

**Chongqing Changan Automobile Company Limited**  
**2022 Semi-annual Report Financial Statements**

**August 2022**

# The Financial Statements

## I. Auditing Report

No audit on the semi-annual financial report.

## II. Financial statements

Financial in notes to the statements of the unit is: RMB yuan

### 1. Consolidated Balance Sheet

In RMB Yuan

| Account                                | 2022.6.30                 | 2022.1.1                  |
|--|---------------------------|---------------------------|
| <b>Current assets:</b>                 |                           |                           |
| Cash                                   | 53,421,783,239.85         | 51,976,242,149.37         |
| Trading financial assets               | 305,967,574.57            | 195,798,300.00            |
| Notes receivable                       | 21,178,905,132.66         | 24,267,633,416.65         |
| Accounts receivable                    | 3,597,002,110.54          | 1,675,427,534.87          |
| Prepayments                            | 3,863,981,393.89          | 3,241,248,831.28          |
| Other receivables                      | 509,614,847.86            | 632,122,942.37            |
| Including: dividends receivable        | 255,356,145.11            |                           |
| Inventories                            | 7,024,925,792.62          | 6,852,874,420.59          |
| Contract assets                        | 1,036,757,897.63          | 1,151,292,247.36          |
| Other current assets                   | 782,671,443.74            | 1,147,798,871.42          |
| <b>Total current assets</b>            | <b>91,721,609,433.36</b>  | <b>91,140,438,713.91</b>  |
| <b>Non-current assets:</b>             |                           |                           |
| Long-term equity investments           | 17,304,612,282.75         | 13,245,374,860.55         |
| Investment in other equity instruments | 701,409,600.00            | 701,409,600.00            |
| Investment properties                  | 6,536,070.82              | 6,649,426.60              |
| Fixed assets                           | 20,513,654,898.34         | 21,325,959,850.16         |
| Construction in progress               | 1,130,381,106.58          | 1,460,176,539.43          |
| Right-of-use asset                     | 50,017,632.80             | 66,313,062.98             |
| Intangible assets                      | 4,365,838,896.35          | 4,385,997,657.67          |
| Development expenditure                | 551,480,202.86            | 727,568,248.78            |
| Goodwill                               | 9,804,394.00              | 48,883,188.37             |
| Long-term deferred expenses            | 21,707,099.51             | 15,032,814.19             |
| Deferred tax assets                    | 2,435,308,963.54          | 2,280,819,516.99          |
| <b>Total non-current assets</b>        | <b>47,090,751,147.55</b>  | <b>44,264,184,765.72</b>  |
| <b>TOTAL ASSETS</b>                    | <b>138,812,360,580.91</b> | <b>135,404,623,479.63</b> |
| <b>Current liabilities:</b>            |                           |                           |
| Short-term loans                       | 46,166,500.00             | 19,000,000.00             |
| Notes payable                          | 26,921,406,502.22         | 24,292,268,371.12         |
| Accounts payable                       | 23,994,999,761.80         | 23,650,604,870.98         |
| Contract liability                     | 4,956,070,974.92          | 9,840,509,514.39          |

|   |                    |                    |
|---|--------------------|--------------------|
| Payroll payable   | 3,326,799,792.65   | 2,566,570,928.52   |
| Taxes payable   | 707,493,157.04     | 1,121,313,397.52   |
| Other payables  | 5,116,328,239.99   | 4,562,626,344.69   |
| Non-current liabilities within one year                           | 887,576,604.11     | 533,839,583.57     |
| Other current liabilities   | 5,462,299,176.16   | 5,680,959,029.22   |
| Total current liabilities   | 71,419,140,708.89  | 72,267,692,040.01  |
| Non-current liabilities:  |                    |                    |
| Long-term loans   | 40,000,000.00      | 600,000,000.00     |
| Lease liability   | 28,202,020.25      | 38,679,735.59      |
| Long-term payables  | 631,003,313.51     | 825,473,490.08     |
| Long-term payroll payable   | 36,636,829.52      | 39,103,000.00      |
| Estimated liabilities   | 4,280,005,759.73   | 3,839,015,677.84   |
| Deferred Revenue  | 499,479,412.93     | 924,749,731.12     |
| Deferred tax liabilities  | 219,704,466.04     | 217,441,992.37     |
| Other non current liabilities                                     | 843,750,617.87     | 786,227,868.42     |
| Total non-current liabilities                                     | 6,578,782,419.85   | 7,270,691,495.42   |
| Total liabilities   | 77,997,923,128.74  | 79,538,383,535.43  |
| Owners' equity (or Shareholders' equity):                         |                    |                    |
| Share capital   | 9,921,799,422.00   | 7,632,153,402.00   |
| Capital reserves  | 8,342,424,351.08   | 9,776,193,360.38   |
| Less: treasury shares   | 655,812,327.60     | 655,812,327.60     |
| Other comprehensive income  | 69,564,124.34      | 69,442,469.53      |
| Special reserves  | 49,147,155.48      | 27,988,260.61      |
| Surplus reserves  | 2,982,292,413.67   | 2,982,292,413.67   |
| Retained earnings   | 39,979,444,469.37  | 35,900,674,525.13  |
| Equity attributable to owners                                     | 60,688,859,608.34  | 55,732,932,103.72  |
| Minority interests  | 125,577,843.83     | 133,307,840.48     |
| Total Owners' equity (or Shareholders' equity)                    | 60,814,437,452.17  | 55,866,239,944.20  |
| Liabilities and owners' equity (or shareholders' equity) in total | 138,812,360,580.91 | 135,404,623,479.63 |

Legal person: Zhu Huarong

Chief financial officer: Zhang Deyong

The head of accounting department: Chen Jianfeng

## 2. Balance sheet

In RMB Yuan

| Account                         | 2022.6.30         | 2022.1.1          |
|---------------------------------|-------------------|-------------------|
| Current assets:                 |                   |                   |
| Cash                            | 44,526,884,736.20 | 41,917,770,676.45 |
| Trading financial assets        | 305,967,574.57    | 195,798,300.00    |
| Notes receivable                | 19,281,640,756.74 | 21,500,746,660.99 |
| Accounts receivable             | 7,313,681,453.36  | 7,931,510,606.59  |
| Prepayments                     | 3,354,924,945.47  | 2,935,068,191.78  |
| Other receivables               | 395,603,079.15    | 1,756,623,581.93  |
| Including: dividends receivable | 255,356,145.11    | -                 |
| Inventories                     | 3,808,502,003.65  | 4,137,987,048.19  |
| Contract assets                 | 549,523,080.93    | 635,112,994.60    |
| Other current assets            | 140,555,294.49    | 21,082,615.46     |

|   |                    |                    |
|---|--------------------|--------------------|
| Total current assets  | 79,677,282,924.56  | 81,031,700,675.99  |
| Non-current assets:   |                    |                    |
| Long-term equity investments                                      | 19,822,504,132.39  | 17,660,819,978.70  |
| Investment in other equity instruments                            | 691,156,200.00     | 691,156,200.00     |
| Fixed assets  | 15,162,124,350.57  | 16,001,089,813.79  |
| Construction in progress  | 654,797,708.06     | 475,209,255.90     |
| Right-of-use asset  | 43,061,415.97      | 53,789,648.12      |
| Intangible assets   | 3,123,873,620.38   | 3,205,472,940.52   |
| Development expenditure   | 567,105,376.03     | 422,291,074.50     |
| Long-term deferred expenses                                       | 19,041,553.35      | 12,065,475.24      |
| Deferred tax assets   | 2,033,945,656.36   | 1,893,957,371.71   |
| Total non-current assets  | 42,117,610,013.11  | 40,415,851,758.48  |
| TOTAL ASSETS  | 121,794,892,937.67 | 121,447,552,434.47 |
| Current liabilities:  |                    |                    |
| Notes payable   | 22,566,103,314.88  | 19,118,739,562.85  |
| Accounts payable  | 17,431,485,816.58  | 20,181,845,700.58  |
| Contract liability  | 3,846,513,444.50   | 8,446,500,016.04   |
| Payroll payable   | 2,939,028,593.14   | 2,074,732,440.77   |
| Taxes payable   | 551,456,570.67     | 784,928,251.22     |
| Other payables  | 4,564,570,374.41   | 4,330,506,737.23   |
| Non-current liabilities within one year                           | 674,264,461.90     | 374,210,756.73     |
| Other current liabilities   | 4,885,358,872.53   | 4,955,516,106.11   |
| Total current liabilities   | 57,458,781,448.61  | 60,266,979,571.53  |
| Non-current liabilities:  |                    |                    |
| Long-term loans   | 40,000,000.00      | 600,000,000.00     |
| Lease liability   | 20,496,001.72      | 30,751,928.99      |
| Long-term payables  | 156,022,915.60     | 120,409,242.99     |
| Long-term payroll payable   | 19,776,760.32      | 21,995,000.00      |
| Estimated liabilities   | 3,536,358,417.91   | 3,050,701,028.41   |
| Deferred Revenue  | 150,000,000.00     | 150,000,000.00     |
| Deferred tax liabilities  | 182,484,595.31     | 178,583,323.79     |
| Other non current liabilities                                     | 772,610,007.20     | 715,087,257.75     |
| Total non-current liabilities                                     | 4,877,748,698.06   | 4,867,527,781.93   |
| Total liabilities   | 62,336,530,146.67  | 65,134,507,353.46  |
| Owners' equity (or Shareholders' equity):                         |                    |                    |
| Share capital   | 9,921,799,422.00   | 7,632,153,402.00   |
| Capital reserves  | 7,859,296,325.61   | 9,293,065,334.91   |
| Less: treasury shares   | 655,812,327.60     | 655,812,327.60     |
| Other comprehensive income  | 166,197,564.29     | 166,051,336.11     |
| Special reserves  | 16,551,301.25      | 7,552,984.45       |
| Surplus reserves  | 2,982,292,413.67   | 2,982,292,413.67   |
| Retained earnings   | 39,168,038,091.78  | 36,887,741,937.47  |
| Total Owners' equity (or Shareholders' equity)                    | 59,458,362,791.00  | 56,313,045,081.01  |
| Liabilities and owners' equity (or shareholders' equity) in total | 121,794,892,937.67 | 121,447,552,434.47 |

### 3. Consolidated Income Statement

In RMB Yuan

| Account  | Current Period    | Prior Period      |
|--|-------------------|-------------------|
| 1. Operating revenue   | 56,573,568,393.71 | 56,784,631,899.07 |
| Less: Operating cost   | 45,360,090,482.20 | 48,086,677,229.21 |
| Tax and surcharges   | 1,946,300,231.77  | 2,087,694,667.07  |
| Operating expenses   | 2,285,329,821.77  | 2,146,115,312.19  |
| General and administrative expenses  | 2,184,034,305.10  | 2,217,147,044.50  |
| Research and development expenses  | 1,932,294,144.67  | 1,495,583,362.16  |
| Financial expenses   | (437,998,348.99)  | (233,776,490.65)  |
| Interest expense   | 17,892,411.14     | 26,372,186.29     |
| Interest income  | 438,428,075.90    | 281,294,223.92    |
| Add: Other income  | 186,910,289.65    | 106,783,041.12    |
| Investment income  | 2,354,040,073.27  | 327,872,465.08    |
| Including: Investment income from associates and joint venture                               | 78,821,605.75     | 250,708,951.37    |
| Gains from changes in fair value   | 26,136,888.77     | 15,734,698.73     |
| Credit impairment loss   | (10,774,686.62)   | (3,486,242.35)    |
| Asset impairment loss  | (241,827,585.46)  | (195,687,107.11)  |
| Gain on disposal of assets   | 68,244,082.28     | 601,066,861.33    |
| 2. Operating profit  | 5,686,246,819.08  | 1,837,474,491.39  |
| Add: Non-operating income  | 54,366,637.51     | 40,983,845.94     |
| Less: Non-operating expenses   | 4,870,215.23      | 14,103,602.29     |
| 3. Total profit  | 5,735,743,241.36  | 1,864,354,735.04  |
| Less: Income tax expense   | (103,280,125.74)  | 59,373,446.09     |
| 4. Net profit  | 5,839,023,367.10  | 1,804,981,288.95  |
| Classification by going concern  |                   |                   |
| Net profit from continuing operations  | 5,839,023,367.10  | 1,804,981,288.95  |
| Net profit from discontinued operations  |                   |                   |
| Classification by ownership attribution  |                   |                   |
| Net profit attributable to owners  | 5,857,626,135.78  | 1,729,245,208.60  |
| Minority interests   | (18,602,768.68)   | 75,736,080.35     |
| 5. Other comprehensive income, net of tax  | 121,654.81        | 21,820,284.63     |
| Net after-tax net of other comprehensive income attributable to the parent company owner     | 121,654.81        | 21,820,284.63     |
| Other comprehensive income that will be reclassified into profit or loss                     | 121,654.81        | 21,820,284.63     |
| Other comprehensive income that can be transferred to profit or loss under the equity method | 146,228.18        |                   |
| Foreign currency financial statement translation difference                                  | (24,573.37)       | 21,820,284.63     |
| 6. Total comprehensive income  | 5,839,145,021.91  | 1,826,801,573.58  |
| Total comprehensive income attributable to owners  | 5,857,747,790.59  | 1,751,065,493.23  |
| Total comprehensive income attributable to minority interest                                 | (18,602,768.68)   | 75,736,080.35     |

|                            |      |      |
|----------------------------|------|------|
| 7.Earnings per share       |      |      |
| Basic earnings per share   | 0.60 | 0.17 |
| Diluted earnings per share | 0.59 | 0.17 |

Legal person: Zhu Huarong

Chief financial officer: Zhang Deyong

The head of accounting department: Chen Jianfeng

#### 4. Income Statement

In RMB Yuan

| Account  | Current Period    | Prior Period      |
|--|-------------------|-------------------|
| 1.Operating revenue  | 50,290,300,571.12 | 52,828,405,180.72 |
| Less: Operating cost   | 40,914,984,492.63 | 45,513,544,394.59 |
| Tax and surcharges   | 1,434,768,916.69  | 1,525,114,802.32  |
| Operating expenses   | 1,475,590,737.64  | 1,736,500,574.77  |
| General and administrative expenses  | 1,915,207,107.81  | 1,878,247,754.81  |
| Research and development expenses  | 1,851,660,640.99  | 1,298,099,887.53  |
| Financial expenses   | (342,363,432.16)  | (204,613,231.91)  |
| Interest expense   | 13,595,854.23     | 21,764,130.34     |
| Interest income  | 365,385,141.66    | 236,842,142.30    |
| Add: Other income  | 54,300,000.00     |                   |
| Investment income  | 986,054,122.33    | 428,119,303.94    |
| Including: Investment income from associates and joint venture                               | (92,372,274.55)   | 349,815,853.13    |
| Gains from changes in fair value   | 26,136,888.77     | (17,151,300.00)   |
| Credit impairment loss   | (286,476.97)      | (2,086,388.91)    |
| Asset impairment loss  | (128,723,015.24)  | (213,509,747.87)  |
| Gain on disposal of assets   | 42,691,501.37     | 4,920,912.69      |
| 2.Operating profit   | 4,020,625,127.78  | 1,281,803,778.46  |
| Add: Non-operating income  | 25,372,227.33     | 11,549,617.96     |
| Less: Non-operating expenses   | 2,696,319.99      | 10,500,438.13     |
| 3.Total profit   | 4,043,301,035.12  | 1,282,852,958.29  |
| Less: Income tax expense   | (136,087,013.13)  | (103,215,762.03)  |
| 4.Net profit   | 4,179,388,048.25  | 1,386,068,720.32  |
| Net profit from continuing operations  | 4,179,388,048.25  | 1,386,068,720.32  |
| Net profit from discontinued operations  |                   |                   |
| 5.Other comprehensive income, net of tax   | 146,228.18        |                   |
| Other comprehensive income to be reclassified into profit or loss                            | 146,228.18        |                   |
| Other comprehensive income that can be transferred to profit or loss under the equity method | 146,228.18        |                   |
| 6.Total comprehensive income   | 4,179,534,276.43  | 1,386,068,720.32  |

#### 5. Consolidated cash flow statement

In RMB Yuan

| Account   | Current Period    | Prior Period      |
|---|-------------------|-------------------|
| 1.Cash flows from operating activities:                   |                   |                   |
| Cash received from sale of goods or rendering of services | 61,813,960,686.95 | 63,916,698,589.71 |
| Refunds of taxes  | 896,338,589.28    | 479,978,596.74    |

|   |                    |                    |
|---|--------------------|--------------------|
| Cash received relating to other operating activities  | 1,401,417,655.54   | 1,798,083,078.94   |
| Subtotal of cash inflows  | 64,111,716,931.77  | 66,194,760,265.39  |
| Cash paid for goods and services  | 46,918,151,331.30  | 37,506,989,506.50  |
| Cash paid to and on behalf of employees   | 3,773,793,442.65   | 3,273,064,979.18   |
| Cash paid for all types of taxes  | 4,028,962,242.26   | 4,360,350,113.07   |
| Cash paid relating to other operating activities  | 3,538,573,495.36   | 3,355,528,796.27   |
| Subtotal of cash outflows   | 58,259,480,511.57  | 48,495,933,395.02  |
| Net cash flows from operating activities  | 5,852,236,420.20   | 17,698,826,870.37  |
| 2.Cashflows from investing activities:  |                    |                    |
| Cash received from investment recovery  | 14,839,200.00      |                    |
| Cash received from investment income  | 381,628,412.00     | 10,806,875.00      |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 280,603,391.85     | 47,111,653.89      |
| Cash received relating to other investing activities  | -                  | 300,000,000.00     |
| Subtotal of cash inflows  | 677,071,003.85     | 357,918,528.89     |
| Cash paid for acquisition of fixed assets, intangible assets and other long-term assets       | 783,516,340.12     | 1,022,801,871.76   |
| Cash paid for acquisition of investments  | 1,461,640,640.00   | 1,000,000.00       |
| Cash paid relating to other investing activities  | 815,126,333.76     |                    |
| Subtotal of cash outflows   | 3,060,283,313.88   | 1,023,801,871.76   |
| Net cash flows from investing activities  | (2,383,212,310.03) | (665,883,342.87)   |
| 3.Cash flows from financing activities:   |                    |                    |
| Absorb cash received from investment  |                    | 507,461,364.00     |
| Cash received from borrowing  | 68,070,000.00      | 20,000,000.00      |
| Cash received relating to other financing activities  | 715,239,432.26     | 312,220,372.75     |
| Subtotal of cash inflows  | 783,309,432.26     | 839,681,736.75     |
| Cash repayments of borrowings   | 300,903,500.00     | 146,000,000.00     |
| Cash paid for distribution of dividends or profits and interest expenses                      | 1,797,127,172.44   | 1,690,977,626.11   |
| Cash paid relating to other financing activities  | 699,230,692.02     | 418,592,802.69     |
| Subtotal of cash outflows   | 2,797,261,364.46   | 2,255,570,428.80   |
| Net cash flows from financing activities  | (2,013,951,932.20) | (1,415,888,692.05) |
| 4.Effect of changes in exchange rate on cash  | 59,278,475.19      | (3,619,293.07)     |
| 5.Net increase in cash and cash equivalents   | 1,514,350,653.16   | 15,613,435,542.38  |
| Add: Opening balance of cash and cash equivalents   | 49,517,916,834.99  | 30,655,968,057.63  |
| 6.Closing balance of cash and cash equivalents  | 51,032,267,488.15  | 46,269,403,600.01  |

## 6. Cash flow statement

In RMB Yuan

| Account   | Current Period    | Prior Period      |
|---|-------------------|-------------------|
| 1.Cash flows from operating activities:                   |                   |                   |
| Cash received from sale of goods or rendering of services | 51,488,841,934.67 | 55,145,607,987.10 |
| Cash received relating to other operating activities      | 46,609,602.87     | -                 |
| Cash received relating to other operating activities      | 676,108,022.43    | 1,092,865,948.69  |
| Subtotal of cash inflows                                  | 52,211,559,559.97 | 56,238,473,935.79 |
| Cash paid for goods and services                          | 38,192,576,888.27 | 31,953,727,307.50 |
| Cash paid to and on behalf of employees                   | 2,615,212,696.17  | 2,404,181,310.34  |

|   |                    |                    |
|---|--------------------|--------------------|
| Cash paid for all types of taxes  | 2,892,112,750.99   | 3,332,896,561.58   |
| Cash paid relating to other operating activities  | 2,383,343,811.11   | 2,779,051,429.05   |
| Subtotal of cash outflows   | 46,083,246,146.54  | 40,469,856,608.47  |
| Net cash flows from operating activities  | 6,128,313,413.43   | 15,768,617,327.32  |
| 2.Cashflows from investing activities:  |                    |                    |
| Cash received from investment recovery  | 14,839,200.00      | -                  |
| Cash received from return on investments  | 381,628,412.00     | 12,015,208.33      |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 255,368,088.61     | 7,594,323.89       |
| Other cash received relating to investing activities  | -                  | 500,000,000.00     |
| Subtotal of cash inflows  | 651,835,700.61     | 519,609,532.22     |
| Cash paid for acquisition of fixed assets, intangible assets and other long-term assets       | 633,161,880.29     | 883,493,763.31     |
| Cash paid for acquisition of investments  | 1,461,640,640.00   | 1,000,000.00       |
| Subtotal of cash outflows   | 2,094,802,520.29   | 884,493,763.31     |
| Net cash flows from investing activities  | (1,442,966,819.68) | (364,884,231.09)   |
| 3.Cash flows from financing activities:   |                    |                    |
| Absorb cash received from investment  | -                  | 507,461,364.00     |
| Cash received from borrowings   | 40,000,000.00      | -                  |
| Subtotal of cash inflows  | 40,000,000.00      | 507,461,364.00     |
| Cash paid for debt repayment  | 300,000,000.00     | 100,000,000.00     |
| Cash paid for distribution of dividends or profits and interest expenses                      | 1,795,680,672.36   | 1,689,755,862.22   |
| Cash paid relating to other financing activities  | 12,551,861.64      | 31,241,289.74      |
| Subtotal of cash outflows   | 2,108,232,534.00   | 1,820,997,151.96   |
| Net cash flows from financing activities  | (2,068,232,534.00) | (1,313,535,787.96) |
| 4.Effect of changes in exchange rate on cash  |                    |                    |
| 5.Net increase in cash and cash equivalents   | 2,617,114,059.75   | 14,090,197,308.27  |
| Add: Opening balance of cash and cash equivalents   | 41,889,838,553.29  | 25,190,870,784.06  |
| 6.Closing balance of cash and cash equivalents  | 44,506,952,613.04  | 39,281,068,092.33  |



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

Current Period

In RMB Yuan

| Items  | Current period                |                    |                       |                            |                 |                  |                    |                   |                    |
|--|-------------------------------|--------------------|-----------------------|----------------------------|-----------------|------------------|--------------------|-------------------|--------------------|
|  | Equity attributable to owners |                    |                       |                            |                 |                  |                    | Minority interest | Total equity       |
|  | Share capital                 | Capital reserves   | Less: Treasury shares | Other comprehensive income | Special reserve | Surplus reserve  | Retained earnings  |                   |                    |
| I. At end of last year   | 7,632,153,402.00              | 9,776,193,360.38   | 655,812,327.60        | 69,442,469.53              | 27,988,260.61   | 2,982,292,413.67 | 35,900,674,525.13  | 133,307,840.48    | 55,866,239,944.20  |
| II. At beginning of year   | 7,632,153,402.00              | 9,776,193,360.38   | 655,812,327.60        | 69,442,469.53              | 27,988,260.61   | 2,982,292,413.67 | 35,900,674,525.13  | 133,307,840.48    | 55,866,239,944.20  |
| III. Changes during the year                                     | 2,289,646,020.00              | (1,433,769,009.30) |                       | 121,654.81                 | 21,158,894.87   |                  | 4,078,769,944.24   | (7,729,996.65)    | 4,948,197,507.97   |
| 1. Total comprehensive income                                    |                               |                    |                       | 121,654.81                 |                 |                  | 5,857,626,135.78   | (18,602,768.68)   | 5,839,145,021.91   |
| 2. Capital contributed by owners and capital decreases           |                               | 855,877,010.70     |                       |                            |                 |                  |                    |                   | 855,877,010.70     |
| (1) The amount of share-based payment included in owner's equity |                               | 192,310,900.00     |                       |                            |                 |                  |                    |                   | 192,310,900.00     |
| (2) Others   |                               | 663,566,110.70     |                       |                            |                 |                  |                    |                   | 663,566,110.70     |
| 3. Distribution of profit  |                               |                    |                       |                            |                 |                  | (1,778,856,191.54) |                   | (1,778,856,191.54) |
| Distribution to owners   |                               |                    |                       |                            |                 |                  | (1,778,856,191.54) |                   | (1,778,856,191.54) |
| 4. Internal carry forward of owner's equity                      | 2,289,646,020.00              | (2,289,646,020.00) |                       |                            |                 |                  |                    |                   |                    |
| Capital reserve converted into capital (or share capital)        | 2,289,646,020.00              | (2,289,646,020.00) |                       |                            |                 |                  |                    |                   |                    |
| 5. Special reserves  |                               |                    |                       |                            | 21,158,894.87   |                  |                    |                   | 21,158,894.87      |
| (1) Pick-up in current period                                    |                               |                    |                       |                            | 46,183,489.83   |                  |                    |                   | 46,183,489.83      |
| (2) Used in current period                                       |                               |                    |                       |                            | (25,024,594.96) |                  |                    |                   | (25,024,594.96)    |
| 6. Others  |                               |                    |                       |                            |                 |                  |                    | 10,872,772.03     | 10,872,772.03      |

|                              |                  |                  |                |               |               |                  |                   |                |                   |
|------------------------------|------------------|------------------|----------------|---------------|---------------|------------------|-------------------|----------------|-------------------|
| IV. At end of current period | 9,921,799,422.00 | 8,342,424,351.08 | 655,812,327.60 | 69,564,124.34 | 49,147,155.48 | 2,982,292,413.67 | 39,979,444,469.37 | 125,577,843.83 | 60,814,437,452.17 |
|------------------------------|------------------|------------------|----------------|---------------|---------------|------------------|-------------------|----------------|-------------------|

Prior period

In RMB Yuan

| Items  | Prior period                  |                   |                       |                            |                 |                  |                    |                   |                    |
|--|-------------------------------|-------------------|-----------------------|----------------------------|-----------------|------------------|--------------------|-------------------|--------------------|
|  | Equity attributable to owners |                   |                       |                            |                 |                  |                    | Minority interest | Total equity       |
|  | Share capital                 | Capital reserves  | Less: Treasury shares | Other comprehensive income | Special reserve | Surplus reserve  | Retained earnings  |                   |                    |
| I. At end of last year                                       | 5,363,396,174.00              | 10,930,781,918.64 |                       | 78,420,720.78              | 40,847,443.41   | 2,681,698,087.00 | 34,315,048,892.26  | 70,114,229.66     | 53,480,307,465.75  |
| II. At beginning of year                                     | 5,363,396,174.00              | 10,930,781,918.64 |                       | 78,420,720.78              | 40,847,443.41   | 2,681,698,087.00 | 34,315,048,892.26  | 70,114,229.66     | 53,480,307,465.75  |
| III. Changes during the year                                 | 76,195,400.00                 | 538,440,967.78    |                       | 21,820,284.63              | 36,025,649.05   |                  | 63,001,848.06      | 75,736,080.35     | 811,220,229.87     |
| 1. Total comprehensive income                                |                               |                   |                       | 21,820,284.63              |                 |                  | 1,729,245,208.60   | 75,736,080.35     | 1,826,801,573.58   |
| 2. Capital contributed by owners and capital decreases       | 76,195,400.00                 | 538,440,967.78    |                       |                            |                 |                  |                    |                   | 614,636,367.78     |
| The amount of share-based payment included in owner's equity | 76,195,400.00                 | 538,440,967.78    |                       |                            |                 |                  |                    |                   | 614,636,367.78     |
| 3. Distribution of profit                                    |                               |                   |                       |                            |                 |                  | (1,666,243,360.54) |                   | (1,666,243,360.54) |
| Distribution to owners                                       |                               |                   |                       |                            |                 |                  | (1,666,243,360.54) |                   | (1,666,243,360.54) |
| 4. Special reserves  |                               |                   |                       |                            | 36,025,649.05   |                  |                    |                   | 36,025,649.05      |
| (1) Pick-up in current period                                |                               |                   |                       |                            | 61,973,559.99   |                  |                    |                   | 61,973,559.99      |
| (2) Used in current period                                   |                               |                   |                       |                            | (25,947,910.94) |                  |                    |                   | (25,947,910.94)    |
| IV. At end of current period                                 | 5,439,591,574.00              | 11,469,222,886.42 |                       | 100,241,005.41             | 76,873,092.46   | 2,681,698,087.00 | 34,378,050,740.32  | 145,850,310.01    | 54,291,527,695.62  |

## 8. Statement of changes in shareholders' equity

Current Period

In RMB Yuan

| Items  | Current period   |                    |                       |                            |                 |                  |                    |                    |
|--|------------------|--------------------|-----------------------|----------------------------|-----------------|------------------|--------------------|--------------------|
|  | Share capital    | Capital reserves   | Less: Treasury shares | Other comprehensive income | Special reserve | Surplus reserve  | Retained earnings  | Total equity       |
| I. At end of last year   | 7,632,153,402.00 | 9,293,065,334.91   | 655,812,327.60        | 166,051,336.11             | 7,552,984.45    | 2,982,292,413.67 | 36,887,741,937.47  | 56,313,045,081.01  |
| II. At beginning of year   | 7,632,153,402.00 | 9,293,065,334.91   | 655,812,327.60        | 166,051,336.11             | 7,552,984.45    | 2,982,292,413.67 | 36,887,741,937.47  | 56,313,045,081.01  |
| III. Changes during the year                                     | 2,289,646,020.00 | (1,433,769,009.30) |                       | 146,228.18                 | 8,998,316.80    |                  | 2,280,296,154.31   | 3,145,317,709.99   |
| 1.Total comprehensive income                                     |                  |                    |                       | 146,228.18                 |                 |                  | 4,179,388,048.25   | 4,179,534,276.43   |
| 2. Capital contributed by owners and capital decreases           |                  | 855,877,010.70     |                       |                            |                 |                  |                    | 855,877,010.70     |
| (1) The amount of share-based payment included in owner's equity |                  | 192,310,900.00     |                       |                            |                 |                  |                    | 192,310,900.00     |
| (2) Others   |                  | 663,566,110.70     |                       |                            |                 |                  |                    | 663,566,110.70     |
| 3. Distribution of profit  |                  |                    |                       |                            |                 |                  | (1,778,856,191.54) | (1,778,856,191.54) |
| Distribution to owners   |                  |                    |                       |                            |                 |                  | (1,778,856,191.54) | (1,778,856,191.54) |
| 4.Internal carry forward of owner's equity                       | 2,289,646,020.00 | (2,289,646,020.00) |                       |                            |                 |                  |                    |                    |
| Capital reserve converted into capital (or share capital)        | 2,289,646,020.00 | (2,289,646,020.00) |                       |                            |                 |                  |                    |                    |
| 5. Special reserves  |                  |                    |                       |                            | 8,998,316.80    |                  |                    | 8,998,316.80       |
| (1) Pick-up in current period                                    |                  |                    |                       |                            | 30,492,980.10   |                  |                    | 30,492,980.10      |
| (2) Used in current period                                       |                  |                    |                       |                            | (21,494,663.30) |                  |                    | (21,494,663.30)    |
| 6.Disposal of subsidiaries                                       |                  |                    |                       |                            |                 |                  | (120,235,702.40)   | (120,235,702.40)   |
| IV. At end of current period                                     | 9,921,799,422.00 | 7,859,296,325.61   | 655,812,327.60        | 166,197,564.29             | 16,551,301.25   | 2,982,292,413.67 | 39,168,038,091.78  | 59,458,362,791.00  |

Prior period

In RMB Yuan

| Items  | Prior period     |                   |                             |                                  |                 |                  |                    |                    |
|--|------------------|-------------------|-----------------------------|----------------------------------|-----------------|------------------|--------------------|--------------------|
|  | Share capital    | Capital reserves  | Less:<br>Treasury<br>shares | Other<br>comprehensive<br>income | Special reserve | Surplus reserve  | Retained earnings  | Total equity       |
| I. At end of last year                                       | 5,363,396,174.00 | 10,440,896,902.52 |                             | 159,954,052.00                   | 7,505,438.57    | 2,681,698,087.00 | 35,848,636,357.95  | 54,502,087,012.04  |
| II. At beginning of year                                     | 5,363,396,174.00 | 10,440,896,902.52 |                             | 159,954,052.00                   | 7,505,438.57    | 2,681,698,087.00 | 35,848,636,357.95  | 54,502,087,012.04  |
| III. Changes during the year                                 | 76,195,400.00    | 538,440,967.78    |                             |                                  | 8,974,402.20    |                  | (280,174,640.22)   | 343,436,129.76     |
| 1. Total comprehensive income                                |                  |                   |                             |                                  |                 |                  | 1,386,068,720.32   | 1,386,068,720.32   |
| 2. Capital contributed by owners and capital decreases       | 76,195,400.00    | 538,440,967.78    |                             |                                  |                 |                  |                    | 614,636,367.78     |
| The amount of share-based payment included in owner's equity | 76,195,400.00    | 538,440,967.78    |                             |                                  |                 |                  |                    | 614,636,367.78     |
| 3. Distribution of profit                                    |                  |                   |                             |                                  |                 |                  | (1,666,243,360.54) | (1,666,243,360.54) |
| Distribution to owners                                       |                  |                   |                             |                                  |                 |                  | (1,666,243,360.54) | (1,666,243,360.54) |
| 4. Special reserves  |                  |                   |                             |                                  | 8,974,402.20    |                  |                    | 8,974,402.20       |
| (1) Pick-up in current period                                |                  |                   |                             |                                  | 26,035,435.80   |                  |                    | 26,035,435.80      |
| (2) Used in current period                                   |                  |                   |                             |                                  | (17,061,033.60) |                  |                    | (17,061,033.60)    |
| IV. At end of current period                                 | 5,439,591,574.00 | 10,979,337,870.30 |                             | 159,954,052.00                   | 16,479,840.77   | 2,681,698,087.00 | 35,568,461,717.73  | 54,845,523,141.80  |

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### III. CORPORATE INFORMATION

Chongqing Changan Automobile Company Limited (hereafter referred to as “the Company”) is a company limited by shares registered in Chongqing, People’s Republic of China. It was established on 31 October 1996 with an indefinite business period. The ordinary A shares of Renminbi issued by the company and the B shares of domestically listed foreign shares have been listed on the Shenzhen Stock Exchange. The company is headquartered at 260 Jianxin East Road, Jiangbei District, Chongqing, China, and its office address is T2 Building, No. 2, Financial City, No. 61 Dongshengmen Road, Jiangbei District, Chongqing, China.

After the establishment of the company, the share capital and shareholding structure have undergone several changes. As of June 30, 2022, the company’s controlling shareholder China Changan Automobile Group Company Limited (hereinafter referred to as “China Changan”) and its wholly-owned subsidiary United Prosperity Investment Co., Ltd. held a total of ordinary shares of the company 2,063,588,975 shares with an equity ratio of 20.80%. China South Industries Group Co., Ltd. (hereinafter referred to as “China South Group”), the parent company of China Changan, and its wholly-owned subsidiary, South Industries International Holdings (Hong Kong) Company Limited, hold 1,921,622,884 ordinary shares of the company, with a 19.37% shareholding ratio. China Changan and China South Group holds ordinary shares 3,985,211,859 in total with a shareholding ratio of 40.17%.

The Company and its subsidiaries collectively refer to as the Group, and its main business activities are: the manufacturing and sales of automobiles (including cars), automobile engine products, and supporting parts.

The holding company and ultimate holding company of the Company are China Changan and China South Group respectively.

The scope of consolidation in the consolidated financial statement is determined based on control. For the consolidation scope of this year, please refer to Note VIII.

### IV. BASIS OF PREPERATION

The financial statements have been prepared in accordance with Accounting Standards for Business Enterprises-Basic Standard and the specific standards issued and modified subsequently, and the implementation guidance, interpretations and other relevant provisions issued subsequently by the MOF (correctly referred to as “Accounting Standards for Business Enterprises”).

The financial statements are presented on a going concern basis.

The financial statements have been prepared under the historical cost convention, except for certain financial instruments. If the assets are impaired, the corresponding provisions should be made accordingly.

### V. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

According to the actual production and operation characteristics, the group formulated the specific accounting policies and accounting estimates, mainly reflected in provision of accounts receivables, inventory valuation, depreciation of fixed assets, intangible assets amortization, condition of capitalization of research and development expense and revenue recognition and measurement.

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

The financial statements present fairly and fully, the financial position of the company on 30 June 2022 and the financial results and the cash flows in the half year of 2022 then ended in accordance with Accounting Standards for Business Enterprises.

#### 2. Accounting year

The accounting year of the Group is from 1 January to 31 December of each calendar year.

