b>			
Long-term loan			
Bonds Payable			
Including: Preferred Stocks			
Perpetual Bonds			
Lease Liabilities			
Long-term Payables			
Long-term payroll payable			
Expected Liabilities			
Deferred Income	70,962,922.25	70,962,922.25	
Deferred Income Tax Liabilities	28,630,095.25	28,630,095.25	
Other Non-current Liabilities			
Subtotal of Non-current Liabilities	99,593,017.50	99,593,017.50	
Total Liabilities	1,870,763,238.68	1,870,763,238.68	
<b>Owners' Equity(or Shareholders' Equity):</b>			
Paid-in Capital (or Share Capital)	1,054,987,749.00	1,054,987,749.00	
Other Equity Instruments			
Including: Preferred Stocks			
Perpetual Bonds			
Capital Reserves	3,409,439,863.07	3,409,439,863.07	
Less: Treasury Share			
Other Comprehensive Incomes			
Special Reserves			
Surplus Reserves	474,769,630.86	474,769,630.86	
Undistributed Profits	2,898,141,748.80	2,898,141,748.80	
Total Owners' Equity(or Shareholders' Equity)	7,837,338,991.73	7,837,338,991.73	
Total Liabilities and Total Owners' Equity(or Shareholders' Equity)	9,708,102,230.41	9,708,102,230.41	

Notes to adjustment of all items:

☐Applicable ☒Non-applicable**(4). Notes to compared data before and after the adjustment according to the first implementation of the new revenue recognition standard and the new lease accounting standard in 2021**☐Applicable ☒Non-applicable

**45. Others**

□Applicable √Non-applicable

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

Main categories of taxes and tax rates

√Applicable □Non-applicable

Tax Type	Taxation basis	Tax rate
VAT	According to the provisions of the tax law, the sales tax shall be calculated on the basis of the income by selling goods and taxable services. After deducting the input tax that is allowed to be deducted from the sales tax in the current period, the difference shall be the value added tax	13%、9%、6%（注1）
Consumption tax		
Business tax		
Urban Maintenance and Construction Tax	Calculated based on the actual VAT paid	7%、5%、1%（注2）
Education Surcharges	Calculated based on the actual VAT paid	3%
Local Education Surcharges	Calculated based on the actual VAT paid	2%
Enterprise income tax	Calculated based on the taxable income	34%、27.88%、27%、26.5%、25%、24%、22.2%、19%、16.5%、15%、

Note 1: The VAT tax of technology development service fees are calculated at 6% of the taxable income; if other VAT taxable sales activities are occurred in the Company, under the “Announcement of the Ministry of Finance, the State Administration of Taxation, and the General Administration of Customs on deepening the policies of VAT reform” (Announcement of the Ministry of Finance, the State Administration of Taxation, and the General Administration of Customs, 2019 No.39), the tax rate applicable to VAT will be adjusted to 13% and 9% from April 1<sup>st</sup>, 2019.

Note 2: If there are taxable entities applicable to different corporate city maintenance and construction tax rates, make a disclosure of statement:

Name of Taxpayer	Urban Maintenance and Construction Tax Rate
Liuzhou Tuopu	5%
Ningbo Qianhui	5%
Sichuan Tuopu	5%
Pinghu Tuopu	5%
Taizhou Tuopu	5%
Tuopu Mechatronic System	5%
Zhejiang Towin	5%
Hunan Tuopu	5%
Tuopu EV Thermal Management System (Ningbo) Co., Ltd.	5%
Shanghai Towin	1%

Name of Taxpayer	Urban Maintenance and Construction Tax Rate
Other companies	7%
If there are taxpayers applicable to different corporate local education surcharge rates, make a disclosure of the description √Applicable □Non-applicable	
Name of Taxpayer	Income Tax Rate (%)
The Company	15
Ningbo Qianhui	15
Baoji Tuopu	15
Tuopu Mechatronic System	15
Zhejiang Towin	15
Sichuan Maigao	15
Tuopu North American Ltd	26.50
Tuopu North American USA Limited, INC	27
Tuopu International	16.50
Tuopu Poland	19
Tuopu Sweden	22.20
TUOPU (MALAYSIA) SDN.BHD.	24
Tuopu USA, LLC	27.88
Tuopu Brasil	34
Other company	25

## 2. Preferential tax rate

√Applicable □Non-applicable

1. Under the provisions of the “Administrative measures for the accreditation of hi-tech enterprises” (Guo Ke Fa Huo [2016] No. 32) and the “Guidelines for the accreditation management of hi-tech enterprises” (Guo Ke Fa Huo [2016] No.195), Ningbo Science and Technology Bureau, Ningbo Finance Bureau, and Ningbo Tax Service, SAT issued the certificate of hi-tech enterprise (No. GR202133100574). As set out in the certificate, the Company was accredited as a hi-tech enterprise and this accreditation is valid for 3 years. Within this period of validity, the preferential tax rate for corporate income tax is 15%, which is effective from 2021 to 2023 The corporate income tax rate for 2020 is 15%.

2. Under the provisions of the “Administrative measures for the accreditation of hi-tech enterprises” (Guo Ke Fa Huo [2016] No. 32) and the “Guidelines for the accreditation management of hi-tech enterprises” (Guo Ke Fa Huo [2016] No.195), Ningbo Science and Technology Bureau, Ningbo Finance Bureau, and Ningbo Tax Service, SAT issued the certificate of hi-tech enterprise (No. GR202033100564). As set out in the certificate, Ningbo Qianhui was accredited as a hi-tech enterprise and this accreditation is valid for 3 years. Within this period of validity, the preferential tax rate for corporate income tax is 15%, which is effective from January 1<sup>st</sup>, 2020 to December 31<sup>st</sup>, 2022. The corporate income tax rate for 2021 is 15%.

3. Under the provisions of the “Administrative measures for the accreditation of hi-tech enterprises” (Guo Ke Fa Huo [2016] No. 32) and the “Guidelines for the accreditation management of hi-tech enterprises” (Guo Ke Fa Huo [2016] No.195), Shaanxi Department of Science and Technology, Shaanxi Department of Finance, and Shaanxi Tax Service, SAT issued the certificate of hi-tech enterprise (No. GR201961001257). As set out in the certificate, Baoji Tuopu was accredited as a hi-tech enterprise and this accreditation is valid for 3 years. Within this period of validity, the preferential tax rate for corporate income tax is 15%, which is effective from 2019 to 2021. The corporate income tax rate for 2021 is 15%.

4. Under the provisions of the “Administrative measures for the accreditation of hi-tech enterprises” (Guo Ke Fa Huo [2016] No. 32) and the “Guidelines for the accreditation management of hi-tech enterprises” (Guo Ke Fa Huo [2016] No.195), Ningbo Science and Technology Bureau, Ningbo Finance Bureau, and Ningbo Tax Service, SAT issued the certificate of hi-tech enterprise (No. GR201933100261). As set out in the certificate, Tuopu Smart Brake was accredited as a hi-tech enterprise and this accreditation is valid for 3 years. Within this period of validity, the preferential tax rate for corporate income tax is 15%, which is effective from 2019 to 2021. The corporate income tax rate for 2021 is 15%.

5. Under the provisions of the “Administrative measures for the accreditation of hi-tech enterprises” (Guo Ke Fa Huo [2016] No. 32) and the “Guidelines for the accreditation management of hi-tech enterprises” (Guo Ke Fa Huo [2016] No.195), the Office of the Steering Group for the National Hi-tech Enterprise Accreditation Management Work announced the list of hi-tech enterprises prospectively accredited in Zhejiang Province in 2019, in which Zhejiang Towin was accredited as a hi-tech enterprise. The preferential tax rate for corporate income tax is 15%, which is effective from 2019 to 2021. The corporate income tax rate for 2021 is 15%.

6. Under the relevant provisions of the "Announcement on Continuing the Enterprise Income Tax Policy for the Great Western Development" (Announcement No. 23 [2020] of the NDRC) and the "List of Encouraged Industries in the Western Region", Sichuan Department of Economics and Information Technology accredited Sichuan Maigao as encouraged industry enterprise and the preferential tax rate for corporate income tax is 15%, which is effective from January 1, 2021 to December 31, 2030. Therefore, the corporate income tax rate effective in 2021 will be 15%.

### 3. Others

☐Applicable ☒Non-applicable

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

### 1. Cash and bank balances

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Cash on Hand	9,367.02	8,899.73
Bank Balance	935,663,023.96	674,857,522.35
Other Cash and Bank Balances	335,777,756.39	112,257,224.37
Total	1,271,450,147.37	787,123,646.45
Including: Total Amount Deposited in Overseas Banks	162,601,396.46	70,846,825.02

Other notes

Schedule of the cash and bank balances restricted for use

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Documentary Credit Deposit	328,627,756.39	112,257,224.37
L/C Guarantee deposits	7,150,000.00	
Total	335,777,756.39	112,257,224.37

### 2. Trading Financial Assets

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Financial assets that are measured at fair value and whose changes are included in the current profit and loss	321,507,846.86	176,111.00
Including:		
Investment in debt instruments		
Equity instrument investment	1,507,846.86	176,111.00
Short-term financial products	320,000,000.00	
Financial assets that are designated to be measured at fair value and whose changes are included in the current		

profit and loss		
Including:		
Total	321,507,846.86	176,111.00

Other Notes

☐Applicable ☒Non-applicable**3. Derivative Financial Assets**☐Applicable ☒Non-applicable**4. Notes Receivable****(1) Notes receivable presented by category**☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Bank Acceptance Notes	364,139,072.40	296,283,951.73
Commercial Acceptance Notes		
Total	364,139,072.40	296,283,951.73

**(2). Notes receivable pledged by the Company at the end of the period**☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Item	Pledged amount by the end of period
Bank Acceptance Notes	315,417,218.51
Commercial Acceptance Notes	
Total	315,417,218.51

**(3). Notes receivable that the Company has endorsed or discounted at the end of the period and that have not yet expired on the balance sheet date**☐Applicable ☒Non-applicable**(4). Notes that the Company has transferred to accounts receivable due to a failure of contract performance at the end of the period.**☐Applicable ☒Non-applicable**(5). Categorical disclosure of accounts receivable**☐Applicable ☒Non-applicable

Provision for bad debts by single item:

☐Applicable ☒Non-applicable

Provision for bad debts by combination:

☐Applicable ☒Non-applicable

If the bad debt provision is made by the general expected credit loss model, e refer to the disclosure of other receivables:

☐Applicable ☒Non-applicable**(6). Provision for bad debts**☐Applicable ☒Non-applicable**(7). Notes receivable actually written off in the current period**☐Applicable ☒Non-applicable

Other notes

☐Applicable ☒Non-applicable**5. Accounts receivable****(1). Disclosure by aging**☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Aging	Book Balance at the End of the Period
Within 1 year	
Including: sub-item within 1 year	
Within 1 year	3,314,227,792.25
Subtotal within 1 year	3,314,227,792.25
1 to 2 years	17,038,956.67
2 to 3 years	3,521,656.24
Over 3 years	9,858,015.54
3 to 4 years	
4 to 5 years	
Over 5 years	6,838,046.63
Total	3,351,484,467.33

**(2) . Categorical disclosure by provision for bad debts**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Category	Balance at the End of the Period					Balance at the Beginning of the Period				
	Book Balance		Bad Debt Provision		Book Value	Book Balance		Bad Debt Provision		Book Value
	Amount	(%) Percentage (%)	Amount	Accrued Proportion (%)		Amount	Percentage (%)	Amount	Accrued Proportion (%)	
Bad debt provision accrued based on single item	7,536,306.12	0.22	7,536,306.12	100.00		7,929,510.12	0.42	7,929,510.12	100.00	
Bad debt provision accrued based on single item	3,343,948,161.21	99.78	175,727,356.26	5.26	3,168,220,804.95	1,885,685,399.76	99.58	102,418,392.11	5.43	1,783,267,007.65
Including:										
Bad debt provision accrued based on aging combinations	3,343,948,161.21	99.78	175,727,356.26	5.26	3,168,220,804.95	1,885,685,399.76	99.58	102,418,392.11	5.43	1,783,267,007.65
Total	3,351,484,467.33	/	183,263,662.38	/	3,168,220,804.95	1,893,614,909.88	/	110,347,902.23	/	1,783,267,007.65

Bad debt provision accrued based on single item

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Name	Balance at the End of the Period			
	Book Balance	Bad Debt Provision	Accrued Proportion (%)	Reason for Accrual
Chongqing Hyosow Parts Co., Ltd.	4,682,782.60	4,682,782.60	100.00	Expected to be unable to recover

Henan Dongqi Chenfei Rubber and Plastic Co., Ltd.	2,438,745.39	2,438,745.39	100.00	Expected to be unable to recover
Zhejiang Green Field Motor Co., Ltd.	414,778.13	414,778.13	100.00	Expected to be unable to recover
Total	7,536,306.12	7,536,306.12	100.00	/

Notes to Bad debt provision accrued based on single item:

☐Applicable ☒Non-applicable



Bad debt provision accrued based on combinations

☒Applicable ☐Non-applicable

Accrued items based on combinations: Accrued items based on aging group

Unit: Yuan Currency: RMB

Name	Balance at the End of the Period		
	Accounts Receivable	Bad Debt Provision	Accrued Proportion(%)
Within 1 year (including 1 year)	3,314,227,792.25	165,711,389.60	5.00
1-2 years (including 2 years)	17,038,956.67	1,703,895.67	10.00
2-3 years (including 3 years)	3,521,656.24	1,056,496.87	30.00
3-5 years (including 5 years)	4,760,454.81	2,856,272.88	60.00
Over 5 years	4,399,301.24	4,399,301.24	100
Total	3,343,948,161.21	175,727,356.26	

Recognition criteria for and notes to bad debt provision by combinations

☐Applicable ☒Non-applicable

If the bad debt provision is made by the general expected credit loss model, refer to the disclosure of other receivables:

☐Applicable ☒Non-applicable

### (3). Bad debt provision

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Category	Balance at the Beginning of the Period	Amount Changed in the Current Period				Balance at the End of the Period
		Provision	Withdrawal or Reversal	Write-off	Other Changes	
Bad debt provision accrued based on single item	7,929,510.12			393,204.00		7,536,306.12
Bad debt provision accrued based on combinations	102,418,392.11	73,308,964.15				175,727,356.26
Total	110,347,902.23	73,308,964.15		393,204.00		183,263,662.38

Significant withdrawal or reversal amount of provision for bad debts in the current period:

☐Applicable ☒Non-applicable

### (4). Accounts receivable actually written off in the current period

☐Applicable ☒Non-applicable

**(5). Accounts receivable of the top five closing balances collected by debtors**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Name of Entity	Balance at the End of the Period	Proportion in Total Accounts Receivable (%)	Bad Debt Provision
No.1	1,194,730,156.60	35.65	59,736,507.83
No.2	220,869,428.46	6.59	11,043,471.42
No.3	130,775,004.82	3.90	6,538,750.24
No.4	108,405,089.04	3.23	5,420,254.45
No.5	72,052,791.34	2.15	3,602,639.57
Total	1,726,832,470.26	51.52	86,341,623.51

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

□Applicable √Non-applicable

**(7). Amount of assets and liabilities formed by the transfer of accounts receivable and continued involvement**

□Applicable √Non-applicable

Other Notes:

□Applicable √Non-applicable

**6. Receivables Financing**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Notes receivable	972,493,168.64	742,203,122.21
Accounts receivable		
Total	972,493,168.64	742,203,122.21

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

√Applicable □Non-applicable

Item	Balance at the End of Previous Year	Increase in the Current Period	Derecognition in the Current Period	Other Changes	Balance at the End of the Period	Cumulative loss provision recognized in other comprehensive income
Bank Acce	714,860,797.35	2,185,275,119.25	1,990,530,963.19		909,604,953.41	

ptanc e Note s						
Com merc ial Acce ptanc e Note s	27,342,324.86	217,309,287.56	179,892,560.86	-1,870,836.33	62,888,215.23	
Total	742,203,122.21	2,402,584,406.81	2,170,423,524.05		972,493,168.64	

If the bad debt provision is made by the general expected credit loss model, e refer to the disclosure of other receivables:

☐Applicable ☒Non-applicable

Other Notes:

☒Applicable ☐Non-applicable

1. Notes receivable pledged by the Company at the end of the period

Unit: Yuan Currency: RMB

Item	Pledged amount by the end of period
Bank Acceptance Notes	810,828,525.63
Commercial Acceptance Notes	10,960,000.00
Total	821,788,525.63

2. Notes receivable that the Company has endorsed or discounted at the end of the period and that have not yet expired on the balance sheet date

Unit: Yuan Currency: RMB

Item	Derecognised amount at the end of the period	Not derecognised amount at the end of the period
Bank Acceptance Notes	1,518,056,240.48	
Total	1,518,056,240.48	

3. Provision for impairment of accounts receivable financing

As of December 31<sup>st</sup>, 2021, the amount of commercial acceptance notes was RMB 66,198,121.29, the Company managed the unmatured commercial acceptance notes as accounts receivable according to the principle of prudence and made a provision for bad debts of unmatured commercial acceptance notes in RMB 3,309,906.06 according to the principle of continuous calculation in respect of the age of its corresponding accounts receivable.

## 7. Prepayments

(1). Aging analysis of prepayments is as follows

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Aging	Balance at the End of the Period		Balance at the Start of the Period	
	Amount	Percentage(%)	Amount	Percentage(%)
Within 1 year	81,259,561.39	96.18	38,834,366.57	90.56
1-2 years	1,651,762.16	1.96	2,579,881.03	6.02
2-3 years	179,441.10	0.21	838,134.84	1.95
Over 3 years	1,398,339.71	1.65	631,435.96	1.47
Total	84,489,104.36	100.00	42,883,818.40	100.00

**(2).Particulars of advance payment of the top five closing balances by prepayment parties**

√Applicable □Non-applicable

Name of Entity	Balance at the end of the period	Proportion in total balance of prepayments at the end of the period
IPS SHANGHAI INC. COMPANY	10,000,000.00	11.84
SHANGHAI YAOTANG TECHNOLOGY CO LTD	2,999,999.71	3.55
JOHNSON ELECTRIC (GUANGDONG) CO., LTD.	2,133,257.16	2.52
SRI TRANG INTERNATIONAL PTE.LTD	1,994,493.38	2.36
GROZ-BECKERT TRADING (SHENZHEN) CO. LTD.	1,753,161.34	2.08
Total	18,880,911.59	22.35

Other Notes

□Applicable √Non-applicable

**8. Other Receivables****Presentation of items**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Interest receivable		
Dividend receivable	3,719,979.84	
Other Receivables	40,959,387.43	31,087,166.38
Total	44,679,367.27	31,087,166.38

Other Notes:

□Applicable √Non-applicable

**Interest receivable****(1). Category of interest receivable**

□Applicable √Non-applicable

**(2). Important late payment interest**

□Applicable √Non-applicable

**(3). Particulars of bad debt provision**

□Applicable √Non-applicable

Other Notes:

□Applicable √Non-applicable

**Dividend receivable****(4). Dividend Receivable**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item (or Invested Entity)	Balance at the end of the period	Balance at the beginning of the period
Chongqing Antolin Tuopu Overhead System Co., Ltd.	3,719,979.84	
Less: Bad debt provision		

Total	3,719,979.84
-------	--------------

**(5). Important dividend receivable with an aging over 1 year**

□Applicable √Non-applicable

**(6). Particulars of bad debt provision**

□Applicable √Non-applicable

Other Notes:

□Applicable √Non-applicable

**Other Receivables****(1) Disclosure by aging**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Aging	Book Balance at the End of the Period
Within 1 year	
Including: sub-item within 1 year	
Within 1 year	37,827,479.46
Subtotal within 1 year	37,827,479.46
1-2 years	5,026,322.41
2-3 years	280,002.55
Over 3 years	758,975.00
3-4 years	
4-5 years	
Over 5 years	779,020.19
Bad debt provision	44,671,799.61

**(7). Categorized by the nature of funds**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Nature of Funds	Book balance at the end of the period	Book balance at the beginning of the period
Petty cash funds	1,785,350.00	122,815.13
Security deposit	37,215,851.82	29,417,358.76
Others	5,670,597.79	4,122,370.20
Total	44,671,799.61	33,662,544.09

**(8). Particulars of bad debt provision**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Bad debt provision	Phase 1	Phase 2	Phase 3	Total
	Expected credit loss in the next 12 months	Expected credit loss throughout the duration (no credit impairment occurred)	Expected credit loss throughout the duration (credit impairment has occurred)	
Balance on January 1, 2021	2,575,377.71			2,575,377.71
Balance of the current period on January 1, 2021				
--Transfer to Phase 2				
--Transfer to				

Phase 3				
--Transfer to Phase 2				
--Transfer to Phase 1				
Provision made in the current period	1,137,034.47			1,137,034.47
Reversal in the current period				
Write-off in the current period				
Write-off in the current period				
Other changes				
Balance on December 31, 2021	3,712,412.18			3,712,412.18

Notes to significant changes in the book balance of other receivables that have changed in the current period:

☐Applicable ☒Non-applicable

Amount of bad debt provision in the current period and the basis for assessing whether the credit risk of financial instruments has increased significantly:

☐Applicable ☒Non-applicable

#### (9). Particulars of bad debt provision

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Category	Balance at the Beginning of the Period	Amount Changed in the Current Period				Balance at the End of the Period
		Provision	Withdrawal or Reversal	Write-off	Other Changes	
Accounts receivable with bad debt accrued based on aging portfolio	2,575,377.71	1,137,034.47				3,712,412.18
Total	2,575,377.71	1,137,034.47				3,712,412.18

Bad debt provision in the current period with significant amount of withdrawal or reversal:

☐Applicable ☒Non-applicable

#### (10). Particulars of other receivables actually written off in the current period

☐Applicable ☒Non-applicable

#### (11). Particulars of other receivables of the top five closing balances collected by debtors

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Name of Unit	Nature of funds	Balance at the end of the period	Aging	Proportion in total other receivables at the end of the period (%)	Balance of bad debt provision at the end of the period
Ningbo Hangzhou Bay New Zone Administration Committee for Development and Construction	Security deposit	33,259,433.00	Within 1 year	74.45	1,662,971.65
Ningbo Hangzhou Bay New Area Haichuang Industrial Co., Ltd.	Security deposit	868,500.00	Within 1 year	1.94	43,425.00
Liu Hongsong	Other	455,000.00	2 to 5 years	1.02	264,900.00
Shenbei New District Station of Shenyang Construction Engineering Quality Supervision Station	Security deposit	340,000.00	Over 5 years	0.76	340,000.00
Li Dongmei	Other	255,800.00	3 to 5 years	0.57	153,480.00
Total	/	35,178,733.00	/	78.74	2,464,776.65

