

Zhejiang Geely Holding Group Co., Ltd.

Financial Year 2020 Auditor's Report

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Auditor's Report

(2021)JingKuaiXingShenZiNo. 68000081

To the Shareholders of Zhejiang Geely Holding Group Co.,Ltd.

1. Opinion

We have audited the accompanying financial statements of Zhejiang Geely Holding Group Co., Ltd. ("the Company"), which comprise the consolidated and the Company's balance sheets as of December 31, 2020, the consolidated and the Company's income statements, the consolidated and the Company's cash flow statements, and the consolidated and the Company's statements of changes in shareholders' equity for the year then ended, and the notes to the financial statements.

In our opinion, the accompanying financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises and present fairly, in all material aspects, the financial position of the Company as of December 31, 2020, and their operating results and cash flows for the year then ended.

2. Basis for opinion

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the code of ethics for Chinese Certified Public Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Responsibilities of the management and those charged with governance for the financial statements

The management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with Accounting Standards



for Business Enterprises, and designing, implementing and maintaining such internal control that is necessary to enable the financial statements that are free from material misstatements, whether due to fraud or error.

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

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

4. Auditor's responsibilities for the audit of the financial statements

Our objects are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We exercise professional judgement and maintain professional skepticism throughout the audit performed in accordance with CSAs. We also:

(1) Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidences that are sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

(3) Evaluate the appropriateness of accounting policies used and the



reasonableness of accounting estimates and related disclosures made by the management.

(4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to related disclosures in the financial statements. If such disclosures are inadequate, we will modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

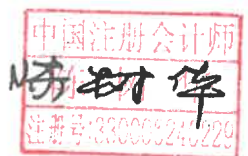
Beijing Xinghua Certified
Public Accountants
(Special General Partnership)



Beijing China

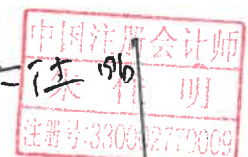
Chinese Certified Public Accountant:

Shuhua Chen



Chinese Certified Public Accountant:

Jiaming Zhu



Date of Report: April 27, 2021

Consolidated Balance Sheet

As at December 31, 2020

Zhejiang Geely Holding Group Co.,Ltd.

Unit RMB

Item	Notes	December 31, 2020	December 31, 2019
Non-current assets:			
Debt investment			
Long-term receivables	VI.12	7,801,402,022.42	5,816,739,537.45
Investment in joint ventures & associates	VI.13	21,488,988,780.10	15,972,361,990.98
Other equity investment	VI.14	27,841,617,356.20	21,658,671,163.08
Other non-current financial assets	VI.15	2,210,715,150.70	571,591,744.23
Investment properties	VI.16	797,287.07	
Property, plant and equipment	VI.17	93,379,910,137.05	81,736,520,033.78
Construction in progress	VI.18	10,700,917,100.80	8,420,929,712.96
Intangible assets	VI.19	52,942,729,981.10	44,529,897,500.24
Development expenditure	VI.20	34,110,766,369.65	29,494,788,470.34
Goodwill	VI.21	668,928,505.20	621,964,185.05
Long-term deferred expenses	VI.22	169,380,710.23	207,860,435.03
Deferred tax assets	VI.23	9,058,733,334.85	8,043,141,740.32
Other non-current assets	VI.24	3,568,145,206.12	2,531,107,443.98
Total non-current assets		263,943,031,941.49	219,605,573,957.44
Current assets:			
Cash and bank balances	VI.1	102,724,924,464.45	83,734,756,163.35
Financial assets through profit and loss	VI.2	1,219,962,544.00	5,470,754,411.00
Derivative financial assets	VI.3	573,731,179.00	93,045,900.50
Notes receivable	VI.4	1,337,741,614.43	22,139,470,434.58
Accounts receivable	VI.5	15,958,380,453.63	8,198,203,946.64
Accounts receivable financing	VI.6	32,800,909,772.63	
Prepayments	VI.7	2,874,770,513.38	1,891,366,506.37
Other receivables	VI.8	12,132,213,382.33	8,936,935,687.42
In which: interest receivable		235,263,803.31	47,062,964.12
Inventories	VI.9	42,492,692,871.06	37,092,058,469.09
Non-current assets due within one year	VI.10	13,239,429.77	7,613,260.23
Other current assets	VI.11	9,332,360,864.96	8,518,309,041.89
Total current assets		221,460,927,089.64	176,082,513,821.07
Total assets		485,403,959,031.13	395,688,087,778.51

Legal Representative: Li Shufu

Chief Financial Officer: Li Donghui

Finance Director: Zhang Quan

Consolidated Balance Sheet (Continued)

As at December 31, 2020

Zhejiang Geely Holding Group Co.,Ltd.