#### 3. Functional currency

The Group’s functional and reporting currency is the Renminbi (“RMB”). Unless otherwise stated, the unit of the currency is Yuan. Each entity in the Group determines its own functional currency in accordance with the operating circumstances. At the end of the reporting period, the foreign currency financial statements are translated into the reporting currency of the Company of RMB.

#### 4. Business combination

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Business combinations are classified into business combinations involving entities under common control and business combinations involving entities not under common control.

#### Business combination involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. For a business combination involving entities under common control, the party which, on the combination date, obtains control of another entity participating in the combination is the acquiring party, while that other entity participating in the combination is a party being acquired. Combination date is the date on which the acquiring party effectively obtains control of the party being acquired.

Assets and liabilities that are obtained by the acquiring party in a business combination involving entities under common control shall be measured at their carrying amounts at the combination date as recorded by the party being acquired. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of shares issued as consideration) shall be adjusted to capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

#### Business combination involving entities not under common control

A business combination involving entities not under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the combination. For a business combination involving entities not under common control, the party that, on the acquisition date, obtains control of another entity participating in the combination is the acquirer, while that other entity participating in the combination is the acquiree. Acquisition date is the date on which the acquirer effectively obtains control of the acquiree.

The acquirer shall measure the acquiree's identifiable assets, liabilities and contingent liabilities acquired in the business combination at their fair values on the acquisition date.

Goodwill is initially recognized and measured at cost, being the excess of the aggregate of the fair value of the consideration transferred (or the fair value of the equity securities issued) and any fair value of the Group's previously held equity interest in the acquiree over the Group's interest in the fair value of the acquiree's net identifiable assets. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Where the aggregate of the fair value of the consideration transferred (or the fair value of the equity securities issued) and any fair value of the Group's previously held equity interest in the acquiree is lower than the Group's interest in the fair value of the acquiree's net identifiable assets, the Group reassesses the measurement of the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities and the fair value of the consideration transferred (or the fair value of the equity securities issued), together with the fair value of the Group's previously held equity interest in the acquiree. If after that reassessment, the aggregate of the fair value of the consideration transferred (or the fair value of the equity securities issued) and the Group's previously held equity interest in the acquiree is still lower than the Group's interest in the fair value of the acquiree's net identifiable assets, the Group recognize the remaining difference in profit or loss.

## 5. Consolidated financial statements

The scope of the consolidated financial statements, which include the financial statements of the Company and all of its subsidiaries, is determined on the basis of control. A subsidiary is an entity that is controlled by the Company (such as an enterprise, a deemed separate entity, or a structured entity controlled by the Company).

In the preparation of the consolidated financial statements, the financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

When the current loss belong to minorities of the subsidiary exceeds the beginning equity of the subsidiary belong to minorities, the exceeded part will still deduct the equity belong to minorities.

With respect to subsidiaries acquired through business combinations involving entities not under common control, the operating results and cash flows of the acquiree should be included in the consolidated financial statements, from the day that the Group gains control, till the Group ceases the control of it. While preparing the consolidated financial statements, the acquirer should adjust the subsidiary's financial statements, on the basis of the fair values of the identifiable assets, liabilities and contingent liabilities recognized on the acquisition date.

With respect to subsidiaries acquired through business combinations involving entities under common control, the operating results and cash flows of the acquiree should be included in the consolidated financial statements from the beginning of the period in which the combination occurs.

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If the changes of relevant facts and circumstances will result in the changes of one or more control elements, then the Group should reassess whether it has taken control of the investee.

#### **6. Joint venture arrangement classification and joint operation**

Joint venture arrangements are classified into joint operation and joint venture. Joint operation refers to those joint venture arrangements, relevant assets and liabilities of which are enjoyed and assumed by the joint ventures. Joint ventures refer to those joint venture arrangements, only the right to net assets of which is enjoyed by the joint ventures.

Any joint venture shall recognize the following items related to its share of benefits in the joint operation and conduct accounting treatment in accordance with relevant accounting standards for business enterprises: assets it solely holds and its share of jointly-held assets based on its percentage; liabilities it solely assumes and its share of jointly-assumed liabilities based on its percentage; incomes from sale of output enjoyed by it from the joint operation; incomes from sale of output from the joint operation based on its percentage; and separate costs and costs for the joint operation based on its percentage.

#### **7. Cash and cash equivalents**

Cash comprises cash on hand and bank deposits which can be used for payment at any time; Cash equivalents are short-term, highly liquid investments held by the Group, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **8. Foreign currency translation**

The Group translates the amount of foreign currency transactions occurred into functional currency.

The foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount at the spot exchange rate on the transaction dates. Foreign currency monetary items are translated using the spot exchange rate quoted by the People's Bank of China at the balance sheet date. The exchange gains or losses arising from occurrence of transactions and exchange of currencies, except for those relating to foreign currency borrowings specifically for construction and acquisition of fixed assets capitalized, are dealt with in the profit and loss accounts. Non-monetary foreign currency items measured at historical cost remain to be translated at the spot exchange rate prevailing on the transaction date, and the amount denominated in the functional currency should not be changed. Non-monetary foreign currency items measured at fair value should be translated at the spot exchange rate prevailing on the date when the fair values are determined. The exchange difference thus resulted should be charged to the current income or other comprehensive income account of the current period.

When preparing consolidated financial statements, the financial statements of the subsidiaries presented in foreign currencies are translated into Renminbi as follows: asset and liability accounts are translated into Renminbi at exchange rates ruling at the balance sheet date; shareholders' equity accounts other than retained profits are translated into Renminbi at the applicable exchange rates ruling at the transaction dates; income and expense in income statement are translated into Renminbi average exchange rate of the period in which the transaction occurred (unless the exchange rate fluctuation makes it inappropriate to adopt this exchange rate for conversion, the spot exchange rate on the date of cash flow shall be adopted for conversion); total difference between translated assets and translated liabilities and shareholders' equity is separately listed as "foreign currency exchange differences" below retained profits. The translation difference arising from the settlement of oversea subsidiaries is charged to the current liquidation profit and loss in proportion to the settlement ratio of the assets concerned.

Foreign currency cash flows and the cash flows of foreign subsidiaries should be translated using the average exchange rate prevailing on the transaction month during which the cash flows occur (unless the exchange rate fluctuation makes it inappropriate to adopt this exchange rate for conversion, the spot exchange rate on the date of cash flow shall be adopted for conversion). The amount of the effect on the cash arising from the change in the exchange rate should be separately presented as an adjustment item in the cash flow statement.

#### **9. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### Recognition and derecognition

The Group recognizes a financial asset or a financial liability, when the Group becomes a party to the contractual provision of the instrument.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated balance sheet) when:

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- 1) the rights to receive cash flows from the financial asset have expired;
  - 2) the Group has transferred its rights to receive cash flows from the financial asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) has transferred substantially all the risks and rewards of the financial asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the financial asset.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognized in profit or loss.

Regular way purchases and sales of financial assets are recognized and derecognized using trade date accounting. Regular way purchases or sales are purchases or sales of financial assets that require delivery within the period generally established by regulation or convention in the marketplace. The trade date is the date that the Group committed to purchase or sell a financial asset.

#### Classification and measurement of financial assets

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them: financial assets at fair value through profit or loss, financial assets at amortized cost and financial assets at fair value through other comprehensive income. All affected related financial assets will be reclassified only if the Group changes its business model for managing financial assets.

Financial assets are measured at fair value on initial recognition, but accounts receivable or notes receivable arising from the sale of goods or rendering of services that do not contain significant financing components or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component due within one year, are initially measured at the transaction price.

For financial assets at fair value through profit or loss, relevant transaction costs are directly recognized in profit or loss, and transaction costs relating to other financial

The subsequent measurement of financial assets depends on their classification as follows:

##### *Debt investments measured at amortized cost*

The Group measures financial assets at amortized cost if both of the following conditions are met: the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortized cost are subsequently measured using the effective interest method. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

##### *Debt investments at fair value through other comprehensive income*

The Group measures debt investments at fair value through other comprehensive income if both of the following conditions are met: the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income is recognized using the effective interest method. The interest income, impairment losses and foreign exchange revaluation are recognized in profit or loss. The remaining fair value changes are recognized in other comprehensive income. Upon derecognition, the cumulative fair value change recognized in other comprehensive income is recycled to profit or loss.

##### *Equity investments at fair value through other comprehensive income*

The Group can elect to classify irrevocably its equity investments which are not held for trading as equity investments designated at fair value through other comprehensive income. Only the relevant dividend income (excluding the dividend income explicitly recovered as part of the investment cost) is recognized in profit or loss. Subsequent changes in the fair value are included in other comprehensive income,

and no provision for impairment is made. When the financial asset is derecognized, the accumulated gains or losses previously included in other comprehensive income are transferred from other comprehensive income to retained earnings.

##### *Financial assets at fair value through profit or loss*

The financial assets other than the above financial assets measured at amortized cost and financial assets at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Such financial assets are subsequently measured at fair value with net changes in fair value recognized in profit or loss.



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Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, other financial liabilities. For financial liabilities at fair value through profit or loss, relevant transaction costs are directly recognized in profit or loss, and transaction costs relating to other financial assets are included in the initial recognition amounts.

The subsequent measurement of financial liabilities depends on their classification as follows:

*Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities held for trading are subsequently measured at fair value with net changes in fair value recognized in profit or loss. Gains or losses on liabilities designated at fair value through profit or loss are recognized in profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to profit or loss.

*Other financial liabilities*

Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Impairment of financial assets

On the basis of expected credit loss, the Group carries out impairment treatment on financial assets, measured at amortized cost and contract assets and recognizes loss reserves

For receivables and contract assets that do not contain significant financing components, the Group uses a simplified measurement method to measure the loss provision based on the expected credit loss amount for the entire duration.

For financial assets other than the simplified measurement method mentioned above, the Group assesses on each balance sheet date whether its credit risk has not increased significantly since initial recognition, it is in the first stage. The Group measures the loss provision based on the amount equivalent to the expected credit loss in the next 12 months, and calculates the interest income based on the book balance and the actual interest rate; if the credit risk has increased significantly since initial recognition but has not yet suffered credit impairment, it is in the second at this stage, the Group measures the loss provision based on the amount equivalent to the expected credit loss for the entire duration, and calculates the interest income based on the book balance and the actual interest rate; If credit impairment occurs after initial recognition, it is in the third stage. The amount of expected credit losses is measured over the entire duration of the loss allowance, and interest income is calculated based on amortized cost and effective interest rate. For financial instruments with low credit risk on the balance sheet date, the Group assumes that their credit risk has not increased significantly since initial recognition.

The Group assesses the expected credit losses of financial instruments based on individual items and portfolios. The Group has considered the credit risk characteristics of different customers and evaluated the expected credit losses of accounts receivable and other receivables based on the ageing combination.

Please refer to Note VII,3 for the disclosure of the Group's judgment criteria for significant increase in credit risk, the definition of credit impairment assets that have occurred, and assumptions about the expected credit loss measurement.

When the Group no longer reasonably expects to be able to fully or partially recover the contractual cash flows of financial assets, the Group directly writes down the book balance of the financial asset.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts; and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Transfer of financial assets

If the Group transfers substantially all the risks and rewards of ownership of the financial asset, the Group derecognizes the financial asset; and if the Group retains substantially all the risks and rewards of the financial asset, the Group does not derecognize the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the Group determines whether it has retained control of the financial asset. In this case: (i) if the Group has not retained control, it derecognizes the financial asset and recognize separately as assets or liabilities any rights and obligations created not retained in the transfer; (ii) if the Group has

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retained control, it continues to recognize the financial asset to the extent of its continuing involvement in the transferred financial asset and recognizes an associated liability.

## **10. Inventories**

Inventory includes raw materials, goods in transit, work in progress, finished goods, consigned processing materials, low-value consumables.

Inventory is initially carried at the actual cost. Inventory costs comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to its present location and condition. Weighted average method is assigned to the determination of actual costs of inventories. One-off writing off method is adopted in amortization of low-value consumables.

The Group applies a perpetual counting method of inventory.

At the balance sheet date, the inventory is stated at the lower of cost and net realizable value. If the cost is higher than the net realizable value, provision for the inventory should be made through profit or loss. If factors that resulted in the provision for the inventory have disappeared and made the net realizable value higher than their book value, the amount of the write-down should be reversed, to the extent of the amount of the provision for the inventory, and the reversed amount should be recognized in the income statement for the current period.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The impairment provision should be made on a basis of each item of inventories according to the difference between cost and net realizable value. For large numbers of inventories at relatively low unit prices, the provision for loss on decline in value of inventories should be made by category.

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

Long-term equity investments include investments in subsidiaries, joint ventures and associates.

Long-term equity investments are recognized at initial investment cost upon acquisition. For a long-term equity investment acquired through a business combination under common control, the initial investment cost of the long-term equity investment shall be the absorbing party's share of the carrying amount of the owners' equity of the party being absorbed in the consolidated financial statements of the ultimate controlling party at combination date. The difference between the initial investment cost and the carrying amount of cash paid, non-cash assets transferred and liabilities assumed shall be adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess shall be adjusted to retained earnings. Any other comprehensive income previously recognized shall be accounted for on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities. The portion recognized based on changes in the investee's equity (other than net profit or loss, other comprehensive income and profit appropriation) is charged to profit or loss upon disposal of such long-term equity investment. For those partially disposed equity investments, gains or losses upon disposal are proportionately recognized in profit or loss when they still constitute long-term equity investments after the disposal and are fully charged to profit or loss when they are reclassified to financial instruments after the disposal. For business combination involving entities not under common control, the initial investment cost should be the cost of acquisition (for step acquisitions not under common control, the initial investment cost is the sum of the carrying amount of the equity investment in the acquiree held before the acquisition date and the additional investment cost paid on the acquisition date), which is the sum of the fair value of assets transferred, liabilities incurred or assumed and equity instruments issued. If the equity investments in the acquiree involve other comprehensive income prior to the acquisition date, when disposing of the investments, the relevant other comprehensive income will be accounted for on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities. The portion recognized based on changes in the investee's equity (other than net profit or loss, other comprehensive income and profit appropriation) is charged to profit or loss upon disposal of such long-term equity investment. The initial investment cost of a long-term equity investment acquired otherwise than through a business combination shall be determined as follows: for a long-term equity investment acquired by paying cash, the initial investment cost shall be the actual purchase price has been paid plus those costs, taxes and other necessary expenditures directly attributable to the acquisition of the long-term equity investment; for those acquired by the issue of equity securities, the initial investment cost shall be the fair value of the equity securities issued.

The Company adopted cost method to account for long-term investments in the subsidiaries in the separate financial statements of the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Under cost method, the long-term equity investment is valued at the cost of the initial investment. The cost of long-term equity investment should be adjusted in case of additional investment or disinvestments. When cash dividends or profits are declared by the invested enterprise is recognized as investment income in current period.

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The equity method is applied to account for long-term equity investments, when the Group has jointly control, or significant influence on the investee enterprise. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the ventures). Significant influence is the power to participate in the financial and operating policy decisions of an economic activity but is not control or joint control over those policies.

Under equity method, when the initial investment cost of a long-term equity investment exceeds the investing enterprise's interest in the fair values of the investee's identifiable net assets at the acquisition date, the difference is accounted for as an initial cost. As to the initial investment cost is less than the investing enterprise's interest in the fair values of the investee's identifiable net assets at the acquisition date, the difference shall be charged to the income statement for the current period, and the cost of the long-term equity investment shall be adjusted accordingly.

Under equity method, the Group recognizes its share of post-acquisition equity in the investee enterprise for the current period as a gain or loss on investment, and also increases or decreases the carrying amount of the investment. When recognizing its share in the net profit or loss of the investee entities, the Group should, based on the fair values of the identifiable assets of the investee entity when the investment is acquired, in accordance with the Group's accounting policies and periods, after eliminating the portion of the profits or losses, arising from internal transactions with joint ventures and associates, attributable to the investing entity according to the share ratio (but losses arising from internal transactions that belong to losses on the impairment of assets, should be recognized in full), recognize the net profit of the investee entity after making appropriate adjustments. The book value of the investment is reduced to the extent that the Group's share of the profit or cash dividend declared to be distributed by the investee enterprise. However, the share of net loss is only recognized to the extent that the book value of the investment is reduced to zero, except to the extent that the Group has incurred obligations to assume additional losses. The Group shall adjust the carrying amount of the long-term equity investment for other changes in owners' equity of the investee enterprise (other than net profits or losses), and include the corresponding adjustments in equity, which should be realized through profit or loss in subsequent settlement of the respective long-term investment.

On settlement of a long-term equity investment, the difference between the proceeds actually received and the carrying amount shall be recognized in the income statement for the current period. As to other comprehensive income recognized based on measurement of the original equity investment by employing the equity method, accounting treatment shall be made on the same basis as would be required if the invested entity had directly disposed of the assets or liabilities related thereto when measurement by employing the equity method is terminated. As to any change in owners' equity of the invested entity other than net profit or loss, other comprehensive income and profit distribution, the investing party shall be transferred to the income statement for the current period. If the remaining equities still be measured under the equity method, accumulative change previously recorded in other comprehensive income shall be transferred to current profit or loss, in measurement on the same basis as the invested entity had directly disposed of the assets or liabilities related thereto. The income or loss recorded in the equity directly should be transferred to the current income statement on settlement of the equity investment on the disposal proportion.

## **12. Investment property**

Investment property are properties held to earn rentals or for capital appreciation, or both, including rented land use right, land use right which is held and prepared for transfer after appreciation, and rented building.

The initial measurement of the investment property shall be measured at its actual cost. The follow-up expenses pertinent to an investment property shall be included in the cost of the investment property, if the economic benefits pertinent to this real estate are likely to flow into the enterprise, and, the cost of the investment property can be reliably measured. Otherwise, they should be included in the current profits and losses upon occurrence.

The Group adopts the cost method to make follow-up measurement to the investment property. The buildings are depreciated under straight-line method.

## **13. Fixed assets**

A fixed asset probably shall be recognized only when the economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Subsequent expenditure incurred for a fixed asset that meet the recognition criteria shall be included in the cost of the fixed asset, and the book value of the component of the fixed asset that is replaced shall be derecognized. Otherwise, such expenditure shall be recognized in the income statement in the period during which they are incurred.

Fixed assets are initially measured at actual cost on acquisition. The cost of a purchased fixed asset comprises the purchase price, relevant taxes and any directly attributable expenditure for bringing the asset to working condition for its intended use, such as delivery and handling costs, installation costs and other surcharges.

Fixed assets are depreciated on straight-line basis. The estimated useful lives estimated residual values and annual depreciation rates

for each category of fixed assets are as follows:

| Category  | Deprecation period | Residual rate (%) | Yearly depreciation rate (%) |
|---|--------------------|-------------------|------------------------------|
| Buildings   | 20 to 35 years     | 3%                | 2.77%-4.85%                  |
| Machinery (Note)  | 5 to 20 years      | 3%                | 4.85%-19.40%                 |
| Vehicles  | 4 to 10 years      | 3%                | 9.70%-24.25%                 |
| Others  | 3 to 21 years      | 3%                | 4.62%-32.33%                 |
| Note: the molds in machinery should be depreciated in units-of-production method. |                    |                   |                              |

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least at the end of each year and makes adjustments if necessary.

#### 14. Construction in progress

The cost of construction in progress is determined according to the actual expenditure for the construction, including all necessary construction expenditure incurred during the construction period, borrowing costs that should be capitalized before the construction reaches the condition for intended use and other relevant expenses.

Construction in progress is transferred to fixed assets when the asset is ready for its intended use.

#### 15. Borrowing costs

Borrowing costs are interest and other costs incurred by the Group in connection with the borrowing of the funds. Borrowing costs include interest, amortization of discounts or premiums related to borrowings, ancillary costs incurred in connection with the arrangement of borrowings, and exchange differences arising from foreign currency borrowings.

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized, otherwise the borrowing costs are expensed in the period during which they are incurred. A qualifying asset is an asset (an item of property, plant and equipment and inventory etc.) that necessarily takes a substantial period of time to get ready for its intended use of sale.

The capitalization of borrowing costs is as part of the cost of a qualifying asset shall commence when:

- 1) expenditure for the asset is being incurred;
- 2) borrowing costs are being incurred; and
- 3) activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalization of borrowing costs shall be ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale have been done. And subsequent borrowing costs are recognized in the income statement.

During the capitalization period, the amount of interest to be capitalized for each accounting period shall be determined as follows:

- 1) where funds are borrowed for a specific-purpose, the amount of interest to be capitalized is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds;
- 2) where funds are borrowed for a general-purpose, the amount of interest to be capitalized on such borrowings is determined by applying a weighted average interest rate to the weighted average of the excess amounts of cumulative expenditure on the asset over and above the amounts of specific-purpose borrowings.

During the construction or manufacture of assets that are qualified for capitalization, if abnormal discontinuance, other than procedures necessary for their reaching the expected useful conditions, happens, and the duration of the discontinuance is over three months, the capitalization of the borrowing costs is suspended. Borrowing costs incurred during the discontinuance are recognized as expense and charged to the income statement of the current period, till the construction or manufacture of the assets resumes.

#### 16. Right-of-use assets

The Group's right-of-use assets are mainly buildings.

At the commencement date of the lease period, the Group recognizes its right to use the leased assets during the lease period as a right-of-use asset, including: the initial measured amount of the lease liability; the amount of lease payments paid on or before the start date of the lease period, in addition, the relevant amount of lease incentive should be deducted; Initial direct expenses incurred by the lessee; the estimated cost incurred by the lessee for dismantling and removing the leased assets, restoring the site where the leased assets are located, or restoring the leased assets to the state agreed in the lease terms. the Group adopts the average age method to depreciate the

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assets of the right of use. If it can be reasonably determined that the ownership of the leased asset is obtained at the expiration of the lease term, the Group adopts depreciation within the remaining service life of the leased asset. If it is impossible to reasonably determine that the ownership of the leased asset can be obtained at the expiration of the lease term, the Group adopts depreciation within the shorter of the lease term and the remaining service life of the leased asset.

When the Group remeasures the lease liability according to the present value of the changed lease payment and adjusts the book value of the right of use asset, if the carrying amount of the right-of-use assets has been reduced to zero but the lease liabilities still need to be further reduced, the Group will include the remaining amount in the profit or loss of the current period.

## 17. Intangible assets

An intangible asset probably shall be recognized only when the economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are initially measured at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition, if the fair value can be reliably measured.

The useful life of the intangible assets shall be assessed according to the estimated beneficial period expected to generate economic benefits. An intangible asset shall be regarded as having an indefinite useful life when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group.

The useful lives of the intangible assets are as follow:

|                       | Useful life    |
|-----------------------|----------------|
| Land use right        | 43 to 50 years |
| Software              | 2 years        |
| Trademark             | 10 years       |
| Non-patent technology | 5 years        |
| Patent technology     | 10 years       |

Land use rights that are purchased or acquired through the payment of land use fees are accounted for as intangible assets. With respect to self-developed properties, the corresponding land use right and buildings should be recorded as intangible and fixed assets separately. As to the purchased properties, if the reasonable allocation of outlays cannot be made between land and buildings, all assets purchased will be recorded as fixed assets. The cost of a finite useful life intangible asset is amortized using the straight-line method during the estimated useful life. For an intangible asset with a finite useful life, the Group reviews the estimated useful life and amortization method at least at the end of each year and adjusts if necessary.

The Group should test an intangible asset with an indefinite useful life for impairment by comparing its recoverable amount with its carrying amount annually, whenever there is an indication that the intangible asset may be impaired. An intangible asset with an indefinite useful life shall not be amortized.

The useful life of an intangible asset that is not being amortised shall be reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If there are indicators that the intangible asset has finite useful life, the accounting treatment would be in accordance with the intangible asset with finite useful life.

## 18. Research and development expenditures

The Group classified the internal research and development expenditures as follows: research expenditures and development cost.

The expenditures in research stage are charged to the current income on occurrence.

The expenditures in development stage are capitalized that should meet all the conditions of (a) it is technically feasible to finish intangible assets for use or sale; (b) it is intended to finish and use or sell the intangible assets; (c) the usefulness of methods for intangible assets to generate economic benefits shall be proved, including being able to prove that there is a potential market for the products manufactured by applying the intangible assets or there is a potential market for the intangible assets itself or the intangible assets will be used internally; (d) it is able to finish the development of the intangible assets, and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources; and (e) the development expenditures of the intangible assets can be reliably measured. Expenses incurred that don't meet the above requirements unanimously should be expensed in the income statement of the reporting period.

The Group discriminates between research and development stage with the condition that the project research has been determined, in which the relevant research complete all the fractionalization of products measurements and final product scheme under final approval

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of management. The expenditures incurred before project-determination stage is charged to the current income, otherwise it is recorded as development cost.

## **19. Impairment of assets**

The Group determines the impairment of assets, other than the impairment of inventory, contract assets, deferred income taxes, and financial assets, using the following methods:

The Group assesses at the balance sheet date whether there is any indication that an asset may be impaired. If any indication exists that an asset may be impaired, the Group estimates the recoverable amount of the asset and performs impairment tests. Goodwill arising from a business combination and an intangible asset with an indefinite useful life are tested for impairment at least at the end of every year, irrespective of whether there is any indication that the asset may be impaired. An intangible asset which is not ready for its intended use is tested for impairment at least at the end of every year.

The recoverable amount of an asset is the higher of its fair value less costs to sell and the present value of the future cash flow expected to be derived from the asset. The Group estimates the recoverable amount on an individual basis. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the asset group to which the asset belongs. Identification of an asset group is based on whether major cash flows generated by the asset group are independent of the cash flows from other assets or asset groups.

When the recoverable amount of an asset or asset group is less than its carrying amount, the carrying amount is reduced to the recoverable amount. The impairment of asset is provided for and the impairment loss is recognized in the income statement for the current period.

For the purpose of impairment testing, the carrying amount of goodwill acquired in a business combination is allocated, on a reasonable basis, to related asset groups; if it is impossible to allocate to the related asset groups, it is allocated to each of the related sets of asset groups. Each of the related asset groups or related sets of asset groups is a group or set of asset group that is able to benefit from the synergies of the business combination and shall not be larger than a reportable segment determined by the Group.

When an impairment test is conducted on an asset group or a set of asset groups that contains goodwill, if there is any indication of impairment, the Group firstly tests the asset group or the set of asset groups excluding the amount of goodwill allocated for impairment, i.e., it determines and compares the recoverable amount with the related carrying amount and then recognize impairment loss if any. Thereafter, the Group tests the asset group or set of asset groups including goodwill for impairment, the carrying amount (including the portion of the carrying amount of goodwill allocated) of the related asset group or set of asset groups is compared to its recoverable amount. If the carrying amount of the asset group or set of asset groups is higher than its recoverable amount, the amount of the impairment loss is firstly eliminated by and amortized to the book value of the goodwill included in the asset group or set of asset groups, and then eliminated by the book value of other assets according to the proportion of the book values of assets other than the goodwill in the asset group or set of asset groups.

Once the above impairment loss is recognized, it cannot be reversed in subsequent periods.

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

The long-term deferred expenses represent the payment for the improvement on buildings and other expenses, which have been paid and should be deferred in the following years. Long-term deferred expenses are amortized on the straight-line basis over the expected beneficial period and are presented at actual expenditure net of accumulated amortization.

## **21. Employee benefits**

Employee benefits refer to all kinds of remunerations or compensation made by enterprises to their employees in exchange for services provided by the employees or termination of labor relation. Employee compensation includes short-term compensation and post-employment benefits. The benefits offered by enterprises to the spouse, children, the dependents of the employee, the family member of deceased employee and other beneficiaries are also employee compensation.

### Short-term employee salaries

During the accounting period of employee rendering service, the actual employees salaries and are charged to the statement of profit or loss as they become payable in balance sheet.

### Post-employment benefits (Defined contribution plans)

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The employees of the Group participate in pension insurance, which is managed by local government and the relevant expenditure, is recognized, when incurred, in the costs of relevant assets or the profit and loss for the current period.

#### Post-employment benefits (Defined benefit plan)

The Group operates a defined benefit pension plan which requires contributions to be made to a separately administered fund. The benefits are unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method.

Remeasurements arising from defined benefit pension plans are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to retained profits through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss at the earlier of: the date of the plan amendment or curtailment; and the date that the Group recognizes restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation under administrative expenses in the consolidated statement of profit or loss by function:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; net interest expense or income.

#### Termination benefits

Termination benefits are recognized at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes restructuring costs involving the payment of termination benefits.

## **22. Lease liabilities**

At the commencement date of the lease period, the Group recognizes the present value of the outstanding lease payments as a lease liability, excluding short-term leases and leases of low-value assets. When calculating the present value of the lease payment, the Group uses the lease implied rate as the discount rate, and if the lease implied interest rate cannot be determined, the lessee incremental borrowing rate is used as the discount rate. The Group calculates the interest expense of the lease liability in each period of the lease term according to the fixed periodic interest rate and records it into the current profit and loss, unless otherwise specified, it is included into the cost of relevant assets. Variable lease payments that are not included in the measurement of lease liabilities are included in the profit or loss of the current period when actually incurred, unless otherwise specified to be included in the cost of the underlying assets.

After the commencement date of the lease period, the Group remeasures the lease liability against the present value of the changed lease payment amount when there is a change in the amount of substantial fixed payments, a change in the amount expected to pay due to the residual value of the guarantee, a change in the index or ratio used to determine the amount of the lease payment, the assessment of the purchase option, the renewal option or the option to terminate the lease.

## **23. Provisions**

An obligation related to a contingency shall be recognized by the Group as a provision when all of the following conditions are satisfied, except for contingent considerations and contingent liabilities assumed in a business combination not involving entities under common control:

- 1) the obligation is a present obligation of the Group;
- 2) it is probable that an outflow of economic benefits from the Group will be required to settle the obligation;
- 3) a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are initially measured according to the current best estimate for the expenditure necessary for the performance of relevant present obligations, with comprehensive consideration given to factors such as the risks, uncertainty and time value of money relating to contingencies. The book value of the contingent liabilities should be reviewed at each balance sheet date. If there is objective evidence showing that the book value cannot reflect the present best estimate, the book value should be adjusted according to the best estimate.

The contingent liabilities of the acquiree acquired in the business combination involving entities not under common control are measured at fair value upon initial recognition. After initial recognition, the balance of the amount recognized according to the estimated liabilities and the amount initially recognized after deducting the accumulated amortization determined by the revenue recognition

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principle is subsequently measured at the higher of the two.

## **24. Share-based payments**

A share-based payment is classified as either an equity-settled share-based payment or a cash-settled share-based payment. An equity-settled share-based payment is a transaction in which the Group receives services and uses shares or other equity instruments as consideration for settlement.

An equity-settled share-based payment in exchange for services received from employees is measured at the fair value of the equity instruments granted to the employees. If such equity-settled share-based payment could vest immediately, related costs or expenses at an amount equal to the fair value on the grant date are recognized, with a corresponding increase in capital reserves; if such equity-settled share-based payment could not vest until the completion of services for a vesting period, or until the achievement of a specified performance condition, the Group at each balance sheet date during the vesting period recognizes the services received for the current period as related costs and expenses, with a corresponding increase in capital reserves, at an amount equal to the fair value of the equity instruments at the grant date, based on the best estimate of the number of equity instruments expected to vest. The fair value is determined using the closing price of the company's shares on the grant date.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognized. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled share-based award are modified, as a minimum an expense is recognized as if the terms had not been modified. In addition, an expense is recognized for any modification that increases the total fair value of the share-based payment or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled share-based award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award and is designated as a replacement on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award.

## **25. Revenue from contracts with customers**

The Group has fulfilled its performance obligations in the contracts, that is, the revenue is recognized when the customer obtains control of the relevant goods or services. Obtaining control over related goods or services means being able to lead the use of the goods or the provision of the services and obtain almost all of the economic benefits from it.

### Contracts for the sale of goods

A contract for the sale of goods between the Group and the customer usually includes the performance obligation to transfer of goods, transportation services and free maintenance. The Group allocates the transaction price to each individual performance obligation in accordance with the relative proportion of the stand-alone selling price of the goods or services promised by each individual performance obligation on the date of contract commencement. Regarding the performance obligations of the transferred goods, the Group usually recognizes revenue at the point when the performance obligations are fulfilled based on the following indicators, which include: a present right to payment for goods, the transfer of significant risks and rewards of ownership of goods, the transfer of legal title to goods, the transfer of physical possession of goods, the customer's acceptance of goods.

### Provide service contract

The performance obligations of the service provision contract between the Group and the customer are due to the fact that the customer obtains and consumes the economic benefits brought by the performance of the Group at the same time the Group performs the contract, and the Group has the right to accumulate the economic benefits during the entire contract period. The Group regards it as a performance obligation performed within a period, and recognizes the revenue according to the performance progress, unless the performance progress cannot be reasonably determined. In accordance with the output method, the Group determines the progress of the performance of the service provided based on the completed or delivered products. When the performance progress cannot be reasonably determined, if the cost incurred by the Group is expected to be compensated, the revenue will be recognized according to the amount of the cost incurred until the performance progress can be reasonably determined.

### Variable consideration

Some contracts between the Group and customers have sales rebate arrangements, forming variable consideration. The Group determines the best estimate of the variable consideration based on the expected value or the most likely amount, but the transaction



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price including the variable consideration does not exceed the amount that the accumulated recognized revenue will most likely not be materially reversed when the relevant uncertainty is eliminated.

#### Warranty obligations

In accordance with contractual agreements and legal provisions, the Group provides quality assurance for the goods sold. For guarantee quality assurance to ensure that the products sold meet the established standards, the Group conducts accounting treatment in accordance with Note V, 23. For the service quality assurance that provides a separate service in addition to the established standards to ensure that the goods sold meet the established standards, the Group regards it as a single performance obligation, based on the stand-alone selling price of the quality assurance of the goods and services provided. In a relative proportion, part of the transaction price is allocated to service quality assurance, and revenue is recognized when the customer obtains control of the service. When assessing whether the quality assurance provides a separate service in addition to ensuring that the products sold meet the established standards, the Group considers whether the quality assurance is a legal requirement, the quality assurance period, and the nature of the Group's commitment to perform tasks.

#### Principal/agent

For the Group to lead a third party to provide services to customers on behalf of the Group, the Group has the right to independently determine the price of the goods or services traded, that is, the Group can control the relevant goods before transferring the goods to the customers, so the Group is the main responsible person, and recognize revenue based on the total consideration received or receivable. Otherwise, the Group acts as an agent and recognizes revenue based on the amount of commission or fees expected to be charged. This amount should be based on the net amount of the total consideration received or receivable minus the price payable to other related parties, or based on the established commission amount or proportions, etc.

### **26. Contract assets and contract liabilities**

The Group lists contract assets or contract liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The Group offsets the contract assets and contract liabilities under the same contract as net amount.

#### Contract assets

Contract assets refer to the right to receive consideration for the transfer of goods or services to customers, and this right depends on factors other than the passage of time.

The determination method and accounting treatment method of the expected credit loss of the contract assets of the Group refer to Note III, 9.

#### Contract liabilities

Contract liabilities refer to the obligation to transfer goods or services to customers for the consideration received or receivable from customers, such as the payment received by companies before the transfer of promised goods or services.

### **27. Government grants**

A government grant is recognized only when there is reasonable assurance that the entity will comply with any conditions attached to the grant and the grant will be received. Monetary grants are accounted for at received or receivable amount. Non-monetary grants are accounted for at fair value. If there is no reliable fair value available, the grants are accounted for a nominal amount.

A government grant which is specified by the government documents to be used to purchase and construct the long-term assets shall be recognized as the government grant related to assets. A government grant which is not specified by the government documents shall be judged based on the basic conditions to obtain the government grant. The one whose basic condition was to purchase and construct the long-term assets shall be recognized as the government grant related to assets.

The Group uses the net method to account for government grants.

Government grants related to income to be used as compensation for future expenses or losses shall be recognized as deferred income and shall be charged to the current profit or loss or be used to write down the relevant loss, during the recognition of the relevant cost expenses or losses; or used as compensation for relevant expenses or losses already incurred by enterprises shall be directly charged to the profit and loss account in the current period or used to write down the relevant cost.

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The government grants related to assets shall be used to write down the book value of the relevant assets or be recognized as deferred income. The government grants related to assets, recognized as deferred income, shall be charged to the profit and loss reasonably and systematically in stages over the useful lives of the relevant assets. The government grants measured at nominal amount shall be directly charged to the current profit and loss. The remaining book value of the government grants related to assets should be charged to the profit and loss account in the current period when the relative assets sold, transferred, disposed or damaged.

## **28. Income taxes**

Income tax comprises current and deferred tax. Income tax is recognized as an income or an expense and include in the income statement for the current period, except to the extent that the tax arises from a business combination or if it relates to a transaction or event which is recognized directly in equity.

Current income tax liabilities or assets for the current and prior periods, are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

For temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts, and temporary differences between the carrying amounts and the tax bases of items, the tax bases of which can be determined for tax purposes, but which have not been recognized as assets and liabilities, deferred taxes are provided using the liability method.

A deferred tax liability is recognized for all taxable temporary differences, except:

to the extent that the deferred tax liability arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction which contains both of the following characteristics: the transaction is not a business combination and at the time of the transaction, it affects neither the accounting profit nor taxable profit or loss.