**(12). Accounts receivable related to government subsidies**

☐Applicable ☒Non-applicable

**(13). Other accounts receivable derecognised due to transfer of financial assets**

☐Applicable ☒Non-applicable

**(14). Amount of assets and liabilities generated due to transfer of other receivables and continued involvement**

☐Applicable ☒Non-applicable

Other Notes:

☐Applicable ☒Non-applicable

**9. Inventories****(1).Category of inventories**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the End of the Period			Balance at the Start of the Period		
	Book Balance	Inventory depreciation provision or contract performance cost impairment provision	Book Value	Book Balance	Inventory depreciation provision or contract performance cost impairment provision	Book Value
Raw materials	295,991,257.60		295,991,257.60	217,685,102.37		217,685,102.37
WIPs						
Finished goods	1,018,334,344.47	58,225,344.98	960,108,999.49	617,392,628.62	38,312,844.14	579,079,784.48
Revolving materials	26,763,189.32		26,763,189.32	15,283,612.95		15,283,612.95
Consumptive biological assets						
Contract performance cost						
Production cost	453,562,883.94		453,562,883.94	244,417,226.39		244,417,226.39
Delivered goods	560,557,512.72		560,557,512.72	446,286,110.69		446,286,110.69
Total	2,355,209,188.05	58,225,344.98	2,296,983,843.07	1,541,064,681.02	38,312,844.14	1,502,751,836.88

**(2). Inventory depreciation provision and contract performance cost impairment provision**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the Start of the Period	Increase in the Current Period		Decrease in the Current Period		Balance at the End of the Period
		Accrued	Others	Reversal or Write-off	Others	
Raw materials						
WIPs						
Finished goods	38,312,844.14	24,461,606.50		4,549,105.66		58,225,344.98
Revolving materials						
Consumptive biological assets						
Contract performance cost						
Total	38,312,844.14	24,461,606.50		4,549,105.66		58,225,344.98



**(3). Notes to the balance at the end of the inventory period with the capitalized amount of borrowing costs**

☐Applicable ☒Non-applicable

**(4). Notes to the amortized amount in the current period of contract performance cost**

☐Applicable ☒Non-applicable

Other Notes

☐Applicable ☒Non-applicable

**10. Contract Assets****(1). Particulars of contract assets**

☐Applicable ☒Non-applicable

**(2). Amount and reason for the significant change in the book value during the reporting period**

☐Applicable ☒Non-applicable

**(3). Particulars of impairment provision of contract assets in the current period**

☐Applicable ☒Non-applicable

If the bad debt provision is made by the general expected credit loss model, e refer to the disclosure of other receivables:

☐Applicable ☒Non-applicable

Other Notes:

☐Applicable ☒Non-applicable

**11. Holding-for-sale assets**

☐Applicable ☒Non-applicable

**12. Non-current assets due within one year**

☐Applicable ☒Non-applicable

Important debt investments and other debt investments at the end of the period:

☐Applicable ☒Non-applicable

**13. Other Current Assets**

☐Applicable ☒Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Contract acquisition cost		
Prepaid income tax	1,763,396.48	5,400,034.11
Prepayments of other taxes	3,166.41	
Unpaid VAT	264,420,517.02	168,424,657.71
Total	266,187,079.91	173,824,691.82

**14. Debt Investment****(1). Particulars of debt investment**

☐Applicable ☒Non-applicable

**(2). Important debt investment at the end of the period**

☐Applicable ☒Non-applicable

**(3). Particulars of provision for impairment**

☐Applicable ☒Non-applicable

The amount of impairment provision for the current period and the basis for assessing whether the credit risk of financial instruments has increased significantly

☐Applicable ☒Non-applicable

Other Notes

☐Applicable ☒Non-applicable

**15. Other Debt Investments****(1). Particulars of other debt investments**

☐Applicable ☒Non-applicable

**(2). Other important debt investments at the end of the period**

☐Applicable ☒Non-applicable

**(3). Particulars of provision for impairment**

☐Applicable ☒Non-applicable

The amount of impairment provision for the current period and the basis for assessing whether the credit risk of financial instruments has increased significantly

☐Applicable ☒Non-applicable

Other Notes:

☐Applicable ☒Non-applicable

**16. Long-term Receivables****(1). Particulars of long-term receivables**

☐Applicable ☒Non-applicable

**(2). Particulars of provision for bad debts**

☐Applicable ☒Non-applicable

The amount of provision for bad debts in the current period and the basis for assessing whether the credit risk of financial instruments has increased significantly

☐Applicable ☒Non-applicable

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

☐Applicable ☒Non-applicable

**(4). The amount of assets and liabilities formed by the transfer of long-term receivables and continued involvement**

☐Applicable ☒Non-applicable

Other Notes

☐Applicable ☒Non-applicable

**17. Long-term Equity Investment**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Invested Entity	Balance at the Beginning of the Period	Decrease/Increase in the current period								Balance at the End of the Period	Balance of impairment t provision at the end of the period
		Inve stme nt Incr ease d	Inve stme nt Decr ease d	Investment profit and loss recognized under the equity method	Adjustm ent on other compre hensive income	Other chang es in equity	Cash dividen ds or profit declared to distribut e	Provis ion for impair ment accrue d	Ot he rs		
I. Joint ventures											
Tuopu Electrical Appliances Co., Ltd.	62,576,414.03			7,071,034.74			20,000,000.00			49,647,448.77	
Ningbo Borgers Tuopu Automobile Parts Co., Ltd.	77,081,863.30			10,360,123.92			15,000,000.00			72,441,987.22	
Subtotal	139,658,277.33			17,431,158.66			35,000,000.00			122,089,435.99	
II. Affiliates											
Chongqing Antolin Tuopu Overhead System Co., Ltd.	10,637,706.25			470,613.13			3,719,979.84			7,388,339.54	
Subtotal	10,637,706.25			470,613.13			3,719,979.84			7,388,339.54	
Total	150,295,983.58			17,901,771.79			38,719,979.84			129,477,775.53	

**18. Other equity instrument investments****(1). Particulars of other equity instrument investments**

□Applicable √Non-applicable

**(2). Particulars of investment in non-trading equity instruments**

□Applicable √Non-applicable

Other Notes:

□Applicable √Non-applicable

**19. Other non-current financial assets**

□Applicable √Non-applicable

Other Notes:

□Applicable √Non-applicable

**20. Investment property**

Measurement options of investment property

**(1). Investment properties measured by cost method**

Unit: Yuan Currency: RMB

Item	Buildings and constructions	Land use rights	Projects under Construction	Total
<b>I . Original book value</b>				
1. Balance at the beginning of the period	49,063,282.93	6,689,012.00		55,752,294.93
2. Increased in the Current Period				
(1) Purchase				
(2) Transfer-in of Inventory\Fixed assets\Construction in progress				
(3) Increase from business combination				
3. Decreased in the Current Period				
(1) Disposal				
(2) Other Transfer-out				
4. Balance at the end of the period	49,063,282.93	6,689,012.00		55,752,294.93
<b>II. Accumulated Depreciation and Amortization</b>				
1. Balance at the beginning of the period	21,687,451.18	2,461,425.63		24,148,876.81

2. Increased in the Current Period	1,493,867.57	180,333.81		1,674,201.38
(1) Accrual or Amortization	1,493,867.57	180,333.81		1,674,201.38
3. Decreased in the Current Period				
(1) Disposal				
(2) Other transfer-out				
4. Balance at the end of the period	23,181,318.75	2,641,759.44		25,823,078.19
III. Provision for Impairment				
1. Balance at the beginning of the period				
2. Increased in the Current Period				
(1) Accrual				
3. Decreased in the Current Period				
(1) Disposal				
(2) Other Transfer-out				
4. Balance at the end of the period				
IV. Book value				
1. Book value at the end of the period	25,881,964.18	4,047,252.56		29,929,216.74
2. Book value at the beginning of the period	27,375,831.75	4,227,586.37		31,603,418.12

**(2). Particulars of investment property without the property right certificate granted**

□Applicable √Non-applicable

Other Notes

□Applicable √Non-applicable

**21. Fixed assets****Presentation of items**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Fixed assets	5,831,567,302.57	4,248,257,966.73
Disposal of fixed assets		
Total	5,831,567,302.57	4,248,257,966.73

Other Notes:

☐Applicable ☒Non-applicable**Fixed Assets****(1). Particulars of fixed Assets**☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Item	Houses and buildings	Means of transportation	Machinery and equipment	Office equipment and others	Buildings for commercial use	Total
1. Balance at the beginning of the period						
2. Increased in the Current Period	2,073,264,004.72	31,988,613.22	3,846,134,511.39	199,000,728.36	68,200,328.83	6,218,588,186.52
(1) Purchase	344,538,698.41	5,321,654.83	1,743,394,019.29	27,455,948.67		2,120,710,321.20
(2) Transfer-in of construction in progress	14,735,529.03	5,238,132.71	195,224,356.01	17,368,633.10		232,566,650.85
(3) Increase from business combination	329,803,169.38	83,522.12	1,548,169,663.28	10,087,315.57		1,888,143,670.35
3. Decreased in the Current Period						
(1) Disposal or scrapping		1,481,503.88	41,637,733.09	964,652.98		44,083,889.95
2. Increased in the Current Period		1,481,503.88	41,637,733.09	964,652.98		44,083,889.95
(2) other						
4. Balance at the end of the period	2,417,802,703.13	35,828,764.17	5,547,890,797.59	225,492,024.05	68,200,328.83	8,295,214,617.77
II. Accumulated Depreciation						
1. Balance at the beginning of the period	357,206,206.02	23,887,832.93	1,493,030,127.66	93,777,434.96	2,428,618.22	1,970,330,219.79
2. Increased in the Current Period	95,450,149.02	2,566,833.15	404,206,936.84	19,715,792.20	1,533,864.14	523,473,575.35
(1) Accrual	95,450,149.02	2,566,833.15	404,206,936.84	19,715,792.20	1,533,864.14	523,473,575.35
3. Decreased in the Current Period		1,383,118.38	28,137,118.58	636,242.98		30,156,479.94
(1) Disposal or scrapping		1,383,118.38	28,137,118.58	636,242.98		30,156,479.94

4. Balance at the end of the period	452,656,355.04	25,071,547.70	1,869,099,945.92	112,856,984.18	3,962,482.36	2,463,647,315.20
III. Provision for Impairment						
1. Balance at the beginning of the period						
2. Increased in the Current Period						
(1) Accrual						
3. Decreased in the Current Period						
(1) Disposal or scrapping						
4. Balance at the end of the period						
IV. Book value						
1. Book value at the end of the period	1,965,146,348.09	10,757,216.47	3,678,790,851.67	112,635,039.87	64,237,846.47	5,831,567,302.57
2. Book value at the beginning of the period	1,716,057,798.70	8,100,780.29	2,353,104,383.73	105,223,293.40	65,771,710.61	4,248,257,966.73

**(2). Particulars of temporarily idle fixed assets**

□Applicable √Non-applicable

**(3). Particulars of fixed assets rented under financial leasing**

□Applicable √Non-applicable

**Fixed assets rented under operating leases**

□Applicable √Non-applicable

**(5). Particulars of fixed assets without property right certificate granted**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Book Value	Reason for non-granted property right certificate
Houses and buildings	558,148,734.36	In process

**Other Notes:**

√Applicable □Non-applicable

The above factories are under construction with a full set of documents and relevant procedures are gone through. The process of obtaining property right certificates is expedited, some construction projects have been accepted and recorded by competent authority, and there is no substantial obstacle in this process.

**Disposal of Fixed Assets**

√Applicable □Non-applicable

**22. Construction in progress****Presentation of items**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Construction in progress	1,990,647,471.76	943,993,396.96
Construction supplies and materials		
Total	1,990,647,471.76	943,993,396.96

**Other Notes:**

□Applicable √Non-applicable



**Construction in Progress****(1). Details of construction in progress**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period			Balance at the beginning of the period		
	Book Balance	Provision for decline in value	Book value	Book Balance	Provision for decline in value	Book value
Equipment and software installation project	918,204,256.60		918,204,256.60	682,154,841.45		682,154,841.45
Molds of the group under fabrication	97,943,256.42		97,943,256.42	83,278,532.30		83,278,532.30
Intelligent Brake project of the group headquarter	387,660.57		387,660.57	10,760,304.53		10,760,304.53
Wuhan Tuopu Project	489,259.22		489,259.22	5,106,988.41		5,106,988.41
Taizhou Tuopu Project				43,526,245.62		43,526,245.62
Mechatronic System Phase II Project	2,792,014.72		2,792,014.72	25,674,905.15		25,674,905.15
Zhejiang Towin Project				11,545,959.74		11,545,959.74
Sichuan Maigao Project				27,462,126.30		27,462,126.30
Tuopu EV project	741,854,318.80		741,854,318.80	10,706,712.33		10,706,712.33
Tuopu Chassis Project	167,456,827.87		167,456,827.87	43,776,781.13		43,776,781.13
Poland plant construction project	33,701,866.37		33,701,866.37			
Tuopu Photovoltaic Technology (Beilun) Project	6,489,718.13		6,489,718.13			
Tuopu Photovoltaic Technology (Hangzhou Bay) Project	18,914,514.91		18,914,514.91			
Tuopu Photovoltaic Technology (Pinghu) project	2,032,852.20		2,032,852.20			
Other sporadic construction projects	380,925.95		380,925.95			
Total	1,990,647,471.76		1,990,647,471.76	943,993,396.96		943,993,396.96

**(2). Changes in significant construction in progress during the current period**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Budget	Balance at the Start of the Period	Increased in the current period	Transfer amounts of fixed assets in this period	Other amounts decreased in current period	Balance at the End of the Period	Project accumulative investment as a percentage of the budget (%)	Project progress	Accumulated capitalized interest amount	Including: capitalized interest amount in the current period	Capitalization rate of the interest in the current period (%)	Capital Source
Equipment and software installation project		682,154,841.45	1,744,495,118.54	1,488,252,281.74	20,193,421.65	918,204,256.60		Under construction				Self-funded or raised
Molds of the group under fabrication		83,278,532.30	78,572,942.52	62,602,496.63	1,305,721.77	97,943,256.42		Under construction				Self-funded
Intelligent Brake project of the group headquarter	530,000,000.00	10,760,304.53	3,808,028.03	14,180,671.99		387,660.57	97.58	Under construction				Self-funded or raised

Sichuan Maigao Project		11,545,959.74	2,977,860.26	13,762,535.60	761,284.40			As built				Self-funded
Mechatronic System Phase II Project	130,000,000.00	25,674,905.15	109,753,338.31	127,010,877.41	5,625,351.33	2,792,014.72	104.18	Under construction				Self-funded or raised
Taizhou Tuopu Project	55,000,000.00	43,526,245.62	12,358,231.23	55,884,476.85			101.61	As built				Self-funded
Hunan plant construction project	150,000,000.00	27,462,126.30	96,330,117.54	121,832,600.94	1,959,642.90		81.22	As built				Self-funded or raised
Tuopu Chassis Project	350,000,000.00	43,776,781.13	123,680,046.74			167,456,827.87	47.84	Under construction				Self-funded
Tuopu EV project	1,300,000,000.00	10,706,712.33	731,147,606.47			741,854,318.80	57.07	Under construction				Self-funded or raised
Tuopu Wuhan project		5,106,988.41		4,617,729.19		489,259.22		Under construction				Self-funded
Poland plant construction project	50,000,000.00		33,701,866.37			33,701,866.37	67.40	Under construction				Self-funded

Tuopu Photovoltaic Technology (Beilun) Project	30,000,000.00		6,489,718.13			6,489,718.13	21.63	Under construction				Self-funded
Tuopu Photovoltaic Technology (Hangzhou Bay) Project	50,000,000.00		18,914,514.91			18,914,514.91	37.83	Under construction				Self-funded
Tuopu Photovoltaic Technology (Pinghu) project	10,000,000.00		2,032,852.20			2,032,852.20	20.33	Under construction				Self-funded
Other sporadic construction projects			380,925.95			380,925.95		Under construction				Self-funded
Total	2,655,000,000.00	943,993,396.96	2,964,643,167.20	1,888,143,670.35	29,845,422.05	1,990,647,471.76	/	/			/	/

**(3). Provision for impairment of construction in progress in the current period**

□Applicable √Non-applicable

Other Notes

□Applicable √Non-applicable

**Construction materials and supplies****(4). Particulars of construction materials and supplies**

□Applicable √Non-applicable

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

□Applicable √Non-applicable

**(2). Productive biological assets measured at fair value**

□Applicable √Non-applicable

Other Notes

□Applicable √Non-applicable

**24. Oil and gas assets**

□Applicable √Non-applicable

**25. Right-of-use assets**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Houses and buildings	Total
<b>I. Original book value</b>		
1. Balance at the beginning of the period	5,692,642.06	5,692,642.06
2. Increased in the Current Period	66,978,720.47	66,978,720.47
(1) New leases	66,978,720.47	66,978,720.47
(2) Acquisition		
(3) Revaluation adjustment		
3. Decreased in the Current Period		
(1) Transfer out to fixed assets		
(2) Disposal		
4. Balance at the end of the period	72,671,362.53	72,671,362.53
<b>II. Accumulated amortization</b>		
1. Balance at the beginning of the period		
2. Increased in the Current Period	13,882,969.37	13,882,969.37
(1) Accrual	13,882,969.37	13,882,969.37
3. Decreased in the Current Period		
(1) Disposal		
(2) Transfer out to fixed assets		
4. Balance at the end of the period	13,882,969.37	13,882,969.37
<b>III. Provision for Impairment</b>		
1. Balance at the beginning of the period		

2. Increased in the Current Period		
(1) Accrual		
3. Decreased in the Current Period		
(1) Disposal		
(2) Transfer out to fixed assets		
4. Balance at the end of the period		
IV. Book value		
1. Book value at the end of the period	58,788,393.16	58,788,393.16
2. Book value at the beginning of the period	5,692,642.06	5,692,642.06

**26. Intangible assets****(1). Particulars of intangible assets**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Land use rights	Patent rights	Non-patented technologies	Softwares	Emission rights	Total
<b>I . Original book value</b>						
1. Opening Balance	703,393,774.52			67,847,717.99	1,548,222.50	772,789,715.01
2. Increased in the Current Period	195,895,700.00			5,487,899.87		201,383,599.87
(1) Purchase	195,895,700.00			5,487,899.87		201,383,599.87
(2) Internal research and development						
(3) Acquisition						
(4)Other						
3. Decreased in the Current Period	17,752.42			24,822.48		42,574.90
3. Decreased in the Current Period				24,822.48		24,822.48
(2)Lapsed and derecognized part						
(3)Other	17,752.42					17,752.42
4. Balance at the end of the period	899,271,722.10			73,310,795.38	1,548,222.50	974,130,739.98
<b>II. Accumulated amortization</b>						
1. Balance at the beginning of the period	67,825,404.83			25,669,301.94	733,902.38	94,228,609.15
2. Increased in the Current Period	15,254,604.74			9,235,868.15	309,644.50	24,800,117.39
(1) Accrual	15,254,604.74			9,235,868.15	309,644.50	24,800,117.39
3. Decreased in the Current				3,059.79		3,059.79

Period						
(1) Disposal				3,059.79		3,059.79
(2)Lapsed and derecognized part						
(3)Other						
4. Balance at the end of the period	83,080,009.57			34,902,110.30	1,043,546.88	119,025,666.75
III. Provision for Impairment						
1. Balance at the beginning of the period						
2. Increased in the Current Period						
(1) Accrual						
3. Decreased in the Current Period						
(1) Disposal						
4. Balance at the end of the period						
IV. Book value						
1.Book value at the end of the period	816,191,712.53			38,408,685.08	504,675.62	855,105,073.23
2.Book value at the beginning of the period	635,568,369.69			42,178,416.05	814,320.12	678,561,105.86

Intangible assets formed through the R&D activities within the company at the end of the period as a percentage in the balance of intangible assets

**(2). Particulars of land use rights without property right certificate granted**

☐Applicable ☒Non-applicable

Other Notes:

☐Applicable ☒Non-applicable



**27. Development expenditure**

□Applicable √Non-applicable

**28. Goodwill****(1) Original book value of goodwill**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Name of invested entity or matter forming goodwill	Balance at the beginning of the period	Increased in the current period		Decreased in the current period		Balance at the end of the period
		Generated from business combination	...	Disposal	...	
Tuopu North American USA Limited, INC	1,080,371.29					1,080,371.29
Ningbo Qianhui	6,058,537.77					6,058,537.77
Goodwill formed by the acquisition of chassis business from Zhejiang Towin and Sichuan Maigao	279,645,980.89					279,645,980.89
Total	286,784,889.95					286,784,889.95

**(2) Provision of impairment in goodwill**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Name of invested entity or matter forming goodwill	Balance at the beginning of the period	Increased in the current period		Decreased in the current period		Balance at the end of the period
		Accrual		Disposal		
Goodwill formed by the acquisition of chassis business from Zhejiang Towin and Sichuan Maigao	33,474,815.71	44,633,489.63				78,108,305.34
Total	33,474,815.71	44,633,489.63				78,108,305.34

**(3) Information about the asset group or combination of asset groups where the goodwill is a part**

√Applicable □Non-applicable

For the goodwill impairment test concerning Zhejiang Towin and Sichuan Maigao, the chassis business comprising Zhejiang Towin and Sichuan Maigao, and Tuopu Parts that ultimately carries out the sales of the chassis business are deemed as asset groups for impairment testing. The main cash inflows are independent of cash inflows from other assets or asset groups.

#### (4) Explanation of the goodwill impairment test process, key parameters and the recognition method of goodwill impairment loss

√Applicable □Non-applicable

(1) Impairment test of goodwill formed by the acquisition of chassis business of Zhejiang Towin and Sichuan Maigao

The recoverable amount of goodwill is calculated at the present value of the expected future cash flow. The expected cash flow is based on the cash flow forecast approved by the Company for a period of five years (the period from 2022 to 2026 and the stable period after 2026), and estimated from sales revenue growth rate, gross profit and other key data determined based on the historical experience and market development forecast. The discount rate applicable to the Company is a pre-tax interest rate that reflects the time value of currency in the current market and the particular risks of related asset group.

#### (5) Impact of goodwill impairment test

√Applicable □Non-applicable

After test, the recoverable amount of the asset group containing goodwill formed from the acquisition of the chassis business of Zhejiang Towin and Sichuan Maigao is lower than the book value of the asset group containing goodwill. According to the results of impairment test, the provision for goodwill impairment is RMB 44,633,489.63.

Other Notes

□Applicable √Non-applicable

#### 29. Long-term prepaid expenses

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the beginning of the period	Increased in the current period	Prepaid Expenses in This Period	Other Amounts Decreased	Balance at the End of the Period
Decoration cost et al.	22,615,107.37	24,093,339.78	10,903,828.35	39,823.01	35,764,795.79
Others	35,064,152.57	53,038,098.95	28,717,299.97	131,113.13	59,253,838.42
Total	57,679,259.94	77,131,438.73	39,621,128.32	170,936.14	95,018,634.21

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

##### (1). Deferred income tax assets not written off

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period		Balance at the beginning of the period	
	Taxable temporary difference	Deferred Income Tax Liabilities	Taxable temporary difference	Deferred Income Tax Liabilities
Provision for impairment of assets	248,511,325.60	56,418,547.35	152,675,193.81	33,337,345.97
Unrealized profits from internal transactions	138,020,992.35	33,806,756.49	111,200,512.26	25,696,889.57
Deductible loss				
Deferred income	269,329,507.52	44,837,700.02	214,204,302.56	35,934,324.34
Transactional financial assets	252,506.50	37,875.98		
Total	656,114,331.97	135,100,879.84	478,080,008.63	94,968,559.88

##### (2). Deferred income tax liabilities not written-off

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period		Balance at the beginning of the period	
	Taxable temporary difference	Deferred Income Tax Liabilities	Taxable temporary difference	Deferred Income Tax Liabilities
Assessed appreciation of assets from business combination of the companies not under the same control	43,446,040.40	10,861,510.10	46,761,294.44	11,690,323.61
Changes in the fair value of other equity instrument investments				
Accelerated depreciation of fixed assets	432,587,743.52	64,888,161.53	268,117,758.73	40,217,663.81
Total	476,033,783.92	75,749,671.63	314,879,053.17	51,907,987.42

**(3) Deferred Income Tax Assets or Liabilities Listed by Net Amount after Offset**☐Applicable ☒Non-applicable**(4).Particulars of unrecognized deferred income tax asset**☐Applicable ☒Non-applicable**(5). The deductible losses of unrecognized deferred income tax assets will expire in the following years**☐Applicable ☒Non-applicable

Other Notes:

☐Applicable ☒Non-applicable**31.Other non-current assets**☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period			Balance at the beginning of the period		
	Book balance	Provision for decline in value	Book value	Book balance	Provision for decline in value	Book Value
Contract acquisition cost						
Contract performance cost						
Return cost receivable						
Contract assets						
Prepayments or construction equipment	558,231,000.78		558,231,000.78	296,957,402.06		296,957,402.06
Total	558,231,000.78		558,231,000.78	296,957,402.06		296,957,402.06

**32. Short-term loans****(1). Categories of short-term loan**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Pledge loan		
Mortgage loan	700,000,000.00	400,378,888.89
Guaranteed loan		
Credit loan	513,684,440.00	
Unmatured interest	906,666.66	
Total	1,214,591,106.66	400,378,888.89

**(2). Short-term loans that have been late for repayment**

□Applicable √Non-applicable

Significant short-term loans that have been late for repayment:

□Applicable √Non-applicable

Other Notes

□Applicable √Non-applicable

**33. Transactional financial liabilities**

□Applicable √Non-applicable

**34. Derivative financial liabilities**

□Applicable √Non-applicable

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

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Category	Balance at the end of the period	Balance at the beginning of the period
Commercial acceptance bill		
Bank acceptance bill	2,333,423,633.37	1,471,327,551.91
Total	2,333,423,633.37	1,471,327,551.91

At the end of the current period, total amount of notes payable that have not yet been paid is 0 Yuan.

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

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Within 1 year (including 1 year)	3,189,803,122.51	1,853,269,995.18
1-2 years (including 2 years)	25,672,355.16	31,986,841.31
2-3 years (including 3 years)	5,382,102.73	7,239,675.36
Over 3 years	4,896,484.10	5,758,604.32
Total	3,225,754,064.50	1,898,255,116.17

**(2). Important accounts payable aged over 1 year**

□Applicable √Non-applicable

Other Notes

□Applicable √Non-applicable

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

□Applicable √Non-applicable

**(2). Important accounts payable aged over 1 year**

□Applicable √Non-applicable

Other Notes

□Applicable √Non-applicable

**38. Contract liabilities****(1). Particulars of contract liabilities**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Within 1 year (including 1 year)	14,378,979.25	11,522,861.56
1-2 years (including 2 years)	565,925.37	6,673,269.49
2-3 years (including 3 years)	3,937,527.97	838,769.34
Over 3 years	3,693,130.69	3,650,760.02
Total	22,575,563.28	22,685,660.41

**(2). The amount and reason for significant change in the book value during the reporting period**

□Applicable √Non-applicable

Other Notes:

□Applicable √Non-applicable

**39. Payroll payable****(1). Presentation of payroll payable**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the Beginning of the Period	Increased in the current period	Decreased in the current period	Balance at the End of the Period
I. Short-term remuneration	138,178,109.47	1,275,739,215.87	1,220,809,759.36	193,107,565.98
II. Demission benefits - defined contribution scheme	114,252.20	73,125,876.23	72,580,809.90	659,318.53
III. Dismissal benefits				
IV. Other benefits due within 1 year				
Total	138,292,361.67	1,348,865,092.10	1,293,390,569.26	193,766,884.51

**(2) . Presentation of short-term remuneration**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the Beginning of the Period	Increased in the current period	Decreased in the current period	Balance at the End of the Period
1. Wages or salaries, bonuses, allowances and subsidies	135,935,768.57	1,125,251,900.22	1,069,287,604.06	191,900,064.73
2. Staff welfare	106,560.80	55,647,563.22	55,640,474.90	113,649.12
3. Social insurance contributions	204,154.27	32,655,735.28	32,430,864.12	429,025.43
Including: medical insurance premium	159,475.74	29,000,265.30	28,796,753.42	362,987.62
Work injury insurance premium	-1,680.08	3,433,116.26	3,381,983.84	49,452.34
Birth insurance premium	46,358.61	222,353.72	252,126.86	16,585.47
4. Housing funds	110,395.00	50,819,692.24	50,781,609.44	148,477.80
5. Labor union and education funds	1,821,230.83	11,364,324.91	12,669,206.84	516,348.90
6. Short-term paid absences				
7. Short-term profit sharing plan				
Total	138,178,109.47	1,275,739,215.87	1,220,809,759.36	193,107,565.98

**(3). Presentation of defined contribution plan**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the beginning of the period	Increased in the current period	Decreased in the current period	Balance at the end of the period
1. Basic pension insurance premium	104,394.92	70,149,797.68	69,628,771.72	625,420.88
2. Unemployment insurance premium	9,857.28	2,976,078.55	2,952,038.18	33,897.65
3. Corporate annuity payment				
Total	114,252.20	73,125,876.23	72,580,809.90	659,318.53

Other Notes

□Applicable √Non-applicable

**40. Taxes payable**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
VAT	59,457,554.67	37,476,861.48
Consumption tax		
Business tax		
Enterprise Income Tax	47,368,757.82	13,247,733.04
Individual income tax	1,681,521.35	1,126,989.40
Urban Maintenance and Construction Tax	2,279,742.18	2,555,965.45
Property tax	18,831,478.02	17,409,122.91
Education surcharges	1,001,931.95	1,124,111.62
Local education surcharges	667,098.49	748,551.75
Land use tax	14,114,234.70	8,463,193.68
Environmental protection tax	629.00	454.86
Disabled security fund	1,666,524.94	313,642.20
Special funds for water conservancy construction	30,880.13	8,547.00
Stamp duty	1,002,092.56	390,129.90
Total	148,102,445.81	82,865,303.29

**41. Other payables****Presentation of items**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Interest Payable		
Dividends Payable		
Other payables	15,363,015.51	15,722,105.17
Total	15,363,015.51	15,722,105.17

Other Notes:

□Applicable √Non-applicable

**Interest Payable****(1). Presentation by category**

□Applicable √Non-applicable

**Dividends payable****(2). Presentation by category**

□Applicable √Non-applicable

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

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Security deposits	6,556,518.94	8,120,598.94
Others	8,806,496.57	7,601,506.23
Total	15,363,015.51	15,722,105.17

**(2). Significant other payables aged over 1 year**

□Applicable √Non-applicable

Other Notes:

□Applicable √Non-applicable

**42. Held-for-sale liabilities**

□Applicable √Non-applicable

**43. Non-current liabilities due within 1 year**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Long-term loans due within 1 year		
Bonds payable due within 1 year		
Long-term payables due within 1 year		
Lease liabilities due within 1 year	19,018,076.84	3,805,229.64
Total	19,018,076.84	3,805,229.64

**44. Other current liabilities**

Particulars of other current liabilities

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Short-term bonds payable		
Return payment payable		
Prepaid and deferred output tax	1,498,582.75	1,507,896.52
Financial lease loan	192,409,691.31	
Total	193,908,274.06	1,507,896.52



Changes in short-term bonds payable:

☐Applicable ☒Non-applicable

Other Notes:

☐Applicable ☒Non-applicable

#### 45. Long-term loans

##### (1). Category of long-term loans

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Pledge loans		
Mortgage loans	310,000,000.00	
Guaranteed loans		
Credit loans		
Total	310,000,000.00	

Other notes, including interest rate range:

☐Applicable ☒Non-applicable

#### 46. Bonds payable

##### (1). Bonds payable

☐Applicable ☒Non-applicable

##### (2). Changes in bonds payable: (excluding preferred stocks, perpetual bonds and other financial instruments classified as financial liabilities)

☐Applicable ☒Non-applicable

##### (3). Conversion conditions and time of convertible corporate bonds

☐Applicable ☒Non-applicable

##### (4). Notes to other financial instruments classified as financial liabilities

General particulars of other financial instruments such as preferred stocks and perpetual bonds issued at the end of the period

☐Applicable ☒Non-applicable

Changes in financial instruments such as preferred stocks and perpetual bonds issued at the end of the period

☐Applicable ☒Non-applicable

Notes to the basis for classification of other financial instruments as financial liabilities:

☐Applicable ☒Non-applicable

Other Notes:

☐Applicable ☒Non-applicable

#### 47. Lease liabilities

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Lease liabilities	59,703,191.10	5,692,642.06
Less: Lease liabilities due within one year	-19,018,076.84	-3,805,229.64
Total	40,685,114.26	1,887,412.42

**48. Long-term payables****Presentation of items**

☐Applicable ☒Non-applicable

Other Notes:

☐Applicable ☒Non-applicable

**Long-term payables****(1). Long-term payables presented by the nature of payments**

☐Applicable ☒Non-applicable

**Special payables****(2). Special payables presented by the nature of payments**

☐Applicable ☒Non-applicable

**49. Long-term payroll payable**

☐Applicable ☒Non-applicable

**50. Estimated liabilities**

☐Applicable ☒Non-applicable

**51. Deferred income**

Deferred income

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the beginning of the period	Increased in the period	Decreased in the period	Balance at the end of the period	Reason
Government grants	214,204,302.56	74,801,216.00	19,676,011.04	269,329,507.52	
Total	214,204,302.56	74,801,216.00	19,676,011.04	269,329,507.52	/

Items related to government grants:

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the beginning of the period	Additional grants increased in the period	Amount included in non-operating income in the period	Amount included in other income in this period	Other changes	Balance at the end of the period	Assets-related /income-related
Machine substitution for human project with an annual capacity of 700,000 sets of shock absorbing products	2,242,000.00			472,000.00		1,770,000.00	Assets-related
Automobile composite fiber production project	441,666.67			99,999.96		341,666.71	Assets-related
Tuopu Intelligent Mechatronic System Industrial Park Project	25,520,238.10			1,385,714.25		24,134,523.85	Assets-related
Production line transformation project of high-performance shock absorbing system for cars	2,756,190.00			551,238.00		2,204,952.00	Assets-related
Production and application technology transformation project of lightweight materials for vehicles	4,375,000.00			875,000.00		3,500,000.00	Assets-related
Technological Transformation Project of Automobile High-Performance Shock Absorbing System	7,130,088.73			891,261.09		6,238,827.64	Assets-related

Technological Transformation Project of Automobile interior & exterior system	6,877,766.12			815,466.48		6,062,299.64	Assets-related
Technological Transformation Project of Automobile Lightweight Control Arms	7,003,001.06			875,375.13		6,127,625.93	Assets-related
Technological Transformation Project of Automobile Lightweight Parts Production Line	7,322,051.57			915,256.45		6,406,795.12	Assets-related
Technological Transformation Project of Automobile High-Performance Shock Absorbing System	1,723,800.00			172,380.00		1,551,420.00	Assets-related
Technological transformation project of lightweight auto parts	1,875,120.00			187,512.00		1,687,608.00	Assets-related
Digital workshop project with an annual capacity of 120,000 sets of intelligent braking systems	3,696,000.00	345,000.00		393,393.10		3,647,606.90	Assets-related
Auto parts production and industrial automation projects	80,166,861.65			4,500,000.00		75,666,861.65	Assets-related
Technological transformation project for the production line of automotive lightweight alloy parts with an annual capacity of 300,000 sets	8,790,289.93			1,000,000.10		7,790,289.83	Assets-related
Technological Transformation Project of Automobile High-Performance Shock Absorbing System	5,471,561.66	149,600.00		559,226.26		5,061,935.40	Assets-related
Shenyang Tuopu Auto Parts Base Project	1,298,611.20			583,333.32		715,277.88	Assets-related
Intelligent factory construction project with an annual capacity of 2 million sets of automotive trimming system	705,833.31			110,000.00		595,833.31	Assets-related
Technological transformation project of car roof, carpet assembly and other trimming system with an annual capacity of 1.6 million sets	990,000.00			165,000.00		825,000.00	Assets-related

Auto Parts Production Project of Liudong New District	1,362,511.63			84,279.07		1,278,232.56	Assets-related
Automobile Fabric Production Line Project	3,686,810.05			533,032.78		3,153,777.27	Assets-related
Pinghu Tuopu Auto Parts Production Project	12,733,600.00			795,850.00		11,937,750.00	Assets-related
Production line project with an annual capacity of 300,000 sets of related auto parts	661,542.22			86,798.28		574,743.94	Assets-related
Automobile chassis parts project with an annual capacity of 500,000 sets	4,507,688.04			103,229.49		4,404,458.55	Assets-related
Tuopu Chassis Auto Parts Industry Base Project	8,000,000.00			67,796.60		7,932,203.40	Assets-related
Auxiliary project outside the factory	6,485,266.62			392,165.00		6,093,101.62	Assets-related
Hunan Xiangtan Auto Parts Industry Base Project	2,000,000.00	4,000,000.00				6,000,000.00	Assets-related
Relocation project with an annual capacity of 300,000 sets of automotive trimming system	774,156.58			110,593.80		663,562.78	Assets-related
Technological transformation project for the production line of automobile front and rear axle with an annual output of 200,000 sets	1,543,602.08			378,110.76		1,165,491.32	Assets-related
Technological transformation project of automobile suspension chassis production line with annual capacity of 300,000 sets	1,686,081.82			289,187.22		1,396,894.60	Assets-related
Passenger vehicle chassis suspension components project with an annual capacity of 500,000 sets	2,376,963.52			326,052.96		2,050,910.56	Assets-related
Technological transformation project of automobile chassis lightweight production line		1,000,500.00		27,040.52		973,459.48	Assets-related
Technological transformation project of automobile chassis lightweight		10,458,600.00		180,320.67		10,278,279.33	Assets-related

components							
Technological transformation project of NEVs front and rear axle assembly		20,000,000.00		333,333.33		19,666,666.67	Assets-related
Subsidies for land leveling		7,729,116.00		105,516.94		7,623,599.06	Assets-related
Technological transformation project of Automobile High-Performance Shock Absorbing System with an annual capacity of 2,000,000 sets		6,500,000.00		270,833.34		6,229,166.66	Assets-related
Technological transformation project of automotive NVH interior trim parts system		2,889,100.00		120,379.20		2,768,720.80	Assets-related
Technological transformation project of automotive lightweight components		6,500,000.00		270,833.33		6,229,166.67	Assets-related
Technological transformation project of automotive lightweight components an annual capacity of 3,000,000 sets		6,500,000.00		270,833.33		6,229,166.67	Assets-related
Government subsidies for technological transformation of the real economy in 2021		5,188,000.00				5,188,000.00	Assets-related
Technological transformation project of automotive suspension chassis production line with an annual capacity of 500,000 sets		3,541,300.00		377,668.28		3,163,631.72	Assets-related
Total	214,204,302.56	74,801,216.00		19,676,011.04		269,329,507.52	

## Other Notes:

√Applicable □Non-applicable

1. Under the "Notice of Ningbo Economic and Information Commission on Announcement of 2016 As-built Technical Transformation Projects in Ningbo" Yong Jing Xin Ji Gai [2016] No. 95, as circulated by Ningbo Economic and Information Commission, the Company received the grants at RMB 4,720,000.00 for machine substitution for human project with an annual capacity of 700,000 sets of shock absorbing products. As of September 30, 2015, the said project was substantially completed and put into production operation. Amortized by the depreciation years (10 years) corresponding to the machinery and equipment purchased using the above grants, as of December 31, 2021, there was a remaining sum of RMB 1,770,000.0 to be amortized over the remaining years.

2. Under the "Notice on releasing incentives for 2016 Ningbo Strategic Emerging Industry Development Projects" Yong Cai Zheng Fa 【2016】 No.584, as circulated by Ningbo Finance Bureau, the Company received the grants at RMB 1,000,000.00 for automobile composite fiber production project in September 2016. As of September 30, 2015, the said project was substantially completed and put into production operation. Amortized by the depreciation years (10 years) corresponding to the machinery and equipment transformed using the above grants, as of December 31, 2021, there was a remaining sum of RMB 341,666.71 to be amortized over the remaining years.

3. The Company received two grants at RMB 17,000,000.00 and RMB 10,000,000.00 respectively in September 2016 and October 2020, in a gross sum of RMB 27,000,000.00, and used the sums for Tuopu Intelligent Mechatronic System Industrial Park Project. In May 2019, this project was completed step by step and put into production operation. Amortized by the depreciation years (20 years) corresponding to the buildings and structures constructed using the above grants, as of December 31, 2021, there was a remaining sum of RMB 24,134,523.85 to be amortized over the remaining years.

4. Under the "Notice on releasing the subsidies for the first and second batches of district-level partial as-built projects of 2017 Industrial Investment (Technical Transformation) in Ningbo" Lun Jing Xin 【2018】 No.55, as circulated by Beilun District Finance Bureau of Ningbo, the Company received the automobile composite fiber production project. The Company received the grants at RMB 4,409,904.0 for automobile composite fiber production project in September 2018. As of January 2018, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment purchased using the above grants, as of December 31, 2021, there was a remaining sum of RMB 2,204,952.0 to be amortized over the remaining years.

5. Under the "Notice on releasing the subsidies for the first and second batches of district-level partial as-built projects of 2017 Industrial Investment (Technical Transformation) in Ningbo" Lun Jing Xin 【2018】 No.55, as circulated by Beilun District Finance Bureau of Ningbo, the Company received the grants at RMB 7,000,000.00 for production and application technology transformation project of lightweight materials for vehicles. As of January 2018, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment purchased using the above grants, as of December 31, 2021, there was a remaining sum of RMB 3,500,000.0 to be amortized over the remaining years.

6. The Company received three grants at RMB 2,772,000.00, RMB 3,840,000.00 and RMB 1,638,992.00 respectively in February 2019, November 2019 and July 2020 respectively, and used the sums for Technological Transformation Project of Automobile High-Performance Shock Absorbing System. As of December 2018, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment transformed using the above grants, as of December 31, 2021, there was a remaining sum of RMB 6,238,827.64 to be amortized over the remaining years.

7. The Company received three grants at RMB 2,654,400.00, RMB 3,600,000.00 and RMB 1,539,712.00 respectively in February 2019, December 2019 and July 2020 respectively, and used the sums for Technological Transformation Project of Automobile interior & exterior System. As of June 2019, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment transformed using the above grants, as of December 31, 2021, there was a remaining sum of RMB 6,062,299.64 to be amortized over the remaining years.

8. The Company received three grants at RMB 2,532,000.00, RMB 3,890,000.00 and RMB 1,663,312.00 respectively in February 2019, November 2019 and July 2020 respectively, and used the sums for Technological Transformation Project of Automobile Lightweight Control Arms. As of December 2018, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment transformed using the above grants, as of December 31, 2021, there was a remaining sum of RMB 6,127,625.93 to be amortized over the remaining years.

9. The Company received three grants at RMB 2,544,000.00, RMB 4,130,000.00 and RMB 1,769,472.00 respectively in February 2019, November 2019 and July 2020 respectively, and used the sums for Technological Transformation Project of Automobile Lightweight Parts Production Line. As of December 2018, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment transformed using the above grants, as of December 31, 2021, there was a remaining sum of RMB 6,406,795.12 to be amortized over the remaining years.

10. The Company received the grants at RMB 1,723,800.00 in September 2020 and used the sums for Technological Transformation Project of Automobile High-Performance Shock Absorbing System. As of January 2021, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment transformed using the above grants, as of December 31, 2021, there was a remaining sum of RMB 1,551,420.00 to be amortized over the remaining years.

11. The Company received the grants at RMB 1,875,120.00 in September 2020 and used the sums for technological transformation project of lightweight auto parts. As of January 2021, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment transformed using the above grants, as of December 31, 2021, there was a remaining sum of RMB 1,687,608.00 to be amortized over the remaining years.

12. As of January 2021, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment transformed using the above grants, as of December 31, 2021, there was a remaining sum of RMB 3,647,606.90 to be amortized over the remaining years.

13. Tuopu Mechatronic System received two grants at RMB 60,000,000.00 and RMB 30,000,000.00 in August 2017 and December 2018 and used the sums for auto parts production and industrial automation projects. The said project was substantially completed and put into production operation in 2018. Amortized by the depreciation years (20 years) corresponding to the buildings and structures constructed using the above grants, as of December 31, 2021, there was a remaining sum of RMB 75,666,861.65 to be amortized over the remaining years.