(2) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in jointly-controlled enterprises, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

A deferred tax asset is recognized for deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

(1) where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(2) in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, according to the requirements of tax laws. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects at the balance sheet date, to recover the assets or settle the liabilities.

At the balance sheet date, the Group reviews the book value of deferred tax assets. If it is probable that sufficient taxable income cannot be generated to use the tax benefits of deferred tax assets, the book value of deferred tax assets should be reduced. When it is probable that sufficient taxable income can be generated, the amount of such reduction should be reversed. When it is probable that sufficient taxable income can be generated, the amount of such reduction should be reversed.

When the following conditions are met at the same time, the deferred tax assets and deferred tax liabilities are listed at the net amount after offset: the legal right to settle the current income tax assets and current income tax liabilities at the net amount; the deferred tax assets and deferred tax liabilities are related to the income tax levied by the same tax collection and management department on the same taxable subject or different taxpaying subjects. However, in the future, during each period when the significant deferred tax assets and deferred tax liabilities are reversed, the tax payer involved intends to settle the current income tax assets and current income tax liabilities with net amount or obtain assets and pay off debts at the same time.

## **29. Leases**

Identification of leases

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At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, the customer has both of the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset.

#### Assessment of the lease term

The lease term is the non-cancellable period of a lease for which the Group has the right to use an underlying asset. If the Group has an option to extend the lease, that is, the Group has the right to extend the lease, and is reasonably certain to exercise that option, the lease term also includes periods covered by an option to extend the lease. If the Group has an option to terminate the lease, that is, the Group has the right to terminate the lease, but is reasonably certain not to exercise that option, the lease term includes periods covered by an option to terminate the lease. The Group reassesses whether it is reasonably certain to exercise an extension option, purchase option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in the circumstances that is within the control of the Group and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term.

#### As lessee

The Group's general accounting treatment as a lessee is provided in Notes III, 16 and 22.

#### Short-term leases and leases of low-value assets

The Group considers a lease that, at the commencement date of the lease, has a lease term of 12 months or less, and does not contain any purchase option as a short-term lease; and a lease with a lower value of a single leased asset is recognized as a low value asset lease.

#### As lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, except that a lease is classified as an operating lease at the inception date.

#### The Group recording the operating lease as a lessor

Rental income under an operating lease is recognized on a straight-line basis over the lease term, through profit or loss. Variable lease payments that are not included in the measurement of lease receivables are charged to profit or loss as incurred.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

A finance lease is a lease that transfers in substance all the risks and rewards incident to ownership of an asset. An operating lease is a lease other than a finance lease.

### **30. Profit distribution**

The cash dividend of the Group is recognized as liabilities after the approval of general meeting of stockholders.

### **31. Safety fund**

The safety fund extracted by the Group shall be recognized as the cost of the related products or income statement, while be recognized as special reserve. When using safety fund, it shall be distinguished whether it will form fixed assets or not. The expenditure shall write down the special reserve; the capital expenditure shall be recognized as fixed assets when meet the expected conditions for use, and write down the special reserve while recognizing accumulated depreciation with the same amount.

### **32. Fair value measurement**

The Group measures its equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group measures equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the principal market for the asset or liability or in the most advantageous market for the asset or liability when a principal market is absent. The principal or the most advantageous market must be accessible to by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data and other supporting information are available to measure fair value, giving priority to the use of relevant observable inputs, and using unobservable inputs only when observable inputs are unavailable or not feasible to obtain.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization at the end of each reporting period.

### **33. Significant accounting judgments and estimates**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the amounts and disclosures of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the balance sheet date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

#### **Judgments**

In the process of applying the Group's accounting policies, management has made the following judgments which have significant effect on the financial statements:

##### **(1) Business model**

The classification of financial assets at initial recognition depends on the business model of the Group's management of financial assets. When judging the business model, the Group considers the methods including enterprise evaluation and reporting of financial asset performance to key management personnel, risks affecting financial asset performance and its arrangement method and the way in which related business managers get paid. When evaluating whether to take contract cash flow as the goal, the Group needs to analyze and judge the reasons, time, frequency and value of the sale of financial assets before the due date.

##### **(2) Contract cash flow characteristics**

The classification of financial assets at initial recognitions depends on the contractual cash flow characteristics of the financial assets. It is necessary to determine whether the contractual cash flow is only for the payment of principal and interest based on outstanding principal, including correction of the time value of money during the evaluation, it is necessary to determine whether there is a significant difference compared to the benchmark cash flow. For financial assets that include prepayment characteristics, it is necessary to determine whether the fair value of the prepayment characteristics is very small, etc.

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## Uncertainty of accounting estimates

The crucial assumptions of significant accounting estimates in future and other crucial sources of estimated uncertainty, which may result in the significant adjustments to the book value of the subsequent accounting period, are as the following:

### (1) Impairment of financial instruments and contract assets

The Group uses the expected credit loss model to assess the impairment of financial instruments and contract assets. The application of the expected credit loss model requires significant judgments and estimates. All reasonable and valid information must be considered, including forward-looking information. In making these judgments and estimates, the Group infers the expected changes in the credit risk of the debtor based on historical repayment data combined with economic policies, macroeconomic indicators, industry risks and other factors. Different estimates may affect the provision for impairment losses. The provision for impairment losses may not be equal to the actual amount of future impairment losses.

### (2) Impairment of non-current assets other than financial assets (goodwill excluded)

The Group assesses at each reporting date whether there is an indication that non-current assets other than financial assets may be impaired. If there is any sign of possible assets impairment, the assets concerned should be subject to impairment test. When the carrying amount of an asset or the relevant assets group exceeds its recoverable amount which is the higher one of the net amount of the fair value of the asset minus the disposal expenses and the present value of the expected future cash flow of the asset, the asset is considered impaired. The fair value minus the disposal expenses is determined by reference to the recent market transactions price or observed market price less any directly attributable expenditure for disposing. When making an estimate of the present value of the future cash flow of an asset, the Group should estimate the future cash flows of the asset or the relevant assets group, with the appropriate discount rate selected to reflect the present value of the future cash flows.

### (3) Fair value of unlisted equity investments

For unlisted equity instrument investments, several valuation models are used to estimate the fair value. This requires the Group to make estimates of unobservable market parameters such as price-to-book ration, discount rate, sustainable growth rate, asset price index, etc., and is therefore uncertain.

### (4) Development expenditures

When determining the capitalization amount, management should make assumptions such as the expected cash flows of the assets related, the applicable discount rate and expected benefit period.

### (5) Deferred tax assets

The Group should recognize the deferred income tax assets arising from all the existing unutilized tax deficits and deductible temporary differences to the extent of the amount of the taxable income which it is most likely to obtain and which can be deducted from the deductible temporary differences. Enormous accounting judgments, as well as the tax planning are compulsory for management to estimate the time and amount of prospective taxable profits and thus determine the appropriate amount of the deferred tax assets concerned.

### (6) Warranty

The Group provides warranties on automobile and undertakes to repair or replace items that fail to perform satisfactorily based on certain pre-determined conditions. Factors that influence estimation of related warranty claim include: 1) renewal of laws and regulations; 2) quality promotion of Group products; 3) change of parts and labour cost. In general, the Group records warranty based on selling volume and estimated compensatory unit warranty cost, deduction multi-agreed compensation from suppliers. As at balance sheet day, the Group launches retrospective analysis on warranty carrying amount in consideration of accrual warranty payment during relative warranty period, and recent trends of product renovation and replacement, and further adjustment if necessary. Any increase or decrease in the provision would affect profit or loss in future years.

### (7) Depreciation and amortization

The Group's management determines the estimated useful lives and residual value of fixed assets and intangible assets. This estimate is based on the historical experience of actual useful lives of fixed assets and intangible assets of similar nature and functions. Management will increase the depreciation and amortization charges where useful lives are less than previously estimated.

### (8) Lessee Incremental Borrowing Rate

For leases for which the interest rate implicit in the lease cannot be determined, the Group uses the lessee's incremental borrowing rate as the discount rate to calculate the present value of lease payments. When determining the incremental borrowing rate, the Group takes the observable interest rate as the reference basis for determining the incremental borrowing rate according to the economic environment in which it is located. The reference interest rate is adjusted according to the specific conditions of the leasing business to obtain the applicable incremental borrowing rate.

### 34. Changes in accounting policies and estimates

(1) Changes in accounting policies

Applicable  Not applicable

(2) Changes in significant accounting estimates

Applicable  Not applicable

## VI. TAXES

### 1. Main taxes and tax rates

Value added tax (“VAT”) - The income from the sale of goods and the income from the provision of services are calculated at the tax rates of 13% and 6%, respectively, and the VAT is calculated on the basis of the difference after deducting the input tax that is allowed to be deducted in the current period.

Consumption tax - Consumption tax is calculated at 1%, 3% or 5% of taxable income.

City maintenance and construction tax - 5% or 7% of the turnover tax paid is calculated and paid.

Educational surcharge - 3% of the actual turnover tax paid is calculated and paid.

Local educational surcharge - 2% of the turnover tax actually paid is calculated and paid.

Corporate income tax - Corporate income tax is paid at 15%, or 25% of taxable income.

### 2. Tax benefits

According to the relevant provisions of the national high-tech identification and relevant tax preferential policies, the following companies of the Group are identified as high-tech enterprises and are subjected to the preferential corporate income tax rate of 15% within the prescribed period: the company (2021-2023), and the Company’s subsidiaries including Hebei Changan Automobile Company Limited (2020-2022), Baoding Changan Bus Manufacturing Company Limited (2020-2022).

According to the Announcement on Continuing the Income Tax Policy for Enterprises in the Large-scale Development of the Western Region jointly issued by the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission, from January 1, 2021 to December 31, 2030, enterprise income tax will be levied at a reduced rate of 15% for encouraged industrial enterprises located in the western region. Chongqing Changan Automobile International Sales Service Co., Ltd., Chongqing Changan Special Purpose Vehicle Co., Ltd., Chongqing Changan Automobile Customer Service Co., Ltd., Chongqing Lingyao Automobile Co., Ltd. and Chongqing Chehemei Technology Co., Ltd., subsidiaries of the Company, meet the above requirements and are subject to corporate income tax calculated at a 15% corporate income tax rate.

According to the Announcement on Enterprise Income Tax Policies on Promoting the High-quality Development of the Integrated Circuit Industry and the Software Industry jointly issued by the Ministry of Finance, the State Administration of Taxation, the Development and Reform Commission and the Ministry of Industry and Information Technology, software enterprises encouraged by the state are exempt from enterprise income tax from the first to second year from the year of profit, and from the third to the fifth year, the statutory tax rate of 25% is halved. Chongqing Changan Automobile Software Technology Co., Ltd., a subsidiary of the Company, meets the above conditions, and this year is the third profit year and the statutory tax rate of 25% is halved.

## VII. Notes to the consolidated financial statements

### 1. Cash

In RMB Yuan

| Item | Ending balance | Beginning balance |
|------|----------------|-------------------|
| Cash | 6,321.16       | 36,881.35         |

|              |                   |                   |
|--------------|-------------------|-------------------|
| Cash at bank | 51,032,261,166.99 | 49,517,879,953.64 |
| Other cash   | 2,389,515,751.70  | 2,458,325,314.38  |
| Total        | 53,421,783,239.85 | 51,976,242,149.37 |

As at 30 June 2022, the book value of restricted cash and cash equivalents is RMB 1,451,938,642.9, which was mainly restricted for the issuance of acceptance bill (December 31, 2021: RMB 2,458,325,314.38).

As at 30 June 2022, the cash at bank oversea is equivalent to RMB 235,680,963.02 (December 31, 2021: RMB 300,347,944.86).

As of June 30, 2022, the monetary capital deposited by the group in the financial company of the related party was RMB 27,362,815,259.42 (December 31, 2021: RMB 31,652,980,551.77). See note XII and 5 for details.

The interest income of bank demand deposits is obtained according to the interest rate of bank demand deposits. 7-day bank call deposits and time deposits can be withdrawn at any time according to the group's cash demand, and interest income is obtained according to the corresponding bank deposit interest rate.

## 2. Transactional financial assets

In RMB Yuan

| Item                         | Ending balance | Beginning balance |
|------------------------------|----------------|-------------------|
| Equity instrument investment | 302,911,174.57 | 177,902,700.00    |
| Others                       | 3,056,400.00   | 17,895,600.00     |
| Total                        | 305,967,574.57 | 195,798,300.00    |

As of June 30, 2022, the trading financial assets measured at fair value are 33.63 million ordinary shares of Southwest Securities Co., Ltd. held by the group (December 31, 2021: 33.63 million shares), and 26.05 million restricted shares held by the group in China Automobile Research automobile testing ground Co., Ltd. (December 31, 2021: Nil).

## 3. Notes receivable

### (1) Classification of notes receivable

In RMB Yuan

| Item                       | Ending balance    | Beginning balance |
|----------------------------|-------------------|-------------------|
| Commercial acceptance bill | 15,064,718,344.41 | 17,187,270,560.03 |
| Bank acceptance bill       | 6,114,186,788.25  | 7,080,362,856.62  |
| Total                      | 21,178,905,132.66 | 24,267,633,416.65 |

### (2) Notes receivable pledged

In RMB Yuan

| Item                       | Pledged amount   |
|----------------------------|------------------|
| Commercial acceptance bill | 6,334,050,284.91 |
| Bank acceptance bill       | 1,924,405,539.88 |
| Total                      | 8,258,455,824.79 |

As of June 30, 2022, the bills receivable of the above amount had been pledged for issuing bills payable.

### (3) Endorsed or discounted but unexpired notes receivable as at the end of reporting period

In RMB Yuan

| Item                       | Amount derecognized at the end of the period | Amount not derecognized at the end of the period |
|----------------------------|--|--|
| Commercial acceptance bill | 1,836,816,065.23                             | -  |
| Bank acceptance bill       | 17,900,000.00                                | -  |

|       |                  |   |
|-------|------------------|---|
| Total | 1,854,716,065.23 | - |
|-------|------------------|---|

**(4) At the end of the period, the company transferred the bills to accounts receivable due to the drawer's non performance**

As at 30 June 2022, there was no note receivables converted to accounts receivable due to the inability of the drawer to perform the contract. (As at 31 December 2021: Nil)

**4. Accounts receivable**

**(1) Aging analysis of the accounts receivable**

In RMB Yuan

| Aging           | Ending balance   | Beginning balance |
|-----------------|------------------|-------------------|
| Within 1 year   | 3,520,437,677.86 | 1,605,244,476.97  |
| 1 to 2 years    | 45,103,667.98    | 28,484,908.94     |
| 2 to 3 years    | 99,726,316.58    | 116,846,682.50    |
| Over 3 years    | 152,921,931.80   | 140,125,844.08    |
| Total           | 3,818,189,594.22 | 1,890,701,912.49  |
|                 |                  |                   |
| Less: Provision | (221,187,483.68) | (215,274,377.62)  |
| Total           | 3,597,002,110.54 | 1,675,427,534.87  |

**(2) The movements in provision for impairment of accounts receivable are as follows:**

In RMB Yuan

| Category   | Beginning balance | Change amount in the current period |                        |              | Ending balance |
|------------|-------------------|-------------------------------------|------------------------|--------------|----------------|
|            |                   | Provision                           | Withdrawal or reversal | Write-off    |                |
| 2022.6.30  | 215,274,377.62    | 14,793,773.74                       | 3,880,667.68           | 5,000,000.00 | 221,187,483.68 |
| 2021.12.31 | 189,491,038.22    | 31,121,598.40                       | 3,933,948.00           | 1,404,311.00 | 215,274,377.62 |

**(3) Analysis of accounts receivable by category**

In RMB Yuan

| Category   | Ending balance   |        |                |      |                  |
|--|------------------|--------|----------------|------|------------------|
|  | Balance          |        | Provision      |      | Book value       |
|  | Amount           | %      | Amount         | %    |                  |
| Individually analyzed for provision                  | 2,984,570,203.17 | 78.17  | 154,440,110.83 | 5.17 | 2,830,130,092.34 |
| Accounts receivable analyzed as groups for provision | 833,619,391.05   | 21.83  | 66,747,372.85  | 8.01 | 766,872,018.20   |
| Total  | 3,818,189,594.22 | 100.00 | 221,187,483.68 | 5.79 | 3,597,002,110.54 |

| Category   | Beginning balance |        |                |       |                  |
|--|-------------------|--------|----------------|-------|------------------|
|  | Balance           |        | Provision      |       | Book value       |
|  | Amount            | %      | Amount         | %     |                  |
| Individually analyzed for provision                  | 1,116,005,410.48  | 59.03  | 161,822,950.43 | 14.50 | 954,182,460.05   |
| Accounts receivable analyzed as groups for provision | 774,696,502.01    | 40.97  | 53,451,427.19  | 6.90  | 721,245,074.82   |
| Total  | 1,890,701,912.49  | 100.00 | 215,274,377.62 | 11.39 | 1,675,427,534.87 |

**(4) The Group's accounts receivable was analyzed for provision by expected credit loss model**

In RMB Yuan



| Aging         | Ending balance                   |                               |  |
|---------------|----------------------------------|-------------------------------|--|
|               | Estimated face value for default | Expected credit loss rate (%) | Expected credit loss for the entire duration |
| Within 1 year | 638,311,708.75                   | 0.11                          | 678,498.74                                   |
| 1 to 2 years  | 6,032,150.00                     | 8.61                          | 519,124.72                                   |
| 2 to 3 years  | 67,434,401.51                    | 17.55                         | 11,832,231.58                                |
| Over 3 years  | 121,841,130.79                   | 44.09                         | 53,717,517.81                                |
| Total         | 833,619,391.05                   | 8.01                          | 66,747,372.85                                |

| Aging         | Beginning balance                |                               |  |
|---------------|----------------------------------|-------------------------------|--|
|               | Estimated face value for default | Expected credit loss rate (%) | Expected credit loss for the entire duration |
| Within 1 year | 572,882,251.72                   | 0.13                          | 759,937.11                                   |
| 1 to 2 years  | 28,352,246.25                    | 8.57                          | 2,429,794.47                                 |
| 2 to 3 years  | 92,634,562.67                    | 12.47                         | 11,548,535.79                                |
| Over 3 years  | 80,827,441.37                    | 47.90                         | 38,713,159.82                                |
| Total         | 774,696,502.01                   | 6.90                          | 53,451,427.19                                |

#### (5) Accounts receivable with top five ending balances collected by debtors

As at June 30, 2022, accounts receivable from Top 5 clients amounted to RMB 2,159,307,798.64, accounted for 56.55% of the total accounts receivable (December 31, 2021: RMB 924,920,983.66, accounted for 48.92% of the total amount).

#### (6) Accounts receivable derecognized due to transfer of financial assets

As of June 30, 2022, the Group has no accounts receivable that are derecognized as the transfer of financial assets (December 31, 2021: Nil).

### 5. Prepayments

In RMB Yuan

| Aging         | Ending balance   |        | Beginning balance |        |
|---------------|------------------|--------|-------------------|--------|
|               | Amount           | %      | Amount            | %      |
| Within 1 year | 3,849,485,631.49 | 99.62  | 3,223,697,503.44  | 99.46  |
| 1 to 2 years  | 10,246,950.08    | 0.27   | 12,192,890.74     | 0.38   |
| 2 to 3 years  | 1,748,527.01     | 0.05   | 3,934,439.12      | 0.12   |
| Over 3 years  | 2,500,285.31     | 0.06   | 1,423,997.98      | 0.04   |
| Total         | 3,863,981,393.89 | 100.00 | 3,241,248,831.28  | 100.00 |

As at 30 June 2022, the total amount of the top five prepayments was RMB 1,474,271,190.88, accounting for 38.15% of the total amount of prepayments (2021: RMB 1,151,298,912.20, accounting for 35.52%).

### 6. Other receivables

In RMB Yuan

| Item                | Ending balance | Beginning balance |
|---------------------|----------------|-------------------|
| Dividend receivable | 255,356,145.11 |                   |
| Other receivables   | 254,258,702.75 | 632,122,942.37    |
| Total               | 509,614,847.86 | 632,122,942.37    |

#### (1) Dividend receivable

In RMB Yuan

| Project (or investee)  | Ending balance | Beginning balance |
|--|----------------|-------------------|
| Weaponry Group Finance Co., Ltd                              | 143,737,428.00 |                   |
| China Ordnance Equipment Group Finance Leasing Co., Ltd      | 411,666.67     |                   |
| Guolian automobile power battery Research Institute Co., Ltd | 73,034.00      |                   |
| Chang'an Auto Finance Co., Ltd                               | 66,943,616.44  |                   |
| Chang'an Mazda Engine Co., Ltd                               | 41,500,000.00  |                   |
| Southwest Securities Co., Ltd                                | 2,690,400.00   |                   |
| Total  | 255,356,145.11 |                   |

**(2)Other receivables**

## 1) Aging analysis of other receivables

In RMB Yuan

| Aging           | Ending balance | Beginning balance |
|-----------------|----------------|-------------------|
| Within 1 year   | 178,523,769.16 | 617,564,020.74    |
| 1 to 2 years    | 64,284,604.28  | 1,762,913.64      |
| 2 to 3 years    | 1,981,904.94   | 2,737,081.98      |
| Over 3 years    | 16,796,244.89  | 17,525,165.97     |
| Total           | 261,586,523.27 | 639,589,182.33    |
|                 |                |                   |
| Less: Provision | (7,327,820.52) | (7,466,239.96)    |
| Total           | 254,258,702.75 | 632,122,942.37    |

## 2) Other receivables are classified by nature

In RMB Yuan

| Nature                            | Ending balance | Beginning balance |
|-----------------------------------|----------------|-------------------|
| Subsidies for new energy vehicles | 50,998,795.00  | 409,468,872.96    |
| Bond                              | 18,205,007.69  | 84,465,512.53     |
| Petty cash                        | 37,717,721.77  | 23,921,846.41     |
| Other                             | 147,337,178.29 | 114,266,710.47    |
| Total                             | 254,258,702.75 | 632,122,942.37    |

## 3) The changes in the provision for bad debts for other receivables based on the 12-month expected credit losses and the expected credit losses for the entire duration

In RMB Yuan

| Category   | Beginning balance | Change amount in the current period |                        |            |       | Ending balance |
|------------|-------------------|-------------------------------------|------------------------|------------|-------|----------------|
|            |                   | Provision                           | Withdrawal or reversal | Write-off  | Other |                |
| 2022.6.30  | 7,466,239.96      | 64,762.57                           | 203,182.01             |            |       | 7,327,820.52   |
| 2021.12.31 | 11,821,252.79     | 68,455.17                           | 4,205,241.00           | 218,227.00 |       | 7,466,239.96   |

## 4) Other receivables with top five ending balances collected by debtors

In RMB Yuan

| Name  | Nature                            | Ending balance | Aging         | Proportion in ending balance of other receivables (%) | Ending balance of bad debt provision |
|-------|-----------------------------------|----------------|---------------|---|--------------------------------------|
| First | Subsidies for new energy vehicles | 50,998,795.00  | Within 1 year | 19.50   |                                      |

|        |                    |                |               |       |  |
|--------|--------------------|----------------|---------------|-------|--|
| Second | Disposal of assets | 48,350,040.00  | 1 to 2 years  | 18.48 |  |
| Third  | Bond               | 15,900,000.00  | Within 1 year | 6.08  |  |
| Fourth | Electricity fee    | 10,815,169.74  | Within 1 year | 4.13  |  |
| Fifth  | Gas fee            | 6,143,019.88   | Within 1 year | 2.35  |  |
| Total  |                    | 132,207,024.62 | -             | 50.54 |  |

5) Other receivables derecognized due to transfer of financial assets

As of June 30, 2022, the Group has no other receivables derecognized as financial asset transfers. (December 31, 2021: Nil).

## 7. Inventory

### (1) Classification of inventory

In RMB Yuan

| Item                | Ending balance   |   |                  | Beginning balance |   |                  |
|---------------------|------------------|---|------------------|-------------------|---|------------------|
|                     | Balance          | Provision for impairment of inventories or provision for impairment of contract performance costs | Net value        | Balance           | Provision for impairment of inventories or provision for impairment of contract performance costs | Net value        |
| Raw materials       | 1,251,525,114.27 | 276,722,893.12  | 974,802,221.15   | 814,952,436.64    | 313,721,126.17  | 501,231,310.47   |
| Work in transit     | 107,432,641.94   | -   | 107,432,641.94   | 355,550,319.54    | -   | 355,550,319.54   |
| Work in progress    | 2,609,892,441.73 | 60,788,411.49   | 2,549,104,030.24 | 2,759,775,787.47  | 72,995,707.72   | 2,686,780,079.75 |
| Commodity stock     | 3,438,230,207.70 | 76,638,247.43   | 3,361,591,960.27 | 3,420,908,192.91  | 166,294,516.69  | 3,254,613,676.22 |
| Revolving materials | -                | -   | -                | 29,535,580.80     | -   | 29,535,580.80    |
| Spare parts         | 31,994,939.02    | -   | 31,994,939.02    | 25,163,453.81     | -   | 25,163,453.81    |
| Total               | 7,439,075,344.66 | 414,149,552.04  | 7,024,925,792.62 | 7,405,885,771.17  | 553,011,350.58  | 6,852,874,420.59 |

### (2) Provision for inventory

In RMB Yuan

| Item             | Beginning balance | Increase      |       | Decrease     |                | Ending balance |
|------------------|-------------------|---------------|-------|--------------|----------------|----------------|
|                  |                   | Provision     | Other | Reversal     | Write-off      |                |
| Raw materials    | 313,721,126.17    | 10,874,321.00 |       | 82,454.04    | 47,790,100.01  | 276,722,893.12 |
| Work in progress | 72,995,707.72     | 48,387,421.87 |       | 320,089.45   | 60,274,628.65  | 60,788,411.49  |
| Commodity stock  | 166,294,516.69    | 17,364,083.57 |       | 4,091,297.35 | 102,929,055.48 | 76,638,247.43  |
| Total            | 553,011,350.58    | 76,625,826.44 |       | 4,493,840.84 | 210,993,784.14 | 414,149,552.04 |

## 8. Contract assets

In RMB Yuan

| Item            | Ending balance   |                          |                  | Beginning balance |                          |                  |
|-----------------|------------------|--------------------------|------------------|-------------------|--------------------------|------------------|
|                 | Balance          | Provision for impairment | Net value        | Balance           | Provision for impairment | Net value        |
| Contract assets | 1,208,077,390.13 | 171,319,492.50           | 1,036,757,897.63 | 1,320,954,229.34  | 169,661,981.98           | 1,151,292,247.36 |
| Total           | 1,208,077,390.13 | 171,319,492.50           | 1,036,757,897.63 | 1,320,954,229.34  | 169,661,981.98           | 1,151,292,247.36 |

Current contract assets provision for impairment:

In RMB Yuan

|            | Beginning balance | Provision     | Turn back    | Resale       | Ending balance |
|------------|-------------------|---------------|--------------|--------------|----------------|
| 2022.6.30  | 169,661,981.98    | 1,807,510.52  | 150,000.00   | -            | 171,319,492.50 |
| 2021.12.31 | 134,148,932.88    | 49,094,830.06 | 7,431,781.00 | 6,149,999.96 | 169,661,981.98 |

**9. Other current assets**

In RMB Yuan

| Item              | Ending balance        | Beginning balance       |
|-------------------|-----------------------|-------------------------|
| Accrual input tax | 633,540,441.95        | 1,140,996,871.24        |
| Prepaid taxes     | 139,504,217.70        | 3,078,565.10            |
| Others            | 9,626,784.09          | 3,723,435.08            |
| <b>Total</b>      | <b>782,671,443.74</b> | <b>1,147,798,871.42</b> |

## 10. Long-term equity investments

In RMB Yuan

| Investee  | Beginning balance | Increase / decrease |                                       |                                       |  | Ending balance   | Provision ending balance |
|---|-------------------|---------------------|---------------------------------------|---------------------------------------|--|------------------|--------------------------|
|   |                   | Addition            | Investment income under equity method | Other comprehensive income adjustment | Declaration of cash dividends or profits |                  |                          |
| <b>I. Joint Venture</b>   |                   |                     |                                       |                                       |  |                  |                          |
| Changan Ford Automobile Co., Ltd.   | 2,934,876,043.99  |                     | 522,860,908.17                        |                                       |  | 3,457,736,952.16 |                          |
| Changan Mazda Automobile Co., Ltd.  | 1,867,086,106.67  |                     | 236,050,510.98                        |                                       | (381,500,000.00)                         | 1,721,636,617.65 |                          |
| Changan Mazda Engine Co., Ltd.  | 835,121,564.38    |                     | 15,784,275.65                         |                                       | (41,500,000.00)                          | 809,405,840.03   |                          |
| Nanchang Jiangling Holding Co., Ltd.  | 1,630,596,420.97  |                     | 88,264,113.54                         |                                       |  | 1,718,860,534.51 |                          |
| Subtotal  | 7,267,680,136.01  |                     | 862,959,808.34                        |                                       | (423,000,000.00)                         | 7,707,639,944.35 |                          |
| <b>II. Associates</b>   |                   |                     |                                       |                                       |  |                  |                          |
| Chongqing Changan Kuayue Automobile Co., Ltd.   | 242,792,196.86    |                     | (20,594,524.55)                       |                                       |  | 222,197,672.31   |                          |
| Changan Automobile Financing Co.,Ltd  | 2,520,349,332.44  |                     | 152,764,747.43                        |                                       | (66,943,616.44)                          | 2,606,170,463.43 |                          |
| Hainan Anxinxing Information Technology Co., Ltd. (note 1)                                |                   | 368,900.00          | (368,900.00)                          |                                       |  |                  |                          |
| Nanjing Chelai Travel Technology Co., Ltd.  | 866,888.90        |                     | (97,213.22)                           |                                       |  | 769,675.68       |                          |
| Hunan Guoxin Semiconductor Technology Co., Ltd.   | 25,285,116.95     |                     | (552,714.09)                          |                                       |  | 24,732,402.86    |                          |
| Nanjing Leading Equity Investment Management Co., Ltd. (Limited Partnership)              | 2,424,143,949.52  |                     | (42,899.72)                           |                                       |  | 2,424,101,049.80 |                          |
| Nanjing Leading Equity Investment Partnership   | 1,133,065.60      |                     | (9,266.61)                            |                                       |  | 1,123,798.99     |                          |
| Chongqing Changan New Energy Vehicles Technology Co., Ltd.                                | 425,266,071.28    | 2,023,566,110.70    | (730,298,424.67)                      |                                       |  | 1,718,533,757.31 |                          |
| Zhongqi Chuangzhi Technology Co., Ltd.  | 190,534,997.15    |                     | (9,012,542.48)                        |                                       |  | 181,522,454.67   |                          |
| Chongqing Changxin Zhiqi Private Equity Investment Fund Partnership (Limited Partnership) | 25,007,587.62     |                     | (5,754.39)                            |                                       |  | 25,001,833.23    |                          |
| Anhe (Chongqing) Equity Investment Fund Management Co., Ltd.                              | 2,199,216.74      |                     | (222,996.33)                          |                                       |  | 1,976,220.41     |                          |

|  |                   |                  |                  |            |                  |                   |  |
|--|-------------------|------------------|------------------|------------|------------------|-------------------|--|
| Hangzhou Chelizi Intelligent Technology Co., Ltd.            | 9,456,236.58      |                  | (559,728.73)     |            |                  | 8,896,507.85      |  |
| Master Changan Automobile Co., Ltd.                          | 40,167,274.82     |                  | (2,584,892.67)   |            |                  | 37,582,382.15     |  |
| Jiangling Holding Co., Ltd.                                  | 70,492,790.08     |                  | (41,202,595.77)  |            |                  | 29,290,194.31     |  |
| AVATR. Co., Ltd. (note 2)                                    |                   | 2,446,278,194.01 | (131,350,496.79) | 146,228.18 |                  | 2,315,073,925.40  |  |
| Chongqing Changan Kuayue Automobile Sales Co., Ltd. (note 1) |                   |                  |                  |            |                  |                   |  |
| Beijing Fang'an crescent taxi Co., Ltd. (note 1)             |                   |                  |                  |            |                  |                   |  |
| Chongqing Wutong Chelian Technology Co., Ltd. (note 1)       |                   |                  |                  |            |                  |                   |  |
| Subtotal   | 5,977,694,724.54  | 4,470,213,204.71 | (784,138,202.59) | 146,228.18 | (66,943,616.44)  | 9,596,972,338.40  |  |
| Total  | 13,245,374,860.55 | 4,470,213,204.71 | 78,821,605.75    | 146,228.18 | (489,943,616.44) | 17,304,612,282.75 |  |

Note 1: On 2022 June 30, the Group of Chongqing Changan Kuayue Automobile Co., Ltd., Beijing Fang'an crescent taxi Co., Ltd., Chongqing Wutong Chelian Technology Co., Ltd. and Hainan Anxinxing Information Technology Co., Ltd. did not have the obligation to undertake extra losses, so the excess loss when it occurs, only the long-term equity investment was written down to zero. The excess losses related to the investment in the above three companies were not recognized.

Note 2: In March 2022, AVATR. Co., Ltd., a subsidiary of the company, completed capital increase and share expansion and introduced new investors. After the capital increase was completed, AVATR. Co., Ltd. changed from a subsidiary to an associate enterprise.

## 11. Investment in other equity instruments

In RMB Yuan

| Item  | Accumulative changes in fair value included in other comprehensive income | Fair value            | Dividends Income      | Reason for being designated as fair value through other comprehensive income |
|---|---|-----------------------|-----------------------|--|
| Corun Hybrid Power Technology Co. Ltd   | 5,959,600.00  | 205,959,600.00        |                       | Unlisted equity instruments  |
| China South Industry Group Finance Co., Ltd.  | 174,979,200.00  | 332,000,000.00        | 143,737,428.00        | Unlisted equity instruments  |
| Guoqi (Beijing) Intelligent Network Association Automotive Research Institute Co., Ltd. | 100,000.00  | 50,100,000.00         |                       | Unlisted equity instruments  |
| Guoqi Automobile Power Cell Research Co., Ltd.  | 6,700,000.00  | 46,700,000.00         | 73,034.00             | Unlisted equity instruments  |
| China South Industry Group Financial Leasing Co., Ltd.                                  | 12,098,000.00   | 42,650,000.00         | 411,666.67            | Unlisted equity instruments  |
| Zhong Fa Lian Investment Co., Ltd.  |   | 21,000,000.00         |                       | Unlisted equity instruments  |
| CAERI(Beijing) automobile Lightweight Technology Research Institution Co., Ltd.         |   | 3,000,000.00          |                       | Unlisted equity instruments  |
| Sichuan Glass Co., Ltd.   |   |                       |                       | Unlisted equity instruments  |
| <b>Total</b>  | <b>199,836,800.00</b>   | <b>701,409,600.00</b> | <b>144,222,128.67</b> |  |

## 12. Investment property

Cost Model

In RMB Yuan

| Item   | Buildings     | Total         |
|--|---------------|---------------|
| <b>I. Original cost</b>                              |               |               |
| 1. Opening balance                                   | 10,050,100.00 | 10,050,100.00 |
| 2. Increase in current period                        |               |               |
| 3. Decrease in current period                        |               |               |
| 4. Ending balance                                    | 10,050,100.00 | 10,050,100.00 |
| <b>II. Accumulated depreciation and amortization</b> |               |               |
| 1. Opening balance                                   | 3,400,673.40  | 3,400,673.40  |
| 2. Increase in current period                        | 113,355.78    | 113,355.78    |
| 3. Decrease in current period                        |               |               |
| 4. Ending balance                                    | 3,514,029.18  | 3,514,029.18  |
| <b>III. Net Value</b>                                |               |               |
| 1. Ending  | 6,536,070.82  | 6,536,070.82  |
| 2. Beginning   | 6,649,426.60  | 6,649,426.60  |

The investment property is rented to third parties in the form of operating lease.

As at 30 June 2022, there was no investment property without property certificate (As at 31 December 2021: Nil).

### 13. Fixed assets

#### (1) Details of fixed assets

In RMB Yuan

| Item                                   | Buildings        | Machinery         | Vehicles         | Other Equipment  | Total             |
|--|------------------|-------------------|------------------|------------------|-------------------|
| <b>I. Original cost</b>                |                  |                   |                  |                  |                   |
| Beginning                              | 9,881,301,151.22 | 26,013,931,324.85 | 1,421,170,657.53 | 9,442,094,973.15 | 46,758,498,106.75 |
| Purchase                               | 1,027,877.86     | 24,462,217.92     |                  | 27,079,122.51    | 52,569,218.29     |
| Transfer from Construction progress in | 3,092,478.77     | 130,267,336.64    | 452,607,358.73   | 380,740,958.65   | 966,708,132.79    |
| Disposal                               | 37,092,534.12    | 39,875,006.43     | 88,671,767.66    | 68,810,766.15    | 234,450,074.36    |
| Government grants                      |                  | 45,824,900.00     | 86,596,292.00    |                  | 132,421,192.00    |
| Other decrease                         | 12,196,144.18    | 7,082,213.50      | 433,482.76       | 8,540,318.14     | 28,252,158.58     |
| Ending                                 | 9,836,132,829.55 | 26,075,878,759.48 | 1,698,076,473.84 | 9,772,563,970.02 | 47,382,652,032.89 |
| <b>II. Accumulated depreciation</b>    |                  |                   |                  |                  |                   |
| Beginning                              | 2,830,770,398.43 | 14,770,986,696.00 | 537,352,883.68   | 4,988,689,213.76 | 23,127,799,191.87 |
| Accrual                                | 187,735,732.35   | 886,707,955.54    | 99,288,960.32    | 261,948,492.69   | 1,435,681,140.90  |
| Disposal                               | 26,061,113.31    | 35,323,317.76     | 64,225,749.84    | 16,129,740.61    | 141,739,921.52    |
| Other decrease                         |                  |                   | 205,021.23       | 993,150.09       | 1,198,171.32      |
| Ending                                 | 2,992,445,017.47 | 15,622,371,333.78 | 572,211,072.93   | 5,233,514,815.75 | 24,420,542,239.93 |
| <b>III. Impairment Provision</b>       |                  |                   |                  |                  |                   |
| Beginning                              | 99,421,052.16    | 1,772,417,722.74  | 99,933,602.55    | 332,966,687.27   | 2,304,739,064.72  |
| Accrual                                |                  | 123,779,668.17    | 318,225.48       | 41,020,062.45    | 165,117,956.10    |
| Disposal                               | 147,418.54       | 677,471.46        | 16,391,541.84    | 4,185,694.36     | 21,402,126.20     |
| Ending                                 | 99,273,633.62    | 1,895,519,919.45  | 83,860,286.19    | 369,801,055.36   | 2,448,454,894.62  |
| <b>IV. Net Value</b>                   |                  |                   |                  |                  |                   |
| Ending                                 | 6,744,414,178.46 | 8,557,987,506.25  | 1,042,005,114.72 | 4,169,248,098.91 | 20,513,654,898.34 |
| Beginning                              | 6,951,109,700.63 | 9,470,526,906.11  | 783,884,171.30   | 4,120,439,072.12 | 21,325,959,850.16 |

#### (2) Fixed assets that are temporarily unused

On June 30, 2022, the fixed assets with a book value of RMB 125,476,018.72 (December 31, 2021: RMB 150,232,534.30) were temporarily idle due to product upgrading and other reasons.

#### (3) The fixed assets which are rented out under operating leases

In RMB Yuan

| Item            | Ending           |
|-----------------|------------------|
| Buildings       | 293,881,396.48   |
| Machinery       | 47,076,051.90    |
| Vehicles        | 1,007,156,364.29 |
| Other Equipment | 4,084,478.11     |



#### 14. Construction in progress

##### (1) Details of construction in progress

In RMB Yuan

| Item                                    | Ending balance          |                      |                         | Beginning balance       |                      |                         |
|---|-------------------------|----------------------|-------------------------|-------------------------|----------------------|-------------------------|
|   | Balance                 | Provision            | Carrying amount         | Balance                 | Provision            | Carrying amount         |
| Mini-bus production equipment           | 153,198,664.88          |                      | 153,198,664.88          | 110,892,336.09          |                      | 110,892,336.09          |
| Car production equipment                | 285,522,690.10          | 21,313,648.08        | 264,209,042.02          | 304,941,771.34          | 21,313,648.08        | 283,628,123.26          |
| Engine plant                            | 163,363,062.61          |                      | 163,363,062.61          | 127,069,581.90          |                      | 127,069,581.90          |
| Vehicle research institution            | 17,612,321.21           |                      | 17,612,321.21           | 27,661,450.64           |                      | 27,661,450.64           |
| Car production Project of Hefei Changan | 22,273,791.97           |                      | 22,273,791.97           | 13,073,052.88           |                      | 13,073,052.88           |
| Light vehicle project                   | 20,953,663.84           |                      | 20,953,663.84           | 20,953,663.84           |                      | 20,953,663.84           |
| Others                                  | 511,656,556.17          | 22,885,996.12        | 488,770,560.05          | 927,276,352.74          | 50,378,021.92        | 876,898,330.82          |
| <b>Total</b>                            | <b>1,174,580,750.78</b> | <b>44,199,644.20</b> | <b>1,130,381,106.58</b> | <b>1,531,868,209.43</b> | <b>71,691,670.00</b> | <b>1,460,176,539.43</b> |

**(2) Movements of significant construction in progress**

In RMB Yuan

| Item                                    | Budget           | Beginning balance       | Addition              | Transferred to fixed assets | Other deduction       | Ending balance          | The project investments' proportion of budget (%) | Progress of construction (%) | Source of funds                     |
|---|------------------|-------------------------|-----------------------|-----------------------------|-----------------------|-------------------------|---|------------------------------|-------------------------------------|
| Mini-bus production equipment           | 1,093,490,000.00 | 110,892,336.09          | 76,807,358.31         | 34,431,295.01               | 69,734.51             | 153,198,664.88          | 78.00   | 78.00                        | Self-funded                         |
| Car production equipment                | 3,650,155,000.00 | 283,628,123.26          | 6,581,219.57          | 26,000,300.81               |                       | 264,209,042.02          | 76.00   | 76.00                        | Self-raised and additional issuance |
| Engine plant                            | 4,659,071,200.00 | 127,069,581.90          | 57,103,331.39         | 20,809,850.68               |                       | 163,363,062.61          | 77.00   | 77.00                        | Self-raised and additional issuance |
| Vehicle research institution            | 2,099,060,000.00 | 27,661,450.64           | 18,263,706.59         | 28,312,836.02               |                       | 17,612,321.21           | 86.00   | 86.00                        | Self-funded                         |
| Car production project of Hefei Changan | 3,949,800,000.00 | 13,073,052.88           | 9,200,739.09          |                             |                       | 22,273,791.97           | 87.00   | 87.00                        | Self-raised and additional issuance |
| Light vehicle project                   | 520,083,400.00   | 20,953,663.84           |                       |                             |                       | 20,953,663.84           | 68.00   | 68.00                        | Self-funded                         |
| Car-sharing project                     |                  | 721,192,899.46          |                       | 451,943,328.88              | 45,371,719.67         | 223,877,850.91          |   |                              | Self-funded                         |
| Others                                  |                  | 155,705,431.36          | 619,556,531.14        | 405,210,521.39              | 105,158,731.97        | 264,892,709.14          |   |                              | Self-funded                         |
| <b>Total</b>                            |                  | <b>1,460,176,539.43</b> | <b>787,512,886.09</b> | <b>966,708,132.79</b>       | <b>150,600,186.15</b> | <b>1,130,381,106.58</b> |   |                              |                                     |

**(3) The movement of impairment for construction in progress is as follows:**

In RMB Yuan

| Item              | Beginning balance | Addition   | Deduction     | Ending balance |
|-------------------|-------------------|------------|---------------|----------------|
| June 30, 2022     | 71,691,670.00     |            | 27,492,025.80 | 44,199,644.20  |
| December 31, 2021 | 71,352,959.12     | 558,034.00 | 219,323.12    | 71,691,670.00  |

**15. Right-of-use assets**

In RMB Yuan

| Item                                | Buildings     | Total         |
|-------------------------------------|---------------|---------------|
| <b>I. Original cost</b>             |               |               |
| 1. Beginning                        | 92,864,546.90 | 92,864,546.90 |
| 2. Purchase                         | 77,438,068.15 | 77,438,068.15 |
| 3. Disposal                         | 2,689,483.42  | 2,689,483.42  |
| 4. Other deduction                  | 78,792,400.21 | 78,792,400.21 |
| 5. Ending                           | 88,820,731.42 | 88,820,731.42 |
| <b>II. Accumulated depreciation</b> |               |               |
| 1. Beginning                        | 26,551,483.92 | 26,551,483.92 |
| 2. Purchase                         | 16,605,322.98 | 16,605,322.98 |
| 3. Disposal                         | 582,721.40    | 582,721.40    |
| 4. Other deduction                  | 3,770,986.88  | 3,770,986.88  |
| 5. Ending                           | 38,803,098.62 | 38,803,098.62 |
| <b>III. Carrying amount</b>         |               |               |
| 1. Ending                           | 50,017,632.80 | 50,017,632.80 |
| 2. Beginning                        | 66,313,062.98 | 66,313,062.98 |

**16. Intangible assets**

**(1) Details of intangible assets**

In RMB Yuan

| Item                                | Land use rights  | Patent        | Non-patent technology | Software use rights | Trademark use rights | Total             |
|-------------------------------------|------------------|---------------|-----------------------|---------------------|----------------------|-------------------|
| <b>I. Original cost</b>             |                  |               |                       |                     |                      |                   |
| Beginning                           | 2,284,655,025.60 |               | 6,643,349,368.90      | 785,360,545.01      | 211,864,157.55       | 9,925,229,097.06  |
| Purchase                            |                  | 85,556,571.30 | 2,950,592.78          | 7,057,273.61        |                      | 95,564,437.69     |
| Internal research and development   |                  |               | 441,434,828.55        |                     |                      | 441,434,828.55    |
| Disposal                            | 46,688,334.00    |               |                       |                     |                      | 46,688,334.00     |
| Ending                              | 2,237,966,691.60 | 85,556,571.30 | 7,087,734,790.23      | 792,417,818.62      | 211,864,157.55       | 10,415,540,029.30 |
| <b>II. Accumulated amortization</b> |                  |               |                       |                     |                      |                   |
| Beginning                           | 440,258,024.63   |               | 3,969,781,572.32      | 671,428,815.01      | 211,786,800.00       | 5,293,255,211.96  |

|                           |                  |               |                  |                |                |                  |
|---------------------------|------------------|---------------|------------------|----------------|----------------|------------------|
| Accrual                   | 25,049,708.12    | 2,851,885.71  | 481,902,072.11   | 18,236,655.74  | 77,357.55      | 528,117,679.23   |
| Disposal                  | 20,568,118.91    |               | -                | -              | -              | 20,568,118.91    |
| Ending                    | 444,739,613.84   | 2,851,885.71  | 4,451,683,644.43 | 689,665,470.75 | 211,864,157.55 | 5,800,804,772.28 |
| III. Impairment provision |                  |               |                  |                |                |                  |
| Beginning                 |                  |               | 222,358,304.26   | 23,617,923.17  |                | 245,976,227.43   |
| Accrual                   |                  |               | 2,920,133.24     |                |                | 2,920,133.24     |
| Ending                    |                  |               | 225,278,437.50   | 23,617,923.17  |                | 248,896,360.67   |
| IV、Carrying amount        |                  |               |                  |                |                |                  |
| Ending                    | 1,793,227,077.76 | 82,704,685.59 | 2,410,772,708.30 | 79,134,424.70  |                | 4,365,838,896.35 |
| Beginning                 | 1,844,397,000.97 |               | 2,451,209,492.32 | 90,313,806.83  | 77,357.55      | 4,385,997,657.67 |

As of June 30, 2022, intangible assets formed through internal research and development accounted for 55.22% of the year-end book value of intangible assets (December 31, 2021: 55.89%).

As of June 30, 2022, there is no land use rights that have not completed the land use right certificate (December 31, 2021: Nil).

## 17. Development expenditure

In RMB Yuan

| Item                   | Beginning balance | Addition Internal research and development | Deduction                       |   |                 | Ending balance |
|------------------------|-------------------|--|---------------------------------|---|-----------------|----------------|
|                        |                   |  | Recognized as intangible assets | Charged to income Statement of the current year | Other deduction |                |
| Automobile Development | 727,568,248.78    | 602,999,114.43                             | 441,434,828.55                  | 86,143,252.73                                   | 251,509,079.07  | 551,480,202.86 |
| Total                  | 727,568,248.78    | 602,999,114.43                             | 441,434,828.55                  | 86,143,252.73                                   | 251,509,079.07  | 551,480,202.86 |

## 18. Development expenditure

### (1) Original book value of goodwill

In RMB Yuan

| Item                                | Beginning balance | Addition | Deduction     | Ending balance |
|-------------------------------------|-------------------|----------|---------------|----------------|
| Hebei Changan Automobile Co., Ltd   | 9,804,394.00      |          |               | 9,804,394.00   |
| Nanjing Changan Automobile Co., Ltd |                   |          |               |                |
| AVATR. Co., Ltd                     | 39,078,794.37     |          | 39,078,794.37 |                |
| Total                               | 48,883,188.37     |          | 39,078,794.37 | 9,804,394.00   |

Note: The deduction of goodwill of AVATR. Co., Ltd in the current period is due to the impact of changes in the scope of consolidation caused by the loss of control.

### (2) Provision for goodwill

In RMB Yuan

| Item                                 | Beginning balance | Addition | Deduction | Ending balance |
|--------------------------------------|-------------------|----------|-----------|----------------|
| Nanjing Changan Automobile Co., Ltd. | 73,465,335.00     |          |           | 73,465,335.00  |
| Total                                | 73,465,335.00     |          |           | 73,465,335.00  |

## 19. Long-term deferred expenses

In RMB Yuan

| Item                        | Beginning balance | Addition     | Deduction    | Other deduction | Ending balance |
|-----------------------------|-------------------|--------------|--------------|-----------------|----------------|
| Long-term deferred expenses | 15,032,814.19     | 8,501,069.16 | 1,826,783.84 |                 | 21,707,099.51  |
| Total                       | 15,032,814.19     | 8,501,069.16 | 1,826,783.84 |                 | 21,707,099.51  |

## 20. Deferred tax assets and liabilities

### (1) Deferred income tax assets that are not offset:

In RMB Yuan

| Item  | Ending balance                   |                     | Beginning balance                |                     |
|---|----------------------------------|---------------------|----------------------------------|---------------------|
|   | Deductible temporary differences | Deferred tax assets | Deductible temporary differences | Deferred tax assets |
| Assets provision  | 2,871,396,575.12                 | 430,709,486.27      | 2,777,356,777.37                 | 416,729,166.66      |
| Accrued expenses and contingent liabilities               | 6,989,431,192.52                 | 1,048,414,678.88    | 6,824,636,821.50                 | 1,034,344,964.94    |
| Unpaid tech development expense and advertisement expense | 571,216,316.77                   | 85,682,447.52       | 371,602,577.37                   | 55,740,386.60       |
| Deferred income   | 2,938,710,999.31                 | 440,806,649.89      | 2,897,724,045.52                 | 434,658,606.83      |
| Unpaid salary and bonus and others                        | 2,864,638,006.49                 | 429,695,700.98      | 2,252,471,662.68                 | 339,346,391.96      |
| Total   | 16,235,393,090.21                | 2,435,308,963.54    | 15,123,791,884.44                | 2,280,819,516.99    |

### (2) Deferred income tax liabilities that are not offset:

In RMB Yuan

| Item   | Ending balance                |                          | Beginning balance             |                          |
|--|-------------------------------|--------------------------|-------------------------------|--------------------------|
|  | Taxable temporary differences | Deferred tax liabilities | Taxable temporary differences | Deferred tax liabilities |
| Changes in fair value of financial assets                              | 392,235,421.84                | 58,835,313.28            | 366,226,945.07                | 54,934,041.76            |
| Fair value adjustment of business combination not under common control | 214,453,003.57                | 32,167,950.54            | 223,598,108.60                | 33,539,716.29            |
| Long-term equity investment  | 824,671,946.85                | 123,700,792.03           | 824,671,946.85                | 123,700,792.03           |
| Other  | 33,336,067.93                 | 5,000,410.19             | 35,116,281.93                 | 5,267,442.29             |
| Total  | 1,464,696,440.19              | 219,704,466.04           | 1,449,613,282.45              | 217,441,992.37           |

### (3) Details of unrecognized deferred tax assets

In RMB Yuan

| Item                                | Ending balance   | Beginning balance |
|-------------------------------------|------------------|-------------------|
| The deductible temporary difference | 1,772,143,525.42 | 2,557,584,132.14  |
| The deductible tax loss             | 4,693,437,982.83 | 7,599,963,296.27  |
| Total                               | 6,465,581,508.25 | 10,157,547,428.41 |

Note: Due to the uncertainty of whether there will be enough taxable profit in future to utilize the above deductible loss, no deferred tax assets have been recognized accordingly.

**(4) Maturity period for unrecognized deductible tax losses:**

In RMB Yuan

| Year            | Ending balance   | Beginning balance |
|-----------------|------------------|-------------------|
| 2022            | 160,009,422.55   | 186,827,208.01    |
| 2023            | 651,217,805.08   | 719,486,343.29    |
| 2024            | 642,608,818.28   | 644,243,430.69    |
| 2025            | 662,132,493.46   | 804,477,322.53    |
| 2026            | 177,704,323.94   | 191,081,327.12    |
| 2027 and beyond | 2,399,765,119.52 | 5,053,847,664.63  |
| Total           | 4,693,437,982.83 | 7,599,963,296.27  |

**21. Short-term loans**

In RMB Yuan

| Item            | Ending balance | Beginning balance |
|-----------------|----------------|-------------------|
| Mortgage loans  | 19,000,000.00  | 19,000,000.00     |
| Guaranteed loan | 27,166,500.00  |                   |
| Total           | 46,166,500.00  | 19,000,000.00     |

As at 30 June 2022, there was no overdue short-term loan (as at 31 December 2021: Nil).

**22. Notes payable**

In RMB Yuan

| Item                       | Ending balance    | Beginning balance |
|----------------------------|-------------------|-------------------|
| Commercial acceptance bill | 3,438,819,091.41  | 5,419,108,409.88  |
| Bank acceptance bill       | 23,482,587,410.81 | 18,873,159,961.24 |
| Total                      | 26,921,406,502.22 | 24,292,268,371.12 |

As at 30 June 2022, there were no significant accounts payable aged over one year (as at 31 December 2021: Nil).

**23. Accounts payable**

In RMB Yuan

| Item             | Ending balance    | Beginning balance |
|------------------|-------------------|-------------------|
| Accounts payable | 23,994,999,761.80 | 23,650,604,870.98 |
| Total            | 23,994,999,761.80 | 23,650,604,870.98 |

As at 30 June 2022, there were no significant accounts payable aged over one year (as at 31 December 2021: Nil).

## 24. Contract liabilities

In RMB Yuan

| Item                    | Ending balance   | Beginning balance |
|-------------------------|------------------|-------------------|
| Advance payment         | 4,267,583,038.93 | 9,274,445,050.60  |
| Advance service payment | 688,487,935.99   | 566,064,463.79    |
| Total                   | 4,956,070,974.92 | 9,840,509,514.39  |

## 25. Payroll payable

### (1) Payroll payable

In RMB Yuan

| Item                       | Beginning balance | Addition         | Deduction        | Ending balance   |
|----------------------------|-------------------|------------------|------------------|------------------|
| Short term salary benefits | 2,474,414,390.26  | 4,166,290,955.51 | 3,428,026,533.58 | 3,212,678,812.19 |
| Defined contribution plans | 89,216,538.26     | 295,145,597.47   | 271,516,773.31   | 112,845,362.42   |
| Early retirement benefits  | 2,940,000.00      | -                | 1,664,381.96     | 1,275,618.04     |
| Total                      | 2,566,570,928.52  | 4,461,436,552.98 | 3,701,207,688.85 | 3,326,799,792.65 |

### (2) Short term salary benefits:

In RMB Yuan

| Item                                      | Beginning balance | Addition         | Deduction        | Ending balance   |
|---|-------------------|------------------|------------------|------------------|
| 1. Salary, bonus, allowance and subsidy   | 2,051,402,711.53  | 3,545,065,703.78 | 2,739,493,804.21 | 2,856,974,611.10 |
| 2. Employee benefit                       | 50,630,435.22     | 143,683,960.45   | 192,022,028.36   | 2,292,367.31     |
| 3. Social insurance                       | 33,522,353.03     | 226,556,597.67   | 206,451,388.46   | 53,627,562.24    |
| Medical insurance                         | 21,021,344.24     | 206,179,667.73   | 186,302,126.78   | 40,898,885.19    |
| Industrial injury insurance               | 11,118,683.26     | 20,113,506.84    | 18,503,897.89    | 12,728,292.21    |
| Maternity insurance                       | 1,382,325.53      | 263,423.10       | 1,645,363.79     | 384.84           |
| 4. Housing accumulation fund              | 82,772,742.30     | 120,578,347.77   | 138,180,124.15   | 65,170,965.92    |
| 5. Labor fund and employee education fund | 256,086,148.18    | 118,762,733.07   | 146,235,575.63   | 228,613,305.62   |
| 6. Others                                 |                   | 11,643,612.77    | 5,643,612.77     | 6,000,000.00     |
| Total                                     | 2,474,414,390.26  | 4,166,290,955.51 | 3,428,026,533.58 | 3,212,678,812.19 |

### (3) Defined contribution plans:

In RMB Yuan

| Item                | Beginning balance | Addition       | Deduction      | Ending balance |
|---------------------|-------------------|----------------|----------------|----------------|
| 1. Basic retirement | 79,483,988.05     | 285,176,572.20 | 262,988,606.04 | 101,671,954.21 |

|                           |               |                |                |                |
|---------------------------|---------------|----------------|----------------|----------------|
| security                  |               |                |                |                |
| 2. Unemployment insurance | 9,732,550.21  | 9,969,025.27   | 8,528,167.27   | 11,173,408.21  |
| Total                     | 89,216,538.26 | 295,145,597.47 | 271,516,773.31 | 112,845,362.42 |

The salary, bonus, allowance and subsidy, employee benefits and other social insurances mentioned above are paid in time according to related laws and regulations and sets of the Group.

## 26. Taxes payable

In RMB Yuan

| Item                                  | Ending balance | Beginning balance |
|---------------------------------------|----------------|-------------------|
| Value-added tax                       | 283,161,424.83 | 226,203,631.00    |
| Consumption tax                       | 313,679,284.06 | 677,686,833.74    |
| Corporate income tax                  | 21,973,424.89  | 105,632,071.69    |
| City maintenance and construction tax | 62,868,525.34  | 40,480,950.08     |
| Others                                | 25,810,497.92  | 71,309,911.01     |
| Total                                 | 707,493,157.04 | 1,121,313,397.52  |

## 27. Other payables

In RMB Yuan

| Item  | Ending balance   | Beginning balance |
|---|------------------|-------------------|
| Purchase and construction of fixed assets, intangible assets and engineering deposits | 828,054,799.13   | 949,561,307.22    |
| New energy subsidy collection and payment   | 807,637,855.00   | 169,127,065.00    |
| Customer and supplier margin  | 755,711,023.28   | 614,910,836.94    |
| Treasury stock repurchase   | 655,812,327.60   | 655,812,327.60    |
| Advertisement fees  | 435,181,058.99   | 890,826,555.71    |
| Storage fees and freight  | 381,651,926.24   | 159,463,618.29    |
| Maintenance fees  | 206,984,685.67   | 212,946,188.78    |
| Advanced receipt of land and plant disposal fees                                      | 140,000,000.00   |                   |
| Capital increase from third parties received in advance by subsidiaries               |                  | 253,750,000.00    |
| Equity disposal payment   | 89,444,954.88    | 61,787,880.00     |
| Others  | 815,849,609.20   | 594,440,565.15    |
| Total   | 5,116,328,239.99 | 4,562,626,344.69  |

## 28. Non-current liability within 1 year

In RMB Yuan

| Item                             | Ending balance | Beginning balance |
|----------------------------------|----------------|-------------------|
| Long-term loan within 1 year     | 654,300,000.00 | 354,300,000.00    |
| Long-term payables within 1 year | 213,312,142.21 | 154,593,759.05    |



|                                 |                |                |
|---------------------------------|----------------|----------------|
| Lease liabilities within 1 year | 19,964,461.90  | 24,945,824.52  |
| Total                           | 887,576,604.11 | 533,839,583.57 |

## 29. Other current liabilities

In RMB Yuan

| Item   | Ending balance   | Beginning balance |
|--|------------------|-------------------|
| Accrued commercial discount payable          | 3,260,659,595.98 | 3,367,324,452.66  |
| Accrued transportation fee                   | 805,314,435.84   | 729,390,155.06    |
| Accrued market development expense           | 564,309,358.38   | 808,031,552.57    |
| Accrued technology royalty                   | 402,214,421.99   | 342,675,110.58    |
| Accrued integrated services fee              | 79,555,300.00    | 79,555,300.00     |
| Accrued labor service fee                    | 76,656,610.57    | 63,197,022.32     |
| Accrued utilities                            | 41,279,074.15    | 48,068,943.51     |
| Accrued negative points for fuel consumption | -                | 33,239,495.00     |
| Others                                       | 232,310,379.25   | 209,476,997.52    |
| Total  | 5,462,299,176.16 | 5,680,959,029.22  |

## 30. Long-term Loan

In RMB Yuan

| Item                          | Ending balance | Beginning balance |
|-------------------------------|----------------|-------------------|
| Credit loan                   | 694,300,000.00 | 954,300,000.00    |
| Deduction: Loan within 1 year | 654,300,000.00 | 354,300,000.00    |
| Net Long-term Loan            | 40,000,000.00  | 600,000,000.00    |

As at June 30, 2022, the interest rates of the above loans were 1.00%-3.00% (as at 31 December 2021: 1.00%-3.00%).

As at June 30, 2022, there is no overdue long-term loans (as at 31 December 2021: Nil).

## 31. Lease liabilities

In RMB Yuan

| Item                                  | Ending balance | Beginning balance |
|---------------------------------------|----------------|-------------------|
| Lease liabilities                     | 48,166,482.15  | 63,625,560.11     |
| Less: Lease liabilities within 1 year | 19,964,461.90  | 24,945,824.52     |
| Net lease liabilities                 | 28,202,020.25  | 38,679,735.59     |

## 32. Long-term payables

In RMB Yuan

| Item               | Ending balance | Beginning balance |
|--------------------|----------------|-------------------|
| Long-term payables | 467,780,397.91 | 642,513,537.69    |

|                  |                |                |
|------------------|----------------|----------------|
| Special payables | 163,222,915.60 | 182,959,952.39 |
| Total            | 631,003,313.51 | 825,473,490.08 |

**(1) Long-term payables:**

In RMB Yuan

| Item                                   | Ending balance | Beginning balance |
|--|----------------|-------------------|
| Purchase of fixed assets               | 681,092,540.12 | 797,107,296.74    |
| Less: Long-term payables within 1 year | 213,312,142.21 | 154,593,759.05    |
| Total                                  | 467,780,397.91 | 642,513,537.69    |

**(2) Special payables:**

In RMB Yuan

| Item  | Beginning balance | Addition      | Deduction     | Ending balance |
|---|-------------------|---------------|---------------|----------------|
| Land relocation compensation of Nanjing changan | 55,350,709.40     |               | 55,350,709.40 |                |
| Intelligent manufacturing project               | 82,777,201.36     | 35,740,700.00 | 11,318,391.82 | 107,199,509.54 |
| Lightweight design of automobile structure      | 18,903,766.50     | 2,800,000.00  | 4,801,572.92  | 16,902,193.58  |
| Others  | 25,928,275.13     | 16,140,816.00 | 2,947,878.65  | 39,121,212.48  |
| Total   | 182,959,952.39    | 54,681,516.00 | 74,418,552.79 | 163,222,915.60 |

**33. Long-term payroll payable**

In RMB Yuan

| Item                                   | Ending balance | Beginning balance |
|--|----------------|-------------------|
| Net obligation of defined benefit plan | 27,665,760.32  | 30,917,000.00     |
| Early retirement                       | 8,971,069.20   | 8,186,000.00      |
| Total                                  | 36,636,829.52  | 39,103,000.00     |

**34. Contingent liabilities**

In RMB Yuan

| Item   | Ending balance   | Beginning balance |
|--|------------------|-------------------|
| Warranty                                       | 3,770,948,830.71 | 3,295,272,783.50  |
| Contingent liabilities of contract performance | 509,056,929.02   | 543,742,894.34    |
| Total  | 4,280,005,759.73 | 3,839,015,677.84  |

### 35. Deferred income

In RMB Yuan

| Item                                | Beginning balance | Addition       | Deduction      | Ending balance |
|-------------------------------------|-------------------|----------------|----------------|----------------|
| Government grants related to assets | 224,903,605.46    | 121,411,192.00 | 132,421,192.00 | 213,893,605.46 |
| Government grants related to gains  | 699,846,125.66    | 10,531,250.00  | 424,791,568.19 | 285,585,807.47 |
| Total                               | 924,749,731.12    | 131,942,442.00 | 557,212,760.19 | 499,479,412.93 |

Details of government grants are as follows:

In RMB Yuan

| Liability                             | Beginning balance | Addition       | Deduction      | Ending balance |
|---------------------------------------|-------------------|----------------|----------------|----------------|
| Related to assets:                    | 224,903,605.46    | 121,411,192.00 | 132,421,192.00 | 213,893,605.46 |
| Production and construction subsidies | 158,141,323.00    | 121,411,192.00 | 121,411,192.00 | 158,141,323.00 |
| Other government subsidies            | 66,762,282.46     |                | 11,010,000.00  | 55,752,282.46  |
| Related to gains:                     | 699,846,125.66    | 10,531,250.00  | 424,791,568.19 | 285,585,807.47 |
| R&D technology subsidies              | 569,842,539.65    |                | 359,884,872.76 | 209,957,666.89 |
| Other government subsidies            | 130,003,586.01    | 10,531,250.00  | 64,906,695.43  | 75,628,140.58  |
| Total                                 | 924,749,731.12    | 131,942,442.00 | 557,212,760.19 | 499,479,412.93 |

### 36. Other non-current liabilities

In RMB Yuan

| Item   | Ending balance   | Beginning balance |
|--|------------------|-------------------|
| Advance service payment                          | 1,532,238,553.86 | 1,352,292,332.21  |
| Deduction: Advance service payment within 1 year | 688,487,935.99   | 566,064,463.79    |
| Net other non-current liabilities                | 843,750,617.87   | 786,227,868.42    |

### 37. Share capital

In RMB Yuan

|   | Beginning balance | Changes (+, -)    |                |                         |        | Ending balance |
|---|-------------------|-------------------|----------------|-------------------------|--------|----------------|
|   |                   | Additional issued | Stock dividend | Provident fund transfer | Others |                |
| I. Shares with sales restrictions       | 519,818,865.00    |                   |                | 155,945,659.00          |        | 675,764,524.00 |
| 1. State-owned legal person shares      | 396,393,645.00    |                   |                | 118,918,093.00          |        | 515,311,738.00 |
| 2. Other domestic shares                | 122,490,320.00    |                   |                | 36,747,096.00           |        | 159,237,416.00 |
| Including: Domestic legal person shares |                   |                   |                |                         |        |                |
| Domestic natural person                 | 122,490,320.00    |                   |                | 36,747,096.00           |        | 159,237,416.00 |

|  |                  |  |  |                  |                  |
|--|------------------|--|--|------------------|------------------|
| shares                                 |                  |  |  |                  |                  |
| 3. Foreign shares                      | 934,900.00       |  |  | 280,470.00       | 1,215,370.00     |
| Including: Foreign legal person shares |                  |  |  |                  |                  |
| Foreign natural person shares          | 934,900.00       |  |  | 280,470.00       | 1,215,370.00     |
| II. Shares without sales restrictions  | 7,112,334,537.00 |  |  | 2,133,700,361.00 | 9,246,034,898.00 |
| 1. Ordinary shares denominated in RMB  | 5,849,553,939.00 |  |  | 1,754,866,182.00 | 7,604,420,121.00 |
| 2. Domestic listed foreign shares      | 1,262,780,598.00 |  |  | 378,834,179.00   | 1,641,614,777.00 |
| III. Total shares                      | 7,632,153,402.00 |  |  | 2,289,646,020.00 | 9,921,799,422.00 |

According to the 2021 profit distribution and provident fund transfer plan, the capital reserve will be converted to 3 shares for every 10 shares. After the conversion, the total share capital will increase by RMB 2,289,646,020 and the capital reserve will decrease by RMB 2,289,646,020.

### 38. Capital reserves

In RMB Yuan

| Item   | Beginning balance | Addition       | Deduction        | Ending balance   |
|--|-------------------|----------------|------------------|------------------|
| Share premium  | 8,774,823,352.59  |                | 2,289,646,020.00 | 6,485,177,332.59 |
| Share-based payments                                       | 268,539,867.92    | 192,310,900.00 |                  | 460,850,767.92   |
| Capital reserve transferred arising from the old standards | 44,496,899.00     |                |                  | 44,496,899.00    |
| reserve of equity investments                              | 17,015,985.20     |                |                  | 17,015,985.20    |
| Others   | 671,317,255.67    | 663,566,110.70 |                  | 1,334,883,366.37 |
| Total  | 9,776,193,360.38  | 855,877,010.70 | 2,289,646,020.00 | 8,342,424,351.08 |

In 2022, the increase in other capital reserves amounting to RMB 663,566,110.70 was due to the capital increase of the minority shareholders of Chongqing Changan New Energy Vehicle Technology Co., Ltd., an associate company of the Company.