14. Tuopu Mechatronic System received two grants at RMB 9,462,800.00 and RMB 537,200.00 in October 2019 and July 2020 and used the sums for technological transformation project for the production line of automotive lightweight alloy parts with an annual capacity of 300,000 sets. As of December 2018, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment transformed using the above grants, as of December 31, 2021, there was a remaining sum of RMB 8,790,289.83 to be amortized over the remaining years.

15. Tuopu Automotive Electronics received two grants at RMB 5,564,300.00, 149,600.00 in November 2020 and November 2021 respectively for production project of automotive high-performance shock absorbing system. As of November 2020, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment transformed using the above grants, as of December 31, 2021, there was a remaining sum of RMB 5,061,935.40 to be amortized over the remaining years.

16. Tuopu Mechatronic System received two grants at RMB 1,000,000.00 and RMB 1,000,000.00 in October 2018 and August 2020 respectively, in a gross sum of RMB 2,000,000.00, and used the sums for Shenyang Tuopu Auto Parts Base Project. The said project was completed and put into operation in 2013. Amortized by the depreciation years corresponding to the fixed assets using the above grants, as of December 31, 2021, there was a remaining sum of RMB 715,277.88 to be amortized over the remaining years.

17. Under the “Notice on issuing special funds for information and industrial development of Guangxi Zhuang Autonomous Region in 2017” Gui Cai Gong Jiao 【2017】 No.57, as circulated by Department of Finance of Guangxi Zhuang Autonomous Region, Liuzhou Tuopu received the



technological transformation project funds at RMB 1,100,000.00 and used the sums for Intelligent factory construction project with an annual capacity of 2 million sets of automotive trimming system in August 2017. As of May 31, 2017, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment purchased using the above funds, as of December 31, 2021, there was a remaining sum of RMB 595,833.31 to be amortized over the remaining years.

18. Under the “Notice on issuing the first batch of Liuzhou enterprise support funding project investment plans in 2017” Liu Gong Xin Tong 【2017】 No.164, as circulated by Liuzhou Industry and Information Technology Commission and Liuzhou Finance Bureau, Liuzhou Tuopu received the potential exploitation transformation funds at RMB 1,650,000.00 and used the sums for technological transformation project of car roof, carpet assembly and other trimming system with an annual capacity of 1.6 million sets in December 2017. As of December 26, 2016, the said project was substantially completed and put into production operation. Amortized by the depreciation years (10 years) corresponding to the machinery and equipment purchased using the above funds, as of December 31, 2021, there was a remaining sum of RMB 825,000.00 to be amortized over the remaining years.

19. Liuzhou Tuopu received the grants at RMB 1,510,000.00 and used the sums for Auto Parts Production Project of Liudong New District in April 2019. As of February 2017, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the buildings and structures constructed and acquired using the above grants, as of December 31, 2021, there was a remaining sum of RMB 1,278,232.56 to be amortized over the remaining years.

20. Wuhan Tuopu received the grants at RMB 427,000.00, RMB 1,767,000.00 and RMB 1,910,000.00 in January 2019, April 2020 and June 2020 respectively, and used the sums for Fabric Production Line Project. As of November 2017, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment purchased using the above grants, as of December 31, 2021, there was a remaining sum of RMB 3,153,777.27 to be amortized over the remaining years.

21. Pinghu Tuopu received two grants at RMB 7,235,000.00 and RMB 7,235,000.00 in January 2016 and May 2020 respectively, in a gross sum of RMB 14,470,000.00, and used the sums for Automotive Trimming System Production Project. As of January 2017, the said project was substantially completed and put into production operation. Amortized by the depreciation years (20 years) corresponding to the buildings and structures constructed and acquired using the above grants, as of December 31, 2021, there was a remaining sum of RMB 11,937,750.00 to be amortized over the remaining years.

22. Under the “Request for application of special funds for Technological Transformation and Transformation and Upgrading of Sichuan Province in 2015” Sui Jing Xin 【2015】 No.28, as circulated by Suining Industrial and Information Technology Commission and Suining Finance Bureau, Sichuan Maigao received the technological transformation and upgrading funds in October 2015 at RMB 1,110,000.00, and used the sums for production line project with an annual capacity of 300,000 sets of related auto parts. As of October 2015, the said project was substantially completed and put into production operation. Amortized by the depreciation years (20 years) corresponding to the purchased machinery and equipment and constructed plants using the above funds, as of December 31, 2021, there was a remaining sum of RMB 574,743.94 to be amortized over the remaining years.

23. Under the “Investment Agreement” Nr. B-ZS-GY/(2013)4 signed between and by Anju Industrial Concentration Development Committee of Suining and Zhejiang Fortuna Auto Parts Co., Ltd. On January 28, 2013, Sichuan Maigao received land subsidies at RMB 5,032,438.00 in December 2015 and used the sums for Automobile chassis parts project with an annual capacity of 500,000 sets. As of December 2015, the said project was substantially completed and put into production operation. Amortized by the depreciation years (48.75 years) corresponding to the land subsidies, as of December 31, 2021, there was a remaining sum of RMB 4,404,458.55 to be amortized over the remaining years.

24. Tuopu Chassis received the grants at RMB 8,000,000.00 in September 2020 and used the sums for Tuopu Chassis Auto Parts Industry Base Project. As of August 2021, this project was substantially completed and put into production. According to the special land grants, the amortization shall be made over the remaining useful life of the land, as of December 31, 2021, there was a remaining sum of RMB 7,932,203.40 to be amortized over the remaining years.

25. Under the investment contract made between Yantai Tuopu and the Investment Promotion Bureau of Yantai Economic and Technological Development Zone, Yantai Tuopu received five grants at

RMB 2,330,000.00, RMB 290,000.00, RMB 301,458.00, RMB 1,810,000.00 and RMB 2,268,533.00 in July 2018, May 2019, July 2019, December 2019 and September 2020 respectively, and used the sums for auxiliary project outside the factory. As of July 2018, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the buildings and structures using the above grants, as of December 31, 2021, there was a remaining sum of RMB 6,093,101.62 to be amortized over the remaining years.

26、Tuopu Chassis received two grants at RMB 2,000,000.00 and RMB 4,000,000.00 in December 2020 and December 2021 respectively for Hunan Xiangtan Auto Parts Industry Base Project. As of December 31, 2021, this project has not yet been completed and no amortization is made in this period.

27. Under the “Notice on issuing special fiscal funds for provincial industrial and information development of Linhai in 2018” (Lin Cai Qi [2018]30), as circulated by Linhai Finance Bureau and Linhai Economic and Information Bureau, Taizhou Tuopu received four grants at RMB 175,100.00, RMB 193,300.00, RMB 70,900.00 and RMB 526,000.00 in September 2018, November 2019 and December 2019, and used the sums for relocation project with an annual capacity of 300,000 sets of automotive trimming system. As of January 2018, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment purchased using the above grants, as of December 31, 2021, there was a remaining sum of RMB 663,562.78 to be amortized over the remaining years.

28. Under the “Review comment on the second batch of technological renovation and industrial and information project grants for industrial enterprises in 2016”, as circulated by Wuxi County People’s Government and Wuyi County Economic and Commercial Bureau, Zhejiang Towin received the technological transformation and upgrading funds at RMB 3,056,045.00 in December 2016, and used the sums for technological transformation project for the production line of automobile front and rear axle with an annual output of 200,000 sets. As of December 2016, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment purchased using the above funds, as of December 31, 2021, there was a remaining sum of RMB 1,165,491.32 to be amortized over the remaining years.

29. Under the “Review comment on the first batch of technological renovation and industrial and information project grants for industrial enterprises in 2017”, as circulated by Wuxi County People’s Government and Wuyi County Economic and Commercial Bureau, Zhejiang Towin received the county-level robot purchase grants at RMB 448,715.00 in May 2017, and used the sums for Technological transformation project of automobile suspension chassis production line with annual capacity of 300,000 sets. As of May 2017, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment purchased using the above funds, as of December 31, 2021, there was a remaining sum of RMB 225,559.32 to be amortized over the remaining years. Under the “Notice on appropriating special fiscal funds (Investment and Development) for provincial industrial and information development in 2016”, as circulated by Wuyi County Economic and Commercial Bureau and Wuyi County Finance Bureau, Zhejiang Towin received technological transformation funds at RMB 2,133,330.00 in December 2017 and used the sums for technological transformation project of automobile suspension chassis production line with annual capacity of 300,000 sets. As of January 2018, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment purchased using the above funds, as of December 31, 2021, there was a remaining sum of RMB 1,171,335.28 to be amortized over the remaining years.

30. Zhejiang Towin received technological transformation funds at RMB 2,539,990.00 for passenger vehicle chassis suspension project with an annual capacity of 500,000 sets in July 2020. As of July 2020, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment purchased using the above funds, as of December 31, 2021, there was a remaining sum of RMB 2,050,910.56 to be amortized over the remaining years.

31、The company received one grant at RMB 1,000,500.00 in October 2021 for the technological transformation project of automotive chassis lightweight system production lines. As of October 2021, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment transformed using the above grants, as of December 31, 2021, there was a remaining sum of RMB 973,459.48 to be amortized over the remaining years.

32. The Company received one grant at RMB 10,458,600.00 in November 2021 for the technological transformation project of automotive chassis lightweight components. As of October 2021, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment transformed using the above grants, as of December 31, 2021, there was a remaining sum of RMB 10,278,279.33 to be amortized over the remaining years.

33. Tuopu Automotive Electronics Co., Ltd. received one grant at RMB 20,000,000.00 in November 2021 for the technological transformation project of NEVs front and rear axle assembly. As of November 2021, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment transformed using the above grants, as of December 31, 2021, there was a remaining sum of RMB 19,666,666.67 to be amortized over the remaining years.

34. Tuopu Automotive Electronics Co., Ltd. received one grant at RMB 7,729,116.00 in May 2021 for land leveling. According to the special land grant, the amortization should be made over the remaining useful life of the land, as of December 31, 2021, there was a remaining sum of RMB 7,623,599.06 to be amortized over the remaining years.

35. Tuopu Automotive Electronics Co., Ltd. received one grant at RMB 6,500,000.00 in August 2021 for the production project of automotive high-performance shock absorbing system with an annual capacity of 2,000,000 sets. As of August 2021, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment transformed using the above grants, as of December 31, 2021, there was a remaining sum of RMB 6,229,166.66 to be amortized over the remaining years.

36. Tuopu Automotive Electronics Co., Ltd. received one grant at RMB 2,899,100.00 in August 2021 for the technological transformation project of automotive NVH interior trim functional parts. As of August 2021, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment transformed using the above grants, as of December 31, 2021, there was a remaining sum of RMB 2,768,720.80 to be amortized over the remaining years.

37. Tuopu Automotive Electronics Co., Ltd. received one grant at RMB 6,500,000.00 in August 2021 for the technological transformation project of automotive lightweight parts. As of August 2021, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment transformed using the above grants, as of December 31, 2021, there was a remaining sum of RMB 6,229,166.67 to be amortized over the remaining years.

38. Tuopu Automotive Electronics Co., Ltd. received one grant at RMB 6,500,000.00 for the technological transformation project of automotive lightweight parts with an annual capacity of 3,000,000 sets. As of August 2021, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment transformed using the above grants, as of December 31, 2021, there was a remaining sum of RMB 6,229,166.67 to be amortized over the remaining years.

39. Taizhou Tuopu received one grant at RMB 5,188,000.00 in November 2021 for the technological transformation project of real economy in 2021. As of December 31, 2021, this project has not yet been completed and no amortization is made in this period.

40. Zhejiang Towin received one grant at RMB 3,541,300.00 in February 2021 for the technological transformation project of automotive suspension chassis with an annual capacity of 500,000 sets. As of February 2021, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment transformed using the above grants, as of December 31, 2021, there was a remaining sum of RMB 3,163,631.72 to be amortized over the remaining years.

## 52. Other non-current liabilities

☐ Applicable ☒ Non-applicable

## 53. Equity

☒ Applicable ☐ Non-applicable

Unit: Yuan Currency: RMB

	Balance at the beginning of the period	Increased or decreased amount in this period (+/-)					Balance at the end of the period
		New issue	Bonus issue	Shares converted from capital reserves	Others	Subtotal	
Total shares	1,054,987,749.00	47,058,823.00				47,058,823.00	1,102,046,572.00

Other notes:

Under the resolutions of the 20th session of the Third Board of Directors held on May 15, 2020 and the 2019 Annual General Meeting held on June 8, 2020, and as approved by CSRC [2020] No. 1982 "Approval on the Private Offering of Shares by Ningbo Tuopu Group Co., Ltd.", the private offering of A shares is 47,058,823 shares, and the face value per share is RMB 1.00. Subject to the change, the share capital is RMB 1,102,046,572.00.

**54. Other equity instruments****(1). Basic information of other financial instruments such as preferred stocks and perpetual bonds issued at the end of the period**

☐Applicable ☒Non-applicable

**(2). Changes in financial instruments such as preferred stocks and perpetual bonds issued at the end of the period**

☐Applicable ☒Non-applicable

Changes in other equity instruments during the current period, the reason for the changes, and the basis for related accounting treatments:

☐Applicable ☒Non-applicable

Other Notes

☐Applicable ☒Non-applicable

**55. Capital reserve**

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the beginning of the period	Increased in the period	Decreased in the period	Balance at the end of the period
Capital premium (equity premium)	3,409,429,514.29	1,931,359,023.74		5,340,788,538.03
Other capital reserves	10,348.78			10,348.78
Total	3,409,439,863.07	1,931,359,023.74		5,340,798,886.81

Other notes, including changes in the current period and note to the reason for the changes:

Under the resolutions of the 20th session of the Third Board of Directors held on May 15, 2020 and the 2019 Annual General Meeting of Shareholders held on June 8, 2020, and as approved by the China Securities Regulatory Commission [2020] No. 1982 "Approval on the Private Offering of Shares by Ningbo Tuopu Group Co., Ltd.", the private offering of A shares is 47,058,823 shares, and the face value per share is RMB 1.00, the issue price per share is RMB 42.50, the total amount of funds raised is RMB 1,999,999,977.50, netting of the issue expenses at RMB 21,582,130.76, the net amount of funds raised is RMB 1,978,417,846.74, including additional shares at RMB 47,058,823.00 and additional share capital at RMB 1,931,359,023.74.

**56. Treasury stocks**

☐Applicable ☒Non-applicable

**57. Other comprehensive income**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the beginning of the period	Amount incurred in the current period						Balance at the end of the period
		Amount incurred before income tax in the current period	Less: recorded into other comprehensive incomes in previous period and transferred to P/L in current period	Less: Recorded into other comprehensive incomes in previous period and transferred to retained income in current period	Less: Income Tax Expense	Attributable to the Company after tax	Attributable to the minority shareholders after tax	
1. Other comprehensive income that cannot be reclassified into profit and loss								
Including: re-measurement of changes in defined benefit plans								
Other comprehensive income that cannot be transferred to profit and loss under the equity method								
Changes in the fair value of other equity instrument investments								
Changes in fair value of the enterprise's own credit risk								
2. Other comprehensive income that will be reclassified into profit and loss	-20,631,668.74	-4,353,713.45				-4,347,227.73	-6,485.72	-24,978,896.47
Including: other comprehensive income that can be transferred to profit or loss under the equity method								
Changes in the fair value of other debt investments								

Amount of financial assets reclassified and included in other comprehensive income								
Provision for impairment of other debt investment								
Cash flow hedge reserves								
Translation difference of foreign currency financial statements	-20,631,668.74	-4,353,713.45				-4,347,227.73	-6,485.72	-24,978,896.47
Total	-20,631,668.74	-4,353,713.45				-4,347,227.73	-6,485.72	-24,978,896.47

**58. Special reserves**

□Applicable √Non-applicable

**59. Surplus reserve**

√Applicable □Non-applicable

Unit: Yuan Currency: 人 RMB				
Item	Balance at the beginning of the period	Increased in the current period	Decreased in the current period	Balance at the end of the period
Statutory surplus reserve	474,769,630.86	69,039,836.72		543,809,467.58
Discretionary surplus reserve				
Reserve fund				
Business development fund				
Others				
Total	474,769,630.86	69,039,836.72		543,809,467.58

Notes to the surplus reserve, including the changes in the current period and the reason for such changes:

The statutory surplus reserve at RMB 60,039,836.72 shall be withdrawn at 10% of the parent company's net profit in 2021.

**60. Undistributed profit**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB		
Item	Current period	Previous period
Undistributed Profit before Adjustment at the End of Previous Period	2,868,429,319.48	2,502,765,125.43
Adjust the total undistributed profits at the start of the period (increase +, decrease -)		
Undistributed Profit after Adjustment at the Start of the Period	2,868,429,319.48	2,502,765,125.43
Add: net profit attributable to parent company's owner in current period	1,017,253,691.77	628,200,888.31
Less: withdrawal of statutory surplus reserve	69,039,836.72	62,089,021.95
Withdrawal of discretionary surplus reserve		
Withdrawal of general risk reserve		
Ordinary stock dividend payable	189,552,010.38	200,447,672.31
Ordinary stock dividends converted into equity		
Undistributed profit at the end of the period	3,627,091,164.15	2,868,429,319.48

Adjust the particulars of undistributed profit at the beginning of the period:

1. The impact of the retrospective adjustment of the "Accounting Standards for Business Enterprises" and updated regulations on undistributed profit at the beginning of the period is RMB 0.

2. The impact of changes in accounting policies on undistributed profit at the beginning of the period is RMB 0.

3. The impact of the correction of major accounting errors on undistributed profit at the beginning of the period is RMB 0.

4. The impact of change in the scope of business combination as a result of the same control on undistributed profit at the beginning of the period is RMB 0.

5. The gross impact of other adjustments on the undistributed profit at the beginning of the period is RMB 0.

Other notes to undistributed profits:

According to the resolution passed at 2020 Annual General Meeting, the Company distributed RMB 1.72 per 10 shares (tax included) to all shareholders as cash dividends with total shares on the record date for distribution plan as the base number, and total dividends at 189,552,010.38 were distributed.

## 61. Operating income and operating cost

### (1). Particulars of operating income and operating cost

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period		Amount incurred in previous period	
	Income	Cost	Income	Cost
Main operation	11,017,000,524.49	8,861,356,542.47	6,293,917,541.95	4,961,882,743.49
Other operations	445,693,155.37	322,720,755.29	217,177,372.10	72,131,784.90
Total	11,462,693,679.86	9,184,077,297.76	6,511,094,914.05	5,034,014,528.39

### (2). Particulars of the income generated from contract

☐Applicable ☒Non-applicable

Notes to the income generated from contract:

☐Applicable ☒Non-applicable

### (3). Notes to discharge of obligation

☐Applicable ☒Non-applicable

### (4). Notes to allocation to remaining performance obligations

☐Applicable ☒Non-applicable

## 62. Taxes and surcharges

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Consumption tax		
Business tax		
Urban Maintenance and Construction Tax	14,577,493.66	13,570,057.87
Education Surcharges	6,455,753.70	5,956,703.64
Local education surcharges	4,303,835.79	3,971,135.24
Resource tax		
Property tax	21,515,066.02	20,117,208.23
Land use tax	16,449,340.89	10,461,916.66
Vehicle and vessel use tax	12,364.20	10,234.20
Stamp duty	6,852,247.53	3,021,739.93
Environmental protection tax	5,438.02	10,262.22
Land VAT		945,000.00
Other	52,674.98	8,272.92



Total	70,224,214.79	58,072,530.91
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**63. Sales expense**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Service expense	50,940,416.94	37,448,497.63
Payroll	38,437,400.69	31,090,097.76
Business hospitality expense	24,433,913.11	17,554,681.58
Repair cost	29,420,327.87	26,297,852.61
Travel expense	1,596,474.90	1,427,006.29
Packaging fee	4,271,537.36	3,833,817.82
Vehicle cost	1,954,686.43	1,982,733.62
Exhibition fee	152,003.55	28,514.85
Others	5,836,564.25	4,233,050.08
Total	157,043,325.10	123,896,252.24

**64. Overhead expense**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Payroll	171,416,024.47	129,407,881.39
Depreciation expense	30,407,710.34	30,504,149.76
Business hospitality expense	3,957,890.66	2,659,235.25
Vehicle cost	4,542,149.34	3,513,929.80
Taxes		2,128,205.29
Travel expenses	1,947,584.16	1,812,974.57
Amortization of intangible assets	18,998,330.47	15,182,606.65
Office expenses	6,012,157.49	4,061,233.20
Insurance premiums	4,837,503.52	3,745,476.72
Intermediary fee	2,969,590.10	3,219,840.84
Utility bills	3,348,375.98	2,460,308.10
Service charge	18,238,900.61	11,734,847.31
Rent	841,545.66	719,363.07
Others	27,932,790.18	21,921,822.52
Total	295,450,552.98	233,071,874.47

**65. R&D expenses**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Material	162,342,968.61	109,027,532.14
Payroll	214,518,848.62	147,953,842.51
Depreciation and amortization	62,981,076.35	58,210,594.82
Transportation and storage fee	3,168,860.40	2,864,077.02
Energy consumption fee	22,188,941.44	14,812,836.86
Travel expense	4,221,736.13	2,872,311.90
Trial production expense	8,192,628.32	4,015,146.73
Others	24,878,396.51	15,095,405.68
Total	502,493,456.38	354,851,747.66

**66. Financial expense**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Interest expense	22,173,845.92	19,744,058.04
Incl.: lease liability interest expense	2,103,703.39	
Less: interest income	-23,748,186.60	-17,108,552.05
Gain and loss from exchange	33,623,332.61	39,191,206.52
Handling charge	3,569,455.54	2,291,850.08
Total	35,618,447.47	44,118,562.59

**67. Other income**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Government grants	35,898,407.13	33,135,066.17
Withholding personal income tax fees	53,705.44	
Total	35,952,112.57	33,135,066.17

Other Notes:

Government grants included in other income:

Unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in previous period	Assets-related/Income-related
Machine substitution for human project with an annual capacity of 700,000 sets of damping products	472,000.00	472,000.00	Assets-related
Automobile composite fiber production project	99,999.96	100,000.00	Assets-related
Tuopu Intelligent Mechatronics Industrial Park Project	1,385,714.25	983,928.56	Assets-related
Production line transformation project of high-performance vibration control system for cars	551,238.00	551,238.00	Assets-related
Production and application technology transformation project of lightweight materials for vehicles	875,000.00	874,999.96	Assets-related
Technological Transformation Project of Automobile High-Performance Vibration control system	891,261.09	794,849.79	Assets-related
Technological Transformation Project of Automobile Interior and Exterior Trim Parts	815,466.48	729,926.93	Assets-related
Technological Transformation Project of Automobile Lightweight Control Arms	875,375.13	777,533.25	Assets-related
Technological Transformation Project of Automobile	915,256.45	811,169.86	Assets-related

Lightweight Parts Production Line			
Technological Transformation Project of Automobile High-Performance Vibration control system	172,380.00		Assets-related
Technological transformation project of lightweight auto parts	187,512.00		Assets-related
Digital workshop project with an annual capacity of 120,000 sets of intelligent braking systems	393,393.10		Assets-related
Auto parts production and industrial automation projects	4,500,000.00	4,500,000.00	Assets-related
Technological transformation project for the production line of automotive lightweight alloy parts with an annual capacity of 300,000 sets	1,000,000.10	973,140.06	Assets-related
Technological Transformation Project of Automobile High-Performance Vibration control system	559,226.26	92,738.34	Assets-related
Shenyang Tuopu Auto Parts Base Project	583,333.32	388,888.85	Assets-related
Intelligent factory construction project with an annual capacity of 2 million sets of automotive interior trims	110,000.00	110,000.00	Assets-related
Technological transformation project of car roof, carpet assembly and other interior trims with an annual capacity of 1.6 million sets	165,000.00	165,000.00	Assets-related
Auto Parts Production Project of Liudong New District	84,279.07	84,279.07	Assets-related
Automobile Fabric Production Line Project	533,032.78	369,302.10	Assets-related
Pinghu Tuopu Auto Parts Production Project	795,850.00	651,150.00	Assets-related
Production line project with an annual capacity of 300,000 sets of related auto parts	86,798.28	86,798.28	Assets-related
Automobile chassis parts project with an annual capacity of 500,000 sets	103,229.49	103,229.50	Assets-related
Tuopu Chassis Auto Parts Industry Base Project	67,796.60		Assets-related
Auxiliary project outside the factory	392,165.00	303,202.78	Assets-related
Relocation project with an annual capacity of 300,000 sets of automotive interior trims	110,593.80	110,593.80	Assets-related
Technological transformation project of production line for automobile front and rear axle with annual output of 200,000	378,110.76	378,110.76	Assets-related

sets			
Technological transformation project of AVS products & chassis production line with annual capacity of 300,000 sets	289,187.22	289,187.22	Assets-related
Passenger vehicle chassis AVS products project with an annual capacity of 500,000 sets	326,052.96	163,026.48	Assets-related
Technological transformation project of automobile chassis lightweight production line	27,040.52		Assets-related
Technological transformation project of automobile chassis lightweight components	180,320.67		Assets-related
Technological transformation project of NEVs front and rear axle assembly	333,333.33		Assets-related
Subsidies for land leveling	105,516.94		Assets-related
Technological transformation project of Automobile High-Performance Shock Absorbing System with an annual capacity of 2,000,000 sets	270,833.34		Assets-related
Technological transformation project of automotive NVH interior trim parts system	120,379.20		Assets-related
Technological transformation project of automotive lightweight components	270,833.33		Assets-related
Technological transformation project of automotive lightweight components an annual capacity of 3,000,000 sets	270,833.33		Assets-related
Technological transformation project of automotive suspension chassis production line with an annual capacity of 500,000 sets	377,668.28		Assets-related
Science and technology project subsidies	490,500.00	60,000.00	Income-related
Special subsidies for patents	22,400.00	182,600.00	Income-related
Foreign economic and trade support funds		518,600.00	Income-related
R&D patent subsidies		72,184.00	Income-related
Stable employment subsidies	673,175.94	522,523.95	Income-related
Tax subsidies	6,164,774.00	395,862.09	Income-related
Social security premium subsidies		121,216.54	Income-related
Technology project funds	2,000,000.00	2,103,600.00	Income-related
Energy-saving evaluation report subsidies		130,000.00	Income-related
Incentives for overfulfill production target by business enterprises		300,000.00	Income-related
Power bill subsidies	1,066,871.59	50,000.00	Income-related
Corporate funding subsidies	9,728.48	2,000.00	Income-related

Enterprise transformation and upgrading incentives		321,600.00	Income-related
Technology incentive subsidies	303,000.00	600,000.00	Income-related
Technology subsidies	500,000.00	1,607,000.00	Income-related
"One District, Multiple Parks" Development Fund		500,000.00	Income-related
Design report grants of initial solution for intelligent transformation		100,000.00	Income-related
VAT exemption for veterans	95,250.00	9,000.00	Income-related
Industrial production and capacity expansion rewards	1,370,000.00	1,700,000.00	Income-related
Import discount subsidies	816,312.00	1,344,164.00	Income-related
Information and industrialization management system certification		100,000.00	Income-related
Annual fee grants for domestic authorized invention patents		4,680.00	Income-related
Funding grants for science and technology plan projects		795,000.00	Income-related
Strategic emerging industry development funds (recognized by the National Enterprise Technology Center)		1,000,000.00	Income-related
Talent grants		647,650.00	Income-related
Intellectual property project subsidies		35,600.00	Income-related
2018 invention patent annual fee grants		720.00	Income-related
2018 technology transaction post grants		59,000.00	Income-related
2019 "Going Global" project grants		178,500.00	Income-related
Enterprise R&D post-grants	632,502.00	892,800.00	Income-related
Subsidies for resumption of work and epidemic response supplies		1,144,872.00	Income-related
High-tech Enterprise Award		100,000.00	Income-related
Construction fund for slope protection project in Guang'an High-tech Zone		30,000.00	Income-related
Statistical funding subsidies granted from Economic and Information Bureau		86,000.00	Income-related
Industrial Special Fund Subsidies	708,000.00	697,900.00	Income-related
"2-year exemption, 3-year collection of corporate income tax by half" government subsidies		1,347,700.00	Income-related
Premium investment project award on the "Leaderboard" of New District Industrial Economy	100,000.00	50,000.00	Income-related
High-tech enterprise grants	100,000.00	400,000.00	Income-related
2019 pollution source monitoring system operation and maintenance subsidies		60,000.00	Income-related

Made in Zhejiang Selected Products	200,000.00		Income-related
Allowances for unemployment	59,150.00		Income-related
Allowances for recruited talents	37,397.00		Income-related
Notice of "training by work" subsidies for special account of unemployment insurance	315,613.08		Income-related
Subsidies for operation and maintenance of pollution self-control system	60,000.00		Income-related
Subsidies for production safety standard enterprise	60,000.00		Income-related
Government subsidies for the 7th batch of special funds for high-quality development of manufacturing in 2021	100,000.00		Income-related
High-tech zone investment promotion award	277,722.00		Income-related
Incentive funds for cleaner production qualified enterprises	50,000.00		Income-related
Business cultivation incentives	10,000.00		Income-related
Total	35,898,407.13	33,135,066.17	

**68. Investment income**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Long-term equity investment income calculated by the equity method	17,901,771.79	25,080,033.26
Investment income from disposal of long-term equity investments		
Investment income of trading financial assets during the holding period		
Dividend income from other equity instrument investments during the holding period		
Interest income from debt investment during the holding period		
Interest income from other debt investments during the holding period		
Investment income from disposal of trading financial assets		
Investment income from the disposal of other equity instrument investments		
Investment income from disposal of debt investment		
Investment income from the disposal of other debt investments		
Income from debt restructuring		
Investment income from financial management products	17,563,635.87	18,164,183.51
Total	35,465,407.66	43,244,216.77

**69. Net exposure hedging income**

□Applicable √Non-applicable

**70. Gains from changes in fair value**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Sources of income from changes in fair value	Amount incurred in the current period	Amount incurred in previous period
Transactional financial assets	252,506.50	
Including: income from changes in fair value generated by derivative financial instruments		
Transactional financial liabilities		
Investment real estate measured at fair value		
Total	252,506.50	

**71. Credit impairment loss**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Bad debt loss on accounts receivable	1,870,836.33	479,351.80
Bad debt loss on accounts receivable	72,915,760.15	25,033,422.07
Bad debt loss on other receivables	1,137,034.47	-5,858,006.88
Impairment loss of debt investment		
Impairment loss of other debt investment		
Bad debt loss of long-term receivables		
Impairment loss of contract assets		
Total	75,923,630.95	19,654,766.99

**72. Asset impairment loss**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
1. Loss of bad debts		
2. Loss of inventory falling price and loss of contract performance cost impairment	24,461,606.50	22,439,872.62
3. Long-term equity investment impairment losses		
4. Impairment loss of investment real estate		
5. Impairment loss of fixed assets		
6. Impairment loss of construction materials		
7. Impairment loss of construction in progress		
8. Impairment loss of productive biological assets		
9. Impairment losses of oil and gas assets		
10. Intangible assets impairment loss		
11. Goodwill impairment loss	44,633,489.63	
12. Others		
Total	69,095,096.13	22,439,872.62

**73. Income from disposal of assets**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Income from disposal of assets	195,282.02	8,747,482.63
Total	195,282.02	8,747,482.63

**74. Non-operating income**

Particulars about non-operating income

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period	Amount included in the current non-recurring profit and loss
Total gains from disposal of non-current assets	473,734.86		473,734.86
Including: gains from disposal of fixed assets	473,734.86		473,734.86
Gains from disposal of intangible assets			
Gains from non-monetary asset exchange			
Capital from donation			
Government grants		1,215,201.24	
Compensation income	5,095,707.41	3,168,618.05	5,095,707.41
Other	2,485,841.49	1,270,852.96	2,485,841.49
Total	8,055,283.76	5,654,672.25	8,055,283.76

Government grants included in current profit and loss

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period	Assets-related/Income-related
Stable employment subsidies		296,701.24	Income-related
Zhejiang Cloud-based Benchmark Enterprise		100,000.00	Income-related
Epidemic response subsidies for foreign trade enterprise		500,000.00	Income-related
"Two direct subsidies" for small and micro enterprises		20,000.00	Income-related
Business cultivation incentives from Shanxi Finance Bureau		10,000.00	Income-related
Information and industrialization management system certification		283,500.00	Income-related
2019 invention patents		5,000.00	Income-related
Total		1,215,201.24	

Other Notes:

□Applicable √Non-applicable

**75. Non-operating expenses**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in	Amount incurred in	Amount included
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	the current period	previous period	in the current non-recurring profit and loss
Total loss from disposal of non-current assets	2,289,916.08	44,105.24	2,289,916.08
Including: Loss on disposal of fixed assets	2,289,916.08	44,105.24	2,289,916.08
Loss on disposal of intangible assets			
Loss from exchange of non-monetary assets			
External donation	52,000.00	466,097.35	52,000.00
Special funds for water conservancy construction	119,510.77	88,561.51	
Loss from debt restructuring	2,634,825.43		2,634,825.43
Others	1,318,948.13	1,071,261.55	1,318,948.13
Total	6,415,200.41	1,670,025.65	6,295,689.64

## 76. Income tax expense

### (1). Schedule of income tax expense

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Income tax expense in the current period	144,731,745.63	93,867,817.06
Deferred income tax expense	-16,290,635.75	-13,915,840.31
Total	128,441,109.88	79,951,976.75

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

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period
Total profits	1,146,273,050.40
Income tax expense calculated at the statutory/applicable tax rate	171,940,957.56
Impact of different tax rates applied to subsidiaries	3,123,866.08
Adjusted impact of income tax in prior periods	9,478,118.01
Impact of non-taxable income	-2,685,265.77
Impact of non-deductible costs, expenses and losses	12,125,598.34
Impact of using deductible losses of deferred income tax assets that have not been recognized in the previous period	-18,338,765.65
Impact of deductible temporary differences or deductible losses on unrecognized deferred income tax assets in the current period	15,854,553.93
Impact of additional tax deductions for enterprise research and development	-62,618,440.16
Changes in deferred tax assets/liabilities at the beginning of the period due to tax rate adjustments	-439,512.46
Income tax expense	128,441,109.88

Other Notes:

☐Applicable ☒Non-applicable

## 77. Other Comprehensive Income

☒Applicable ☐Non-applicable

More details are available in Notes

## 78. Cash flow statement items

### (1). Other cash received related to operating activities

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Receipt of temporary loans	9,870,651.53	22,053,972.32
Interest income	23,748,186.60	17,108,552.05
Government grants	91,023,612.09	76,335,520.04
Income from compensation and fines	5,095,707.41	3,169,158.05
Others	2,472,596.93	1,689,365.72
Total	132,210,754.56	120,356,568.18

### (2). Other cash paid related to operating activities

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Payment of temporary loans	21,307,017.67	28,824,851.17
Business hospitality expense	28,639,513.45	20,213,916.83
Repair cost	31,860,199.53	26,285,029.83
R&D spending	221,890,701.22	148,687,310.33
Travel expense	7,765,795.19	3,239,980.86
Insurance premium	5,781,916.33	3,745,476.72
Office expense	8,636,977.49	4,061,233.20
Vehicle expense	7,884,317.20	5,496,663.42
Service charge	67,304,477.69	49,183,344.94
Intermediary fee	2,969,590.10	2,409,261.29
Packaging fee	4,271,537.36	3,833,817.82
Utility bill	7,224,430.01	2,460,308.10
Rent	1,092,235.11	719,363.07
Others	23,358,264.35	34,715,604.75
Total	439,986,972.71	333,876,162.33

### (3). Other cash received related to investment activities

☐Applicable ☒Non-applicable

### (4). Other cash paid related to investment activities

☐Applicable ☒Non-applicable

### (5). Other cash received related to financing activities

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Cash received from finance leases	1,000,000.00	
Total	1,000,000.00	

**(6). Other cash paid related to financing activities**Applicable ☐ Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Cash paid for lease liabilities	15,071,874.82	
Repayment of borrowings to the the financial leasing company	57,090,308.69	
Total	72,162,183.51	

**79. Additional information on cash flow statement****(1). Additional information on cash flow statement**√Applicable ☐ Non-applicable

Unit: Yuan Currency: RMB

Additional Information	Amount in the current period	Amount in previous period
<b>1. Reconciliation of net profit to cash flows from operational activities:</b>		
Net Profit	1,017,831,940.52	630,134,213.60
Add: provision for impairment of assets	69,095,096.13	22,439,872.62
Credit impairment provision	75,923,630.95	19,654,766.99
Depreciation of fixed assets, oil and gas assets, productive biological assets	524,967,442.92	442,576,190.86
Depreciation of right-of-use assets	13,882,969.37	
Amortization of Intangible Assets	24,980,451.20	20,545,167.08
Amortization of long-term prepaid expenses	39,621,128.32	46,930,675.20
Losses on disposal of fixed assets, intangible assets and other long-term assets (income as in "-")	-195,282.02	-8,747,482.63
Losses on scrapping of fixed assets (income as in "-")	1,816,181.22	44,105.24
Losses on fair value changes (income as in "-")	-252,506.50	
Financial expenses (income as in "-")	44,973,507.21	14,740,711.65
Losses on investment (income as in "-")	-35,465,407.66	-43,244,216.77
Decrease on deferred income tax assets (increase as in "-")	-40,132,319.96	-17,756,501.07
Increase on deferred income tax liabilities (decrease as in "-")	23,841,684.21	3,840,660.76
Decrease on inventories (increase as in "-")	-818,693,612.69	-271,657,035.93
Decrease on operational receivables (increase as in "-")	-685,956,317.99	-385,860,564.15
Increase on operational payables (decrease as in "-")	930,580,608.12	650,045,016.56
Others		
Net cash flow generated by operating activities	1,186,819,193.35	1,123,685,580.01
<b>2. Major investing and financing activities not involving cash receipts and payment:</b>		

Conversion of debt into capital		
Convertible corporate bonds due within one year		
Fixed assets under financing lease		
<b>3. Net changes in cash and cash equivalents:</b>		
Closing balance of cash	935,672,390.98	674,866,422.08
Less: opening balance of cash	674,866,422.08	715,182,068.12
Add: closing balance of cash equivalents		
Less: opening balance of cash equivalents		
Net additions to balance of equivalents	260,805,968.90	-40,315,646.04

**(2). Net cash receipts from disposal of subsidiaries in this period**

☐Applicable ☒Non-applicable

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

☐Applicable ☒Non-applicable

**(4). Composition of cash and cash equivalents**

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
1. Cash	935,672,390.98	674,866,422.08
Including: cash on hand	9,367.02	8,899.73
Bank deposits that can be used for payment at any time	935,663,023.96	674,857,522.35
Other currency funds that can be used for payment at any time		
Deposits in the central bank that can be used for payment		
Deposits in Other Financial Institutions		
Call loans from Other Financial Institutions		
2. Cash equivalents		
Including: bond investments due within three months		
3. Balance of cash and cash equivalents at the end of the period	935,672,390.98	674,866,422.08
Including: cash and cash equivalents that are restricted for us by the parent company or subsidiary within the group		

Other Notes:

☒Applicable ☐Non-applicable

“Balance of cash and cash equivalents at the end of the period” as contained in the current cash flow statement is RMB 335,777,756.39 less than the “monetary funds” at the end of the period as contained in the consolidated balance sheet, because the deposit of RMB 335,777,756.39 for bills and L/C is not treated as cash and cash equivalents.

**80. Notes to items in the statement of changes in owners' equity**

Give the name of the item “others” adjusting the balance at the end of previous year and the amount of adjustment:

☐Applicable ☒Non-applicable

**81.Assets with restricted ownership or use rights**

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Item	Book value at the end of the period	Reason for restricted use
Monetary funds	335,777,756.39	Bank Acceptance Draft Deposit
Notes receivable	315,417,218.51	Pledge
Inventories		
Fixed assets	853,207,227.97	Mortgage
Intangible assets	104,522,557.95	Mortgage
Receivables financing	821,788,525.63	Pledge
Total	2,430,713,286.45	/

**82. Foreign currency balance at the end of the period****(1). Foreign currency balance at the end of the period**

☒Applicable ☐Non-applicable

Unit: Yuan

Item	Foreign currency balance at the end of the period	Converted exchange rate	Balance converted to RMB at the end of the period
Cash and bank balances	-	-	213,427,336.21
Including: USD	13,658,859.44	6.3757	87,084,790.13
EUR	461,332.11	7.2197	3,330,679.43
CAD	5,607,931.74	5.0046	28,065,455.19
BRL	29,064,055.41	1.6983	49,359,485.30
MYR	8,824,007.28	1.5266	13,470,729.51
SEK	575,500.47	0.7050	405,727.83
PLN	20,175,904.32	1.5717	31,710,468.82
Accounts receivable	-	-	691,906,058.02
Including: USD	80,687,510.78	6.3757	514,439,362.50
EUR	3,256,710.24	7.2197	23,512,470.92
CAD	22,875,085.58	5.0046	114,480,653.29
GBP	37,518.19	8.6064	322,896.55
BRL	12,781,569.04	1.6983	21,706,938.70
MYR	11,426,526.96	1.5266	17,443,736.06
Other Receivables			462,260.92
Including: USD	10,345.84	6.3757	65,961.97
SEK	562,126.17	0.7050	396,298.95
Short-term loan			313,684,440.00
Including: USD	49,200,000.00	6.3757	313,684,440.00
Accounts payable			378,002,857.89
Including: USD	50,507,524.86	6.3757	322,020,826.25
CAD	9,100,865.48	5.0046	45,546,191.38
BRL	859,048.50	1.6983	1,458,922.07
MYR	5,302,666.61	1.5266	8,095,050.85
SEK	513,061.00	0.7050	361,708.01
PLN	330,953.32	1.5717	520,159.33

Other Payables			1,537,285.60
Including: USD	855.91	6.3757	5,457.03
BRL	3,953.39	1.6983	6,714.04
MYR	828,418.59	1.5266	1,264,663.82
SEK	369,433.63	0.7050	260,450.71

**(2). Notes to overseas business entities, overseas business locations, functional currency and the basis for selection in respect of important overseas business entities should be disclosed; if there is a change in the functional currency, the reason for the change should be further disclosed.**

√Applicable □Non-applicable

The Company has seven subsidiaries outside of China, i.e.: Tuopu North American USA Limited, INC, currently operating in Canada and with Canadian dollars as the functional currency; Tuopu North American USA Limited, INC, currently operating in the United States and with U.S. dollars as the functional currency; Tuopu Brasil, currently operating in Brasil and with Brazilian Real as the functional currency; Tuopu Sweden, currently operating in Sweden and with Swedish krona as the functional currency; Tuopu International, currently operating in Hong Kong and with Hong Kong dollar as the functional currency; TUOPU (MALAYSIA) SDN.BHD., currently operating in Malaysia and with Ringgit as the functional currency; Tuopu USA, LLC., currently operating in the United States and with U.S. dollars as the functional currency; Tuopu Poland sp.z.o.o, currently operating in Poland and with PLN as the functional currency.