### 39. Treasury stock

In RMB Yuan

| Item           | Beginning balance | Addition | Deduction | Ending balance |
|----------------|-------------------|----------|-----------|----------------|
| Treasury stock | 655,812,327.60    |          |           | 655,812,327.60 |
| Total          | 655,812,327.60    |          |           | 655,812,327.60 |

#### 40. Other comprehensive income

In RMB Yuan

| Item   | Beginning balance | Amount for this reporting period |   |  |                    |                               |   | Ending balance  |
|--|-------------------|----------------------------------|---|--|--------------------|-------------------------------|---|-----------------|
|  |                   | Amount before tax                | Deduct: amounts transferred to income statement which were recognized in other comprehensive income in prior period | Deduct: other comprehensive income in the previous period and transferred to retained earnings in the current period | Deduct: Income tax | Amount attributable to owners | Amount attributable to minority interests |                 |
| I. Other comprehensive income that cannot be transferred to profit or loss under the equity method | 166,196,226.11    |                                  |   |  |                    | 166,196,226.11                |   | 166,196,226.11  |
| Change in net liability or assets from defined benefit plan  | (297,000.00)      |                                  |   |  |                    | (297,000.00)                  |   | (297,000.00)    |
| Other comprehensive income that cannot be transferred to profit or loss under the equity method    | (3,368,053.89)    |                                  |   |  |                    | (3,368,053.89)                |   | (3,368,053.89)  |
| Changes in the fair value of other equity instrument investments                                   | 169,861,280.00    |                                  |   |  |                    | 169,861,280.00                |   | 169,861,280.00  |
| II. Other comprehensive income will be reclassified to profit or loss in subsequent period         | (96,753,756.58)   | 121,654.81                       |   |  |                    | (96,632,101.77)               |   | (96,632,101.77) |
| Other comprehensive income that can be transferred to profit or loss under the equity method       |                   | 146,228.18                       |   |  |                    | 146,228.18                    |   | 146,228.18      |
| Foreign currency translation difference  | (96,753,756.58)   | (24,573.37)                      |   |  |                    | (96,778,329.95)               |   | (96,778,329.95) |
| Total  | 69,442,469.53     | 121,654.81                       |   |  |                    | 69,564,124.34                 |   | 69,564,124.34   |

#### 41. Special reserves

In RMB Yuan

| Item        | Beginning balance | Addition      | Deduction     | Ending balance |
|-------------|-------------------|---------------|---------------|----------------|
| Safety fund | 27,988,260.61     | 46,183,489.83 | 25,024,594.96 | 49,147,155.48  |
| Total       | 27,988,260.61     | 46,183,489.83 | 25,024,594.96 | 49,147,155.48  |

#### 42. Surplus reserves

In RMB Yuan

| Item              | Beginning balance | Addition | Deduction | Ending balance   |
|-------------------|-------------------|----------|-----------|------------------|
| Statutory surplus | 2,982,292,413.67  |          |           | 2,982,292,413.67 |
| Total             | 2,982,292,413.67  |          |           | 2,982,292,413.67 |

#### 43. Retained earnings

In RMB Yuan

| Item   | Current period    | Prior period      |
|--|-------------------|-------------------|
| Retained earnings at beginning of the year                       | 35,900,674,525.13 | 34,315,048,892.26 |
| Add: Profits attributable to parent company for the current year | 5,857,626,135.78  | 1,729,245,208.60  |
| Less: Ordinary share dividend of cash                            | 1,778,856,191.54  | 1,666,243,360.54  |
| Retained earnings at the end of year                             | 39,979,444,469.37 | 34,378,050,740.32 |

#### 44. Operating revenue and cost

In RMB Yuan

| Item           | Amount for this period |                   | Amount for prior period |                   |
|----------------|------------------------|-------------------|-------------------------|-------------------|
|                | Revenue                | Cost              | Revenue                 | Cost              |
| Main business  | 55,281,269,652.99      | 44,486,900,457.55 | 55,859,466,497.39       | 47,581,200,934.60 |
| Other business | 1,292,298,740.72       | 873,190,024.65    | 925,165,401.68          | 505,476,294.61    |
| Total          | 56,573,568,393.71      | 45,360,090,482.20 | 56,784,631,899.07       | 48,086,677,229.21 |

#### 45. Tax and surcharges

In RMB Yuan

| Item                                  | Amount for this period | Amount for prior period |
|---------------------------------------|------------------------|-------------------------|
| Consumption tax                       | 1,469,234,309.60       | 1,599,192,250.70        |
| City maintenance and construction tax | 194,046,087.99         | 196,961,006.14          |
| Educational surcharge                 | 133,244,356.31         | 134,489,938.43          |
| Others                                | 149,775,477.87         | 157,051,471.80          |
| Total                                 | 1,946,300,231.77       | 2,087,694,667.07        |

#### 46. Operating expenses

In RMB Yuan

| Item                            | Amount for this period | Amount for prior period |
|---------------------------------|------------------------|-------------------------|
| Sales service fee               | 1,151,982,258.69       | 871,026,270.21          |
| Promotion, advertising fee      | 552,426,701.41         | 791,462,570.10          |
| Payroll and welfare             | 297,621,384.05         | 240,101,135.80          |
| Transportation and storage fees | 205,973,233.78         | 168,961,271.58          |
| Travelling expenses             | 30,218,731.48          | 30,394,898.13           |
| Package expenses                | 28,619,986.39          | 14,493,447.37           |
| Others                          | 18,487,525.97          | 29,675,719.00           |
| Total                           | 2,285,329,821.77       | 2,146,115,312.19        |

#### 47. General and administrative expenses

In RMB Yuan

| Item                                     | Amount for this period | Amount for prior period |
|--|------------------------|-------------------------|
| Payroll and welfare                      | 1,766,803,412.30       | 1,216,671,339.99        |
| Depreciation and amortization            | 110,312,454.37         | 117,765,985.28          |
| Traffic expenses and travelling expenses | 21,235,281.45          | 27,865,566.05           |
| Negative points for fuel consumption     | -                      | 636,271,194.34          |
| Others                                   | 285,683,156.98         | 218,572,958.84          |
| Total                                    | 2,184,034,305.10       | 2,217,147,044.50        |

#### 48. Research and development expenses

In RMB Yuan

| Item                          | Amount for this period | Amount for prior period |
|-------------------------------|------------------------|-------------------------|
| Payroll and welfare           | 819,010,682.93         | 592,150,357.04          |
| Depreciation and amortization | 614,117,321.15         | 607,589,508.63          |
| Subcontract fee               | 272,218,189.13         | 147,374,115.88          |
| Material fee                  | 112,662,406.81         | 70,981,081.39           |
| Travelling research fee       | 20,043,210.47          | 12,194,021.56           |
| Test fee                      | 17,479,289.63          | 35,455,478.77           |
| Others                        | 76,763,044.55          | 29,838,798.89           |
| Total                         | 1,932,294,144.67       | 1,495,583,362.16        |

#### 49. Financial income

In RMB Yuan

| Item                                | Amount for this period | Amount for prior period |
|-------------------------------------|------------------------|-------------------------|
| Interest income                     | 438,428,075.90         | 281,294,223.92          |
| Less: Foreign exchange gain or loss | (40,733,323.13)        | 8,533,687.86            |
| Interest expense                    | 17,892,411.14          | 26,372,186.29           |
| Others                              | 23,270,638.90          | 12,611,859.12           |
| Total                               | 437,998,348.99         | 233,776,490.65          |

## 50. Other income

Government subsidies related to daily activities

In RMB Yuan

| Item                                  | Amount for this period | Amount for prior period |
|---------------------------------------|------------------------|-------------------------|
| Production and construction subsidies | 186,910,289.65         | 106,783,041.12          |

## 51. Investment income

In RMB Yuan

| Item   | Amount for this period | Amount for prior period |
|--|------------------------|-------------------------|
| Long-term equity investment losses accounted for by the equity method                        | 78,821,605.75          | 250,708,951.37          |
| The investment income of financial asset held for trading during its holding period          | 2,690,400.00           |                         |
| Dividend income from remaining investments in other equity instruments                       | 144,222,128.67         | 70,204,197.65           |
| Gains from the remeasurement of the remaining equity at fair value after the loss of control | 2,128,305,938.85       |                         |
| Interest income from entrusted loan  |                        | 6,959,316.06            |
| Total  | 2,354,040,073.27       | 327,872,465.08          |

## 52. Fair value change

In RMB Yuan

| Source of income from changes in fair value | Amount for this period | Amount for prior period |
|---|------------------------|-------------------------|
| Financial assets held for trading           | 26,136,888.77          | 15,734,698.73           |
| Total                                       | 26,136,888.77          | 15,734,698.73           |

## 53. Impairment loss of credit

In RMB Yuan

| Item                            | Amount for this period | Amount for prior period |
|---------------------------------|------------------------|-------------------------|
| Bad debt for account receivable | 10,913,106.06          | 3,471,684.54            |
| Bad debt for other receivables  | (138,419.44)           | 14,557.81               |
| Total                           | 10,774,686.62          | 3,486,242.35            |

## 54. Impairment loss on assets

In RMB Yuan

| Item                            | Amount for this period | Amount for prior period |
|---------------------------------|------------------------|-------------------------|
| Impairment of inventory         | 72,131,985.60          | 75,510,749.47           |
| Impairment of fixed assets      | 165,117,956.10         | 133,683,760.35          |
| Impairment of intangible assets | 2,920,133.24           | 6,685,373.29            |



|                               |                |                 |
|-------------------------------|----------------|-----------------|
| Impairment of contract assets | 1,657,510.52   | (20,192,776.00) |
| Total                         | 241,827,585.46 | 195,687,107.11  |

## 55. Gain on disposal of assets

In RMB Yuan

| Item                                  | Amount for this period | Amount for prior period |
|---------------------------------------|------------------------|-------------------------|
| Gain on disposal of fixed-assets      | 60,093,947.79          | 119,487,419.99          |
| Gain on disposal of intangible assets | 8,150,134.49           | 481,579,441.34          |
| Total                                 | 68,244,082.28          | 601,066,861.33          |

## 56. Non-operating income

In RMB Yuan

| Item                        | Amount for this period | Amount for prior period | Amount recognized in current period as non-recurring profit and loss |
|-----------------------------|------------------------|-------------------------|--|
| Fines, penalties and others | 54,366,637.51          | 40,983,845.94           | 54,366,637.51  |
| Total                       | 54,366,637.51          | 40,983,845.94           | 54,366,637.51  |

## 57. Non-operating expenses

In RMB Yuan

| Item                | Amount for this period | Amount for prior period | Amount recognized in current period as non-recurring profit and loss |
|---------------------|------------------------|-------------------------|--|
| Donation            |                        | 10,500,000.00           |  |
| Vehicle reward      | 1,711,728.00           |                         | 1,711,728.00   |
| Fines and penalties | 1,327,232.91           | 559.05                  | 1,327,232.91   |
| Others              | 1,831,254.32           | 3,603,043.24            | 1,831,254.32   |
| Total               | 4,870,215.23           | 14,103,602.29           | 4,870,215.23   |

## 58. Income tax expense

### (1) Table of income tax expense

In RMB Yuan

| Item                        | Amount for this period | Amount for prior period |
|-----------------------------|------------------------|-------------------------|
| Current income tax expense  | 48,946,847.14          | 188,574,027.41          |
| Deferred income tax expense | (152,226,972.88)       | (129,200,581.32)        |
| Total                       | (103,280,125.74)       | 59,373,446.09           |

## (2) The relationship between profit before tax and income tax expense

In RMB Yuan

| Item  | Amount for this period |
|---|------------------------|
| Tax at the applicable tax rate                                      | 5,735,743,241.36       |
| Tax at the applicable tax rate                                      | 860,361,486.20         |
| Impact of different tax rates of subsidiaries                       | -26,497,167.12         |
| Adjustments to current income tax of previous period                | -7,652,635.70          |
| Non-taxable income  | -409,245,890.83        |
| Non-deductible costs, expenses and losses                           | 7,931,779.52           |
| Usage previous deductible losses                                    | -431,737,260.12        |
| Unrecognized deductible temporary differences and deductible losses | -3,568,697.46          |
| Profit or loss attributable to joint ventures and associates        | -11,823,240.86         |
| Additional deduction  | -81,048,499.38         |
| Income tax expense  | (103,280,125.74)       |

## 59. Other comprehensive income

Please refer to notes V, 40.

## 60. Notes to cash flow statement

### (1) Items of cash received relating to other operating activities

In RMB Yuan

| Item              | Amount for this period | Amount for prior period |
|-------------------|------------------------|-------------------------|
| Interest income   | 438,428,075.90         | 287,599,749.93          |
| Government grants | 401,800,087.37         | 973,828,265.22          |
| Others            | 561,189,492.27         | 536,655,063.79          |
| Total             | 1,401,417,655.54       | 1,798,083,078.94        |

### (2) Items of cash paid relating to other operating activities

In RMB Yuan

| Item                              | Amount for this period | Amount for prior period |
|-----------------------------------|------------------------|-------------------------|
| Selling expense                   | 1,980,235,740.95       | 1,705,305,653.87        |
| Administrative expense            | 569,553,555.35         | 833,833,985.36          |
| Research and development expenses | 609,764,742.34         | 579,603,711.64          |
| Others                            | 379,019,456.72         | 236,785,445.40          |
| Total                             | 3,538,573,495.36       | 3,355,528,796.27        |

### (3) Items of cash received relating to other investing activities

In RMB Yuan

| Item                    | Amount for this period | Amount for prior period |
|-------------------------|------------------------|-------------------------|
| Entrusted loan received |                        | 300,000,000.00          |
| Total                   |                        | 300,000,000.00          |

**(4) Items of cash paid relating to other investing activities**

In RMB Yuan

| Item  | Amount for this period | Amount for prior period |
|---|------------------------|-------------------------|
| Cash transferred out from the loss of control of the subsidiary | 815,126,333.76         |                         |
| Total   | 815,126,333.76         |                         |

**(5) Items of cash received relating to other financing activities**

In RMB Yuan

| Item                         | Amount for this period | Amount for prior period |
|------------------------------|------------------------|-------------------------|
| Withdraw for deposit of bill | 715,239,432.26         | 312,220,372.75          |
| Total                        | 715,239,432.26         | 312,220,372.75          |

**(6) Items of cash paid relating to other financing activities**

In RMB Yuan

| Item                        | Amount for this period | Amount for prior period |
|-----------------------------|------------------------|-------------------------|
| Payment for deposit of bill | 669,560,830.95         | 418,351,512.95          |
| Others                      | 29,669,861.07          | 241,289.74              |
| Total                       | 699,230,692.02         | 418,592,802.69          |

**61. Supplementary information of cash flow statement**

**(1) Supplementary information of cash flow statement**

In RMB Yuan

| Supplementary information  | Amount for this period | Amount for prior period |
|--|------------------------|-------------------------|
| 1. Cash flows from operating activities calculated by adjusting the net profit |                        |                         |
| Net profit   | 5,839,023,367.10       | 1,804,981,288.95        |
| Add: Impairment provision for assets   | 252,602,272.08         | 199,173,349.46          |
| Depreciation of fixed assets   | 1,435,681,140.90       | 1,515,838,567.70        |
| Right-of-use assets depreciation   | 16,605,322.98          | 12,224,609.69           |
| Amortization of intangible assets  | 528,117,679.23         | 545,011,292.13          |
| Amortization of long-term deferred expense                                     | 1,826,783.84           | 2,670,879.81            |
| Increase in deferred income  | (139,049,041.50)       | 438,381,053.36          |
| Disposal income on fixed assets, intangible assets and others                  | (68,244,082.28)        | (601,066,861.33)        |
| Income of fair value movement  | (26,136,888.77)        | (15,734,698.73)         |

|   |                    |                   |
|---|--------------------|-------------------|
| Financial expense                         | 17,892,411.14      | 26,372,186.29     |
| Investment income                         | (2,354,040,073.27) | (327,872,465.08)  |
| Increase in deferred tax assets           | (154,489,446.55)   | (126,334,690.62)  |
| Decrease in deferred tax liabilities      | 2,262,473.67       | (2,865,890.70)    |
| Decrease in inventory                     | (244,183,357.63)   | 1,878,025,569.26  |
| Decrease in operating payables            | 1,273,807,337.63   | (206,172,573.97)  |
| Increase in operating payables            | (722,465,767.08)   | 12,441,654,173.66 |
| Share-based payments cost                 | 192,310,900.00     | 107,618,400.00    |
| Others                                    | 715,388.71         | 6,922,680.49      |
| Net cash flows from operating activities  | 5,852,236,420.20   | 17,698,826,870.37 |
| 2. Movement of cash and cash equivalents: |                    |                   |
| Ending balance of cash                    | 51,032,267,488.15  | 46,269,403,600.01 |
| Less: beginning balance of cash           | 49,517,916,834.99  | 30,655,968,057.63 |
| Increase in cash and cash equivalents     | 1,514,350,653.16   | 15,613,435,542.38 |

## (2) Cash and cash equivalents

In RMB Yuan

| Item  | Ending balance    | Beginning balance |
|---|-------------------|-------------------|
| I. Cash   |                   |                   |
| Including: Cash                                 | 6,321.16          | 36,881.35         |
| Bank deposits that can be readily used          | 51,032,261,166.99 | 49,517,879,953.64 |
| II. Ending balance of cash and cash equivalents | 51,032,267,488.15 | 49,517,916,834.99 |

## 62. The assets with ownership or right restricted

In RMB Yuan

| Item                      | Ending balance    | Explanation                          |
|---------------------------|-------------------|--------------------------------------|
| Cash and cash equivalents | 2,389,515,751.70  | Acceptance bill deposit              |
| Note receivables          | 8,258,455,824.79  | Pledge for issuing bills payable     |
| Fixed assets              | 32,955,152.32     | Collateral to obtain working capital |
| Intangible assets         | 17,033,287.44     | Collateral to obtain working capital |
| Total                     | 10,697,960,016.25 |                                      |

## 63. Foreign Monetary Item

In RMB Yuan

| Item           | Original Currency | Exchange Rate | Translated to RMB |
|----------------|-------------------|---------------|-------------------|
| Cash           |                   |               |                   |
| Including: USD | 70,006,606.27     | 6.7114        | 469,842,337.32    |
| GBP            | 27,395,650.46     | 7.0084        | 191,999,676.68    |
| EUR            | 7,877,112.64      | 8.1365        | 64,092,127.00     |
| JPY            | 160,087,076.00    | 0.0491        | 7,860,275.43      |
| RUB            | 88,621,924.78     | 0.1285        | 11,387,917.33     |

|                            |               |        |                |
|----------------------------|---------------|--------|----------------|
| BRL                        | 572,874.98    | 1.2825 | 734,712.16     |
| THB                        | 4,436,622.85  | 0.1906 | 845,620.32     |
| INR                        | 2,411,981.46  | 0.0852 | 205,500.82     |
| AED                        | 1.44          | 1.8275 | 2.63           |
| <b>Accounts receivable</b> |               |        |                |
| Including: USD             | 62,765,596.93 | 6.7114 | 421,245,027.24 |
| EUR                        | 81,481,822.52 | 7.0084 | 571,057,204.95 |
| GBP                        | 5,805,891.60  | 8.1365 | 47,239,637.00  |
| <b>Other receivables</b>   |               |        |                |
| Including: USD             | 93,933.61     | 6.7114 | 630,426.03     |
| EUR                        | 13,240,524.98 | 7.0084 | 92,794,895.27  |
| GBP                        | 334,950.32    | 8.1365 | 2,725,323.28   |
| JPY                        | 12,208,320.00 | 0.0491 | 599,428.51     |
| <b>Accounts Payable</b>    |               |        |                |
| Including: USD             | 4,883.96      | 6.7114 | 32,778.21      |
| EUR                        | 16,652,197.69 | 7.0084 | 116,705,262.29 |
| GBP                        | 109,663.79    | 8.1365 | 892,279.43     |
| <b>Other Payables</b>      |               |        |                |
| Including: USD             | 119,620.00    | 6.7114 | 802,817.67     |
| GBP                        | 313,751.00    | 8.1365 | 2,552,835.01   |

#### 64. Government grants

The government grants accounted by the Group with the net method offset the book value of relevant assets and related costs as follows:

In RMB Yuan

|                                     | Amount for this period | Amount for prior period |
|-------------------------------------|------------------------|-------------------------|
| Government grants related to assets | 132,421,192.00         | 143,531,402.87          |
| Write down: Fixed assets            | 132,421,192.00         | 143,531,402.87          |
| Intangible assets                   |                        |                         |
| Government grants related to income | 177,846,131.22         | 255,909,824.92          |
| Write down: Operating cost          | 73,489,574.95          | 78,668,498.38           |
| Operating expenses                  | 964,950.11             | 370,369.44              |
| General and administrative expenses | 10,761,122.82          | 9,492,897.61            |
| Research and development expenses   | 92,433,583.34          | 167,378,059.49          |
| Financial income                    | 196,900.00             |                         |

For other government grants, refer to notes V, 35 and 50.

### VIII. The change of consolidation scope

#### 1. Business combination not under the Same Control

Applicable     Not Applicable

#### 2. Combination under the same control

Applicable     Not Applicable

### 3. Counter purchase

Applicable  Not Applicable

### 4. Disposing subsidiary

Whether there is a single disposal of the subsidiary company investment that is the loss of control of the situation

Applicable  Not Applicable

Whether there is a situation of the loss of control over the period of the investment and the loss of control of the subsidiary company through multiple transactions

Applicable  Not Applicable

### 5. Change of consolidation scope due to other reasons

#### (1) Newly established subsidiary companies during the reporting period

| Company name                           | Registered place | Nature of business | Registered capital (ten thousand yuan) | The total shareholding ratio of the Group |
|--|------------------|--------------------|--|---|
| Chongqing Xingzhi Technology Co., Ltd. | Chongqing        | Sale               | 4,900.00                               | 100%                                      |

#### (2) Subsidiary clearing during the reporting period

AVATR. Co., Ltd has changed from the company's holding subsidiary to an associate, and is no longer included in the company's consolidated financial statements. The equity method is used for subsequent accounting, which has a significant impact on the company. For details, please refer to [www.cninfo.com.cn](http://www.cninfo.com.cn) (Announcement No.: 2022-29).

## IX. Stake in other entities

### 1. Rights in subsidiaries

The subsidiaries of the Company are as follows :

| Company name   | Main operating place       | Registered place           | Nature of business | Registered capital (ten thousand) | Total proportion of shareholders (%) |          |
|--|----------------------------|----------------------------|--------------------|-----------------------------------|--------------------------------------|----------|
|  |                            |                            |                    |                                   | Direct                               | Indirect |
| I. The subsidiary formed by establishment or investment      |                            |                            |                    |                                   |                                      |          |
| Chongqing Changan International Automobile Sales Co., Ltd.   | Chongqing                  | Chongqing                  | Sales              | 1,376.00                          | 100.00                               | -        |
| Chongqing Changan Vehicle Networking Technology Co., Ltd.    | Chongqing                  | Chongqing                  | Lease              | 8,850.00                          | 100.00                               | -        |
| Chongqing Changan Special Automobile Sales Co., Ltd (Note 1) | Chongqing                  | Chongqing                  | Sales              | 2,000.00                          | 50.00                                | -        |
| Chongqing Changan Automobile Supporting Service Co., Ltd.    | Chongqing                  | Chongqing                  | Sales              | 3,000.00                          | 99.00                                | 1.00     |
| Chongqing Changan New Energy Automobile Co. Ltd.             | Chongqing                  | Chongqing                  | R&D                | 2,900.00                          | 100.00                               | -        |
| Chongqing Changan Europe Design Academy Co., Ltd.            | Turin, Italy               | Turin, Italy               | R&D                | EUR 1,738                         | 100.00                               | -        |
| Changan United Kingdom R&D Center Co., Ltd.                  | Nottingham, United Kingdom | Nottingham, United Kingdom | R&D                | GBP 2,639                         | 100.00                               | -        |
| Beijing Changan R&D Center Co., Ltd.                         | Beijing                    | Beijing                    | R&D                | 100.00                            | 100.00                               | -        |
| Changan Japan Designing Center Co.,Ltd                       | Habin                      | Habin                      | R&D                | JYP1,000                          | 100.00                               | -        |

|   |  |  |  |             |        |      |
|---|--|--|--|-------------|--------|------|
| Changan United States R&D Center Co., Ltd.  | Troy, United states                                | Troy, United states                                | R&D  | USD154      | 100.00 | -    |
| Changan Automobile Russia Co., Ltd.   | Moscow, Russia                                     | Moscow, Russia                                     | Sales  | RUB 220,382 | 100.00 | -    |
| Changan Brazil Holdings Limited   | St. Paul, Brazil                                   | St. Paul, Brazil                                   | Sales  | BRL 100     | 99.00  | 1.00 |
| Changan Automobile Investment (Shenzhen) Co., Ltd.                                | Changan Automobile Investment (Shenzhen) Co., Ltd. | Changan Automobile Investment (Shenzhen) Co., Ltd. | Changan Automobile Investment (Shenzhen) Co., Ltd. | 23,789.00   | 100.00 |      |
| Nanjing Changan New Energy Automobile Sales & Service Co., Ltd.                   | Nanjing  | Nanjing  | Sales  | 5,000.00    | 100.00 | -    |
| Chongqing Anyi Automotive Technology Service Co., Ltd.                            | Chongqing  | Chongqing  | Sales  | 200.00      | 100.00 | -    |
| Xiamen Changan New Energy Automobile Sales & Service Co., Ltd.                    | Xiamen   | Xiamen   | Sales  | 200.00      | 100.00 | -    |
| Guangzhou Changan New Energy Automobile Sales & Service Co., Ltd.                 | Guangzhou  | Guangzhou  | Sales  | 400.00      | 100.00 | -    |
| Chongqing Chehemei Technology Co., Ltd.   | Chongqing  | Chongqing  | Sales  | 1,000.00    | 100.00 |      |
| Chongqing Changan Kaicheng Automobile Technology Co., Ltd.                        | Chongqing  | Chongqing  | Sales  | 100,000.00  | 83.64  |      |
| Chongqing Changan Automobile Software Technology Co., Ltd.                        | Chongqing  | Chongqing  | R&D  | 9,900.00    | 100.00 |      |
| Chongqing Chehemei Technology Co., Ltd.   | Chongqing  | Chongqing  | Sales  | 4,900.00    | 100.00 |      |
| <b>II. The subsidiary formed by business combination not under common control</b> |  |  |  |             |        |      |
| Nanjing Changan Automobile Co., Ltd.(Note 2)                                      | Nanjing  | Nanjing  | Manufacturing                                      | 60,181.00   | 84.73  | -    |
| Chongqing Lingyao Automobile Co., Ltd.  | Chongqing  | Chongqing  | Manufacturing                                      | 133,764.00  | 100.00 | -    |
| <b>III. The subsidiary formed by business combination under common control</b>    |  |  |  |             |        |      |
| Hefei Changan Automobile Co.,Ltd.   | Hefei  | Hefei  | Manufacturing                                      | 227,500.00  | 100.00 | -    |

Note 1: The remaining shareholders of Chongqing Changan Special Automobile Co., Ltd. made an agreement with the Company that the remaining shareholders are to vote in accordance with the Company. The main financial and operating policies have been controlled by the Company, so it is included in the scope of consolidated financial statements.

Note 2: The Company owns 91.53% of voting shares of Nanjing Changan Automobile Co., Ltd., the difference between proportion of voting shares and proportion of shares held is due to the voting right consigned from minority shareholders.

As at June 30, 2022, the Group has no subsidiaries with important minority interests.

## 2. Transactions result in change of holdingshare proportion but no effect in control of subsidiaries

Applicable  Not applicable

## 3. Stakes in joint ventures and associates

### (1) Significant joint ventures or associates

| Company name | Registered place | Nature of business | Registered capital (ten | Total proportion of shareholders (%) | Accounting treatment |
|--------------|------------------|--------------------|-------------------------|--------------------------------------|----------------------|
|--------------|------------------|--------------------|-------------------------|--------------------------------------|----------------------|

|  | Main operating place |                  |  | (thousand)   | Direct  | Indirect |        |
|--|----------------------|------------------|--|--------------|---------|----------|--------|
| I. Joint ventures  |                      |                  |  |              |         |          |        |
| Changan Ford Automobile Co., Ltd.                            | Chongqing            | Chongqing        | Manufacture and sale of automobiles, and components  | USD24,100    | 50.00   | -        | Equity |
| Changan Mazda Automobile Co., Ltd.                           | Nanjing              | Nanjing          | Manufacture and sale of automobiles, and components  | USD11,097    | 47.50   | -        | Equity |
| Changan Mazda Engine Co., Ltd. (Note 1)                      | Nanjing              | Nanjing          | Manufacture and sale of automobiles, and components  | USD20,996    | 50.00   | -        | Equity |
| Jiangling Investment Co., Ltd.                               | Nanchang             | Nanchang         | Manufacture and sale of automobiles, and components  | 100,000      | 50.00   | -        | Equity |
| II. Associates   |                      |                  |  |              |         |          |        |
| Chongqing Changan Kuayue Automobile Co., Ltd.                | Chongqing            | Chongqing        | Develop, product and sale of automobile and components; import and export goods.   | 6,533.00     | 34.30   | -        | Equity |
| Chongqing Changan Kuayue Automobile Sales Co., Ltd.          | Chongqing            | Chongqing        | Sale of Changan Kuayue's automobile and agricultural cars and components. Technical advisory services for automobile   | 300.00       | 34.30   | -        | Equity |
| Chongqing Changan New Energy Automobile Technology Co., Ltd. | Chongqing            | Chongqing        | Sales  | 32,810.83    | 40.6559 | -        | Equity |
| Beijing Fang'an Taxi Co., Ltd.                               | Beijing              | Beijing          | For the car loan business  | 2,897.96     | 22.24   | -        | Equity |
| Chongqing Auto Finance Co., Ltd.                             | Chongqing            | Chongqing        | Provide car loan; provide vehicle loans and operating equipment loans to car dealers, including the construction loans of exhibition hall, spare parts loans and maintenance equipment loans, etc. | 476,843.10   | 28.66   | -        | Equity |
| Hainan Anxinxing Information Technology Co., Ltd.            | Chengmai County      | Chengmai County  | Software and hardware technology development, technical consulting, auto parts sales   | 3,000.00     | 30.00   | -        | Equity |
| Nanjing Chelai Travel Technology Co., Ltd.                   | Nanjing              | Nanjing          | Car sales, leasing, software technology development, technical services  | 10,000.00    | 10.00   | -        | Equity |
| Hunan Guoxin Semiconductor Technology Co., Ltd.              | Zhuzhou              | Zhuzhou          | Technology development consulting, technical services, technology transfer in the field of power semiconductors  | 50,000.00    | 25.00   | -        | Equity |
| Beijing Wutong Chelian Technology Co., Ltd.                  | Beijing              | Beijing          | Technology development, technical consulting, technical services, technology transfer  | 56,055.88    | -       | 27.05    | Equity |
| Anhe (Chongqing) Equity Investment Fund Management Co., Ltd. | Chongqing            | Chongqing        | Equity investment management   | 1,260.00     | -       | 23.81    | Equity |
| Hangzhou Chelizi Intelligent Technology Co., Ltd.            | Hangzhou             | Hangzhou         | Car travel service   | 630.00       | -       | 20.00    | Equity |
| Pakistan Master Motors Co., Ltd.                             | Lahore, Pakistan     | Lahore, Pakistan | Manufacture and sale of automobiles, and components  | PKR75,000    |         | 30.00    | Equity |
| Jiangling Holding Co., Ltd.                                  | Nanchang             | Nanchang         | Manufacture and sale of automobiles, and components  | 200,000.00   | 25.00   | -        | Equity |
| Nanjing Leading Equity Investment Partnership                | Nanjing              | Nanjing          | Equity investment and related services   | 976,000.00   | 16.39   | -        | Equity |
| Nanjing Leading Equity Investment Management Co., Ltd.       | Nanjing              | Nanjing          | Private equity investment fund management and related services   | 1,000.00     | 15.00   | -        | Equity |
| Zhongqi Chuangzhi Technology Co., Ltd.                       | Nanjing              | Nanjing          | R&D  | 1,600,000.00 | 3.125   | -        | Equity |
| Chongqing Changxin   | Chongqing            | Chongqing        | Equity Investment  | 50,200.00    | 49.80   | -        | Equity |



|  |         |         |     |            |        |  |        |
|--|---------|---------|-----|------------|--------|--|--------|
| Zhiqi Private Equity Investment Fund Partnership (Limited Partnership) |         |         |     |            |        |  |        |
| AVATR. Co., Ltd  | Nanjing | Nanjing | R&D | 117,224.26 | 39.018 |  | Equity |

## (2) Key financial information of significant joint ventures

Changan Ford Automobile Co., Ltd. is the important joint venture to the Group and makes great influence in the share of profit and loss in joint venture and associates, the Group adopts equity method to deal with the investment to it.

The table below shows the financial status of Changan Ford Automobile Co., Ltd., and all the information has been adjusted to eliminate the difference of the accounting policies.

In RMB Yuan

|   | Ending balance/Amount for this period | Beginning balance/Amount for prior period |
|---|---------------------------------------|---|
| Current assets                                | 14,444,919,999.92                     | 13,985,198,069.48                         |
| Including: cash and cash equivalent           | 4,673,625,631.71                      | 5,495,088,974.00                          |
| Non-current assets                            | 25,978,566,147.38                     | 26,699,638,720.51                         |
|   | 40,423,486,147.30                     | 40,684,836,789.99                         |
| Total assets                                  | 25,000,894,365.01                     | 28,816,791,001.00                         |
| Non-current liabilities                       | 8,398,429,884.54                      | 5,889,087,187.00                          |
| Total liabilities                             | 33,399,324,249.55                     | 34,705,878,188.00                         |
| Minority interests                            | -                                     | -   |
| Equity attributable to owners                 | 7,024,161,897.75                      | 5,978,958,603.00                          |
| Net asset owned according to share proportion | 3,512,080,948.88                      | 2,989,479,301.50                          |
| Adjustment                                    | (54,343,996.72)                       | (54,603,257.51)                           |
| Book value of investment                      | 3,457,736,952.16                      | 2,934,876,043.99                          |
| Operating income                              | 23,377,802,470.94                     | 26,114,465,788.42                         |
| Financial expenses                            | 228,432,281.92                        | 252,032,973.23                            |
| Income tax expense                            | 158,336,533.41                        | 59,987,347.20                             |
| Net profit                                    | 1,045,203,295.40                      | 726,486,736.96                            |

## (3) The financial status of the less important joint ventures and associates

In RMB Yuan

|  | Ending balance   | Beginning balance |
|--|------------------|-------------------|
| Joint venture:                                     |                  |                   |
| Total book value of the investment                 | 4,249,902,992.19 | 4,332,804,092.02  |
| Total amount calculated by shareholding proportion |                  |                   |
| --Net profit                                       | 340,098,900.17   | 374,325,525.72    |
| --Other comprehensive income                       |                  |                   |
| --Total comprehensive income                       | 340,098,900.17   | 374,325,525.72    |
| Associates:  |                  |                   |
| Total book value of the investment                 | 9,596,972,338.40 | 5,977,694,724.54  |
| Total amount calculated by shareholding            |                  |                   |

|                              |                  |                  |
|------------------------------|------------------|------------------|
| proportion                   |                  |                  |
| --Net profit                 | (784,138,202.60) | (486,569,024.38) |
| --Other comprehensive income | 146,228.18       |                  |
| --Total comprehensive income | (783,991,974.42) | (486,569,024.38) |

#### (4) Excessive losses incurred by joint ventures or associates

As at 30 June 2022, since the Group has no obligation to undertake the extra loss of Chongqing Changan Kuayue Automobile Sales Co., Ltd, Beijing Fang'an crescent taxi Co., Ltd., Chongqing Wutong Chelian Technology Co., Ltd and Hainan Anxinxing Information Technology Co., Ltd. When extra loss occurs, the Group writes down the long-term investment to zero without recognizing the extra loss.

## X. Risks associated with financial instruments

### 1. Classification of financial instruments

As at balance sheet day, the book values of financial instruments are as follows:

Financial assets

In RMB Yuan

| 2022.6.30                             | Financial assets measured at fair value and whose changes are recorded in the current profit and loss (standard required) | Financial assets measured at amortized cost | Financial assets measured at fair value and whose changes are recorded in Other comprehensive income (specified) | Total                    |
|---------------------------------------|---|---|--|--------------------------|
| Cash                                  |   | 53,421,783,239.85                           |  | 53,421,783,239.85        |
| Financial assets for trading          | 305,967,574.57  |   |  | 305,967,574.57           |
| Notes receivable                      |   | 21,178,905,132.66                           |  | 21,178,905,132.66        |
| Accounts receivable                   |   | 3,597,002,110.54                            |  | 3,597,002,110.54         |
| Other receivables                     |   | 509,614,847.86                              |  | 509,614,847.86           |
| Other current assets                  |   | 9,626,784.09                                |  | 9,626,784.09             |
| Investment in other equity instrument |   |   | 701,409,600.00   | 701,409,600.00           |
| <b>Total</b>                          | <b>305,967,574.57</b>   | <b>78,716,932,115.00</b>                    | <b>701,409,600.00</b>  | <b>79,724,309,289.57</b> |

In RMB Yuan

| 2021.12.31                   | Financial assets measured at fair value and whose changes are recorded in the current profit and loss (standard required) | Financial assets measured at amortized cost | Financial assets measured at fair value and whose changes are recorded in Other comprehensive income (specified) | Total             |
|------------------------------|---|---|--|-------------------|
| Cash                         |   | 51,976,242,149.37                           |  | 51,976,242,149.37 |
| Financial assets for trading | 195,798,300.00  |   |  | 195,798,300.00    |
| Notes receivable             |   | 24,267,633,416.65                           |  | 24,267,633,416.65 |
| Accounts receivable          |   | 1,675,427,534.87                            |  | 1,675,427,534.87  |
| Other receivables            |   | 632,122,942.37                              |  | 632,122,942.37    |
| Other current assets         |   | 3,723,435.08                                |  | 3,723,435.08      |

|                                       |                |                   |                |                   |
|---------------------------------------|----------------|-------------------|----------------|-------------------|
| Investment in other equity instrument |                |                   | 701,409,600.00 | 701,409,600.00    |
| <b>Total</b>                          | 195,798,300.00 | 78,555,149,478.34 | 701,409,600.00 | 79,452,357,378.34 |

## Financial liabilities

In RMB Yuan

|   | 2022.6.30         | 2021.12.31        |
|---|-------------------|-------------------|
| Short-term loans                          | 46,166,500.00     | 19,000,000.00     |
| Notes payable                             | 26,921,406,502.22 | 24,292,268,371.12 |
| Accounts payable                          | 23,994,999,761.80 | 23,650,604,870.98 |
| Other payables                            | 5,116,328,239.99  | 4,562,626,344.69  |
| Non-current liabilities due within 1 year | 887,576,604.11    | 533,839,583.57    |
| Long-term loan                            | 40,000,000.00     | 600,000,000.00    |
| Lease liabilities                         | 28,202,020.25     | 38,679,735.59     |
| Long-term payables                        | 467,780,397.91    | 642,513,537.69    |
| <b>Total</b>                              | 57,502,460,026.28 | 54,339,532,443.64 |

## 2. Transfer of financial assets

### The transferred financial assets that entirely derecognized but continuing involved

As at June 30, 2022, the book value of the bank acceptance bill that the Group has endorsed to the supplier to settle accounts payable is RMB 1,854,716,065.23 (December 31, 2021: RMB 2,391,567,055.84). On June 30, 2022, its maturity date is 1 to 6 months. According to the relevant provisions of the "Negotiable Instruments Law", if the accepting bank refuses to pay, its holder has the right to recourse against the Group ("continued involvement"). The Group believes that the Group has transferred almost all of its risks and rewards, and therefore, terminates the confirmation of the book value of the settlement accounts payable and the related accounts payable. The maximum loss and undiscounted cash flow of continuing involvement and repurchase are equal to its book value. The Group believes that continued involvement in fair value is not significant.

In the first half of 2022, the Group did not recognize gains or losses on its transfer date. The Group shall continue to be involved in the proceeds or expenses of the year in which the recognition of financial assets has been terminated and the cumulative recognition thereof. Endorsements occur roughly and evenly during the year.

## 3. Risks of financial instruments

The Group faces risks of various financial instruments in its daily activities, mainly including credit risk, liquidity risk and market risk (including exchange rate risk, interest rate risk and price risk). The main financial instruments of the Group include monetary funds, equity investments, loans, bills receivable, accounts receivable, bills payable, accounts payable, lease liabilities, etc. The risks associated with these financial instruments and the risk management strategies adopted by the Group to reduce these risks are described below.

The Group has formulated risk management policies to identify and analyze the risks faced by the Group, set appropriate risk acceptance levels and design corresponding internal control procedures to monitor the Group's risk levels. The Group will periodically re-examine these risk management policies and related internal control systems to adapt to changes in market conditions or the Group's operating activities. The internal audit department also regularly and irregularly checks whether the implementation of the internal control system complies with the risk management policy.