### 83. Hedging

□Applicable √Non-applicable

### 84. Government subsidies

#### 1. General information of government subsidies

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Category	Amount	Presented Item	Amount included into current profit and loss
Machine substitution for human project with an annual capacity of 700,000 sets of damping products	4,720,000.00	Deferred income	472,000.00
Automobile composite fiber production project	1,000,000.00	Deferred income	99,999.96
Tuopu Intelligent Mechatronics Industrial Park Project	27,000,000.00	Deferred income	1,385,714.25
Production line transformation project of high-performance vibration control system for cars	4,409,904.00	Deferred income	551,238.00
Production and application technology transformation project of lightweight materials for vehicles	7,000,000.00	Deferred income	875,000.00
Technological Transformation Project of Automobile High-Performance Vibration control system	8,250,992.00	Deferred income	891,261.09

Technological Transformation Project of Automobile Interior and Exterior Trim Parts	7,794,112.00	Deferred income	815,466.48
Technological Transformation Project of Automobile Lightweight Control Arms	8,085,312.00	Deferred income	875,375.13
Technological Transformation Project of Automobile Lightweight Parts Production Line	8,443,472.00	Deferred income	915,256.45
Technological Transformation Project of Automobile High-Performance Vibration control system	1,723,800.00	Deferred income	172,380.00
Technological transformation project of lightweight auto parts	1,875,120.00	Deferred income	187,512.00
Digital workshop project with an annual capacity of 120,000 sets of intelligent braking systems	4,041,000.00	Deferred income	393,393.10
Auto parts production and industrial automation projects	90,000,000.00	Deferred income	4,500,000.00
Technological transformation project for the production line of automotive lightweight alloy parts with an annual capacity of 300,000 sets	10,000,000.00	Deferred income	1,000,000.10
Technological Transformation Project of Automobile High-Performance Vibration control system	5,713,900.00	Deferred income	559,226.26
Shenyang Tuopu Auto Parts Base Project	2,000,000.00	Deferred income	583,333.32
Intelligent factory construction project with an annual capacity of 2 million sets of automotive interior trims	1,100,000.00	Deferred income	110,000.00
Technological transformation project of car roof, carpet	1,650,000.00	Deferred income	165,000.00

assembly and other interior trims with an annual capacity of 1.6 million sets			
Auto Parts Production Project of Liudong New District	1,510,000.00	Deferred income	84,279.07
Automobile Fabric Production Line Project	4,104,000.00	Deferred income	533,032.78
Pinghu Tuopu Auto Parts Production Project	14,470,000.00	Deferred income	795,850.00
Production line project with an annual capacity of 300,000 sets of related auto parts	1,110,000.00	Deferred income	86,798.28
Automobile chassis parts project with an annual capacity of 500,000 sets	5,032,438.00	Deferred income	103,229.49
Tuopu Chassis Auto Parts Industry Base Project	8,000,000.00	Deferred income	67,796.60
Auxiliary project outside the factory	7,000,011.00	Deferred income	392,165.00
Hunan Xiangtan Auto Parts Industry Base Project	6,000,000.00	Deferred income	
Relocation project with an annual capacity of 300,000 sets of automotive interior trims	965,300.00	Deferred income	110,593.80
Technological transformation project for the production line of automobile front and rear axle with an annual output of 200,000 sets	3,056,045.00	Deferred income	378,110.76
Technological transformation project of AVS products & chassis production line with annual capacity of 300,000 sets	2,582,045.00	Deferred income	289,187.22
Passenger vehicle chassis AVS products project with an annual capacity of 500,000 sets	2,539,990.00	Deferred income	326,052.96
Technological transformation project of automobile chassis lightweight production line	1,000,500.00	Deferred income	27,040.52
Technological	10,458,600.00	Deferred income	180,320.67



transformation project of automobile chassis lightweight components			
Technological transformation project of NEVs front and rear axle assembly	20,000,000.00	Deferred income	333,333.33
Subsidies for land leveling	7,729,116.00	Deferred income	105,516.94
Technological transformation project of Automobile High-Performance Shock Absorbing System with an annual capacity of 2,000,000 sets	6,500,000.00	Deferred income	270,833.34
Technological transformation project of automotive NVH interior trim parts system	2,889,100.00	Deferred income	120,379.20
Technological transformation project of automotive lightweight components	6,500,000.00	Deferred income	270,833.33
Technological transformation project of automotive lightweight components an annual capacity of 3,000,000 sets	6,500,000.00	Deferred income	270,833.33
Government subsidies for technological transformation of the real economy in 2021	5,188,000.00	Deferred income	
Technological transformation project of automotive suspension chassis production line with an annual capacity of 500,000 sets	3,541,300.00	Deferred income	377,668.28
Science and technology project subsidies	490,500.00	Other income	490,500.00
Special subsidies for patents	22,400.00	Other income	22,400.00
Stable employment subsidies	673,175.94	Other income	673,175.94
Tax subsidies	6,164,774.00	Other income	6,164,774.00
Technology project funds	2,000,000.00	Other income	2,000,000.00
Power grants	1,066,871.59	Other income	1,066,871.59

Corporate funding subsidies	9,728.48	Other income	9,728.48
Technology incentive subsidies	303,000.00	Other income	303,000.00
Technology subsidies	500,000.00	Other income	500,000.00
VAT exemption for veterans	95,250.00	Other income	95,250.00
Industrial production and capacity expansion rewards	1,370,000.00	Other income	1,370,000.00
Import discount subsidies	816,312.00	Other income	816,312.00
Enterprise R&D post-grants	632,502.00	Other income	632,502.00
Industrial Special Fund Subsidies	708,000.00	Other income	708,000.00
Premium investment project award on the "Leaderboard" of New District Industrial Economy	100,000.00	Other income	100,000.00
High-tech enterprise grants	100,000.00	Other income	100,000.00
Made in Zhejiang Selected Products	200,000.00	Other income	200,000.00
Allowances for unemployment	59,150.00	Other income	59,150.00
Allowances for recruited talents	37,397.00	Other income	37,397.00
Notice of "training by work" subsidies for special account of unemployment insurance	315,613.08	Other income	315,613.08
Subsidies for operation and maintenance of pollution self-control system	60,000.00	Other income	60,000.00
Subsidies for production safety standard enterprise	60,000.00	Other income	60,000.00
Government subsidies for the 7th batch of special funds for high-quality development of manufacturing in 2021	100,000.00	Other income	100,000.00
High-tech zone investment promotion award	277,722.00	Other income	277,722.00
Incentive funds for cleaner production qualified enterprises	50,000.00	Other income	50,000.00
Business cultivation incentives	10,000.00	Other income	10,000.00
Total	337,706,453.09		35,898,407.13

**(2). Refund of government subsidies**

☐Applicable ☒Non-applicable

**85. Others**

☐Applicable ☒Non-applicable

**VIII. Changes in the scope of consolidation****1. Business combination not under common control**

☐Applicable ☒Non-applicable

**2. Business combination under the same control**

☐Applicable ☒Non-applicable

**3. Reverse purchase**

☐Applicable ☒Non-applicable

**4. Disposal of subsidiaries**

Whether there is a situation where a single disposal of the investment in the subsidiary will immediately lead to loss of control

☐Applicable ☒Non-applicable

Other Notes:

☐Applicable ☒Non-applicable

**5. Changes in the scope of consolidation due to other reasons**

Notes to changes in the scope of consolidation due to other reasons and relevant conditions:

☒Applicable ☐Non-applicable

9 combined entities were added during the reporting period, due to:

The Company incorporated Huzhou Tuopu Automobile Parts Co., Ltd, Xi'an Tuopu Automobile Parts Co., Ltd, Shanghai Tuopu Automobile Parts Co., Ltd, Tuopu Poland sp.z.o.o, Tuopu Photovoltaic Technology (Ningbo Beilun) Co., Ltd., Tuopu Photovoltaic Technology (Ningbo Hangzhou Bay New Area) Co., Ltd., Tuopu Photovoltaic Technology (Pinghu) Co., Ltd., Ningbo Yuxiang Smart Mobility Co., Ltd., and Tuopu Automotive Chassis (Chongqing) Co., Ltd. These subsidiaries will be incorporated to the financial statements from the date of incorporation.

**6. Others**

☐Applicable ☒Non-applicable

**IX. Equity in Other Entities****1. Equity in Subsidiaries****(1). Composition of the group**

☒Applicable ☐Non-applicable

Name of Subsidiary	Principal Business Site	Registered Address	Nature of Business	Percentage of Shares (%)		Method of Acquisition
				Direct	Indirect	
Tuopu Imp&Exp.	Ningbo	Ningbo	Trading	100.00		Business combination under the same control
Tuopu Parts	Ningbo	Ningbo	Trading	100.00		Business combination under the same

						control
Tuopu Acoustics Vibration	Ningbo	Ningbo	Trading	100.00		Business combination under the same control
Yantai Tuopu	Yantai	Yantai	Manufacturing	100.00		Business combination under the same control
Liuzhou Tuopu	Liuzhou	Liuzhou	Manufacturing	100.00		Business combination under the same control
Shenyang Tuopu	Shenyang	Shenyang	Manufacturing	100.00		Establishment
Tuopu Intelligent Brake	Ningbo	Ningbo	Manufacturing	100.00		Establishment
Tuopu North American	Canada	Canada	Trading		51.00	Business combination not under the same control
Ningbo Qianhui	Ninghai	Ninghai	Manufacturing	51.00		Business combination not under the same control
Tuopu North American USA Limited, INC	USA	USA	Service		51.00	Establishment
Sichuan Tuopu	Lingshui	Lingshui	Manufacturing	100.00		Establishment
Wuhan Tuopu	Wuhan	Wuhan	Manufacturing	100.00		Establishment
Pinghu Tuopu	Jiaxing	Jiaxing	Manufacturing	100.00		Establishment
Shanghai Towin	Shanghai	Shanghai	Manufacturing	100.00		Establishment
Tuopu Industrial Automation	Ningbo	Ningbo	Manufacturing	100.00		Establishment
Tuopu Investment	Ningbo	Ningbo	Investment	100.00		Establishment
Yuxiang E-commerce	Ningbo	Ningbo	Service	100.00		Establishment
Tuopu International	Hong Kong	Hong Kong	Investment	100.00		Establishment
Baoji Tuopu	Baoji	Baoji	Manufacturing	100.00		Establishment
Taizhou Tuopu	Linhai	Linhai	Manufacturing	100.00		Establishment
Tuopu Mechatronic System	Ningbo	Ningbo	Manufacturing	100.00		Establishment
Tuopu Brasil	Brasil	Brasil	Manufacturing	99.96	0.04	Establishment
Tuopu Sweden	Sweden	Sweden	R&D		100.00	Establishment
Jinzhong Tuopu	Jinzhong	Jinzhong	Manufacturing	100.00		Establishment
Shenzhen Towin	Shenzhen	Shenzhen	Manufacturing	100.00		Establishment
Zhejiang Towin	Jinhua	Jinhua	Manufacturing	100.00		Business combination not under the same control

Sichuan Maigao	Suining	Suining	Manufacturing	100.00		Business combination not under the same control
Hunan Tuopu	Xiangtan	Xiangtan	Manufacturing	100.00		Establishment
TUOPU (MALAYSIA) SDN.BHD.	Malaysia	Malaysia	Manufacturing		100.00	Establishment
Tuopu USA, LLC	USA	USA	Trading	100.00		Establishment
Tuopu Chassis	Ningbo	Ningbo	Manufacturing	100.00		Establishment
Tuopu Thermal Management	Ningbo	Ningbo	Manufacturing	100.00		Establishment
Huzhou Tuopu	Huzhou	Huzhou	Manufacturing	100.00		Establishment
Xi'an Tuopu	Xi'an	Xi'an	Manufacturing	100.00		Establishment
Shanghai Tuopuyu	Shangha	Shangha	Manufacturing	100.00		Establishment
Tuopu Poland	Poland	Poland	Manufacturing	100.00		Establishment
Tuopu Photovoltaic (Ningbo Beilun)	Ningbo	Ningbo	Manufacturing		100.00	Establishment
Tuopu Photovoltaic (Ningbo Hangzhou Bay)	Ningbo	Ningbo	Manufacturing		100.00	Establishment
Tuopu Photovoltaic (Pinghu)	Jiaxing	Jiaxing	Manufacturing		100.00	Establishment
Yuxiang Smart Mobility	Ningbo	Ningbo	Manufacturing	100.00		Establishment
Chongqing Chassis	Chongqing	Chongqing	Manufacturing	100.00		Establishment

**(2). Important non-wholly owned subsidiaries**

√Applicable □Non-applicable

Unit: Yuan      Currency: RMB

Name of Subsidiary	Percentage of shares held by minority shareholders	Profit and loss attributable to minority shareholders in the current period	Dividends declared to minority shareholders in the current period	Balance of minority shareholders' equity at the end of the period
Tuopu North American USA Limited, INC	49.00%	-307,869.44		-1,858,224.88

Notes to the percentage of shares held by minority shareholder that is different from the percentage of voting rights:

□Applicable √Non-applicable

Other Notes:

□Applicable √Non-applicable

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

√Applicable □Non-applicable

Unit: Yuan    Currency: RMB

Name of subsidiary	Balance at the end of the period						Balance at the beginning of the period					
	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
Tuopu North American USA Limited, INC	35,231,400.21	6,610,172.92	41,841,573.13	45,633,868.81		45,633,868.81	17,873,744.68	6,467,320.70	24,341,065.38	27,491,819.92		27,491,819.92

Name of Subsidiary	Amount incurred in the current period				Amount incurred in previous period			
	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities
Tuopu North American USA Limited, INC	608,628,971.93	-628,304.97	-628,304.97	15,857,300.37	394,096,953.97	-812,501.74	-812,501.74	-6,673,583.68

**(4). Significant restrictions on the use of group assets and the settlement of group debts**

☐Applicable ☒Non-applicable

**(5). Financial support or other support provided to structured entities included in the scope of consolidated financial statements**

☐Applicable ☒Non-applicable

Other Notes:

☐Applicable ☒Non-applicable

**2. Transactions leading to a change in the share of owner's equity in the subsidiary and the control over the subsidiary remains**

☐Applicable ☒Non-applicable

**3. Rights and interests in joint ventures or associates**

☐Applicable ☒Non-applicable

**(1). Important joint ventures or associates**

☒Applicable ☐Non-applicable

Unit: Yuan      Currency: RMB

Name of joint venture or associate	Principal Business Site	Registered Address	Business Nature	Percentage of Shares Held (%)		Accounting treatment of investment in joint ventures or associate
				Direct	Indirect	
Tuopu Electrical Appliances	Ningbo	Ningbo	Manufacturing	50.00		Equity method
Ningbo Borgers	Ningbo	Ningbo	Manufacturing	50.00		Equity method
Antolin Tuopu	Chongqing	Chongqing	Manufacturing	39.00		Equity method

**(2). Main financial information of important joint ventures**

☒Applicable ☐Non-applicable

Unit: Yuan      Currency: RMB

	Balance at the end of the period/Amount incurred in the current period		Balance at the beginning of the period/Amount incurred in previous period	
	Tuopu Electrical Appliances	Ningbo Borgers	Tuopu Electrical Appliances	Ningbo Borgers
Current assets	115,959,930.24	174,115,922.71	138,270,376.94	195,623,586.03
Including: cash and cash equivalents	17,964,903.52	30,668,327.53	21,987,735.55	37,219,502.34
Non-current assets	37,425,815.26	36,105,633.27	36,800,692.85	33,719,670.26
Total assets	153,385,745.50	210,221,555.98	175,071,069.79	229,343,256.29
Current liabilities	53,851,583.03	63,722,353.69	49,632,204.32	73,608,535.10
Non-current liabilities				
Total liabilities	53,851,583.03	63,722,353.69	49,632,204.32	73,608,535.10
Minority shareholders' equity				
Equity attributable to	99,534,162.47	146,499,202.29	125,438,865.47	155,734,721.19

shareholders of the parent company				
Share of net assets calculated at the percentage of shares held	49,767,081.24	73,249,601.15	62,719,432.74	77,867,360.60
Adjusted events	-119,632.47	-807,613.93	-143,018.70	-785,497.31
--Goodwill				
--Unrealized profits from internal transactions	-119,632.47	-807,613.93	-143,018.70	-785,497.31
-Others				
Book value of equity investment in joint ventures	49,647,448.77	72,441,987.22	62,576,414.04	77,081,863.29
Fair value of equity investment in joint ventures with public offers				
Operating income	130,051,841.60	385,633,598.42	108,952,145.74	401,650,158.77
Financial expenses	309,206.05	-691,850.23	-379,571.01	78,053.73
Income tax expense	1,731,157.25	5,678,971.20	1,757,999.77	1,083,664.74
Net profit	14,095,297.00	20,764,481.10	14,758,770.75	31,264,470.98
Net profit from discontinued operations				
Other comprehensive income				
Total comprehensive income	14,095,297.00	20,764,481.10	14,758,770.75	31,264,470.98
Dividends received from joint ventures in this year	20,000,000.00	15,000,000.00		

**(3). Main financial information of important associates**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

	Balance at the end of the period/Amount incurred in the current period		Balance at the beginning of the period/Amount incurred in previous period	
	Antolin Tuopu	-	Antolin Tuopu	-
Current assets	73,213,573.15		74,131,960.92	
Non-current assets	4,510,410.28		6,611,365.37	
Total assets	77,723,983.43		80,743,326.29	
Current liabilities	58,779,523.07		53,467,156.43	
Non-current liabilities				
Total Liabilities	58,779,523.07		53,467,156.43	
Minority shareholders' equity				



Equity attributable to shareholders of the parent company	18,944,460.36		27,276,169.86	
Share of net assets calculated by the percentage of shares held	7,388,339.54		10,637,706.25	
Adjusted events				
--Goodwill				
--Unrealized profits from internal transactions				
--Others				
Book value of equity investment in associates	7,388,339.54		10,637,706.25	
Fair value of equity investment in associates with public offers				
Operating income	89,926,195.13		115,226,112.33	
Net profit	1,206,700.35		207,151.61	
Net profit from discontinued operations				
Other comprehensive income				
Total comprehensive income	1,206,700.35		207,151.61	
Dividends received from associates in this year				

**(4). Summary of financial information of unimportant joint ventures and associates**

☐Applicable ☒Non-applicable

**(5). Notes to significant restrictions on the ability of joint ventures or associates to transfer funds to the Company**

☐Applicable ☒Non-applicable

**(6). Excess losses suffered by joint ventures or associates**

☐Applicable ☒Non-applicable

**(7). Unconfirmed commitments related to joint venture investment**

☐Applicable ☒Non-applicable

**(8). Contingent liabilities related to investment in joint ventures or associates**

☐Applicable ☒Non-applicable

**4. Important joint operations**

☐Applicable ☒Non-applicable

**5. Equity in structured entities not included in the scope of consolidated financial statements**

Notes to structured entities not included in the scope of the consolidated financial statements:

☐Applicable ☒Non-applicable

**6. Others**

☐Applicable ☒Non-applicable

## X. Risks related to financial instruments

√Applicable □Non-applicable

The Company faces various financial risks in the course of its operations: credit risk, liquidity risk and market risk (including exchange rate risk, interest rate risk and other price risks). The said financial risks and the risk management policies adopted by the Company to reduce these risks are described below:

The Board of Directors is responsible for planning and establishing the risk management structure applicable to the Company, laying down the risk management policies and guidelines, and supervising the implementation of risk management measures. The Company has laid down some risk management policies to identify and analyze the risks exposed to it. These risk management policies clearly identify specific risks, ranging from market risk, credit risk to liquidity risk management. The Company assesses the market environment and changes in its business activities at regular intervals in order to decide whether to update the risk management policy and system or not. Its risk management is carried out by the Risk Management Committee in accordance with the policies approved by the Board of Directors. Risk Management Committee will identify, evaluate and avoid related risks by maintaining a close cooperation with other business units within the Company. The internal audit division conducts regular audits on risk management control and procedures, and reports the audit results to the Auditing Committee of the Company.

The Company carries out the diversification of risks in financial instruments through appropriate diversified investment and business portfolios, and prepares appropriate risk management policies to reduce the risk concentrated in a single industry, specific region or specific counterparty.

### (1) Credit risk

Credit risk refers to the risk of the company's financial losses due to the failure of the counterparty to perform its contractual obligations.

The credit risk exposed to the Company mainly arises from monetary funds, notes receivable, accounts receivable, accounts receivable financing, other receivables, as well as those debt instrument investments and derivative financial assets that are not included in the scope of impairment assessment and are measured at fair value and whose changes are included in the current profit and loss. On the balance sheet date, the book value of the Company's financial assets has represented its maximum credit risk exposure.

The monetary funds owned by the Company are mainly bank deposits deposited in well-reputed state-owned banks with high credit ratings and other large and medium-sized listed banks. In the opinion of the Company, there is no significant credit risk, and there will be almost no critical loss caused by bank defaults.

The Company lays down relevant policies to control credit risk exposure in respect of notes receivable, accounts receivable, financing receivables and other receivables. The Company assesses the credit profile of each customer and defines the credit term based on its financial standing, the possibility of obtaining guarantees from a third party, credit record and other factors such as current market condition. The Company will monitor the credit record of each customer at regular intervals. For those found with poor credit record, the Company will maintain its overall credit risk to the extent controllable by written demand, shortening or cancellation of credit term.

### (2) Liquidity risk

Liquidity risk refers to the risk of a shortage of funds when an enterprise fulfills its obligation of settlement by cash or other financial assets.

The Company's policy is to ensure that there is sufficient cash to repay the liabilities due. The liquidity risk is under the concentrated control of the Company's Financial Department. Through monitoring the balance of cash and securities cashable at any time and rolling forecasting the cash flow in the next 12 months, the Financial Department ensures that the Company has sufficient funds to repay its debts under all reasonable predictions. And it will continue to monitor whether the Company complies with the provisions of the borrowing agreement and obtains commitments from major financial institutions to provide sufficient reserve funds to meet its funding needs, whether short term or long term.

### (3) Market risk

The market risk of financial instruments refers to the risk of fluctuation at fair value of financial instruments or future cash flows with the change of market prices, including exchange rate risk, interest rate risk and other price risks.

#### 1. Interest rate risk

The interest rate risk refers to the risk in which the fair value or future cash flow of financial instruments changes due to the change of market interest rate.

Interest-bearing financial instruments applicable to fixed interest rates and floating interest rates bring the Company up to fair value interest rate risk and cash flow interest rate risk respectively. The Company ascertains the ratio of fixed interest rates to floating interest rate instruments based on the market environment, and maintains an appropriate portfolio of fixed and floating interest rate instruments at regular intervals. If necessary, the Company will adopt interest rate swap instruments to hedge interest rate risk.

On December 31, 2021, if other variables remain the same, the borrowing interest rate calculated by floating interest rate rises or falls by 100 base points, the Company's net profit will decrease or increase by RMB 15,245,911.07. In the opinion of the management, 100 base points can reasonably reflect the reasonable range of possible changes in interest rates in the next year.

## 2. Exchange rate risk

Exchange rate risk refers to the risk that the fair value of financial instruments or future cash flows will fluctuate due to changes in foreign exchange rates.

The Company will try its best to match the revenues with the expenses in foreign currency, to lower the exchange rate risk. In addition, the Company may also sign forward foreign exchange contracts or currency swap contracts to avoid exchange rate risks. In the current period and the previous period, the company did not sign any forward foreign exchange contracts or currency swap contracts.

The exchange rate risk faced with by the Company is mainly from financial assets and liabilities in USD. The amounts of assets and liabilities in foreign currencies and converted into RMB are presented as below:

Item	Balance at the end of the period			Balance at the beginning of the year		
	US dollars	Other foreign currencies	Total	US dollars	Other foreign currencies	Total
Cash and bank balances	87,084,790.13	126,342,546.08	213,427,336.21	32,195,685.40	28,698,091.63	60,893,777.03
Accounts receivable	514,439,362.50	177,466,695.52	691,906,058.02	210,244,792.96	112,742,504.75	322,987,297.71
Other Receivables	65,961.97	396,298.95	462,260.92			
Short-term borrowings	313,684,440.00		313,684,440.00			
Accounts payable	322,020,826.25	55,982,031.64	378,002,857.89	39,794,482.93	35,476,823.21	75,271,306.14
Other Payables	5,457.03	1,531,828.57	1,537,285.60			
Total	1,237,300,837.88	361,719,400.76	1,599,020,238.64	282,234,961.29	176,917,419.59	459,152,380.88

On December 31, 2021, if all other variables remain the same, if the exchange rate of RMB against any of foreign currencies (principally USD, Euro, CAD, BRL, MYR, SEK, PLN) appreciates or depreciates by 5%, the Company will Increase or decrease the net profit by RMB 10,628,553.58. In the opinion of the management, 5% can reasonably reflect the reasonable range of possible changes in the exchange rate of RMB against USD in the next year.

## 3. Other price risks

Other price risk refers to the risk that the fair value or future cash flow of financial instruments will fluctuate due to changes in market prices other than exchange rate risk and interest rate risk.

Other price risks exposed to the Company mainly arise from investments in various equity instruments, and there is a risk of changes in the price of equity instruments.

## XI. Disclosure of Fair Values

### 1. Fair values of the assets and liabilities at the end of the period

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Fair value at the end of the period			
	Fair value measurement at the first-level	Fair value measurement at the	Fair value measurement at the third-level	Total

		second-level		
<b>I. Constant measurement at fair value</b>				
(I) Trading Financial Assets	321,507,846.86			321,507,846.86
1. Financial assets at fair value through profit or loss in this period	321,507,846.86			321,507,846.86
(1) Investment in debt instruments				
(2) Investment in equity instrument				
3) Derivative Financial Assets				
2. Designated financial assets that are measured at fair value and whose changes are included in the current profit and loss				
(1) Investment in debt instruments				
(2) Investment in equity instrument				
(II) Investment in Other Creditor's Rights				
(III) Investment in Other Equity Instruments				
(IV) Investment Property				
1. Land use rights for lease				
2. Rented buildings				
3. Land use rights held and prepared to transfer after appreciation				
(V) Biological assets				
1. Consumable biological assets				
2. Productive Biological Assets				
(VI) Receivables Financing			972,493,168.64	972,493,168.64
<b>Total assets constantly measured at fair value</b>	321,507,846.86		972,493,168.64	1,294,001,015.50
(VIII) Transactional financial liabilities				
1. Financial liabilities that are measured at fair value and whose changes are included in the current profit and loss				

Including: issued trading bonds				
Derivative Financial Liabilities				
Others				
2. Designated Financial Liabilities Measured in Fair Value with Changes Recorded into Current Profit and Loss				
<b>Total amount of liabilities constantly measured at their fair values</b>				
<b>II. Non-continuous fair value measurement</b>				
(1) Holding-for-sale assets				
<b>Total assets that are not continuously measured at fair value</b>				
<b>Total liabilities not continuously measured at fair value</b>				

**2. Determination basis for the market price of continuous and non-continuous first-level fair value measurement projects**

☐Applicable ☒Non-applicable

**3. Qualitative and quantitative information on the valuation techniques used and important parameters for continuous and non-continuous second-level fair value measurement items**

☐Applicable ☒Non-applicable

**4. Continuous and non-sustainable third-level fair value measurement projects, qualitative and quantitative information on valuation techniques and important parameters used**

☐Applicable ☒Non-applicable

**5. Continuous third-level fair value measurement items, adjustment information between the book value at the beginning of the period and that at the end of the period and sensitivity analysis of unobservable parameters**

☐Applicable ☒Non-applicable

**6. Continuous fair value measurement items, if there is a conversion between levels occurred in the current period, the reasons for the conversion and the policies for determining the time point of the conversion**

☐Applicable ☒Non-applicable

**7. Changes in valuation technique in the current period and reasons for the changes**

☐Applicable ☒Non-applicable

**8. The fair value of financial assets and financial liabilities not measured at fair value**

☐Applicable ☒Non-applicable

**9. Others**

☐Applicable ☒Non-applicable

**XII. Related Parties and Related-party Transactions****1. The parent company**

√Applicable □Non-applicable

Unit: Yuan Currency: HKD

Name of parent company	Registered addresses	Nature of businesses	Registered capital	Percentage of the Company's shares held by the parent company	Percentage of the Company's voting rights held by the parent company
MECCA INTERNATIONAL HOLDING (HK) LIMITED	Hong Kong	Investment	1,000,000.00	62.94	62.94

The ultimate controlling party of the Company is Wu Jianshu.

**2. Subsidiaries of the Company**

More details of the subsidiaries of the Company are available in the notes.

√Applicable □Non-applicable

More details of the subsidiaries of the Company are available in "Note VII. Equity in Other Entities".

**3. Joint ventures and associates of the Company**

More details of the subsidiaries of the Company are available in the note.

√Applicable □Non-applicable

More details of important joint ventures or associates of the Company are available in "Note VII. Equity in Other Entities".

The situation of other joint ventures or associates that have related party transactions with the company during the current period or the balance of the related party transactions with the Company in the previous period is listed as follows.

√Applicable □Non-applicable

Name of Joint Ventures or Associates	Relationship with the Company
Tuopu Electrical Appliances	Joint venture of the Company
Ningbo Borgers	Joint venture of the Company
Antolin Tuopu	Associate of the Company

Other Notes

√Applicable □Non-applicable

**4. Other Related Parties**

√Applicable □Non-applicable

Name of Other Related Party	Relationship between Other Related Party and the Company
Ninghai Jinsuoer Auto Parts Factory (hereinafter referred to as "Ninghai Jinsuoer")	A company controlled by the niece of the actual controller of the Company
Ninghai Saipu Rubber and Plastic Parts Factory (hereinafter referred to as "Ninghai Saipu")	A company controlled by the niece of the actual controller of the Company
Ninghai Jinxin Packaging Co., Ltd. (hereinafter referred to as "Ninghai Jinxin")	A company controlled by the young sister of the actual controller of the Company
Ninghai Zhonghao Plastic Products Co., Ltd. (hereinafter referred to as "Ninghai Zhonghao")	An officer's brother-in-law holds 40% of the shares and serves as an executive director of the company
Ninghai Xidian Qingqing Plastic Factory (hereinafter referred to as "Ninghai Xidian")	A company controlled by the elder

to as "Ninghai Qingqing")	sister and brother-in-law of the officer of the Company
Ningbo Hongke Auto Parts Co., Ltd. (hereinafter referred to as "Ningbo Hongke")	A company controlled by the niece's husband of the actual controller of the Company
Ningbo Gloyel Intelligent Technology Co. Ltd. (hereinafter referred to as "Gloyel Intelligent")	Other company controlled by the actual controller of the Company
Ningbo Gloyel Motor Technology Co., Ltd. (hereinafter referred to as "Ningbo Gloyel")	Other company controlled by the actual controller of the Company

## 5. Related party transactions

(1). Related-party transactions of purchase and sale of goods, rendering and acceptance of labor services

List of purchase of goods/acceptance of labor services

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Related party	Related-party transaction	Amount incurred in the current period	Amount incurred in previous period
Tuopu Electrical Appliances	Material	1,470,987.91	67,985.88
Ningbo Borgers	Material	532,406.41	11,172,984.21
Ninghai Jinsuoer	Material	10,727,069.14	11,279,423.57
Ninghai Saipu	Material	2,777,913.09	2,352,171.89
Ninghai Jinxin	Material	15,196,918.89	8,944,151.65
Ninghai Zhonghao	Material	17,114,295.64	12,318,377.23
Ninghai Qingqing	Material	6,296,088.44	6,178,391.42
Ningbo Hongke	Material	90,461,785.31	69,767,683.10
Gloyel Intelligent	Equipment	36,373,136.28	575,203.54
Gloyel Motor	Material, equipment	30,331,884.00	33,186,089.13
Gloyel Electrical	labor services	2,104,843.25	
Total		213,387,328.36	155,842,461.62

List of sale of goods/rendering of labor services

☐Applicable ☒Non-applicable

Unit: Yuan Currency: RMB

Related party	Content of related transaction	Amount incurred in the current period	Amount incurred in previous period
Tuopu Electrical Appliances	Goods, labor services, et al.	6,789,828.13	5,173,521.78
Ningbo Borgers	Goods, labor services, et al.	107,941,553.64	108,487,714.27
Chongqing Antolin	Goods, labor services, et al.	13,103,293.72	10,605,090.50
Gloyel Intelligent	Goods, labor services, et al.		51,403.31
Total		127,834,675.49	124,317,729.86

Notes to related-party transactions in the purchase and sale of goods, rendering and acceptance of labor services

☐Applicable ☒Non-applicable

## (2). Related trusteeship management/contracting and entrusted management/outsourcing

List of trusteeship management/contracting of the Company:

☐Applicable ☒Non-applicable

Related trusteeship/contracting

☐Applicable ☒Non-applicable

List of entrusted management/outsourcing

☐Applicable ☒Non-applicable

Related management/outsourcing

☐Applicable ☒Non-applicable

### (3). Related leases

The Company as landlord:

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Name of tenant	Kind of lease assets	Rental income recognized in the current period	Rental income recognized in previous period
Ningbo Borgers	Houses and structures	619,266.06	619,266.06
Gloyel Motor	Houses and structures	198,165.14	198,165.14
Total		817,431.20	817,431.20

The Company as tenant:

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Name of tenant	Kind of lease assets	Rental income recognized in the current period	Rental income recognized in previous period
Gloyel Electrical	Houses and structures	3,129,489.91	

Affiliated leases

☐Applicable ☒Non-applicable

### (4). Related guarantees

The Company as guarantor

☒Applicable ☐Non-applicable

Unit: in 10,000 Yuan Currency: RMB

Guaranteed party	Guaranteed amount	From	Until	Whether the guarantee has been fulfilled
Tuopu Poland	5,417.44	More details are available in Note 1	More details are available in Note 1	NO
Tuopu Photovoltaic (Hangzhou Bay)	6,000.00	2021-12-9	2033-12-9	NO

The Company as guaranteed party

☐Applicable ☒Non-applicable

Notes to related guarantees

☒Applicable ☐Non-applicable

Note 1: For smooth conduct of business operations in Europe, Tuopu Poland sp.z.o.o. ("Tuopu Poland") is a wholly-owned subsidiary established by Tuopu Group in Poland in March 2021. It leases 7R PROJEKT 35 Sp. z oo ("7R Project Company"), customized industrial plants in Poland (including office areas, production areas and warehouses). According to business practice and actual needs, the Company provided performance bond for the said lease agreement, and authorized the chairman or authorized representative to sign the relevant guarantee. The total liability of the letter of guarantee must not exceed 7 million euros (about RMB 54.1744 million), and the maturity period covers the entire term



of the said lease agreement and five months after its expiration or termination, but no later than August 1, 2029.

The above guarantees were considered and approved at the fifth session of the Fourth Board of Directors.

(16) On 9 December 2021, Tuopu Photovoltaic Technology (Hangzhou Bay) signed a RMB capital loan contract (NO.: 3302202101100001111) with China Development Bank Ningbo Branch, with a loan amount of RMB 60 million. The term of such loan is from December 9, 2021 to December 9, 2033. The company provided guarantee for Tuopu Photovoltaic Technology under the mortgage of houses and buildings. As of December 31, 2021, the balance of the long-term loan under the contract is RMB 10,000,000, the original value of the property used for mortgage is RMB 45,324,720.72, and the net value is RMB 38,989,563.42; the original value of the land used for mortgage is RMB 13,070,562.81, and the net value is RMB 10,107,902.01.

#### (5). Borrowed funds from related parties

☐Applicable ☒Non-applicable

#### (6). Asset transfer and debt restructuring of related parties

☒Applicable ☐Non-applicable

#### (7). Remuneration of key management members

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Remuneration from key management members	15,822,800.00	10,694,500.00

#### (8). Other related-party transactions

☐Applicable ☒Non-applicable

### 6. Accounts receivable and payable of related parties

#### (1). Items of receivable

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Item	Related party	Balance at the end of the period		Balance at the beginning of the period	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivable	Tuopu Electrical Appliances	2,990,343.13	149,517.16	2,638,160.39	131,908.02
Accounts receivable	Ningbo Borgers	18,944,379.66	947,218.98	29,293,492.21	1,464,674.61
Accounts receivable	Chongqing Antolin	1,933,285.45	96,664.27	2,326,696.22	116,334.81
Other non-current assets	Gloyel Intelligent	25,273,020.00		16,200,000.00	

#### (2). Items of payable

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Item	Related party	Book balance at the end of the period	Book balance at the beginning of the period
Accounts payable	Tuopu Electrical	779,489.56	160,365.20

	Appliances		
Accounts payable	Ningbo Borgers	107,350.32	5,202,246.00
Accounts payable	Ninghai Jinsuoer	3,378,282.14	5,293,108.17
Accounts payable	Ninghai Saipu	1,062,872.50	1,108,699.60
Accounts payable	Ninghai Jinxin	6,085,792.76	5,191,550.61
Accounts payable	Ninghai Zhonghao	7,440,703.72	4,949,234.52
Accounts payable	Ninghai Qingqing	2,192,180.40	2,135,445.47
Accounts payable	Ningbo Hongke	40,588,197.56	35,419,299.60
Accounts payable	Gloyel Intelligent	1,009,518.20	
Accounts payable	Gloyel Motor	7,391,444.20	7,111,998.16
Accounts payable	Gloyel Electrical	106.64	

**7. Related-party commitments**

☐Applicable ☒Non-applicable

**8. Others**

☐Applicable ☒Non-applicable

**XIII. Share-based payment****1. General situation of share-based payment**

☐Applicable ☒Non-applicable

**2. Particulars of equity-settled share-based payment**

☐Applicable ☒Non-applicable

**3. Particulars of cash-settled share-based payment**

☐Applicable ☒Non-applicable

**4. Modification and termination of share-based payment**

☐Applicable ☒Non-applicable

**5. Others**

☐Applicable ☒Non-applicable

**XIV. Commitments and Contingencies****1. Important commitments**

☒Applicable ☐Non-applicable

Important external commitments, nature, and amount on the balance sheet date

**1. Important external commitments on the balance sheet date**

(1) On 20 July 2021, the Company signed a loan contract with the Export-Import Bank of China Ningbo Branch, with the granted credit line at RMB 210 million, under the loan contract number (2020) Jin Chu Yin (Yong Xin He) No. 1-061-1, the length of maturity of short-term loans is up to 24 months, the revolving use of credit loans is allowed, with the length of each sum up to 12 months. The form of guarantee is setting houses and structures on mortgage, under the guarantee contract number (2020) Jin Chu Yin (Yong Zui Xin Di) No. 1-004. As of December 31, 2021, the short-term loan balance under the contract is RMB 210 million, the original value and net value of properties on mortgage is RMB 118,839,780.32 and RMB 43,074,192.60 respectively; the original value and net value of land on mortgage is RMB 10,659,462.00 and RMB 6,592,418.56 respectively.

(2) On 31 August 2020, the Company signed a loan contract with the Export-Import Bank of China Ningbo Branch, with the granted credit line at RMB 190 million, under the loan contract number (2020) Jin Chu Yin (Yong Xin He) No. 1-068-1, the length of maturity of short-term loans is up to 24 months, the revolving use of credit loans is allowed, with the length of each sum up to 12 months. The form of

guarantee is setting houses and structures on mortgage, under the guarantee contract number (2020) Jin Chu Yin (Yong Zui Xin Di) No. 1-004. As of December 31, 2021, the short-term loan balance under the contract is RMB 190 million, the original value and net value of properties on mortgage is RMB 118,839,780.32 and RMB 43,074,192.60 respectively; the original value and net value of land on mortgage is RMB 10,659,462.00 and RMB 6,592,418.56 respectively.

(3) On 17 December 2021, the Company signed a loan contract with the Export-Import Bank of China Ningbo Branch, with the granted credit line at RMB 300 million, under the loan contract number (2021) Jin Chu Yin (Yong Xin He) No. 1-113, the length of maturity of short-term loans is up to 24 months, the revolving use of credit loans is allowed, with the length of each sum up to 12 months. The form of guarantee is setting houses and structures on mortgage, under the guarantee contract number (2021) Jin Chu Yin (Yong Zui Xin Di) No. 1-018. As of December 31, 2021, the short-term loan balance under the contract is RMB 300 million, the original value and net value of properties on mortgage is RMB 557,705,718.41 and RMB 498,341,446.04 respectively; the original value and net value of land on mortgage is RMB 92,039,214.40 and RMB 81,608,103.45 respectively.

(4) On 27 December 2021, the Company signed a loan contract with the Export-Import Bank of China Ningbo Branch, with the granted credit line at RMB 300 million, under the loan contract number (2021) Jin Chu Yin (Yong Xin He) No. 1-117, the length of maturity of long-term loans is up to 24 months, the revolving use of credit loans is allowed. The form of guarantee is setting houses and structures on mortgage, under the guarantee contract number (2021) Jin Chu Yin (Yong Zui Xin Di) No. 1-018. As of December 31, 2021, the short-term loan balance under the contract is RMB 300 million, the original value and net value of properties on mortgage is RMB 557,705,718.41 and RMB 498,341,446.04 respectively; the original value and net value of land on mortgage is RMB 92,039,214.40 and RMB 81,608,103.45 respectively.

(5) On April 18, 2016, the Company signed the state-owned construction land use rights assignment contract No. 3302062016A21006 with Ningbo Bureau of Land and Resources, and signed the industrial land investment agreement with Administration Committee of Ningbo Economic & Technological Development Zone (NETD). Under the said industrial land investment agreement, if the Company fails to pay taxes at RMB 20.00/mu in any year within the period from October 31, 2019 to October 31, 2022, it must pay RMB 5 million as penalty to Ningbo Economic & Technological Development Zone (NETD).

On July 21, 2016, the Company signed the "Irrevocable Bank Guarantee" at the maximum sum of RMB 5 million with Bank of China Ningbo Branch in the beneficiary of Administration Committee of Ningbo Economic & Technological Development Zone (NETD), under the bank guarantee number GC1901316000107, with the term of bank guarantee effective from 1 May 2022 to 30 April 2023. The bank guarantee specifies that the Company must pay a penalty up to RMB 5 million to Administration Committee of Ningbo Economic & Technological Development Zone (NETD), upon the time in which the Bank of China Ningbo Branch receives the original written notice of notice in printed form and the

proof of default from Administration Committee of Ningbo Economic & Technological Development Zone (NETD).

(6) Tuopu Parts signed the note pool cooperation agreement 33100000 Zhe Shang Piao Chi Zi 2017 No.01470, the asset pool cooperation agreement 33100000 Zhe Shang Zi Chan Chi Zi 2017 No.01470, and the asset pool pledge guarantee contract 33100000 Zhe Shang Zi Chan Chi Zi 2017 No.01471 with China Zheshang Bank Beilun Branch. As of December 31, 2021, there were bank acceptance notes in a sum of RMB 354,415,440.97 under pledge, and the notes payable in a sum of RMB 459,946,336.30 were issued.

(7) Tuopu Acoustics Vibration signed the note pool cooperation agreement 33100000 Zhe Shang Piao Chi Zi 2017 No.01472, the asset pool cooperation agreement 33100000 Zhe Shang Zi Chan Chi Zi 2017 No.01472, and the asset pool pledge guarantee contract 33100000 Zhe Shang Zi Chan Chi Zi 2017 No.01473 with China Zheshang Bank Beilun Branch. As of December 31, 2021, there were bank acceptance notes in a sum of RMB 315,417,218.51 under pledge, and the notes payable in a sum of RMB 462,925,322.70 were issued.

(8) On July 5, 2018, Tuopu Parts signed the note pool cooperation and note pledge agreement 05101PC20188002 with Bank of Ningbo Beilun branch, and 7 November 2018, signed the additional note pool cooperation and note pledge agreement 05101PC20188002 with Bank of Ningbo Beilun branch. As of December 31, 2021, there were bank acceptance notes in a sum of RMB 177,161,261.91 under pledge, the amount of commercial acceptance notes was RMB 10,960,000.00 and the notes payable in a sum of RMB 215,160,842.99 were issued.

(9) Tuopu Intelligent Brake signed the note pool cooperation agreement 9411202000000006 and the maximum pledge contract ZZ9411202000000006 with SPDB Ningbo Development Zone Sub-branch. As of December 31, 2021, the bank acceptance notes in a sum of RMB 17,310,500.00 were put under pledge and the notes payable in a sum of RMB 15,197,468.44 were issued.

(10) Ningbo Qianhui signed the maximum pledge contract 06001PC20198005 with Bank of Ningbo Ninghai Branch. As of December 31, 2021, there were bank acceptance notes in a sum of RMB 13,441,322.75 under pledge and the notes payable in a sum of RMB 11,810,240.46 were issued.

(11) On August 25, 2021, the Company signed a financial leasing contract with Maxwealth Financial Leasing Co., Ltd., the leased property is machinery and equipment, the original book value of the leased property is RMB 120,303,100, and the net book value of the lease property at the end of 2021 is RMB 96,793,100. The financial lease contract number is 2021YYZL0208073-ZL-01, the repayment principal of the financial lease is RMB 100,000,000, the interest is RMB 302,200, and the lease repayment period is 12 months. As of December 31, 2021, the balance of other current liabilities under the contract is RMB 66.6667 million.

(12) On 27 August 2021, the Company signed a leaseback contract with Ping An International Financial Leasing Co., Ltd., the leased property is machinery and equipment, the original book value of the lease property is RMB 44.689 million, the net book value of the leased object at the end of 2021 is RMB 41.4532 million. The leaseback contract number is 2021PAZL0101959-ZL-01. The repayment principal of this financial lease is RMB 49.500 million, the interest is RMB 108,000, and the lease repayment period is 12 months. As of December 31, 2021, the balance of other current liabilities under the contract is RMB 35.3009 million.