### Credit risk

The Group only deals with recognized and reputable customers. In accordance with the Group's policy, a credit review is required for all customers who require credit transactions. In addition, the Group continuously monitors the balance of accounts receivable to ensure that the Group does not face significant bad debt risk. For transactions that are not settled with the relevant business unit's bookkeeping standard currency, the Group does not provide credit transaction conditions unless specifically approved by the Group's credit control

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department.

Since the counterparties of monetary funds and bank acceptance receivables are reputable banks with higher credit ratings, these financial instruments have lower credit risk.

With respect to credit risk arising from the other financial assets of the Group, which comprise accounts receivable, other receivables, dividend receivables and certain derivatives financial instruments, the Group's exposure to credit risk arising from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments, listed as book value of financial assets in consolidated financial statements. In 2021, there was no credit risk arising from financial guarantee.

Since the Group only trades with approved and reputable customers, there is no need for collateral. Credit risk is centralized and managed according to customers. As at the balance sheet date, the Group has a specific concentration of credit risks. 56.55% of the Group's accounts receivable (December 31, 2021: 48.92%) originated from the top five customers with the balance of accounts receivable. The Group does not hold any collateral or other credit enhancements for the balance of accounts receivable.

Judgment criteria for significant increase in credit risk

The Group evaluates on each balance sheet date whether the credit risk of the relevant financial instruments has increased significantly since the initial recognition. In determining whether credit risk has increased significantly since the initial recognition, the Group considers that reasonable and evidence-based information can be obtained without unnecessary additional cost or effort, including qualitative and quantitative analysis based on the Group's historical data, external credit risk ratings and forward-looking information. Based on a single financial instrument or a portfolio of financial instruments with similar credit risk characteristics, the Group compares the default risk of financial instruments on the balance sheet date with the default risk on the initial confirmation date to determine the change of default risk of financial instruments during their expected duration.

When one or more of the following quantitative or qualitative criteria are triggered, the Group believes that the credit risk of financial instruments has significantly increased:

- the quantitative criterion is that the default probability of the remaining duration on the report date increases by more than a certain percentage compared with the initial confirmation;
- qualitative criteria mainly include material adverse changes in the operating or financial situation of the debtor, early warning customer list, etc.;

Definition of assets that have incurred credit impairment

In order to determine whether credit impairment occurs, the Group adopts a definition standard consistent with the internal credit risk management objectives for relevant financial instruments, and considers both quantitative and qualitative indicators. The Group mainly takes the following factors into consideration when evaluating whether the debtor has credit impairment:

- significant financial difficulties of the issuer or debtor;
- debtor breaches the contract, such as default or overdue payment of interest or principal;
- the creditor gives the debtor concessions that the debtor would not have made under any other circumstances for economic or contractual reasons related to the debtor's financial difficulties;
- the debtor is likely to go bankrupt or undergo other financial restructuring;
- the financial difficulties of the issuer or debtor result in the disappearance of an active market for the financial asset;
- purchase or source a financial asset at a substantial discount that reflects the fact that a credit loss has occurred.

The credit impairment of financial assets may be caused by the joint action of multiple events, but not by events that can be identified separately.

A parameter for measuring expected credit losses

According to whether the credit risk has significantly increased and whether the credit impairment has occurred, the Group measures the impairment provision for different assets with the expected credit loss of 12 months or the whole duration respectively. The key parameters of expected credit loss measurement include default probability, default loss rate and default risk exposure. The Group takes into account the quantitative analysis and forward-looking information of historical statistical data (such as counterparty rating, guarantee method and types of collateral, repayment method, etc.) to establish default probability, default loss rate and default risk exposure models.

The relevant definition is as follows:

- probability of default is the probability that the debtor will not be able to meet its repayment obligations in the next 12 months or throughout the remaining period. The default probability of the Group is adjusted based on the results of the historical credit loss model and forward-looking information is added to reflect the default probability of the debtor in the current macroeconomic environment.
- the default loss rate refers to the Group's expectation of the extent of losses from default risk exposure. Default loss rates also vary depending on the type of counterparty, the type and priority of recourse, and the collateral. The default loss rate is the percentage of the risk exposure loss at the time of default, calculated on the basis of the next 12 months or the whole duration;
- default exposure is the amount that should be paid to the Group at the time of default over the next 12 months or throughout the remaining duration.

The assessment of a significant increase in credit risk and the calculation of expected credit losses involve forward-looking information. Through the analysis of historical data, the Group identifies the key economic indicators that affect the credit risks and expected credit losses of each business type.

### Liquidity risk

The Group adopts cycle liquidity planning instrument to manage capital shortage risks. The instrument takes into consideration the maturity date of financial instruments plus estimated cash flow from the Group's operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility and sufficient cash to support operating capital through financing functions by the use of bank loans, debentures, etc.

### Market risk

#### Interest rate risk

The Group's revenue and operating cash flows are seldomly influenced by the interest fluctuation. As at 30 June 2022, the Group's loans are bearing fixed interest rate and the Group is not hedging the risk currently.

#### Foreign currency risk

The Group's exposures to fluctuation in foreign currency exchange rate mainly arise from operating activities where transactions are settled in currencies other than the units' functional currency and net investment to offshore subsidiary.

In 30 June, 2022, the Group only has limited transactional currency exposures of its total revenue that is valued in currencies other than the units' functional currency. The estimated influence of fluctuation of foreign currency is insignificant; therefore, the Group hasn't carried out large amount of hedging to reduce the risk.

#### Equity instruments investment price risk

The price risk of equity instrument investment refers to the risk that the fair value of equity securities is reduced due to changes in the level of stock indexes and changes in the value of individual securities. On June 30, 2022, the Group's listed equity instrument investment (Note VII 2) was listed on the Shanghai Stock Exchange and measured on the basis of market quotes on the balance sheet date. The following table illustrates the sensitivity of the Group's net profit and loss to every 5% change in the fair value of equity instrument investments (based on the book value at the balance sheet date) under the assumption that all other variables remain constant.

In RMB Yuan

|   | Carrying amount of equity investments | Change in fair value | Increase/(decrease) in equity |
|---|---------------------------------------|----------------------|-------------------------------|
| 2022.6.30   |                                       |                      |                               |
| Shanghai- Equity investment included in financial assets at fair value through profit or loss | 302,911,174.57                        | 5%                   | 12,873,724.92                 |
| Shanghai- Equity investment included in financial assets at fair value through profit or loss | 302,911,174.57                        | -5%                  | (12,873,724.92)               |
| 2021.12.31  |                                       |                      |                               |
| Shanghai- Equity investment included in financial assets at                                   | 177,902,700.00                        | 5%                   | 7,560,864.75                  |

|   |                |     |                |
|---|----------------|-----|----------------|
| fair value through profit or loss   |                |     |                |
| Shanghai- Equity investment included in financial assets at fair value through profit or loss | 177,902,700.00 | -5% | (7,560,864.75) |

#### 4. Capital management

The main goal of the Group's capital management is to ensure that the ability of continuous operation and maintain healthy capital ratios in order to support business development, and to maximize shareholder value.

The Group manages the capital structure and adjusts it with the change of economy trend and the risk feature of the assets. To maintain or adjust the capital structure, the Group can rectify dividend distribution, return capital to shareholders or issue new shares. The Group is not subject to external mandatory capital requirements constraints. The goal, principle and procedure of capital management stay the same in 2021 and 30, June 2022.

The Group's leverage ratio on the balance sheet date is as follows:

|                |               |                   |
|----------------|---------------|-------------------|
|                | June 30, 2022 | December 31, 2021 |
| Leverage ratio | 56.19%        | 58.74%            |

## XI. Disclosure of fair value

### 1. Assets and liabilities measured at fair value

June 30, 2022

In RMB Yuan

|                              | Input measured at fair value                       |  |   |                  |
|------------------------------|--|--|---|------------------|
|                              | Quoted price in active market<br>(The first level) | Important and observable input<br>(The second level) | Important but unobservable input<br>(The third level) | Total            |
| Trading financial assets     |  |  |   |                  |
| Equity instrument investment | 133,511,100.00                                     | 169,400,074.57                                       |   | 302,911,174.57   |
| Derivative financial assets  |  |  | 3,056,400.00  | 3,056,400.00     |
| Other equity instruments     |  |  | 701,409,600.00  | 701,409,600.00   |
| Total                        | 133,511,100.00                                     | 169,400,074.57                                       | 704,466,000.00  | 1,007,377,174.57 |

December 31, 2021

In RMB Yuan

|                              | Input measured at fair value                       |  |   |                |
|------------------------------|--|--|---|----------------|
|                              | Quoted price in active market<br>(The first level) | Important and observable input<br>(The second level) | Important but unobservable input<br>(The third level) | Total          |
| Trading financial assets     |  |  |   |                |
| Equity instrument investment | 177,902,700.00                                     |  |   | 177,902,700.00 |
| Derivative financial assets  |  |  | 17,895,600.00   | 17,895,600.00  |
| Other equity instruments     |  |  | 701,409,600.00  | 701,409,600.00 |
| Total                        | 177,902,700.00                                     |  | 719,305,200.00  | 897,207,900.00 |

## 2. Fair value estimation

Management has assessed and concluded accounts, including cash, notes receivable, accounts receivable, other receivables, other payables, notes payable and accounts payable and so on, whose fair value equals to book value because of its short term to overdue.

Financial assets and financial liabilities are measured at the amount that an asset could be exchanged for or by which a liability could be incurred or settled by knowledge, willing parties in a current arm's-length transaction, other than liquidation or unwilling sales. Methods and hypothesis followed are used for determining fair value.

Long-term loans and long-term payables use discounted cash flow method to determine its fair value, with discount rate in accordance with market return of other financial instruments based on similar terms, credit risks and remaining terms. As at 31 December 2021, the default risk of long-term loans and short-term loans were considered immaterial.

The equity instruments listed by the Group are ordinary shares with unrestricted sale conditions, and their fair value is determined at the quoted market price. The Group's unlisted equity instruments use a series of valuation models to estimate the fair value, and the assumptions used are not supported by observable market prices or interest rates. The Group mainly refers to the evaluation reports of independent qualified professional appraisers. The Group believes that the fair value and its changes estimated by valuation techniques are reasonable and are also the most appropriate value on the balance sheet date.

The Group entered into a derivative financial instrument contract with the bank. The Group's derivative financial instruments are foreign exchange forward contracts, which are measured using valuation techniques similar to the present value method. The observable input value of the market covered by the model is the forward exchange rate. The book value of a foreign exchange forward contract is the same as the fair value.

## 3. Unobservable input

The following is an overview of the important unobservable input value of the third level fair value measurement:

|  | Fair value     | Valuation techniques               | Non-observable input value                                       |
|--|----------------|------------------------------------|--|
| <b>Investment in other equity instrument</b>   |                |                                    |  |
| 2022.6.30                                      | 701,409,600.00 | Market approach/ Income approach   | Comparable transaction value multiplier / Post-tax discount rate |
| 2021.12.31                                     | 701,409,600.00 | Market approach/ Income approach   | Comparable transaction value multiplier / Post-tax discount rate |
| <b>Financial asset held for trading-Others</b> |                |                                    |  |
| 2022.6.30                                      | 3,056,400.00   | Expected yield as per the contract | Expected yield contained in the contract                         |
| 2021.12.31                                     | 17,895,600.00  | Expected yield as per the contract | Expected yield contained in the contract                         |

## XII. Related party relationships and transactions

### 1. Parent company of the Company

| Parent company                          | Place of registration | Nature of the business                                      | Registered capital | Proportion of shares in the Company (%) | Proportion of voting rights in the company (%) |
|---|-----------------------|---|--------------------|---|--|
| China Changan Automobile Group Co.,Ltd. | Beijing               | Manufacture and sale of automobiles, engine, and components | 6,092,273,400.00   | 20.80%                                  | 20.80%   |

The Final controlling party is China South Industries Group corporation

### 2. Subsidiaries

See subsidiaries in IX (1) . Stake in other entities.

### 3. Joint ventures and associates

See Joint ventures and associates in IX (3) Stake in other entities.

### 4. Other related parties

| Related parties   | Relationship                                    |
|---|---|
| Chongqing Tsingshan Industrial Co., Ltd.                      | Controlled by the same ultimate holding company |
| Anhui Wanyou Automobile Sales Service Co., Ltd.               | Controlled by the same ultimate holding company |
| Bazhong Wanyou Auto Sales & Service Co., Ltd.                 | Controlled by the same ultimate holding company |
| Chengdu Huachuan Electric Equipment Co., Ltd.                 | Controlled by the same ultimate holding company |
| Chengdu Wanyou Trading Co., Ltd.                              | Controlled by the same ultimate holding company |
| Chengdu Wanyou Auto Sales and Service co.,Ltd.                | Controlled by the same ultimate holding company |
| Chengdu Wanyou Auto Trade Service Co., Ltd.                   | Controlled by the same ultimate holding company |
| Chengdu Wanyou Xiangyu Auto Sales and Service Co., Ltd.       | Controlled by the same ultimate holding company |
| Guizhou Wanyou Auto Sales and Service Co., Ltd.               | Controlled by the same ultimate holding company |
| Harbin Dongan Auto Engine Co., Ltd.                           | Controlled by the same ultimate holding company |
| Harbin Dongan Automotive Engine Manufacturing Co., Ltd.       | Controlled by the same ultimate holding company |
| Jiangsu Wanyou Automobile Sales Service Co., Ltd.             | Controlled by the same ultimate holding company |
| Luzhou Wanyou Automobile Service Co., Ltd.                    | Controlled by the same ultimate holding company |
| Panzhuhua Wanyou Auto Sales & Service Co., Ltd.               | Controlled by the same ultimate holding company |
| Sichuan Jian'an Industrial Co.,Ltd.                           | Controlled by the same ultimate holding company |
| Sichuan Ningjiang Shanchuan Machinery Co, Ltd.                | Controlled by the same ultimate holding company |
| Wanyou Automobile Investment Co., Ltd.                        | Controlled by the same ultimate holding company |
| Ya'an Wanyou Auto Sales and Service Co., Ltd.                 | Controlled by the same ultimate holding company |
| Yunnan Wanyou Auto Sales and Service Co., Ltd.                | Controlled by the same ultimate holding company |
| China South Industries Group Financial Leasing Co., Ltd.      | Controlled by the same ultimate holding company |
| China Changan Automobile Group Hefei Investment Co., Ltd.     | Controlled by the same ultimate holding company |
| China Changan Automobile Group Tianjin Sales Co., Ltd.        | Controlled by the same ultimate holding company |
| Chongqing Anfu Automobile Co., Ltd.                           | Controlled by the same ultimate holding company |
| Chongqing Wanyou Ducheng Auto Sales Service Co., Ltd.         | Controlled by the same ultimate holding company |
| Chongqing Wanyou Xingjian Auto Sales & Service Co., Ltd.      | Controlled by the same ultimate holding company |
| Chongqing Wanyou Economic Development Co., Ltd.               | Controlled by the same ultimate holding company |
| Chongqing Wanyou Zunda Automobile Sales & Service Co., Ltd.   | Controlled by the same ultimate holding company |
| Beijing Beiji Mechanical and Electrical Industry Co., Ltd.    | Controlled by the same ultimate holding company |
| China South Industry Group Finance Co., Ltd.                  | Controlled by the same ultimate holding company |
| Chengdu Jialing Huaxi Optical & Precision Machinery Co., Ltd. | Controlled by the same ultimate holding company |
| Chengdu Lingchuan Vehicle Oil Tank Co., Ltd.                  | Controlled by the same ultimate holding company |
| Chengdu Wanyou Filter Co., Ltd.                               | Controlled by the same ultimate holding company |
| Hubei Huazhong Marelli Automobile Lighting Co., Ltd.          | Controlled by the same ultimate holding company |
| Hubei Xiaogan Huazhong Automobile Light Co., Ltd.             | Controlled by the same ultimate holding company |
| Yunnan Xiyi Industries Co., Ltd.                              | Controlled by the same ultimate holding company |
| China South Industries Group Commercial Factoring Co., Ltd.   | Controlled by the same ultimate holding company |
| China South Industries Group Information Center Co., Ltd.     | Controlled by the same ultimate holding company |
| Chongqing Dajiang Jiexin Forging Co., Ltd.                    | Controlled by the same ultimate holding company |
| Chongqing Jianshe Automobile Air-conditioner Co., Ltd.        | Controlled by the same ultimate holding company |
| Chongqing construction industry (Group) Co., Ltd              | Controlled by the same ultimate holding company |
| Chongqing Construction Tongda Industrial Co., Ltd.            | Controlled by the same ultimate holding company |



| Related parties   | Relationship                                    |
|---|---|
| Chongqing Shangfang Automobile Fittings Co., Ltd.   | Controlled by the same ultimate holding company |
| Chongqing Qingshan Transmission Sales Co., Ltd.   | Controlled by the same ultimate holding company |
| Chongqing Changfeng Jiquan Machinery Co., Ltd.  | Controlled by the same ultimate holding company |
| Chongqing Chang'an industry (Group) Co., Ltd  | Controlled by the same ultimate holding company |
| Chongqing Changan Property Management Co., Ltd.   | Controlled by the same ultimate holding company |
| Chongqing Changan Construction Co., Ltd.  | Controlled by the same ultimate holding company |
| Chongqing Changan Intelligent Industrial Technology Service Co., Ltd.                       | Controlled by the same ultimate holding company |
| Chongqing Pingshan Tk Carburetor Co., Ltd.  | Controlled by the same ultimate holding company |
| Longchang Shanchuan Precision Welded Tube Co., Ltd.   | Controlled by the same ultimate holding company |
| Chongqing Changrong Machinery Co., Ltd.   | Controlled by the same ultimate holding company |
| Chongqing Yihong Engineering Plastic Products Co., Ltd.                                     | Controlled by the same ultimate holding company |
| Yunnan Wanxing Auto Sales Service Co., Ltd.   | Controlled by the same ultimate holding company |
| Chongqing Qingshan transmission branch of China Chang'an Automobile Group Co., Ltd          | Controlled by the same ultimate holding company |
| Hunan Tianyan Machinery Co., Ltd  | Controlled by the same ultimate holding company |
| Chongqing Changan Minsheng Dingjie Logistics Co.,Ltd.                                       | Controlled by the same ultimate holding company |
| Southwest Ordnance Industry Chongqing Environmental Protection Research Institute Co., Ltd. | Controlled by the same ultimate holding company |
| China Ordnance News Agency  | Controlled by the same ultimate holding company |
| Chongqing Wanyou Advertising Co.,Ltd.   | Controlled by the same ultimate holding company |
| Chongqing Jialing Yimin Special Equipment Co., Ltd.   | Controlled by the same ultimate holding company |
| Chongqing Xiyi Automobile Connecting Rod Co., Ltd.  | Controlled by the same ultimate holding company |
| Chongqing Jianshe Mechanical & Electrical Equipment Co., Ltd.                               | Controlled by the same ultimate holding company |
| Chongqing Dajiang Xinda Vehicles Shares Co., Ltd.   | Controlled by the same ultimate holding company |
| Chengdu Lingchuan Special Industry Co., Ltd.  | Controlled by the same ultimate holding company |
| Chongqing Automobile Air-conditioner Co., Ltd.  | Controlled by the same ultimate holding company |
| Chongqing Changjiang Electrician Industry Group Co.,Ltd.                                    | Controlled by the same ultimate holding company |
| Guangxi Wanyou Auto Sales and Service Co., Ltd.   | Controlled by the same ultimate holding company |
| Ya'an Changan Affordable Housing Construction Co., Ltd.                                     | Controlled by the same ultimate holding company |
| SIAMC Management Co., Ltd.  | Controlled by the same ultimate holding company |
| Hunan Tianyan Machinery Co., Ltd  | Participated by the Ultimate holding company    |
| CDGM Tanaka Environmental Catalyst Co.,Ltd.   | Participated by the Ultimate holding company    |
| Hafei Motor Co., Ltd.   | Participated by the Ultimate holding company    |
| Chengdu Ningjiang Zhaohe Automobile Components Co., Ltd.                                    | Participated by the Ultimate holding company    |
| Southern Fojiya Auto Parts Co., Ltd.  | Participated by the Ultimate holding company    |
| South Tianhe Chassis System Co., Ltd.   | Participated by the Ultimate holding company    |
| South Inter Air-conditioner Co.,Ltd.  | Participated by the Ultimate holding company    |
| Chongqing Chang'an Minsheng Boyu Logistics Co., Ltd.  | Participated by the Ultimate holding company    |
| Chongqing Changan Minsheng Logistics Co. Ltd.   | Participated by the Ultimate holding company    |
| Chongqing Dajiang Yuqiang Plastic Co., Ltd.   | Participated by the Ultimate holding company    |
| Chongqing Nexteer Steering System Co.,Ltd.  | Participated by the Ultimate holding company    |
| Beijing Zhongbing Insurance Brokerage Co., Ltd.   | Participated by the Ultimate holding company    |
| Lear Chang'an (Chongqing) Automotive System Co., Ltd  | Participated by the Ultimate holding company    |
| United Automotive Electronics (Chongqing) Co., Ltd  | Participated by the Ultimate holding company    |
| Nattiefu transmission system (Chongqing) Co., Ltd   | Participated by the Ultimate holding company    |
| Tiannak Lingchuan (Chongqing) exhaust system Co., Ltd                                       | Participated by the Ultimate holding company    |
| Changan Laisi (Chongqing) robot intelligent equipment Co., Ltd                              | Participated by the Ultimate holding company    |

| Related parties   | Relationship                                 |
|---|--|
| Chongqing Dajiang Tongyang Plastics Co., Ltd.                       | Participated by the Ultimate holding company |
| Chongqing Dajiang Guoli Precision Machinery Manufacturing Co., Ltd. | Participated by the Ultimate holding company |
| Dajiang Yapp Automotive Systems Co., Ltd.                           | Participated by the Ultimate holding company |
| Chongqing Hanon Jianshe Automotive Thermal Systems Co., Ltd.        | Participated by the Ultimate holding company |
| Chongqing Lingchuan Auto Parts Manufacturing Technology Co., Ltd.   | Participated by the Ultimate holding company |
| Beijing Wutong Chelian Technology Co., Ltd.                         | Companies in which the company participates  |
| Nanjing LingHang Technology Co., Ltd.                               | Companies in which the company participates  |
| Ald Fortune Auto Leasing & Renting (Shanghai) Co., Ltd.             | Companies in which the company participates  |

## 5. Related-party transaction

### (1) Transactions of goods and services

Goods purchased and services received

In RMB Yuan

| Related parties   | Nature of the transaction                     | Current amount | Approved transaction amount | Whether it exceeds the transaction amount | Prior-period amount |
|---|---|----------------|-----------------------------|---|---------------------|
| Changan Ford Automobile Co., Ltd.   | Procurement of parts                          | 33,177.65      | 1,921,855.70                | No  | 186,186.55          |
| Jiangling Holdings Co., Ltd.  | Accept labor                                  | 585,345.00     | -                           | Yes                                       | 737,706.14          |
| Changan Auto Finance Co., Ltd.  | Accept labor                                  | 154,563,517.61 | 123,988,448.87              | Yes                                       | 8,153,781.57        |
| Hangzhou Chelizi Intelligent Technology Co., Ltd.                                   | Procurement of parts                          | -              | 3,750,000.00                | No  | -                   |
| Chongqing Changan New Energy Vehicles Technology Co., Ltd.                          | Purchasing parts and accepting labor services | 716,672,719.94 | 3,011,467,834.39            | No  | 82,033,905.11       |
| Beijing Wutong Chelian Technology Co., Ltd.   | Purchasing parts and accepting labor services | 67,885,814.09  | 199,395,069.81              | No  | 38,062,628.50       |
| China Changan Automobile Group Co., Ltd.  | Accept labor                                  | -              | 180,000.00                  | No  | 60,000.00           |
| Chongqing Qingshan transmission branch of China Chang'an Automobile Group Co., Ltd. | Procurement of parts                          | -              | 928,269.34                  | No  | -                   |
| Anhui Wanyou Automobile Sales Service Co., Ltd.                                     | Accept labor                                  | 2,284,126.26   | 3,758,297.12                | No  | 626,024.86          |
| Bazhong Wanyou Auto Sales & Service Co., Ltd.                                       | Accept labor                                  | -              | 111,000.00                  | No  | 73,330.36           |
| Chengdu Huachuan Electric Equipment Co., Ltd.                                       | Procurement of parts                          | 201,518,601.15 | 805,483,679.59              | No  | 227,227,857.41      |
| Chengdu Ningjiang Zhaohu Automobile Components Co., Ltd.                            | Procurement of parts                          | 7,248,464.81   | 148,609,447.22              | No  | 39,951,396.48       |
| Chengdu Wanyou Trading Co., Ltd.  | Accept labor                                  | 22,527.44      | 58,417.52                   | No  | 12,164.16           |
| Chengdu Wanyou Auto Sales and Service co.,Ltd.                                      | Accept labor                                  | 368,483.54     | 281,414.61                  | Yes                                       | -                   |
| Chengdu Wanyou Auto Trade Service Co., Ltd.   | Accept labor                                  | 5,421,148.49   | 11,584,348.61               | No  | 3,584,234.21        |

| Related parties   | Nature of the transaction                     | Current amount   | Approved transaction amount | Whether it exceeds the transaction amount | Prior-period amount |
|---|---|------------------|-----------------------------|---|---------------------|
| Chengdu Wanyou Xiangyu Auto Sales and Service Co., Ltd.     | Accept labor                                  | 6,376,107.26     | 15,596,129.17               | No  | 5,262,969.51        |
| Guizhou Wanyou Auto Sales and Service Co., Ltd.             | Accept labor                                  | 6,881,968.71     | 20,824,040.79               | No  | 6,240,583.45        |
| Harbin Dongan Auto Engine Co., Ltd.                         | Purchasing parts and accepting labor services | 263,267,944.07   | 1,231,859,413.46            | No  | 417,231,892.67      |
| Harbin Dongan Automotive Engine Manufacturing Co., Ltd.     | Purchasing parts and accepting labor services | 653,853,009.25   | 2,527,626,318.31            | No  | 855,901,689.16      |
| Hunan Tianyan Machinery Co., Ltd.                           | Procurement of parts                          | 2,617,013.13     | 124,012,774.49              | No  | 52,452,744.77       |
| Jiangsu Wanyou Automobile Sales Service Co., Ltd.           | Accept labor                                  | 2,015,418.16     | 3,553,700.27                | No  | 651,038.61          |
| Luzhou Wanyou Automobile Service Co., Ltd.                  | Accept labor                                  | 307,508.81       | 1,079,823.97                | No  | 380,083.72          |
| Southern Fojiya Auto Parts Co., Ltd.                        | Procurement of parts                          | 252,639,803.32   | 1,000,969,656.80            | No  | 280,222,308.44      |
| South Tianhe Chassis System Co., Ltd.                       | Procurement of parts                          | 459,025,340.96   | 1,950,314,552.53            | No  | 486,779,984.60      |
| South Inter Air-conditioner Co., Ltd.                       | Procurement of parts                          | 202,161,276.20   | 863,478,799.74              | No  | 200,511,859.90      |
| Panzhuhua Wanyou Auto Sales & Service Co., Ltd.             | Accept labor                                  | 257,324.00       | 771,827.92                  | No  | 263,159.87          |
| Sichuan Jian'an Industrial Co., Ltd.                        | Purchasing parts and accepting labor services | 534,985,354.14   | 1,645,997,268.09            | No  | 483,719,852.19      |
| Sichuan Ningjiang Shanchuan Machinery Co., Ltd.             | Procurement of parts                          | 159,762,835.80   | 560,841,224.45              | No  | 171,000,224.81      |
| Ya'an Wanyou Auto Sales and Service Co., Ltd.               | Accept labor                                  | 846,681.30       | 2,612,656.06                | No  | 908,456.37          |
| Yunnan Wanyou Auto Sales and Service Co., Ltd.              | Accept labor                                  | 13,728,699.67    | 31,476,537.76               | No  | 10,743,446.13       |
| Yunnan Wanxing Auto Sales Service Co., Ltd.                 | Accept labor                                  | 92,971.05        | 1,839,395.79                | No  | 132,323.01          |
| China Changan Automobile Group Hefei Investment Co., Ltd.   | Accept labor                                  | -                | 1,794,366.59                | No  | 951,991.17          |
| China Changan Automobile Group Tianjin Sales Co., Ltd.      | Accept labor                                  | 692,160.09       | 3,014,067.66                | No  | 111,409.95          |
| Chongqing Tsingshan Industrial Co., Ltd.                    | Purchasing parts and accepting labor services | 3,637,088,928.81 | 11,430,694,983.63           | No  | 2,700,637,434.06    |
| Chongqing Wanyou Ducheng Auto Sales Service Co., Ltd.       | Accept labor                                  | 2,584,670.89     | 5,504,274.33                | No  | 1,721,447.53        |
| Chongqing Wanyou Xingjian Auto Sales & Service Co., Ltd.    | Accept labor                                  | 716,753.30       | 3,916,714.79                | No  | 1,092,633.98        |
| Chongqing Wanyou Economic Development Co., Ltd.             | Purchasing parts and accepting labor services | 40,779,608.17    | 1,009,788,555.92            | No  | 369,796,951.53      |
| Chongqing Wanyou Zunda Automobile Sales & Service Co., Ltd. | Procurement of parts                          | 114.95           | -                           | Yes                                       | -                   |

| Related parties   | Nature of the transaction                     | Current amount   | Approved transaction amount | Whether it exceeds the transaction amount | Prior-period amount |
|---|---|------------------|-----------------------------|---|---------------------|
| Chongqing Chang'an Minsheng Boyu Logistics Co., Ltd.          | Logistics cost                                | -                | 71,441.28                   | No  | -                   |
| Chongqing Changan Minsheng Logistics Co. Ltd.                 | Purchasing parts and accepting labor services | 1,760,470,945.02 | 6,545,621,081.26            | No  | 1,388,787,441.14    |
| Beijing Beiji Mechanical and Electrical Industry Co., Ltd.    | Procurement of parts                          | 18,410.18        | 6,092.98                    | Yes                                       | 2,086.86            |
| Chengdu Jialing Huaxi Optical & Precision Machinery Co., Ltd. | Procurement of parts                          | 1,538,164.71     | 17,353,897.32               | No  | 6,216,741.79        |
| Chengdu Lingchuan Vehicle Oil Tank Co., Ltd.                  | Purchasing parts and accepting labor services | 18,148,367.15    | 67,178,945.71               | No  | 17,816,531.05       |
| Chengdu Wanyou Filter Co., Ltd.                               | Procurement of parts                          | 76,561,417.56    | 252,486,835.70              | No  | 84,479,587.54       |
| Hubei Huazhong Marelli Automobile Lighting Co., Ltd.          | Procurement of parts                          | 473,880,131.14   | 2,221,189,276.10            | No  | 465,100,075.04      |
| Hubei Xiaogan Huazhong Automobile Light Co., Ltd.             | Procurement of parts                          | 51,876,744.41    | 202,976,991.90              | No  | 61,893,517.73       |
| Yunnan Xiyi Industries Co., Ltd.                              | Procurement of parts                          | 53,637,731.83    | 204,846,321.43              | No  | 59,269,771.21       |
| China South Industries Group Information Center Co., Ltd.     | Accept labor                                  | -                | 42,000.00                   | No  | -                   |
| Chongqing Dajiang Jiexin Forging Co., Ltd.                    | Procurement of parts                          | 1,845,245.27     | 10,924,319.90               | No  | 3,022,294.47        |
| Chongqing Dajiang Yuqiang Plastic Co., Ltd.                   | Procurement of parts                          | 344,226.01       | 77,509,963.48               | No  | 88,514,947.10       |
| Chongqing Jianshe Automobile Air-conditioner Co., Ltd.        | Procurement of parts                          | 38,555,506.77    | 306,037,760.69              | No  | 105,174,591.95      |
| Chongqing construction industry (Group) Co., Ltd              | Procurement of parts                          | 726,973.62       | 7,075,684.69                | No  | 780,297.42          |
| Chongqing Construction Tongda Industrial Co., Ltd.            | Procurement of parts                          | 16,331,004.84    | 84,644,649.65               | No  | 19,335,699.51       |
| Chongqing Nexteer Steering System Co.,Ltd.                    | Procurement of parts                          | 400,416,384.73   | 1,701,967,636.08            | No  | 378,981,317.38      |
| Chongqing Shangfang Automobile Fittings Co., Ltd.             | Procurement of parts                          | 52,075,600.58    | 198,487,628.70              | No  | 51,123,910.13       |
| Chongqing Qingshan Transmission Sales Co., Ltd.               | Procurement of parts                          | 18,687,536.60    | 36,131,038.29               | No  | 10,226,693.15       |
| Chongqing Yihong Engineering Plastic Products Co., Ltd.       | Procurement of parts                          | 14,407,672.87    | 45,640,634.47               | No  | 8,668,811.99        |
| Chongqing Changfeng Jiquan Machinery Co., Ltd.                | Procurement of parts                          | -                | 10,881.36                   | No  | -                   |
| Chongqing Chang'an industry (Group) Co., Ltd                  | Accept labor                                  | 6,341,330.87     | 196,627,170.00              | No  | 4,811,062.11        |
| Chongqing Changan Property Management Co., Ltd.               | Accept labor                                  | 1,928,927.46     | 6,265,367.91                | No  | 1,911,249.38        |
| Beijing Zhongbing Insurance Brokerage Co., Ltd.               | Purchasing parts and accepting labor services | 45,762.00        | 285,274.84                  | No  | 5,554.42            |
| Lear Chang'an (Chongqing) Automotive System Co., Ltd          | Procurement of parts                          | 229,595,709.77   | 1,000,861,210.19            | No  | 297,535,098.14      |

| Related parties   | Nature of the transaction                     | Current amount    | Approved transaction amount | Whether it exceeds the transaction amount | Prior-period amount |
|---|---|-------------------|-----------------------------|---|---------------------|
| United Automotive Electronics (Chongqing) Co., Ltd  | Purchasing parts and accepting labor services | 411,241,559.03    | 958,944,741.07              | No  | 237,298,829.56      |
| Nattiefu transmission system (Chongqing) Co., Ltd   | Procurement of parts                          | 210,241,479.79    | 715,778,771.46              | No  | 192,065,903.94      |
| Nanjing LingHang Technology Co., Ltd.   | Purchasing parts and accepting labor services | 304,110.83        | 600,000.00                  | No  | -                   |
| Tiannak Lingchuan (Chongqing) exhaust system Co., Ltd                                       | Purchasing parts and accepting labor services | 30,942,900.59     | 80,962,093.44               | No  | 29,000,980.23       |
| Changan Laisi (Chongqing) robot intelligent equipment Co., Ltd                              | Procurement of parts                          | -                 | 34,390,957.65               | No  | 601,568.93          |
| Chongqing Dajiang Tongyang Plastics Co., Ltd.   | Procurement of parts                          | 191,978,923.57    | 541,885,026.38              | No  | 4,831,358.42        |
| Chongqing Dajiang Guoli Precision Machinery Manufacturing Co., Ltd.                         | Procurement of parts                          | 167,524,798.04    | 635,843,953.00              | No  | 135,836,367.95      |
| Dajiang Yapp Automotive Systems Co., Ltd.   | Procurement of parts                          | 167,401,222.48    | 714,950,383.10              | No  | 176,074,670.02      |
| Chongqing Hanon Jianshe Automotive Thermal Systems Co., Ltd.                                | Procurement of parts                          | 71,943,120.72     | 348,601,720.25              | No  | 117,174,891.64      |
| Chongqing Lingchuan Auto Parts Manufacturing Technology Co., Ltd.                           | Procurement of parts                          | 67,077,513.30     | 205,879,742.29              | No  | 61,042,625.94       |
| Chongqing Chang'an Intelligent Industrial Technology Service Co., Ltd                       | Accept labor                                  | 513,085.15        | 955,650.00                  | No  | -                   |
| Chongqing Changan Minsheng Dingjie Logistics Co.,Ltd.                                       | Procurement of parts                          | -                 | 183,402.83                  | No  | -                   |
| Chongqing Pingshan Tk Carburetor Co., Ltd.  | Procurement of parts                          | 113,625.19        | 384,399.00                  | No  | -                   |
| Longchang Shanchuan Precision Welded Tube Co., Ltd.   | Procurement of parts                          | 16,006,962.03     | 55,926,791.60               | No  | -                   |
| Chongqing Changrong Machinery Co., Ltd.   | Procurement of parts                          | 105,095,477.66    | 431,805,778.38              | No  | 108,378,855.15      |
| Chongqing Wutong Chelian Technology Co., Ltd.   | Accept labor                                  | 18,867,924.00     | -                           | Yes                                       | -                   |
| Southwest Ordnance Industry Chongqing Environmental Protection Research Institute Co., Ltd. | Procurement of parts                          | 643,025.04        | -                           | Yes                                       | -                   |
| Chongqing Yihong Engineering Plastic Products Co., Ltd.                                     | Procurement of parts                          | 495,852.05        | -                           | Yes                                       | -                   |
| China Ordnance News Agency  | Accept labor                                  | 8,235.84          | -                           | Yes                                       | -                   |
| Chongqing Wanyou Advertising Co.,Ltd.   | Procurement of parts                          | 144,000.00        | -                           | Yes                                       | -                   |
| Ald Fortune Auto Leasing & Renting (Shanghai) Co., Ltd.                                     | Procurement of parts                          | 2,081,065.28      | -                           | Yes                                       | -                   |
| Total:  |   | 12,077,344,092.00 | 44,660,420,679.68           |   | 10,563,387,032.07   |