(1) On 18 November 2021, the company signed leaseback contract with Ping An International Financial Leasing Co., Ltd., the leased property is machinery and equipment. The original purchase

value of the leased property is RMB 116.5203 million, and the net book value of the leased property at the end of 2021 is RMB 113.6973 million. The leaseback contract number is 2021PAZL0102607-ZL-01. The real estate mortgage contract was further signed, the mortgage contract number is 2021PAZL0102607-DY-01, the original value of the property under mortgage is RMB 50,754,271.44, and the net value is RMB 20,858,402.07; the original value of the land used for mortgage is RMB 8,793,892.34, and the net value is RMB 6,214,133.93. The repayment principal of the financial lease is RMB 100,000,000, the interest is RMB 216,000, and the lease repayment period is 12 months. As of December 31, 2021, the balance of other current liabilities under the contract is 90.4421 million yuan.

(14) The Company and Ping An Bank Ningbo Branch signed a special agreement on the credit extension business (Ping Yin Bei Lun Piao Chi Zi 20210913 No.001) and Additional to the Maximum Amount Pledge Contract for Bill Pool Credit Business (Yin Bei Lun Piao Chi Zhi Bu Zi 20210914 No.001). As of December 31, 2021, there were bank acceptance notes in a sum of RMB 99,000,000.00 under pledge, and the notes payable of RMB 31,451,451.22 were issued.

(15) The Company signed Bank of Ningbo signed the additional clauses of the Asset Pool Business Cooperation and Pledge Agreement (No.: 0510100014087) and the Master Agreement for Asset Pool Billing Pass (No.: 05100AT21B7KKBM). As of December 31, 2021, there were bank acceptance notes in a sum of RMB 149,500,000.00 under pledge, and the notes payable of RMB 149,488,818.92 were issued.

(16) On 9 December 2021, Tuopu Photovoltaic Technology (Hangzhou Bay) signed a RMB capital loan contract (NO.: 3302202101100001111) with China Development Bank Ningbo Branch, with a loan amount of RMB 60 million. The term of such loan is from December 9, 2021 to December 9, 2033. The company provided guarantee for Tuopu Photovoltaic Technology under the mortgage of houses and buildings. As of December 31, 2021, the balance of the long-term loan under the contract is RMB 10,000,000, the original value of the property used for mortgage is RMB 45,324,720.72, and the net value is RMB 38,989,563.42; the original value of the land used for mortgage is RMB 13,070,562.81, and the net value is RMB 10,107,902.01.

## 2. Contingencies

### (1). Important contingencies existing on the balance sheet date

☐Applicable ☒Non-applicable

### (2). Even if the Company has no important contingencies to be disclosed, also state:

☐Applicable ☒Non-applicable

## 3. Others

☐Applicable ☒Non-applicable

## XV. Events after the Balance Sheet Date

### 1. Important non-adjusting events

☐Applicable ☒Non-applicable

### 2. Profit distribution

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Proposed distribution of profits or dividends	306,368,947.02
Profits or dividends declared after deliberation and approval	306,368,947.02

### 3. Sales return

☐Applicable ☒Non-applicable

### 4. Notes to Other Events after the Balance Sheet Date

☒Applicable ☐Non-applicable

1. According to the 2021 profit distribution plan passed at the 18th session of the Fourth Board of Directors on April 13, 2022, the Company intends to use the number of shares registered on the date of

equity registration for equity distribution as the base number, and distribute it to all registered shareholders on the date of equity registration at cash dividends of RMB 2.78 (tax included) for every 10 shares. The above profit distribution plan is submitted to the 2021 annual general meeting for consideration.

2. On March 15, 2022, the Company and Antolin (China) Investment Co., Ltd. (hereinafter referred to as "Antonin China" or "Transferor"), the foreign shareholder of Chongqing Antolin Tuopu Roof System Co., Ltd. (hereinafter referred to as "Chongqing Antolin"), signed the Share Transfer Agreement (hereinafter referred to as the "Agreement"), the Company intends to acquire 61% shares in Chongqing Antolin held by Antolin China for a consideration of 11,556,120.82 in cash. After this trading, Chongqing Antolin will become a wholly-owned subsidiary of the Company.

## VI. Other Significant Events

### 1. Correction of previous accounting errors

#### (1). Retrospective restatement

☐Applicable ☒Non-applicable

#### (2). Prospective application

☐Applicable ☒Non-applicable

### 2. Debt restructuring

☐Applicable ☒Non-applicable

### 3. Replacement of assets

#### (1). Exchange of non-monetary assets

☐Applicable ☒Non-applicable

#### (2). Exchange of other assets

☐Applicable ☒Non-applicable

### 4. Annuity plan

☐Applicable ☒Non-applicable

### 5. Discontinuing operation

☐Applicable ☒Non-applicable

### 6. Segment information

#### (1). Determination basis and accounting policies of the reportable segment

☐Applicable ☒Non-applicable

#### (2). Financial information of the reportable segment

☐Applicable ☒Non-applicable

(3). If the Company has no reportable segments or cannot disclose the total assets and total liabilities of individual reportable segment, state the reason

☐Applicable ☒Non-applicable

#### (4). Other notes

☐Applicable ☒Non-applicable

### 7. Other significant transactions and event that have an impact on investors' decisions

☐Applicable ☒Non-applicable

### 8. Others

☐Applicable ☒Non-applicable

## XVII. Notes to the Main Items of the Financial Statements of the Parent Company

### 1. Accounts receivable

#### (1). Disclosure by age

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Aging	Book balance at the end of the period
-------	---------------------------------------

Within 1 year	
Including: sub-items within 1 year	
Within 1 year	1,646,307,290.12
Subtotal within 1 year	1,646,307,290.12
1 to 2 years	162,512,305.33
2-3 years	71,849,161.98
Over 3 years	45,255,679.40
3 to 4 years	
4 to 5 years	
Over 5 years	323,215.01
Total	1,926,247,651.84

**(2). Categorical disclosure by provision for bad debts**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Category	Balance at the End of the Period					Balance at the Beginning of the Period				
	Book Balance		Bad Debt Provision		Book Value	Book Balance		Bad Debt Provision		Book Value
	Amount	Percentage (%)	Amount	Accrued Proportion (%)		Amount	Percentage (%)	Amount	Accrued Proportion (%)	
Bad debt provision accrued based on single item										
Including:										
Bad debt provision accrued based on single item	1,926,247,651.84	100.00	147,597,966.28	7.66	1,778,649,685.56	1,965,908,204.74	100.00	124,970,891.78	6.36	1,840,937,312.96
Including:										
Bad debt provision accrued based on aging combinations	1,926,247,651.84	100.00	147,597,966.28	7.66	1,778,649,685.56	1,965,908,204.74	100.00	124,970,891.78	6.36	1,840,937,312.96
Total	1,926,247,651.84	/	147,597,966.28	/	1,778,649,685.56	1,965,908,204.74	/	124,970,891.78	/	1,840,937,312.96



Bad debt provision accrued based on single item:

☐Applicable ☒Non-applicable

Bad debt provision accrued based on combinations

☒Applicable ☐Non-applicable

Accrued items based on combinations: accounts receivable with bad debt provision by aging portfolio

Unit: Yuan Currency: RMB

Name	Balance at the End of the Period		
	Accounts Receivable	Bad Debt Provision	Accrued Proportion(%)
Within 1 year	1,646,307,290.12	82,315,364.51	5.00
1 to 2 years	162,512,305.33	16,251,230.53	10.00
2 to 3 years	71,849,161.98	21,554,748.59	30.00
3 to 5 years	45,255,679.40	27,153,407.64	60.00
Over 5 years	323,215.01	323,215.01	100.00
Total	1,926,247,651.84	147,597,966.28	

Recognition criteria for and notes to bad debt provision by combinations

☐Applicable ☒Non-applicable

If the bad debt provision is made by the general expected credit loss model, e refer to the disclosure of other receivables:

☐Applicable ☒Non-applicable

### (3). Bad debt provision

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Category	Balance at the Beginning of the Period	Amount Changed in the Current Period				Balance at the End of the Period
		Provision	Withdrawal or Reversal	Write-off	Other Changes	
Bad debt provision accrued based on combinations	124,970,891.78	22,627,074.50				147,597,966.28
Total	124,970,891.78	22,627,074.50				147,597,966.28

Significant withdrawal or reversal amount of provision for bad debts in the current period:

☐Applicable ☒Non-applicable

### (4). Accounts receivable actually written off in the current period

☐Applicable ☒Non-applicable

Write-off of significant accounts receivable

☐Applicable ☒Non-applicable

### (5). Accounts receivable of the top five closing balances collected by debtors

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Name of Entity	Balance at the End of the Period	Proportion in Total Accounts Receivable (%)	Bad Debt Provision
No.1	471,164,614.19	24.46	23,558,230.71

No.2	280,630,454.47	14.57	14,031,522.72
No.3	264,085,222.96	13.71	13,204,261.15
No.4	231,459,699.38	12.02	24,088,915.35
No.5	151,669,599.61	7.87	7,583,479.98
Total	1,399,009,590.61	72.63	82,466,409.91

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

☐Applicable ☒Non-applicable

**(7). Amount of assets and liabilities formed by the transfer of accounts receivable and continued involvement**

☐Applicable ☒Non-applicable

Other Notes:

☐Applicable ☒Non-applicable

**2. Other Receivables****Presentation of items**

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Interest receivable		
Dividend receivable	3,719,979.84	
Other Receivables	132,577,100.62	76,146,034.58
Total	136,297,080.46	76,146,034.58

Other Notes:

☐Applicable ☒Non-applicable

**Interest receivable****(1). Category of interest receivable**

☐Applicable ☒Non-applicable

**(2). Important late payment interest**

☐Applicable ☒Non-applicable

**(3). Particulars of bad debt provision**

☐Applicable ☒Non-applicable

Other Notes:

☐Applicable ☒Non-applicable

**Dividend receivable****(1). Dividend Receivable**

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Item (or Invested Entity)	Balance at the end of the period	Balance at the beginning of the period
Chongqing Antolin Tuopu Overhead System Co., Ltd.	3,719,979.84	
Total	3,719,979.84	

**(4). Important dividend receivable with an aging over 1 year**

□Applicable √Non-applicable

**(5). Particulars of bad debt provision**

□Applicable √Non-applicable

Other Notes:

□Applicable √Non-applicable

**Other Receivables****(1). Disclosure by aging**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Aging	Book Balance at the End of the Period
Within 1 year	
Including: sub-item within 1 year	
Within 1 year	110,672,440.44
Subtotal within 1 year	110,672,440.44
1 to 2 years	19,760,650.00
2 to 3 years	13,486,481.71
Over 3 years	532,900.00
3 to 4 years	
4 to 5 years	
Over 5 years	288,800.00
Total	144,741,272.15

**(2) . Categorical disclosure by provision for bad debts**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Nature of Funds	Book balance at the end of the period	Book balance at the beginning of the period
Temporary borrowings	142,648,612.96	84,615,981.71
Petty cash funds	199,202.76	88,700.00
Security deposit	19,250.00	19,250.00
Others	1,874,206.43	1,822,775.68
Total	144,741,272.15	86,546,707.39

**(3). Categorized by the nature of funds**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Bad Debt Provision	Phase 1	Phase 2	Phase 3	Total
	Expected credit loss in the next 12 months	Expected credit loss throughout the duration (no credit impairment occurred)	Expected credit loss throughout the duration (credit impairment has occurred)	
Balance on January 1, 2021	10,400,672.81			10,400,672.81
Balance of the current period on January 1, 2021				
--Transfer to Phase 2				
--Transfer to				

Phase 3				
--Transfer to Phase 2				
--Transfer to Phase 1				
Provision made in the current period	1,763,498.72			1,763,498.72
Reversal in the current period				
Write-off in the current period				
Write-off in the current period				
Other changes				
Balance on December 31, 2021	12,164,171.53			12,164,171.53

Notes to significant changes in the book balance of other receivables that have changed in the current period:

☐Applicable ☒Non-applicable

Amount of bad debt provision in the current period and the basis for assessing whether the credit risk of financial instruments has increased significantly:

☐Applicable ☒Non-applicable

#### (4). Particulars of bad debt provision

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Category	Balance at the Beginning of the Period	Amount Changed in the Current Period				Balance at the End of the Period
		Provision	Withdrawal or Reversal	Write-off	Other Changes	
Accounts receivable with bad debt accrued based on aging portfolio	10,400,672.81	1,763,498.72				12,164,171.53
Total	10,400,672.81	1,763,498.72				12,164,171.53

Bad debt provision in the current period with significant amount of withdrawal or reversal:

☐Applicable ☒Non-applicable

#### (5). Particulars of other receivables actually written off in the current period

☐Applicable ☒Non-applicable

#### (6). Particulars of other receivables of the top five closing balances collected by debtors

☒Applicable ☐Non-applicable

Unit: Yuan Currency: RMB

Name of Unit	Nature of funds	Balance at the end of the period	Aging	Proportion in total other receivables at the end of the period (%)	Balance of bad debt provision at the end of the period
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Shanghai Towin Automotive Technology Co., Ltd.	Temporary borrowings	59,815,981.71	1 to 3 years	41.33	7,294,794.51
Tuopu Poland sp.z.o.o	Temporary borrowings	58,604,073.13	Within 1 year	40.49	2,930,203.66
Ningbo Tuopu Automotive Electronics Co., Ltd.	Temporary borrowings	24,000,000.00	1 to 3 years	16.58	1,200,000.00
Liu Hongsong	Other	455,000.00	2 to 5 years	0.31	264,900.00
Li Dongmei	Other	255,800.00	Over 3 to 5 years	0.18	247,800.00
Total	/	143,130,854.84	/	98.89	11,937,698.17

**(7). Accounts receivable related to government subsidies**

☐Applicable ☒Non-applicable

**(8). Other accounts receivable derecognised due to transfer of financial assets**

☐Applicable ☒Non-applicable

**(9). Amount of assets and liabilities generated due to transfer of other receivables and continued involvement**

☐Applicable ☒Non-applicable

Other Notes:

☐Applicable ☒Non-applicable

**3. Long-term Equity Investment**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period			Balance at the beginning of the period		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investments in subsidiaries	6,841,453,344.78		6,841,453,344.78	3,921,478,960.48		3,921,478,960.48
Investments in joint ventures and associates	129,477,775.53		129,477,775.53	150,295,983.58		150,295,983.58
Total	6,970,931,120.31		6,970,931,120.31	4,071,774,944.06		4,071,774,944.06

**(1). Investments in subsidiaries**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Invested Entity	Balance at the beginning of the period	Increased in current period	Decreased in current period	Balance at the end of the period	Impairment provision accrued in the current period	Balance at the end of the period of impairment provision
Tuopu Imp&Exp.	178,081,940.48			178,081,940.48		
Tuopu Parts	196,984,594.91			196,984,594.91		
Tuopu Acoustics Vibration	184,685,004.03			184,685,004.03		
Yantai Tuopu	62,800,000.00			62,800,000.00		
Liuzhou Tuopu	100,000,000.00			100,000,000.00		
Shenyang Tuopu	10,000,000.00			10,000,000.00		
Tuopu Intelligent Brake	20,000,000.00			20,000,000.00		
Ningbo Qianhui	31,210,000.00			31,210,000.00		
Sichuan Tuopu	20,000,000.00			20,000,000.00		
Wuhan Tuopu	150,000,000.00			150,000,000.00		
Pinghu Tuopu	208,000,000.00			208,000,000.00		
Shanghai Towin	10,000,000.00			10,000,000.00		
Tuopu Industrial Automation	17,700,000.00			17,700,000.00		
Tuopu Investment	100,000.00	27,170,000.00		27,270,000.00		
Yuxiang E-commerce	3,500,000.00	200,000.00		3,700,000.00		

Tuopu International					
Baoji Tuopu	18,980,000.00			18,980,000.00	
Taizhou Tuopu	64,650,000.00	35,350,000.00		100,000,000.00	
Tuopu Mechatronic System	1,457,800,000.00	980,600,000.00		2,438,400,000.00	
Tuopu Brasil	32,623,203.41			32,623,203.41	
Jinzhong Tuopu	13,800,000.00			13,800,000.00	
Shenzhen Towin	53,653,013.09			53,653,013.09	
Zhejiang Towin	571,320,000.00			571,320,000.00	
Sichuan Maigao	290,000,000.00			290,000,000.00	
Hunan Tuopu	50,000,000.00	203,800,000.00		253,800,000.00	
Tuopu USA, LLC	35,091,204.56			35,091,204.56	
Tuopu Chassis	107,500,000.00	234,402,468.30		341,902,468.30	
Tuopu Thermal Management	33,000,000.00	1,359,400,000.00		1,392,400,000.00	
Huzhou Tuopu		32,220,000.00		32,220,000.00	
Tuopu Poland sp.z.o.o		18,000,000.00		18,000,000.00	
Shanghai Tuopuyu		16,500,000.00		16,500,000.00	
Xi'an Tuopu		12,331,916.00		12,331,916.00	
Total	3,921,478,960.48	2,919,974,384.30		6,841,453,344.78	

**(2). Investments in joint ventures and associates**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Invested Entity	Balance at the Beginning of the Period	Decrease/Increase in the current period								Balance at the End of the Period	Balance of impairment provision at the end of the period
		Investment Increase	Investment Decrease	Investment profit and loss recognized under the equity method	Adjustment on other comprehensive income	Other changes in equity	Cash dividends or profit declared to distribute	Provision for impairment accrued	Other		
I. Joint ventures											
Tuopu	62,576,414.03			7,071,034.74			20,000,000.00			49,647,448.77	

Electrical Appliances											
Ningbo Borgers	77,081,863.30			10,360,123.92			15,000,000.00			72,441,987.22	
Subtotal	139,658,277.33			17,431,158.66			35,000,000.00		-	122,089,435.99	
II. Associates											
Antolin Tuopu	10,637,706.25			470,613.13			3,719,979.84			7,388,339.54	
Subtotal	10,637,706.25			470,613.13			3,719,979.84		-	7,388,339.54	
Total	150,295,983.58			17,901,771.79			38,719,979.84		-	129,477,775.53	



**4. Operating Income and Operating Cost**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period		Amount incurred in previous period	
	Income	Cost	Income	Cost
Main business operations	5,618,865,696.60	4,436,557,763.66	3,596,392,949.37	2,699,235,104.32
Other business operations	335,067,815.70	253,124,398.60	216,195,678.50	135,286,014.40
Total	5,953,933,512.30	4,689,682,162.26	3,812,588,627.87	2,834,521,118.72

**(2). Income generated by contracts**

□Applicable √Non-applicable

**(3). Notes to discharge of obligations**

□Applicable √Non-applicable

**(4). Notes to allocation to remaining discharge of obligations**

□Applicable √Non-applicable

**5. Investment income**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Long-term equity investment income measured by cost method		150,000,000.00
Long-term equity investment income measured by equity method	17,901,771.79	25,080,033.26
Investment income from disposal of long-term equity investment		-12,827,681.96
Investment income of trading financial assets during the holding period		
Dividend income from other equity instrument investments during the holding period		
Interest income from debt investment during the holding period		
Interest income from other debt investments during the holding period		
Investment income from disposal of trading financial assets		
Investment income from the disposal of other equity instrument investments		
Investment income from disposal of debt investments		
Investment income from the disposal of other debt investments		
Income from debt restructuring		
Investment income from wealth management products	17,563,635.87	18,164,183.51
Total	35,465,407.66	180,416,534.81

**6. Others**

□Applicable √Non-applicable

**XVIII. Additional Information****1. Current non-recurring profit and loss schedule**

√Applicable □Non-applicable

Unit: Yuan      Currency: RMB		
Item	Amount	Note
Gains and losses from disposal of non-current assets	-1,620,899.20	
Approval beyond authority, or without formal approval document, or incidental tax rebates, deducts and exempts		
Government subsidies included in the current profit and loss, but closely associated with the regular business operations of the Company, except for government subsidies that are consistent with national policies and continuously granted at a fixed quota or amount under certain national standard	35,898,407.13	十、七、84
Payment for the use of funds charged from non-financial enterprises that is included in current profit and loss		
Income generated from the investment cost of the Company in acquiring subsidiaries, associates and joint ventures that is less than the fair value of the identifiable net assets held by the invested entity at the acquisition of investment		
Gains and losses from exchange of non-monetary assets		
Gains and losses from the engagement of others in investment or management	17,563,635.87	
Provisions for impairment of various assets due to force majeure factors including natural disasters		
Gains and losses from restructuring of debts		
Expenses incurred in enterprise restructuring, including those incurred in staff placement and integration		
Gains and losses from the part of transactions whose prices are clearly unfair in excess of the fair value		
Net profits and losses for the current period from the beginning of the period to the date of the merger arising from a business combination under the same control		
Profits and losses generated from contingent events that are unrelated to the regular business operations of the Company		
Profits and losses resulting from the changes in fair value for holding trading financial assets, derivative financial assets and trading financial liabilities, derivative financial liabilities and investment income	252,506.50	

from disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other obligatory right investments, except for valid hedging businesses associated with the regular business operations of the Company		
Reversal of the receivables and contract assets depreciation reserves for separate impairment test		
Gains and losses from external entrusted loans		
Profits and losses generated from a change in the fair value of investment real estates that are subsequently measured by the fair value model		
Impact of one-off adjustment to the current profit and loss under the requirements of taxation, accounting and other laws and regulations on the current profit and loss		
Custody fee income from entrusted operations		
Non-operating income and expenses other than the above	3,575,775.34	
Other gains and losses items that fit the definition of non-recurring gains and losses		
Less: Impact of income tax	8,942,931.42	
Impact of minority equity	67,081.00	
Total	46,659,413.22	

For items defined as non-recurring gains and losses according to the No. 1 Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to Public - Non-recurring Gains and Losses, or non-recurring gains and losses items listed in the said document defined as recurring ones, state the reasons.

☐Applicable ☒Non-applicable

## 2. ROE and EPS

☒Applicable ☐Non-applicable

Profit for the reporting period	Weighted Average ROE (%)	EPS	
		Basic EPS	Diluted EPS
Net profit attributable to common shareholders of the Company	10.35	0.93	0.93
Net profit attributable to common shareholders of the Company after deducting non-recurring gains and losses	9.87	0.88	0.88

## 3. Differences between international and Chinese accounting standards

☐Applicable ☒Non-applicable

## 4. Others

☐Applicable ☒Non-applicable

Chairman: Wu Jianshu

Date of Submission to Board of Directors: April 15, 2022

**Revisions**

☐Applicable ☒Non-applicable