Goods sold and services offered

In RMB Yuan

| Related parties  | Nature of the transaction                          | Current amount | Prior-period Amount |
|--|--|----------------|---------------------|
| Changan Ford Automobile Co., Ltd.                          | Sales of materials and parts                       | 1,977,509.38   | 1,855,571.93        |
| Jiangling Holdings Co., Ltd.                               | Training fee                                       | 384,888.69     | -                   |
| Changan Automobile Financing Co., Ltd.                     | Financial service fee                              | 233,886,141.47 | 235,922,452.68      |
| Hainan Anxinxing Information Technology Co., Ltd.          | warehouse service charge                           | 28,301.89      | 180,405.38          |
| Chongqing Changan Kuayue Automobile Co., Ltd.              | Sales of engines                                   | 35,175,120.00  | 25,113,180.83       |
| Chongqing Changan Kuayue Automobile Sales Co., Ltd.        | Selling parts                                      | 84,044.68      | -                   |
| Chongqing Changan New Energy Vehicles Technology Co., Ltd. | Sales of complete vehicles and parts               | 941,495,311.87 | 1,507,513,718.25    |
| Anhui Wanyou Automobile Sales Service Co., Ltd.            | Sales of complete vehicles and parts               | 101,714,909.87 | 94,893,670.51       |
| Chengdu Huachuan Electric Equipment Co., Ltd.              | Training fee                                       | -              | 51,886.79           |
| Chengdu Wanyou Trading Co., Ltd.                           | Sales of materials and parts                       | 8,176.99       | -                   |
| Chengdu Wanyou Auto Sales and Service Co., Ltd.            | Sales of complete vehicles and parts               | 472,725.21     | 34,563.77           |
| Chengdu Wanyou Auto Trade Service Co., Ltd.                | Sales of complete vehicles and parts               | 312,041,141.75 | 316,249,425.28      |
| Chengdu Wanyou Xiangyu Auto Sales and Service Co., Ltd.    | Sales of complete vehicles and parts               | 699,738,917.76 | 794,544,935.13      |
| Guizhou Wanyou Auto Sales and Service Co., Ltd.            | Sales of complete vehicles and parts               | 501,259,585.12 | 588,046,422.66      |
| Harbin Dongan Auto Engine Co., Ltd.                        | Sales of materials and parts, maintenance services | 1,173.00       | 15,930.30           |
| Harbin Dongan Automotive Engine Manufacturing Co., Ltd.    | Sales of materials and parts                       | 24,251,252.09  | 31,522,892.41       |
| Jiangsu Wanyou Automobile Sales Service Co., Ltd.          | Sales of complete vehicles and parts               | 105,718,270.77 | 104,011,720.99      |
| Luzhou Wanyou Automobile Service Co., Ltd.                 | Sales of materials and parts                       | 450,709.55     | 519,692.06          |
| Panzhuhua Wanyou Auto Sales & Service Co., Ltd.            | Sales of materials and parts                       | 383,700.50     | 263,050.52          |
| Sichuan Ningjiang Shanchuan Machinery Co., Ltd.            | Training fee                                       | -              | 51,886.79           |
| Wanyou Automobile Investment Co., Ltd.                     | Sales of complete vehicles                         | 327,743,125.35 | 349,917,081.21      |
| Ya'an Wanyou Auto Sales and Service Co., Ltd.              | Sales of complete vehicles and parts               | 889,767.43     | 655,115.77          |
| Yunnan Wanyou Auto Sales and Service Co., Ltd.             | Sales of complete vehicles and parts               | 546,916,400.91 | 671,843,881.62      |
| Yunnan Wanxing Auto Sales Service Co., Ltd.                | Sales of complete vehicles and parts               | 18,951,586.08  | 46,605,045.84       |
| China South Industries Group Financial Leasing Co., Ltd.   | service charge                                     | 7,077,169.81   | 47,547.17           |
| China Changan Automobile Group Hefei Investment Co., Ltd.  | Sales of complete vehicles and parts               | -              | 41,156,064.45       |
| China Changan Automobile Group Tianjin Sales Co., Ltd.     | Sales of complete vehicles and parts               | 113,428,610.55 | 137,135,092.41      |
| Chongqing Anfu Automobile Co., Ltd.                        | Sales of complete vehicles and parts               | 7,775,221.22   | 6,189,380.58        |
| Chongqing Tsingshan Industrial Co., Ltd.                   | Sales of materials and parts                       | 72,087,696.68  | 35,512,076.07       |

| Related parties   | Nature of the transaction                         | Current amount   | Prior-period Amount |
|---|---|------------------|---------------------|
| Chongqing Wanyou Ducheng Auto Sales Service Co., Ltd.               | Sales of materials and parts                      | 1,472,801.11     | 1,161,570.19        |
| Chongqing Wanyou Xingjian Auto Sales & Service Co., Ltd.            | Sales of materials and parts                      | 853,360.20       | 697,236.79          |
| Chongqing Wanyou Economic Development Co., Ltd.                     | Sales of complete vehicles and parts              | 924,172,360.80   | 1,049,808,179.31    |
| Chongqing Wanyou Zunda Automobile Sales & Service Co., Ltd.         | Sales of materials and parts                      | 319,697,765.86   | 206,745,318.62      |
| Chongqing Chang'an Minsheng Boyu Logistics Co., Ltd.                | Sales of complete vehicles and training expenses  | 23,716.98        | 85,818,614.19       |
| Chongqing Changan Minsheng Logistics Co. Ltd.                       | Sales of materials and parts, utilities           | 1,018,913.85     | 928,663.27          |
| China South Industry Group Finance Co., Ltd.                        | Others  | 550,714.07       | -                   |
| Chengdu Lingchuan Vehicle Oil Tank Co., Ltd.                        | Sales of materials and parts                      | 938,416.81       | 938,476.80          |
| Yunnan Xiyi Industries Co., Ltd.                                    | Sales of materials and parts                      | 663,752.00       | 2,746,914.24        |
| China South Industries Group Commercial Factoring Co., Ltd.         | service charge                                    | 44,333.22        | 84,853.12           |
| Chongqing Dajiang Yuqiang Plastic Co., Ltd.                         | Sales of materials and parts                      | 131,400.00       | -716,798.50         |
| Chongqing Jianshe Automobile Air-conditioner Co., Ltd.              | testing expenses                                  | 11,946.90        | -                   |
| Chongqing construction industry (Group) Co., Ltd                    | Sales of materials and parts                      | 193,218.11       | 171,959.13          |
| Chongqing Nexteer Steering System Co.,Ltd.                          | Sales of materials and parts                      | 1,552,230.09     | -                   |
| Nanjing LingHang Technology Co., Ltd.                               | operating charges                                 | 1,873,252.38     | -                   |
| Ald Fortune Auto Leasing & Renting (Shanghai) Co., Ltd.             | operating charges                                 | 13,010,318.55    | -                   |
| Tiannak Lingchuan (Chongqing) exhaust system Co., Ltd               | Sales of materials and parts                      | 2,651,092.85     | 6,228,241.00        |
| Chongqing Dajiang Tongyang Plastics Co., Ltd.                       | Sales of materials and parts                      | 533,842.98       | 1,181,692.00        |
| Chongqing Dajiang Guoli Precision Machinery Manufacturing Co., Ltd. | Outsourcing processing, sales materials and parts | 14,217,387.85    | 10,746.64           |
| Chongqing Lingchuan Auto Parts Manufacturing Technology Co., Ltd.   | Sales of materials and parts                      | 1,214,708.00     | 9,518,232.82        |
| Avita Technology (Chongqing) Co., Ltd.                              | Technical commissions                             | 52,471,011.00    | -                   |
| Pakistan Master Automobile Co., Ltd.                                | Sales of complete vehicles and parts              | 686,073,063.37   | -                   |
| Total:  |   | 6,077,311,065.60 | 6,355,176,591.02    |

## (2) Related-party leasing

Rent assets to related parties

In RMB Yuan

| Lessee                               | Type of leased assets | Report period Amount | Same period of last period Amount |
|--------------------------------------|-----------------------|----------------------|-----------------------------------|
| South Inter Air-conditioner Co.,Ltd. | Vehicle               | 67,752.21            | -                                 |

|  |                                     |               |               |
|--|-------------------------------------|---------------|---------------|
| Chongqing Changan Industries Group Co. Ltd.                | Building                            | 3,397,373.71  | 3,283,373.71  |
| Nanjing LingHang Technology Co., Ltd.                      | Vehicle                             | 63,932,417.73 | 45,919,893.28 |
| Ald Fortune Auto Leasing & Renting (Shanghai) Co., Ltd.    | Vehicle                             | 2,696,360.42  | -             |
| Chongqing Changan New Energy Vehicles Technology Co., Ltd. | Building, land and battery Workshop | 10,675,075.50 | 9,829,396.15  |
| Chongqing Changan Minsheng Logistics Co. Ltd.              | Building                            | 354,900.63    | 356,642.49    |
| Chongqing Wanyou Economic Development Co., Ltd.            | Building and land                   | 321,100.92    | 321,100.92    |
| Total  |                                     | 81,444,981.12 | 59,710,406.55 |

Rent assets from related parties

In RMB Yuan

| Lessor   | Type of leased assets | Rent paid            |                                   |
|--|-----------------------|----------------------|-----------------------------------|
|  |                       | Report period Amount | Same period of last period Amount |
| Chongqing Chang'an Minsheng Logistics Co., Ltd | Land                  | 1,730,062.80         | 251,047.99                        |

**(3) Other related transactions**

Integrated service charges

In RMB Yuan

| Related parties                    | Nature of the transaction       | Report period Amount | Same period of last period Amount |
|------------------------------------|---------------------------------|----------------------|-----------------------------------|
| Changan Industries (Group) Co. Ltd | Payment of land rental fees     | 3,091,095.90         | 8,592,223.08                      |
|                                    | Payment of building rental fees | 1,197,968.00         | 1,197,968.00                      |
|                                    | Payment of utilities            | 27,574,790.98        | 34,902,256.18                     |
|                                    | Others                          | 513,677.67           | 1,234,867.44                      |
| Total                              |                                 | 32,377,532.55        | 45,927,314.70                     |

Purchase of project materials

In RMB Yuan

| Related parties  | Report period Amount | Same period of last period Amount |
|--|----------------------|-----------------------------------|
| Chongqing Chang'an Minsheng Logistics Co., Ltd                 | 8,150.95             | 1,266,884.27                      |
| Changan Laisi (Chongqing) robot intelligent equipment Co., Ltd | 7,830,088.50         | 5,616,000.00                      |
| Total  | 7,838,239.45         | 6,882,884.27                      |

Staff expenses for technical supporting



In RMB Yuan

| Related parties   | Report period Amount | Same period of last period Amount |
|---|----------------------|-----------------------------------|
| Chang'an Mazda Automobile Co., Ltd                        | 222,474.38           | 5,349,433.96                      |
| Changan Ford Motor Co., Ltd                               | 7,943,502.33         | 8,106,439.00                      |
| Changan Mazda Engine Co., Ltd.                            | 242,821.56           | -                                 |
| Hainan Anxinxing Information Technology Co., Ltd.         | 634,354.87           | -                                 |
| Chongqing Chang'an New Energy Vehicle Technology Co., Ltd | -                    | 1,223,495.73                      |
| Chongqing Shangfang Auto Parts Co., Ltd                   | -                    | 53,900.00                         |
| Total   | 9,043,153.14         | 14,733,268.69                     |

Technology development service charges

In RMB Yuan

| Related parties                          | Report period Amount | Same period of last period Amount |
|--|----------------------|-----------------------------------|
| Chongqing Tsingshan Industrial Co., Ltd. | -                    | 2,558,531.66                      |

Collection of trademark use rights fees

In RMB Yuan

| Related parties                               | Report period Amount | Same period of last period Amount |
|---|----------------------|-----------------------------------|
| Chongqing Changan Kuayue Automobile Co., Ltd. | 270,188.68           | -                                 |

Related party monetary funds

In RMB Yuan

| Related parties                               | Ending Amount     | Beginning Amount  |
|---|-------------------|-------------------|
| China South Industries Group Finance Co., Ltd | 16,862,815,259.42 | 19,652,980,551.77 |
| Changan Automobile Finance Co., Ltd           | 10,500,000,000.00 | 12,000,000,000.00 |
| Total   | 27,362,815,259.42 | 31,652,980,551.77 |

In 2022, the annual interest rate of deposits deposited with related parties is 0.35% - 2.25%, and the term is 0-12 months.

Borrowing

Short-term borrowing

In RMB Yuan

| Related parties                               | Ending Amount  | Beginning Amount |
|---|----------------|------------------|
| China South Industries Group Finance Co., Ltd | 140,466,500.00 | 73,300,000.00    |

Interest income of deferred payment

In RMB Yuan

| Related parties  | Report period Amount | Same period of last period Amount |
|--|----------------------|-----------------------------------|
| Wanyou Automobile Investment Co., Ltd                    | -                    | 15,340.71                         |
| Chengdu Wanyou Xiangyu Automobile Sales Service Co., Ltd | -                    | 50,616.82                         |
| Chengdu Wanyou Automobile Trade Service Co., Ltd         | -                    | 58,781.86                         |
| Yunnan Wanyou Automobile Sales Service Co., Ltd          | -                    | 31,071.82                         |
| Guizhou Wanyou Automobile Sales Service Co., Ltd         | -                    | 70,417.82                         |
| Anhui Wanyou Automobile Sales Service Co., Ltd           | -                    | 1,862.83                          |
| Jiangsu Wanyou Automobile Sales Service Co., Ltd         | -                    | 199.12                            |
| Chongqing Wanyou Economic Development Co., Ltd           | 6,588.40             | 21,953.77                         |
| China Changan Automobile Group Hefei Investment Co., Ltd | -                    | -                                 |
| China Changan Automobile Group Tianjin Sales Co., Ltd.   | 2,489.29             | -                                 |
| Total  | 9,077.69             | 250,244.75                        |

**6. Payment and receivables of related parties**

**(1) Payment receivables of related listed companies**

In RMB Yuan

| Items            | Related parties  | Ending balance   |                         | Beginning balance |                         |
|------------------|--|------------------|-------------------------|-------------------|-------------------------|
|                  |  | Book balance     | Provision for bad-debts | Book balance      | Provision for bad-debts |
| Notes receivable | Chongqing Chang'an Kuayue Vehicle Co., Ltd                 | -                | -                       | 13,841,516.24     | -                       |
| Notes receivable | Chongqing Changan Kuayue Automobile Sales Co., Ltd.        | 1,850,000.00     | -                       | 1,450,000.00      | -                       |
| Notes receivable | Chongqing Changan New Energy Vehicles Technology Co., Ltd. | 875,195,214.16   | -                       | 1,707,657,373.40  | -                       |
| Notes receivable | Harbin Dongan Automotive Engine Manufacturing Co., Ltd.    | 23,354,574.52    | -                       | 9,132,765.60      | -                       |
| Notes receivable | Wanyou Automobile Investment Co., Ltd.                     | 1,417,640,000.00 | -                       | 2,175,240,000.00  | -                       |
| Notes receivable | Chongqing Changan Minsheng Logistics Co. Ltd.              | -                | -                       | 1,895,178.03      | -                       |
| Notes receivable | Chongqing Wanyou Economic Development Co., Ltd.            | 15,000,000.00    | -                       | 25,500,000.00     | -                       |
| Notes receivable | Chengdu Wanyou Auto Trade Service Co., Ltd.                | 9,700,000.00     | -                       | 24,800,000.00     | -                       |
| Notes receivable | Yunnan Wanyou Auto Sales and Service Co., Ltd.             | 24,000,000.00    | -                       | 47,000,000.00     | -                       |

| Items              | Related parties   | Ending balance   |                         | Beginning balance |                         |
|--------------------|---|------------------|-------------------------|-------------------|-------------------------|
|                    |   | Book balance     | Provision for bad-debts | Book balance      | Provision for bad-debts |
| Notes receivable   | Guizhou Wanyou Auto Sales and Service Co., Ltd.   | 3,950,000.00     | -                       | 5,500,000.00      | -                       |
| Notes receivable   | Chongqing Tsingshan Industrial Co., Ltd.  | 38,121,507.00    | -                       | 7,995,373.20      | -                       |
| Subtotal           |   | 2,408,811,295.68 | -                       | 4,020,012,206.47  | -                       |
| Account receivable | Changan Ford Automobile Co., Ltd.   | 1,197,831.91     | -                       | 27,571,894.33     | -                       |
| Account receivable | Chang'an Mazda Automobile Co., Ltd  | 10,664,563.95    | -                       | 10,443,141.10     | -                       |
| Account receivable | Chongqing Chang'an Kuayue Vehicle Co., Ltd  | 39,757,144.90    | -                       | 31,600,512.92     | -                       |
| Account receivable | Chongqing Changan Kuayue Automobile Sales Co., Ltd.                                       | -                | -                       | 128,646.00        | -                       |
| Account receivable | Changan Auto Finance Co., Ltd.  | 56,057,800.00    | -                       | 27,000,000.00     | -                       |
| Account receivable | Beijing Fang'an crescent taxi Co., Ltd.   | 38,600,000.00    | -                       | 38,600,000.00     | -                       |
| Account receivable | Jiangling Holdings Co., Ltd.  | 39,202,448.16    | -                       | 43,263,418.79     | -                       |
| Account receivable | Chongqing Changan New Energy Vehicles Technology Co., Ltd.                                | 1,677,622,417.76 | -                       | 664,390,126.60    | -                       |
| Account receivable | Harbin Dongan Automotive Engine Manufacturing Co., Ltd.                                   | 2,114,270.93     | -                       | 21,179,345.59     | -                       |
| Account receivable | Chongqing Chang'an industry (Group) Co., Ltd  | 3,640,174.57     | -                       | 192,632.17        | -                       |
| Account receivable | Chongqing Changan Minsheng Logistics Co. Ltd.   | 16,394,639.72    | -                       | 32,259,206.05     | -                       |
| Account receivable | China South Industries Group Commercial Factoring Co., Ltd.                               | 1,841.34         | -                       | 1,841.34          | -                       |
| Account receivable | Tiannak Lingchuan (Chongqing) exhaust system Co., Ltd                                     | 0.03             | -                       | 0.03              | -                       |
| Account receivable | Chongqing Tsingshan Industrial Co., Ltd.  | 17,242,386.53    | -                       | 15,547,355.69     | -                       |
| Account receivable | Nanjing LingHang Technology Co., Ltd.   | 19,626,985.18    | -                       | 16,622,454.93     | -                       |
| Account receivable | Pakistan Master Automobile Co., Ltd.  | 54,883,729.42    | -                       | 70,424,616.57     | -                       |
| Account receivable | Ald Fortune Auto Leasing & Renting (Shanghai) Co., Ltd.                                   | 3,046,887.28     | -                       | -                 | -                       |
| Account receivable | Chongqing Nexteer Steering System Co.,Ltd.  | 1,754,020.00     | -                       | -                 | -                       |
| Account receivable | Avita Technology (Chongqing) Co., Ltd.  | 40,037,966.09    | -                       | -                 | -                       |
| Subtotal           |   | 2,021,845,107.77 | -                       | 999,225,192.11    | -                       |
| Other receivable   | Chongqing Changan New Energy Vehicles Technology Co., Ltd.                                | -                | -                       | 25,935,000.00     | -                       |
| Other receivable   | Chongqing Changxin Zhiqi Private Equity Investment Fund Partnership (Limited Partnership) | -                | -                       | 26,670,000.00     | -                       |
| Other receivable   | Hafei Automobile Co., Ltd   | 1,500,000.00     | -                       | 1,500,000.00      | -                       |

| Items            | Related parties  | Ending balance |                         | Beginning balance |                         |
|------------------|--|----------------|-------------------------|-------------------|-------------------------|
|                  |  | Book balance   | Provision for bad-debts | Book balance      | Provision for bad-debts |
| Other receivable | Chongqing Chang'an industry (Group) Co., Ltd               | 1,157,446.69   | -                       | 1,157,446.69      | -                       |
| Other receivable | Chongqing Changan Minsheng Logistics Co. Ltd.              | -              | -                       | 596,131.62        | -                       |
| Other receivable | Nanjing LingHang Technology Co., Ltd.                      | -              | -                       | 1,027,352.32      | -                       |
| Other receivable | China South Industry Group Finance Co., Ltd.               | 143,925,948.49 | -                       | -                 | -                       |
| Other receivable | Changan Mazda Engine Co., Ltd.                             | 41,500,000.00  | -                       | -                 | -                       |
| Other receivable | Changan Auto Finance Co., Ltd.                             | 66,943,616.44  | -                       | -                 | -                       |
| Other receivable | China South Industries Group Financial Leasing Co., Ltd.   | 411,666.67     | -                       | -                 | -                       |
| Subtotal         |  | 255,438,678.29 | -                       | 56,885,930.63     | -                       |
| Advanced payment | Chongqing Changan New Energy Vehicles Technology Co., Ltd. | 7,436,914.50   | -                       | 5,660,917.50      | -                       |
| Advanced payment | Beijing Wutong Chelian Technology Co., Ltd.                | 13,221,118.24  | -                       | 21,982,556.75     | -                       |
| Advanced payment | Chongqing Nexteer Steering System Co.,Ltd.                 | 50,000,000.00  | -                       | 50,000,000.00     | -                       |
| Advanced payment | Chongqing Tsingshan Industrial Co., Ltd.                   | 180,000,000.00 | -                       | 180,000,000.00    | -                       |
| Advanced payment | Chongqing Shangfang Automobile Fittings Co., Ltd.          | 800,000.00     | -                       | -                 | -                       |
| Subtotal         |  | 251,458,032.74 | -                       | 257,643,474.25    | -                       |

**(2) Accounts payable to related parties of listed companies**

In RMB Yuan

| Items         | Related parties  | Ending balance | Beginning balance |
|---------------|--|----------------|-------------------|
| Notes payable | Chongqing Changan New Energy Vehicles Technology Co., Ltd. | 73,653,575.22  | 100,200,000.00    |
| Notes payable | South Inter Air-conditioner Co.,Ltd.                       | 154,858,407.08 | 76,300,000.00     |
| Notes payable | South Tianhe Chassis System Co., Ltd.                      | 30,657,216.00  | 33,896,189.65     |
| Notes payable | Harbin Dongan Auto Engine Co., Ltd.                        | 84,212,389.38  | 144,790,000.00    |
| Notes payable | Harbin Dongan Automotive Engine Manufacturing Co., Ltd.    | 317,309,734.51 | 449,050,000.00    |
| Notes payable | Chengdu Ningjiang Zhaohe Automobile Components Co., Ltd.   | 2,486,725.66   | 29,530,000.00     |
| Notes payable | Sichuan Ningjiang Shanchuan Machinery Co, Ltd.             | 60,891,849.56  | 71,204,039.75     |
| Notes payable | Chongqing Changan Minsheng Logistics Co. Ltd.              | 127,360,601.45 | 293,970,489.20    |
| Notes payable | Chongqing Changan Construction Co., Ltd.                   | -              | 2,417,746.00      |
| Notes payable | Chongqing Shangfang Automobile Fittings Co., Ltd.          | 47,265,458.94  | 40,747,850.00     |
| Notes payable | Chongqing Yihong Engineering Plastic Products Co., Ltd.    | 424,778.76     | 7,990,000.00      |
| Notes payable | Hubei Xiaogan Huazhong Automobile Light Co., Ltd.          | 23,964,601.77  | 15,230,000.00     |

| Items           | Related parties   | Ending balance          | Beginning balance       |
|-----------------|---|-------------------------|-------------------------|
| Notes payable   | Chongqing Jianshe Automobile Air-conditioner Co., Ltd.              | 32,477,876.11           | 57,320,000.00           |
| Notes payable   | Chengdu Wanyou Filter Co., Ltd.                                     | 26,495,575.22           | 34,230,000.00           |
| Notes payable   | Chengdu Jialing Huaxi Optical & Precision Machinery Co., Ltd.       | 2,115,044.25            | 4,420,000.00            |
| Notes payable   | Chongqing Dajiang Jiexin Forging Co., Ltd.                          | 1,469,026.55            | 2,230,000.00            |
| Notes payable   | Chongqing Nexteer Steering System Co.,Ltd.                          | 397,106,194.69          | 345,500,000.00          |
| Notes payable   | Southern Fojiya Auto Parts Co., Ltd.                                | 47,407,079.65           | 27,690,000.00           |
| Notes payable   | Chongqing Construction Tongda Industrial Co., Ltd.                  | 13,920,353.98           | 12,789,350.84           |
| Notes payable   | Hubei Huazhong Marelli Automobile Lighting Co., Ltd.                | 195,194,690.27          | 115,860,000.00          |
| Notes payable   | Hunan Tianyan Machinery Co., Ltd.                                   | -                       | 45,800,000.00           |
| Notes payable   | Tiannak Lingchuan (Chongqing) exhaust system Co., Ltd               | 16,132,743.36           | 9,110,000.00            |
| Notes payable   | Dajiang Yapp Automotive Systems Co., Ltd.                           | 175,796,460.18          | 172,180,000.00          |
| Notes payable   | Chongqing Hanon Jianshe Automotive Thermal Systems Co., Ltd.        | 60,973,451.33           | 83,160,000.00           |
| Notes payable   | Nattiefu transmission system (Chongqing) Co., Ltd                   | 118,628,318.58          | 76,420,000.00           |
| Notes payable   | Chongqing Tsingshan Industrial Co., Ltd.                            | 1,469,914,925.37        | 997,630,000.00          |
| Notes payable   | Chongqing Dajiang Tongyang Plastics Co., Ltd.                       | 231,237,035.40          | 72,710,000.00           |
| Notes payable   | Chongqing Lingchuan Auto Parts Manufacturing Technology Co., Ltd.   | 52,238,938.05           | 50,210,000.00           |
| Notes payable   | Changan Reis (Chongqing) Robotic Intelligent Equipment Co., Ltd.    | 2,332,739.20            | 16,298,837.60           |
| Notes payable   | Longchang Shanchuan Precision Welded Tube Co., Ltd.                 | 3,168,141.59            | 700,000.00              |
| Notes payable   | Sichuan Jian'an Industrial Co.,Ltd.                                 | 188,739.00              | -                       |
| Notes payable   | Hunan Tianyan Machinery Co., Ltd                                    | 2,761,061.95            | -                       |
| Notes payable   | Chongqing Dajiang Guoli Precision Machinery Manufacturing Co., Ltd. | 750,000.00              | -                       |
| <b>Subtotal</b> |   | <b>3,773,393,733.06</b> | <b>3,389,584,503.04</b> |
| Account payable | Changan Ford Automobile Co., Ltd.                                   | 1,876,397.28            | 1,943,909.28            |
| Account payable | Chongqing Chang'an Kuayue Vehicle Co., Ltd                          | 1,382.56                | 5,271,250.56            |
| Account payable | Jiangling Holdings Co., Ltd.  | -                       | 37,578,608.85           |
| Account payable | Chongqing Changan New Energy Vehicles Technology Co., Ltd.          | 569,161,014.38          | 45,785,722.56           |
| Account payable | Beijing Wutong Chelian Technology Co., Ltd.                         | 1,890,124.42            | 5,798,358.99            |
| Account payable | Sichuan Jian'an Industrial Co.,Ltd.                                 | 77,788,415.77           | 114,453,923.31          |
| Account payable | South Inter Air-conditioner Co.,Ltd.                                | 73,709,692.40           | 156,165,656.54          |
| Account payable | South Tianhe Chassis System Co., Ltd.                               | 100,903,509.05          | 218,042,109.95          |
| Account payable | Hafei Automobile Co., Ltd   | 585,059.89              | 949,114.25              |
| Account payable | Harbin Dongan Auto Engine Co., Ltd.                                 | 80,984,236.14           | 155,019,007.24          |

| Items           | Related parties   | Ending balance | Beginning balance |
|-----------------|---|----------------|-------------------|
| Account payable | Harbin Dongan Automotive Engine Manufacturing Co., Ltd.       | 61,479,413.92  | 79,164,395.58     |
| Account payable | Chengdu Huachuan Electric Equipment Co., Ltd.                 | 37,181,494.47  | 42,505,846.09     |
| Account payable | Chengdu Ningjiang Zhaohe Automobile Components Co., Ltd.      | 2,216,025.30   | 8,406,255.55      |
| Account payable | Sichuan Ningjiang Shanchuan Machinery Co, Ltd.                | 20,879,087.61  | 24,528,900.28     |
| Account payable | Chongqing Chang'an industry (Group) Co., Ltd                  | 230,300.45     | 601,702.05        |
| Account payable | Chongqing Changan Minsheng Logistics Co. Ltd.                 | 15,738,483.05  | 26,921,418.99     |
| Account payable | Chongqing Shangfang Automobile Fittings Co., Ltd.             | 13,992,129.08  | 26,347,971.01     |
| Account payable | Chengdu Lingchuan Vehicle Oil Tank Co., Ltd.                  | 8,136,111.93   | 16,297,923.33     |
| Account payable | Chongqing Yihong Engineering Plastic Products Co., Ltd.       | 8,402,004.46   | 1,278,419.64      |
| Account payable | Hubei Xiaogan Huazhong Automobile Light Co., Ltd.             | 14,894,483.07  | 22,108,475.58     |
| Account payable | Yunnan Xiyi Industries Co., Ltd.                              | 11,932,179.26  | 1,815,316.79      |
| Account payable | Chongqing Jianshe Automobile Air-conditioner Co., Ltd.        | 14,076,145.30  | 22,265,092.41     |
| Account payable | Chongqing Wanyou Economic Development Co., Ltd.               | 5,873,696.66   | 3,256,626.28      |
| Account payable | Chengdu Wanyou Filter Co., Ltd.                               | 24,009,421.78  | 14,085,492.47     |
| Account payable | Chongqing Dajiang Yuqiang Plastic Co., Ltd.                   | 4,817,919.08   | 4,627,147.80      |
| Account payable | Chongqing Changrong Machinery Co., Ltd.                       | 42,596,502.91  | 48,459,589.80     |
| Account payable | Chengdu Jialing Huaxi Optical & Precision Machinery Co., Ltd. | 223,713.10     | 1,137,544.54      |
| Account payable | Chongqing Dajiang Jiexin Forging Co., Ltd.                    | 202,240.50     | 103,404.61        |
| Account payable | Chongqing Jialing Yimin Special Equipment Co., Ltd.           | 92,474.78      | 104,496.50        |
| Account payable | Chongqing Nexteer Steering System Co.,Ltd.                    | 244,007,757.31 | 303,819,542.94    |
| Account payable | Southern Fojiya Auto Parts Co., Ltd.                          | 77,443,544.95  | 111,176,628.27    |
| Account payable | Chongqing Wanyou Xingjian Auto Sales & Service Co., Ltd.      | 20,842.80      | 20,842.80         |
| Account payable | Chongqing Xiyi automobile connecting rod Co., Ltd             | 34,001.89      | 38,422.14         |
| Account payable | Chongqing Construction Tongda Industrial Co., Ltd.            | 9,123,901.09   | 16,219,154.70     |
| Account payable | Hubei Huazhong Marelli Automobile Lighting Co., Ltd.          | 109,758,388.95 | 276,099,169.78    |
| Account payable | Hunan Tyen Machinery Co., Ltd.                                | -              | 2,083,314.54      |
| Account payable | Tiannak Lingchuan (Chongqing) exhaust system Co., Ltd         | -              | 8,304,368.73      |

| Items           | Related parties   | Ending balance | Beginning balance |
|-----------------|---|----------------|-------------------|
| Account payable | Chongqing Dajiang Guoli Precision Machinery Manufacturing Co., Ltd. | 5,077,519.43   | 14,889,297.76     |
| Account payable | Dajiang Yapp Automotive Systems Co., Ltd.                           | 106,359,451.72 | 130,308,165.60    |
| Account payable | United Automotive Electronics (Chongqing) Co., Ltd                  | 73,333,178.48  | 43,729,758.05     |
| Account payable | Chongqing Hanon Jianshe Automotive Thermal Systems Co., Ltd.        | 26,538,929.09  | 22,651,086.10     |
| Account payable | Lear Chang'an (Chongqing) Automotive System Co., Ltd                | 47,581.98      | 59,478,481.96     |
| Account payable | Nattiefu transmission system (Chongqing) Co., Ltd                   | 54,552,553.70  | 67,131,433.77     |
| Account payable | Chongqing Tsingshan Industrial Co., Ltd.                            | 491,172,400.35 | 289,136,235.05    |
| Account payable | Chongqing Dajiang Tongyang Plastics Co., Ltd.                       | 55,435,639.23  | 122,247,111.17    |
| Account payable | Chongqing Lingchuan Auto Parts Manufacturing Technology Co., Ltd.   | 32,841,577.74  | 23,129,987.81     |
| Account payable | Changan Reis (Chongqing) Robotic Intelligent Equipment Co., Ltd.    | 14,909,734.42  | 129,036.87        |
| Account payable | Chengdu Wanyou Xiangyu Auto Sales and Service Co., Ltd.             |                | 1,544.70          |
| Account payable | Guizhou Wanyou Auto Sales and Service Co., Ltd.                     |                | -                 |
| Account payable | Chongqing Jianshe Mechanical & Electrical Equipment Co., Ltd.       | 41,828.24      | 47,265.91         |
| Account payable | Longchang Shanchuan Precision Welded Tube Co., Ltd.                 | 2,617,874.56   | 2,359,553.08      |
| Account payable | CDGM Tanaka Environmental Catalyst Co.,Ltd.                         | -              | 83,175.03         |
| Account payable | Chongqing Dajiang Xinda Vehicles Shares Co., Ltd.                   | 56,251.08      | 56,251.08         |
| Account payable | Chongqing Changfeng Jiquan Machinery Co., Ltd.                      | -              | 1,850,577.35      |
| Account payable | China Changan Automobile Group Co., Ltd.                            | -              | 14,756.94         |
| Account payable | Chongqing Qingshan Transmission Sales Co., Ltd.                     | 9,814,025.62   | 10,260,951.97     |
| Account payable | Beijing Beiji Mechanical and Electrical Industry Co., Ltd.          | 10,471.18      | 29,268.25         |
| Account payable | Chengdu Lingchuan Special Industry Co., Ltd.                        | 317,173.63     | 325,142.83        |
| Account payable | Chongqing Automobile Air-conditioner Co., Ltd.                      | 205,041.51     | 205,041.51        |
| Account payable | Chongqing Pingshan Tk Carburetor Co., Ltd.                          | 12,590.46      | 70,083.18         |
| Account payable | Chongqing Jianshe Industry (Group) Co., Ltd.                        | 723,638.35     | 857,195.55        |
| Account payable | Hangzhou Chelizi Intelligent Technology Co., Ltd.                   | 12,350.00      | 12,350.00         |
| Account payable | Chongqing Changjiang Electrician Industry Group Co.,Ltd.            | 8,995.09       | -                 |
| Account payable | Chongqing Changan Minsheng Dingjie Logistics Co.,Ltd.               | 5,005.12       | -                 |

| Items                | Related parties   | Ending balance   | Beginning balance |
|----------------------|---|------------------|-------------------|
| Account payable      | Southwest Ordnance Industry Chongqing Environmental Protection Research Institute Co., Ltd. | 726,118.30       | -                 |
| Account payable      | Hunan Tianyan Machinery Co., Ltd  | 938,809.93       | -                 |
| Account payable      | Nanchang Jiangling Group Tianren Auto Parts Co., Ltd.                                       | 40,473.56        | -                 |
| Subtotal             |   | 2,510,061,308.36 | 2,591,788,876.25  |
| Contract liabilities | Changan Mazda Engine Co., Ltd.  | 3,256,185.92     | 3,060,368.00      |
| Contract liabilities | Chongqing Anfu Automobile Co., Ltd.   | -                | 73,268.00         |
| Contract liabilities | Hafei Automobile Co., Ltd   | 670,500.00       | 670,500.00        |
| Contract liabilities | China Changan Automobile Group Tianjin Sales Co., Ltd.                                      | 28,700,026.13    | 37,209,408.83     |
| Contract liabilities | Wanyou Automobile Investment Co., Ltd.  | 19,883,325.74    | 68,334,467.34     |
| Contract liabilities | Chongqing Shangfang Automobile Fittings Co., Ltd.   | 12,979.98        | 12,979.98         |
| Contract liabilities | Chongqing Wanyou Economic Development Co., Ltd.   | 127,296,062.70   | 269,281,235.61    |
| Contract liabilities | Chengdu Wanyou Auto Trade Service Co., Ltd.   | 10,551,862.75    | 51,006,262.19     |
| Contract liabilities | Yunnan Wanyou Auto Sales and Service Co., Ltd.  | 45,547,345.95    | 101,043,742.82    |
| Contract liabilities | Guizhou Wanyou Auto Sales and Service Co., Ltd.   | 43,657,174.14    | 133,567,022.54    |
| Contract liabilities | Chengdu Wanyou Xiangyu Auto Sales and Service Co., Ltd.                                     | 82,528,018.07    | 118,480,778.11    |
| Contract liabilities | Yunnan Wanxing Auto Sales Service Co., Ltd.   | -                | 15,033,974.67     |
| Contract liabilities | Panzhuhua Wanyou Auto Sales & Service Co., Ltd.   | 25,444.47        | 17,855.01         |
| Contract liabilities | Ya'an Wanyou Auto Sales and Service Co., Ltd.   | 59,061.55        | 23,611.57         |
| Contract liabilities | Chongqing Wanyou Ducheng Auto Sales Service Co., Ltd.                                       | 91,454.74        | 21,566.76         |
| Contract liabilities | Chongqing Wanyou Xingjian Auto Sales & Service Co., Ltd.                                    | 81,681.75        | 68,346.03         |
| Contract liabilities | Luzhou Wanyou Automobile Service Co., Ltd.  | 33,250.36        | 50,528.84         |
| Contract liabilities | Chengdu Wanyou Auto Sales and Service co.,Ltd.  | 70,485.86        | 30,005.78         |
| Contract liabilities | Bazhong Wanyou Auto Sales & Service Co., Ltd.   | 50,426.48        | 50,426.48         |
| Contract liabilities | China Changan Automobile Group Hefei Investment Co., Ltd.                                   | 10,273.00        | 10,273.00         |
| Contract liabilities | Chongqing Hanon Jianshe Automotive Thermal Systems Co., Ltd.                                | -                | 147,080.20        |
| Contract liabilities | Jiangling Holdings Co., Ltd.  | -                | 6,854,200.00      |
| Contract liabilities | Anhui Wanyou Automobile Sales Service Co., Ltd.   | 12,059,637.03    | 36,775,197.75     |



| Items                | Related parties   | Ending balance | Beginning balance |
|----------------------|---|----------------|-------------------|
| Contract liabilities | Jiangsu Wanyou Automobile Sales Service Co., Ltd.           | 17,289,631.06  | 41,137,071.23     |
| Contract liabilities | Chongqing Chang'an Minsheng Boyu Logistics Co., Ltd.        | 593,181.33     | 2,646,426.62      |
| Contract liabilities | Guangxi Wanyou Auto Sales and Service Co., Ltd.             | -              | 302.40            |
| Contract liabilities | Chongqing Wanyou Zunda Automobile Sales & Service Co., Ltd. | 12,497,423.10  | 22,362,432.39     |
| Contract liabilities | Ya'an Changan Affordable Housing Construction Co., Ltd.     | -              | 10,000.00         |
| Contract liabilities | Chongqing Chang'an industry (Group) Co., Ltd                | 114,000.00     | -                 |
| Contract liabilities | Pakistan Master Automobile Co., Ltd.                        | 13,261,676.93  | -                 |
| Contract liabilities | Chengdu Wanyou Trading Co., Ltd.                            | 11,564.00      | -                 |
| Contract liabilities | Chongqing Changan Minsheng Logistics Co. Ltd.               | 37,040.33      | -                 |
| Contract liabilities | Nanchang Jiangling Group Tianren Auto Parts Co., Ltd.       | 6,854,200.00   | -                 |
| Subtotal             |   | 425,243,913.37 | 907,979,332.15    |
| Other payables       | Chongqing Chang'an Kuayue Vehicle Co., Ltd                  | 163,007,855.00 | 163,007,855.00    |
| Other payables       | Jiangling Holdings Co., Ltd.                                | -              | 1,182,839.61      |
| Other payables       | Chongqing Changan New Energy Vehicles Technology Co., Ltd.  | 699,271,551.58 | 28,204,667.10     |
| Other payables       | Sichuan Jian'an Industrial Co.,Ltd.                         | 62,545.95      | 709,839.37        |
| Other payables       | Chongqing Anfu Automobile Co., Ltd.                         | 100,000.00     | 200,000.00        |
| Other payables       | South Inter Air-conditioner Co.,Ltd.                        | -              | 425,490.20        |
| Other payables       | South Tianhe Chassis System Co., Ltd.                       | 553,186.42     | 606,242.21        |
| Other payables       | Harbin Dongan Auto Engine Co., Ltd.                         | -              | 4,839.23          |
| Other payables       | Harbin Dongan Automotive Engine Manufacturing Co., Ltd.     | 1,180,233.02   | 1,258,466.14      |
| Other payables       | Chengdu Huachuan Electric Equipment Co., Ltd.               | -              | 356,673.20        |
| Other payables       | Chongqing Chang'an industry (Group) Co., Ltd                | 899,884.90     | 2,010,787.85      |
| Other payables       | Chongqing Changan Minsheng Logistics Co. Ltd.               | 415,254,444.97 | 123,243,509.52    |
| Other payables       | Chongqing Changan Construction Co., Ltd.                    | 26,375,786.10  | 26,391,448.08     |
| Other payables       | Chongqing Changan Property Management Co., Ltd.             | 1,450,735.65   | 1,587,169.00      |
| Other payables       | Chongqing Shangfang Automobile Fittings Co., Ltd.           | 22,600.00      | 3,390.00          |
| Other payables       | Hubei Xiaogan Huazhong Automobile Light Co., Ltd.           | -              | 1,349.36          |

| Items          | Related parties   | Ending balance | Beginning balance |
|----------------|---|----------------|-------------------|
| Other payables | Yunnan Xiyi Industries Co., Ltd.                                      | -              | 25,130.48         |
| Other payables | Chongqing Wanyou Economic Development Co., Ltd.                       | 122,799.84     | 245,798.56        |
| Other payables | Chengdu Wanyou Auto Trade Service Co., Ltd.                           | 69,894.53      | 1,296,988.78      |
| Other payables | Chengdu Wanyou Filter Co., Ltd.                                       | 153,622.59     | 143,553.10        |
| Other payables | Yunnan Wanyou Auto Sales and Service Co., Ltd.                        | 136,272.10     | 3,756,167.26      |
| Other payables | Guizhou Wanyou Auto Sales and Service Co., Ltd.                       | 71,521.60      | 828,912.03        |
| Other payables | Panzhuhua Wanyou Auto Sales & Service Co., Ltd.                       | 13,141.40      | 24,646.80         |
| Other payables | Ya'an Wanyou Auto Sales and Service Co., Ltd.                         | 8,309.50       | 733,079.80        |
| Other payables | Chongqing Wanyou Ducheng Auto Sales Service Co., Ltd.                 | -              | 42,215.90         |
| Other payables | Luzhou Wanyou Automobile Service Co., Ltd.                            | 5,399.80       | 4,401.62          |
| Other payables | Chengdu Wanyou Auto Sales and Service co.,Ltd.                        | -              | 350,000.00        |
| Other payables | Chongqing Construction Tongda Industrial Co., Ltd.                    | -              | 21,164.90         |
| Other payables | Hubei Huazhong Marelli Automobile Lighting Co., Ltd.                  | -              | 530,196.00        |
| Other payables | Hunan Tyen Machinery Co., Ltd.  | -              | 951,324.40        |
| Other payables | United Automotive Electronics (Chongqing) Co., Ltd                    | 317,527.48     | 263,423.01        |
| Other payables | Nattiefu transmission system (Chongqing) Co., Ltd                     | 1,072,449.10   | 89,857.60         |
| Other payables | Chongqing Tsingshan Industrial Co., Ltd.                              | 1,721,008.08   | 565,792.16        |
| Other payables | Chongqing Dajiang Tongyang Plastics Co., Ltd.                         | -              | 1,067,850.00      |
| Other payables | Chongqing Lingchuan Auto Parts Manufacturing Technology Co., Ltd.     | 56,239.83      | 332,961.91        |
| Other payables | Changan Reis (Chongqing) Robotic Intelligent Equipment Co., Ltd.      | 517,902.06     | 18,027,403.31     |
| Other payables | Chengdu Wanyou Xiangyu Auto Sales and Service Co., Ltd.               | -              | 5,204,000.00      |
| Other payables | Jiangsu Wanyou Automobile Sales Service Co., Ltd.                     | 548.00         | 504,400.00        |
| Other payables | Chongqing Chang'an Intelligent Industrial Technology Service Co., Ltd | 1,101,001.00   | 1,507,567.09      |
| Other payables | Chongqing Dajiang Xinda Vehicles Shares Co., Ltd.                     | -              | 50,000.00         |
| Other payables | China Changan Automobile Group Co., Ltd.                              | 1,000.00       | 1,000.00          |
| Other payables | Chengdu Wanyou Trading Co., Ltd.                                      | 1,795.00       | 12,333.20         |
| Other payables | Ald Fortune Auto Leasing & Renting (Shanghai) Co., Ltd.               | 9,000,000.00   | 1,500,000.00      |

| Items          | Related parties   | Ending balance   | Beginning balance |
|----------------|---|------------------|-------------------|
| Other payables | SIAMC Management Co., Ltd.  | -                | 253,750,000.00    |
| Other payables | Chongqing Wanyou Zunda Automobile Sales & Service Co., Ltd.         | 950,000.00       | -                 |
| Other payables | Hunan Tianyan Machinery Co., Ltd                                    | 695,176.00       | -                 |
| Other payables | Chengdu Lingchuan Vehicle Oil Tank Co., Ltd.                        | 10,227.70        | -                 |
| Other payables | Chongqing Nexteer Steering System Co.,Ltd.                          | 316,400.00       | -                 |
| Other payables | Chongqing Dajiang Guoli Precision Machinery Manufacturing Co., Ltd. | 423,750.00       | -                 |
| Subtotal       |   | 1,324,944,809.20 | 641,024,733.78    |

### XIII. Share-based payments

#### 1. General information

Applicable  Non-applicable

Unit: share currency: RMB

|  |   |
|--|---|
| Total amount of equity instruments granted by the company in the current period  | 0.00  |
| Total amount of equity instruments exercised by the company in the current period  | 0.00  |
| Total amount of various equity instruments expired in the current period of the company  | 0.00  |
| The scope of exercise price of stock options issued by the company at the end of the period and the remaining term of the contract | No  |
| The scope of exercise price of other equity instruments issued at the end of the period and the remaining term of the contract     | Restricted shares were granted for the first time in February 2021, the grant price was 6.66 yuan/share (before adjustment), and the remaining term is 44 months;<br>Restricted shares were reserved for grant in November 2021, the grant price was 9.93 yuan/share (before adjustment), and the remaining term is 54 months |

#### 2. Equity settled share based payment

Applicable  Non-applicable

In RMB Yuan

|  |  |
|--|--|
| Determination method of fair value of equity instruments on the grant date                 | Market price method model calculation  |
| Basis for determining the number of exercisable equity instruments                         | Based on the best estimate of the number of exercisable equity instruments, the relevant expenses and costs are calculated according to the fair value of the equity instruments on the grant date |
| Reasons for significant differences between the current estimate and the previous estimate | No   |
| Cumulative amount of equity settled share based payment included in capital reserve        | 460,850,767.92   |
| Total recognized expenses of equity settled share based payment in the current period      | 192,310,900.00   |

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### 3. Cash settled share based payment

Applicable  Not applicable

### 4. Modification and termination of share based payment

Applicable  Not applicable

### 5. Other

Applicable  Not applicable

## XIV. Commitments and Contingencies

### 1. Significant commitments

Contracted, but not provided for

| Items                  | 2022.6.30        | 2021.12.31        |
|------------------------|------------------|-------------------|
| Capital commitments    | 8,259,320,378.94 | 9,188,776,086.05  |
| Investment commitments | 1,319,000,000.00 | 1,509,000,000.00  |
| Total                  | 9,578,320,378.94 | 10,697,776,086.05 |

### 2. Contingencies

By June 30, 2022, no material contingencies needed to be disclosed.

## XV. Events after the balance sheet date

None

## XVI. Other important events

### 1. Segment information

The Group identifies operating segments based on the internal organization structure, managerial requirements and internal reporting system, and identifies reportable segments based on operating segments and discloses segment information by operating segment.

An operating segment is a component of the Group that meets all the following conditions:

- (1) it engages in business activities from which it may earn revenues and incur expenses;
- (2) its operating results are regularly reviewed by the Company's management to make decisions about resources to be allocated to the segment and assess its performance; and
- (3) the Group can obtain relevant accounting information such as its financial position, operating results and cash flows.

If two or more segments have similar economic characteristics and meet certain conditions, they can be aggregated into a single operating segment.

The revenue and profit of the Group mainly consist of the automobile manufacturing and domestic sales. The Group's principal assets are in China. The operating performance of the Group has been evaluated as a whole by the management. So the segment report has not been prepared for this year.

## 2. Lease arrangements

### (1) As lessor

The Group leases buildings, machinery and equipment and vehicles for a lease term of 1-15 years, forming an operating lease. Details for investment property and operating leased fixed assets refer to note VII 12 and 13.

The income related to operating leases are listed as follows:

| In RMB Yuan      |                      |
|------------------|----------------------|
|                  | Report period Amount |
| Leasehold Income | 145,340,699.18       |

According to the lease contract signed with the lessee, the minimum lease collection amount of irrevocable lease is as follows:

| In RMB Yuan                         |                  |
|-------------------------------------|------------------|
|                                     | Ending balance   |
| Less than 1 year (including 1 year) | 426,395,931.18   |
| 1 to 2 years (including 2 years)    | 700,674,461.93   |
| 2 to 3 years (including 3 years)    | 512,269,235.96   |
| 3 to 4 years (including 3 years)    | 124,012,765.96   |
| 4 to 5 years (including 3 years)    | 8,836,477.17     |
| Over 5 years                        | 27,684,118.42    |
| Total                               | 1,799,872,990.62 |

### (2) As lessee

| In RMB Yuan   |                      |
|---|----------------------|
|   | Report period Amount |
| Interest expense of lease liabilities   | 1,957,921.01         |
| Short term lease expenses with simplified treatment included in current profit and loss         | 27,691,557.40        |
| Lease expense of low value assets with simplified treatment included in current profit and loss | 1,334,969.44         |
| Total cash outflow related to leasing   | 64,511,685.33        |

The leased assets leased by the Group include buildings and other equipment used in the operation activities. The lease term of houses and buildings is usually 1-5 years, and that of other equipment is usually 2-5 years.

## XVII. Notes to the main items of the parent company's financial statements

### 1. Account Receivables

#### (1) Aging analysis of accounts receivable is as follow:

In RMB Yuan

| Account receivable age              | Ending balance   | Beginning balance |
|-------------------------------------|------------------|-------------------|
| Less than 1 year (including 1 year) | 6,254,482,878.15 | 6,741,369,355.22  |
| 1 to 2 years (including 2 years)    | 818,651,527.87   | 353,774,325.51    |
| 2 to 3 years (including 3 years)    | 19,917,931.12    | 227,529,170.91    |
| Over 3 years                        | 323,296,410.52   | 711,074,867.37    |
| Total                               | 7,416,348,747.66 | 8,033,747,719.01  |
| Minus: Provision                    | (102,667,294.30) | (102,237,112.42)  |
|                                     | 7,313,681,453.36 | 7,931,510,606.59  |

**(2) Movements of provision for accounts receivable are as follows:**

In RMB Yuan

| Items      | Beginning balance | Report period Amount |              |           |        | Ending balance |
|------------|-------------------|----------------------|--------------|-----------|--------|----------------|
|            |                   | Accrual              | Reversal     | Write-off | Others |                |
| 2022.6.30  | 102,237,112.42    | 1,613,021.49         | 1,182,839.61 |           |        | 102,667,294.30 |
| 2021.12.31 | 93,484,241.66     | 8,752,870.76         |              |           |        | 102,237,112.42 |

The amount of bad debt provision recovered or reversed in the current period:

In RMB Yuan

| Company name                 | Reversal amount | Reversal way  |
|------------------------------|-----------------|---------------|
| Jiangling Holdings Co., Ltd. | 1,182,839.61    | Recover money |
| Total                        | 1,182,839.61    |               |

**(3) Disclosure of accounts receivable**

In RMB Yuan

| Items  | Ending balance   |        |                         |      |                  |
|--|------------------|--------|-------------------------|------|------------------|
|  | Book balance     |        | Provision for bad-debts |      | Book value       |
|  | Amount           | (%)    | Amount                  | (%)  |                  |
| Individual assessment of credit expected loss and provision for bad debts  | 6,954,854,852.70 | 93.78  | 76,456,236.54           | 1.10 | 6,878,398,616.16 |
| Assess bad debt provision for expected credit expected loss according to credit risk characteristics combination | 461,493,894.96   | 6.22   | 26,211,057.76           | 5.68 | 435,282,837.20   |
| Total  | 7,416,348,747.66 | 100.00 | 102,667,294.30          | 1.38 | 7,313,681,453.36 |

| Items  | Beginning balance |       |                         |       |                  |
|--|-------------------|-------|-------------------------|-------|------------------|
|  | Book balance      |       | Provision for bad-debts |       | Book value       |
|  | Amount            | (%)   | Amount                  | (%)   |                  |
| Individual assessment of credit expected loss and provision for bad debts            | 7,844,348,937.41  | 97.64 | 77,639,076.15           | 0.99  | 7,766,709,861.26 |
| Assess bad debt provision for expected credit expected loss according to credit risk | 189,398,781.60    | 2.36  | 24,598,036.27           | 12.99 | 164,800,745.33   |

|                             |                  |        |                |      |                  |
|-----------------------------|------------------|--------|----------------|------|------------------|
| characteristics combination |                  |        |                |      |                  |
| Total                       | 8,033,747,719.01 | 100.00 | 102,237,112.42 | 1.27 | 7,931,510,606.59 |

## 2. Other receivables

In RMB Yuan

| Items                | Ending balance | Beginning balance |
|----------------------|----------------|-------------------|
| Dividends receivable | 255,356,145.11 |                   |
| Other receivables    | 140,246,934.04 | 1,756,623,581.93  |
| Total                | 395,603,079.15 | 1,756,623,581.93  |

### (1) Dividends receivable

In RMB Yuan

| Items ( or invested units )                                 | Ending balance | Beginning balance |
|---|----------------|-------------------|
| China South Industry Group Finance Co., Ltd.                | 143,737,428.00 |                   |
| China South Industries Group Financial Leasing Co., Ltd.    | 411,666.67     |                   |
| China Automotive Power Battery Research Institute Co., Ltd. | 73,034.00      |                   |
| Changan Auto Finance Co., Ltd.                              | 66,943,616.44  |                   |
| Changan Mazda Engine Co., Ltd.                              | 41,500,000.00  |                   |
| Southwest Securities Co.,Ltd.                               | 2,690,400.00   |                   |
| Total   | 255,356,145.11 |                   |

### (2) Other receivables

#### 1) Aging analysis of other receivables is as follows:

In RMB Yuan

| Account receivable age | Ending balance | Beginning balance |
|------------------------|----------------|-------------------|
| Within 1 year          | 115,234,097.54 | 1,745,128,693.03  |
| 1 to 2 years           | 15,575,042.47  | 1,413,046.51      |
| 2 to 3 years           | 219,332.85     | 497,065.04        |
| Over 3 years           | 16,293,996.23  | 16,804,017.31     |
| Total                  | 147,322,469.09 | 1,763,842,821.89  |
| Minus: Provision       | (7,075,535.05) | (7,219,239.96)    |
|                        | 140,246,934.04 | 1,756,623,581.93  |

#### 2) Analysis of other receivables by nature is as follows:

In RMB Yuan

| Items                                | Ending balance | Beginning balance |
|--------------------------------------|----------------|-------------------|
| Energy-saving and new energy subsidy |                | 358,470,077.96    |

|                           |                       |                         |
|---------------------------|-----------------------|-------------------------|
| Prepaid equity investment |                       | 526,670,000.00          |
| Petty cash                | 37,672,721.77         | 21,998,665.75           |
| Disposal income of assets |                       | 3,984,842.15            |
| Internal transactions     | 46,193,815.58         | 791,370,940.07          |
| Others                    | 56,380,396.69         | 54,129,056.00           |
| <b>Total</b>              | <b>140,246,934.04</b> | <b>1,756,623,581.93</b> |

**3) The changes in the provision for bad debts for other receivables based on the 12-month expected credit loss and the expected credit loss for the entire duration are as follows:**

In RMB Yuan

| Items      | Beginning balance | Report period Amount |            |           |        | Ending balance |
|------------|-------------------|----------------------|------------|-----------|--------|----------------|
|            |                   | Accrual              | Reversal   | Write-off | Others |                |
| 2022.6.30  | 7,219,239.96      | 59,477.10            | 203,182.01 |           |        | 7,075,535.05   |
| 2021.12.31 | 7,154,284.79      | 64,955.17            |            |           |        | 7,219,239.96   |

Among them, the amount of bad debt provision reversed or recovered in the current period is important:

In RMB Yuan

| Company name                 | Reversal amount   | Reversal way  |
|------------------------------|-------------------|---------------|
| Jiangling Holdings Co., Ltd. | 203,182.01        | Recover money |
| <b>Total</b>                 | <b>203,182.01</b> |               |

**4) Top five debtors of other receivables are as follows:**

In RMB Yuan

| Items        | Nature of payment           | Ending balance       | Aging         | Proportion of total other receivables (%) | Ending balance of provision |
|--------------|-----------------------------|----------------------|---------------|---|-----------------------------|
| First place  | Internal transactions       | 20,677,497.16        | Within 1 year | 14.04                                     |                             |
| Second place | Electricity expense         | 10,815,169.74        | Within 1 year | 7.34                                      |                             |
| Third place  | Gas costs                   | 6,143,019.88         | Within 1 year | 4.17                                      |                             |
| Fourth place | Margin                      | 3,213,301.80         | 1 to 2 years  | 2.18                                      |                             |
| Fifth place  | Extended insurance premiums | 3,000,000.00         | Within 1 year | 2.04                                      |                             |
| <b>Total</b> |                             | <b>43,848,988.58</b> |               | <b>29.76</b>                              |                             |

**5) Other receivables derecognized due to transfer of financial assets**

As of June 30, 2022, the Group had no other receivables derecognized as financial asset transfers (December 31, 2021: None).



### 3. Long-term equity investment

#### (1) Investment in subsidiaries

In RMB Yuan

| Investee   | Opening Balance  | Changes during report period |                   |                          |                 | Ending Balance   | Ending Balance of provision |
|--|------------------|------------------------------|-------------------|--------------------------|-----------------|------------------|-----------------------------|
|  |                  | Addition                     | reduce investment | Provision for impairment | Other reduction |                  |                             |
| Nanjing Changan Automobile Co., Ltd.                       | 422,533,259.00   |                              |                   |                          |                 | 422,533,259.00   |                             |
| Chongqing Changan International Automobile Sales Co., Ltd. | 13,068,581.00    |                              |                   |                          |                 | 13,068,581.00    |                             |
| Chongqing Changan Automobile Supporting Service Co., Ltd.  | 29,700,000.00    |                              |                   |                          |                 | 29,700,000.00    |                             |
| Chongqing Changan Special Automobile Co., Ltd.             | 2,500,000.00     |                              |                   |                          |                 | 2,500,000.00     |                             |
| Chongqing Changan Europe Design Academy Co., Ltd.          | 155,469,913.50   |                              |                   |                          |                 | 155,469,913.50   |                             |
| Chongqing Changan New Energy Automobile Co. Ltd.           | -                |                              |                   |                          |                 |                  | 49,194,195.00               |
| Changan United Kingdom R&D Center Co., Ltd.                | 250,093,850.95   |                              |                   |                          |                 | 250,093,850.95   |                             |
| Chongqing Changan Connected Car Technology Co., Ltd.       | 88,500,000.00    |                              |                   |                          |                 | 88,500,000.00    |                             |
| Beijing Changan R&D Center Co., Ltd.                       | 1,000,000.00     |                              |                   |                          |                 | 1,000,000.00     |                             |
| Changan United States R&D Center Co., Ltd.                 | 10,243,460.00    |                              |                   |                          |                 | 10,243,460.00    |                             |
| Changan Japan Designing Center Co.,Ltd.                    | 1,396,370.15     |                              |                   |                          |                 | 1,396,370.15     |                             |
| Hefei Changan Automobile Co.,Ltd.                          | 1,535,367,765.23 |                              |                   |                          |                 | 1,535,367,765.23 |                             |
| Changan Automobile Russia Co., Ltd.                        | 251,242,589.15   |                              |                   |                          |                 | 251,242,589.15   |                             |
| Chongqing Changan Lingyao Automobile Co., Ltd.             | 594,949,059.30   |                              |                   |                          |                 | 594,949,059.30   |                             |
| Changan Brazil Holdings Limited                            | 2,584,556.97     |                              |                   |                          |                 | 2,584,556.97     |                             |
| Changan Automobile Investment (Shenzhen)                   | 235,248,871.00   | 2,640,640.00                 |                   |                          |                 | 237,889,511.00   |                             |

|   |                         |                     |  |  |                         |                         |                      |
|---|-------------------------|---------------------|--|--|-------------------------|-------------------------|----------------------|
| Co., Ltd.   |                         |                     |  |  |                         |                         |                      |
| Chongqing Anyi Automobile Technical Service Co., Ltd.           | 2,000,000.00            |                     |  |  |                         | 2,000,000.00            |                      |
| Guangzhou Changan New Energy Automobile Co. Ltd.                | 4,000,000.00            |                     |  |  |                         | 4,000,000.00            |                      |
| Xiamen Changan New Energy Automobile Co. Ltd.                   | 2,000,000.00            |                     |  |  |                         | 2,000,000.00            |                      |
| Chongqing Chehemei Technology Co., Ltd.                         | 10,000,000.00           |                     |  |  |                         | 10,000,000.00           |                      |
| Nanjing Changan New Energy Automobile Sales & Service Co., Ltd. | 50,000,000.00           |                     |  |  |                         | 50,000,000.00           |                      |
| Chongqing Changan Automobile Software Technology Co., Ltd.      | 99,000,000.00           |                     |  |  |                         | 99,000,000.00           |                      |
| Chongqing Changan Kaicheng Automobile Technology Co., Ltd.      | 977,793,971.55          |                     |  |  |                         | 977,793,971.55          |                      |
| Avatr Technology (Chongqing) Co., Ltd.                          | 153,841,669.77          |                     |  |  | (153,841,669.77)        |                         |                      |
| Chongqing Xingzhi Technology Co., Ltd. (Note 1)                 |                         |                     |  |  |                         |                         |                      |
| <b>Total</b>  | <b>4,892,533,917.57</b> | <b>2,640,640.00</b> |  |  | <b>(153,841,669.77)</b> | <b>4,741,332,887.80</b> | <b>49,194,195.00</b> |

Note 1: In May 2022, Chongqing Xingzhi Technology Co., Ltd. was added as a subsidiary.

## (2) Investment in associates and joint ventures

In RMB Yuan

| Investee                           | Opening Balance  | Changes during report period |                   |  |                            |                         |                           |                          |        | Ending Balance   |
|------------------------------------|------------------|------------------------------|-------------------|--|----------------------------|-------------------------|---------------------------|--------------------------|--------|------------------|
|                                    |                  | Addition                     | reduce investment | Investment income/loss under equity method | Other comprehensive income | Other changes in equity | Dividend of cash declared | Provision for impairment | Others |                  |
| 1. Joint ventures                  |                  |                              |                   |  |                            |                         |                           |                          |        |                  |
| Changan Ford Automobile Co., Ltd.  | 2,934,876,043.99 |                              |                   | 522,860,908.17                             |                            |                         |                           |                          |        | 3,457,736,952.16 |
| Changan Mazda Automobile Co., Ltd. | 1,867,086,106.67 |                              |                   | 236,050,510.98                             |                            |                         | (381,500,000.00)          |                          |        | 1,721,636,617.65 |
| Changan Mazda Engine Co., Ltd.     | 835,121,564.38   |                              |                   | 15,784,275.65                              |                            |                         | (41,500,000.00)           |                          |        | 809,405,840.03   |

|   |                          |                         |  |                        |                   |                       |                         |  |                          |
|---|--------------------------|-------------------------|--|------------------------|-------------------|-----------------------|-------------------------|--|--------------------------|
| Nanchang Jiangling Investment Co., Ltd.   | 1,630,596,420.97         |                         |  | 88,264,113.54          |                   |                       |                         |  | 1,718,860,534.51         |
| Subtotal  | 7,267,680,136.01         |                         |  | 862,959,808.34         |                   |                       | (423,000,000.00)        |  | 7,707,639,944.35         |
| <b>2. Associates</b>  |                          |                         |  |                        |                   |                       |                         |  |                          |
| Jiangling Holding Co., Ltd.   | 70,492,790.08            |                         |  | (41,202,595.77)        |                   |                       |                         |  | 29,290,194.31            |
| Chongqing Changan Kuayue Automobile Co., Ltd.   | 242,792,196.86           |                         |  | (20,594,524.55)        |                   |                       |                         |  | 222,197,672.31           |
| Changan Automobile Finacing Co., Ltd.   | 2,520,349,332.44         |                         |  | 152,764,747.43         |                   |                       | (66,943,616.44)         |  | 2,606,170,463.43         |
| Chongqing Changan New Energy Vehicles Technology Co., Ltd.                                | -                        | 1,360,000,000.00        |  | (953,589,718.33)       |                   | 663,566,110.70        |                         |  | 1,069,976,392.37         |
| Avatr Technology (Chongqing) Co., Ltd.  |                          | 871,119,835.57          |  | (82,620,701.16)        | 146,228.18        |                       |                         |  | 788,645,362.59           |
| Hainan Anxinxing Information Technology Co., Ltd.   | -                        | 368,900.00              |  | (368,900.00)           |                   |                       |                         |  |                          |
| Nanjing Chelai Travel Technology Co., Ltd.  | 866,888.90               |                         |  | (97,213.22)            |                   |                       |                         |  | 769,675.68               |
| Coresing Semiconductor Technology Co., Ltd.   | 25,285,116.95            |                         |  | (552,714.09)           |                   |                       |                         |  | 24,732,402.86            |
| Nanjing Leading Equity Investment Management Co., Ltd.                                    | 1,133,065.60             |                         |  | (9,266.61)             |                   |                       |                         |  | 1,123,798.99             |
| Nanjing Leading Equity Investment Partnership (Limited Partnership)                       | 2,424,143,949.52         |                         |  | (42,899.72)            |                   |                       |                         |  | 2,424,101,049.80         |
| Zhongqi Chuangzhi Technology Co., Ltd.  | 190,534,997.15           |                         |  | (9,012,542.48)         |                   |                       |                         |  | 181,522,454.67           |
| Chongqing Changxin Zhiqi Private Equity Investment Fund Partnership (Limited Partnership) | 25,007,587.62            |                         |  | (5,754.39)             |                   |                       |                         |  | 25,001,833.23            |
| Subtotal  | 5,500,605,925.12         | 2,231,488,735.57        |  | (955,332,082.89)       | 146,228.18        | 663,566,110.70        | (66,943,616.44)         |  | 7,373,531,300.24         |
| <b>Total</b>  | <b>12,768,286,061.13</b> | <b>2,231,488,735.57</b> |  | <b>(92,372,274.55)</b> | <b>146,228.18</b> | <b>663,566,110.70</b> | <b>(489,943,616.44)</b> |  | <b>15,081,171,244.59</b> |

#### 4. Operating revenue and cost

In RMB Yuan

| Items          | Report period     |                   | Same period of last year |                   |
|----------------|-------------------|-------------------|--------------------------|-------------------|
|                | Revenue           | Cost              | Revenue                  | Cost              |
| Main business  | 47,015,290,808.29 | 39,177,855,123.67 | 49,511,486,065.29        | 43,920,794,847.39 |
| Other business | 3,275,009,762.83  | 1,737,129,368.96  | 3,316,919,115.43         | 1,592,749,547.20  |
| Total          | 50,290,300,571.12 | 40,914,984,492.63 | 52,828,405,180.72        | 45,513,544,394.59 |

#### 5. Investment income

In RMB Yuan

| Items  | Current amount  | Prior-period amount |
|--|-----------------|---------------------|
| Long-term equity investment losses accounted for by the cost method                          | 594,000,000.00  |                     |
| Long-term equity investment losses accounted for by the equity method                        | (92,372,274.55) | 349,815,853.13      |
| The investment income of financial asset held for trading during its holding period          | 2,690,400.00    |                     |
| Dividend income from remaining investments in other equity instruments                       | 144,222,128.67  | 70,204,197.65       |
| Gains from the remeasurement of the remaining equity at fair value after the loss of control | 337,513,868.21  |                     |
| Interest income from entrusted loan  |                 | 8,099,253.16        |
| Total  | 986,054,122.33  | 428,119,303.94      |

#### Long-term equity investment income under equity method

In RMB Yuan

| Investee  | Current amount   | Prior-period amount |
|---|------------------|---------------------|
| Changan Ford Automobile Co., Ltd.   | 522,860,908.17   | 362,952,450.03      |
| Changan Mazda Engine Co., Ltd.  | 15,784,275.65    | 15,721,810.83       |
| Hainan Anxinxing Information Technology Co., Ltd.   | (368,900.00)     | (1,009,343.24)      |
| Nanjing Chelai Travel Technology Co., Ltd.  | (97,213.22)      | (134,310.36)        |
| Jiangling Holding Co., Ltd.   | (41,202,595.77)  | (48,302,837.53)     |
| Changan Mazda Automobile Co., Ltd.  | 236,050,510.98   | 280,357,717.64      |
| Chongqing Changan Kuayue Automobile Co., Ltd.   | (20,594,524.55)  | 4,994,618.02        |
| Changan Automobile Finacing Co., Ltd.   | 152,764,747.43   | 129,697,153.59      |
| Avatr Technology (Chongqing) Co., Ltd.  | (82,620,701.16)  |                     |
| Coresing Semiconductor Technology Co., Ltd.   | (552,714.09)     | (514,689.73)        |
| Nanchang Jiangling Investment Co., Ltd.   | 88,264,113.54    | 78,245,997.25       |
| Chongqing Changan New Energy Vehicles Technology Co., Ltd.                                | (953,589,718.33) | (471,341,755.14)    |
| Nanjing Leading Equity Investment Partnership (Limited Partnership)                       | (42,899.72)      | (33,139.50)         |
| Nanjing Leading Equity Investment Management Co., Ltd.                                    | (9,266.61)       | (64,190.89)         |
| Zhongqi Chuangzhi Technology Co., Ltd.  | (9,012,542.48)   | (753,627.84)        |
| Chongqing Changxin Zhiqi Private Equity Investment Fund Partnership (Limited Partnership) | (5,754.39)       |                     |
| Total   | (92,372,274.55)  | 349,815,853.13      |

## XVIII. Additional information

### 1. Non-recurring profit and loss statement of current period

Applicable  Non-applicable

In RMB Yuan

| Items  | Amount           | explanation |
|--|------------------|-------------|
| Profit and loss of non-current assets disposition  | 68,244,082.28    |             |
| Government subsidies counted in current profit and loss (except the government subsidies which are closely related with business events, and given certain amount according to national standards) | 525,001,514.96   |             |
| Interest on late payment of funds charged to non-financial enterprises   | 12,993,036.40    |             |
| In addition to the effective hedging business related to the company's normal business operations, the fair value changes in gains and losses arising from holding trading financial assets        | 26,136,888.77    |             |
| Gains from the remeasurement of the remaining equity at fair value after the loss of control   | 2,128,305,938.85 |             |
| Other non-operating income and expenses other than the above   | 49,496,422.28    |             |
| Minus: Income tax impact   | 37,348,447.66    |             |
| Minority shareholders' equity impact (after tax)   | 15,317,119.44    |             |
| Total  | 2,757,512,316.44 | --          |

If the company identifies non-recurring profit and loss defined by *Information Disclosure by Companies Offering Securities to the Public No. 1--non-recurring profit and loss* and non-recurring profit and loss defined by *Information Disclosure by Companies Offering Securities to the Public No. 1--non-recurring profit and loss* as recurring profit and loss, explain the reasons.

### 2. Return on equity and earnings per share

| Profit in report period   | Weighted average return on equity (%) | Earnings per share    |                         |
|---|---------------------------------------|-----------------------|-------------------------|
|   |                                       | Basic EPS(yuan/share) | Diluted EPS(yuan/share) |
| Net profit belonging to the Company's common stockholders   | 10.06                                 | 0.60                  | 0.59                    |
| Net profit belonging to the Company's common stockholders after deducting non-recurring profit and loss | 5.33                                  | 0.31                  | 0.31                    |

The group's presentation of return on net assets and earnings per share is in accordance with the preparation rules for information disclosure of companies offering securities to the public No. 9 - Calculation and disclosure of return on net assets and earnings per share (revised in 2010) of the CSRC.

### 3. Accounting data difference by domestic and foreign accounting standards

#### (1) Net profit and net asset differences from financial statements by global GAAC and prc GAAC

Applicable  Not applicable

#### (2) Net profit and net asset differences from financial statements by GAAC abroad and PRC GAAP

Applicable  Not applicable

#### (3) Description on accounting data differences by domestic and foreign accounting standards. If auditing institutions abroad have adjusted the data differences, identify the name of the auditing institution abroad.

None

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#### 4. Others

Applicable  Not applicable