Unit RMB

Item	Notes	December 31, 2020	December 31, 2019
Non-current liabilities:			
Long-term bank borrowings	VI.37	47,590,602,916.20	41,847,708,020.92
Bonds payable	VI.38	35,837,418,937.73	33,179,447,497.16
In which: preference shares			
Perpetual bonds			
Long-term payables	VI.39	3,575,450,636.62	2,427,983,173.13
Provisions	VI.40	6,881,906,756.44	5,601,365,055.22
Deferred income	VI.41	13,549,741,098.80	11,158,953,356.91
Deferred tax liabilities	VI.23	1,253,479,828.22	831,648,549.52
Other non-current liabilities	VI.42	17,981,708,228.69	15,603,541,235.02
Total non-current liabilities		126,670,308,402.70	110,650,646,887.88
Current liabilities:			
Short-term bank borrowings	VI.25	30,314,310,526.13	26,990,132,715.24
Financial liabilities through profit or loss	VI.26		14,461,160.77
Derivative financial liabilities	VI.27	1,542,146,738.00	2,585,472,104.00
Notes payable	VI.28	17,389,988,940.17	12,807,803,049.34
Accounts payable	VI.29	72,283,124,079.66	56,233,246,378.68
Advances from customers	VI.30	833,676,177.32	5,041,993,542.61
Contract liabilities	VI.31	18,947,497,166.20	15,657,040,674.40
Employee benefits payable	VI.32	9,833,888,691.14	7,812,375,971.93
Taxes payable	VI.33	9,445,453,897.54	5,285,020,910.03
Other payables	VI.34	5,815,312,208.17	4,557,300,719.97
In which: interest payable		894,861,589.48	677,547,953.68
Dividends payable		38,757,615.74	21,975,766.73
Non-current liabilities due within one year	VI.35	21,403,909,137.34	10,913,580,275.64
Other current liabilities	VI.36	18,620,544,031.27	16,712,859,850.36
Total current liabilities		206,429,851,592.94	164,611,287,352.97
Total liabilities		333,100,159,995.64	275,261,934,240.85
Equity:			
Share capital	VI.43	930,000,000.00	930,000,000.00
Other equity instruments	VI.44	3,000,000,000.00	1,500,000,000.00
In which: preference shares			
Perpetual bonds		3,000,000,000.00	1,500,000,000.00
Capital reserve	VI.45	20,405,448,798.59	19,692,258,885.76
Less: treasury shares			
Other comprehensive income	VI.46	-395,844,988.32	-10,360,857,322.12
Special reserve	VI.47		
Surplus reserve	VI.47		
Undistributed profits	VI.48	63,243,730,606.35	54,178,637,449.29
Total equity attributable to owners of the Company		87,183,334,416.62	65,940,039,012.93
Non-controlling interest		65,120,464,618.87	54,486,114,524.73
Total equity		152,303,799,035.49	120,426,153,537.66
Total equity and liabilities		485,403,959,031.13	395,688,087,778.51

Legal Representative: Li Shufu

Chief Financial Officer: Li Donghui

Finance Director: Zhang Quan

Balance Sheet of the Company

As at December 31, 2020

Zhejiang Geely Holding Group Co.,Ltd.

Unit RMB

Item	Notes	December 31, 2020	December 31, 2019
Non-current assets:			
Investment in joint ventures & associates	XIII.2	34,214,844,073.19	30,967,224,517.10
Other equity investment		10,000,000.00	10,000,000.00
Other non-current financial assets		299,963,067.70	299,963,067.70
Property, plant and equipment		216,871,850.20	234,259,298.97
Construction in progress		479,581.76	1,006,906.35
Intangible assets		96,036,388.91	76,631,409.13
Development expenditure		39,541,705.51	10,560,644.44
Long-term deferred expenses		13,377,684.78	18,498,621.48
Deferred tax assets		694,700,691.70	352,277,729.77
Total non-current assets		35,585,815,043.75	31,970,422,194.94
Current assets:			
Cash and bank balances		554,931,949.27	309,254,506.10
Notes receivable			
Prepayments		56,563,407.45	52,177,900.00
Other receivables	XIII.1	8,230,795,085.13	8,090,809,629.40
In which: interest receivable		201,379,130.15	246,106,704.81
Dividend receivable			
Other current assets		3,921,603.86	50,254,370.01
Total current assets		8,846,212,045.71	8,502,496,405.51
Total assets		44,432,027,089.46	40,472,918,600.45

Legal Representative: Li Shufu

Chief Financial Officer: Li Donghui

Finance Director: Zhang Quan

Balance Sheet of the Company (Continued)

As at December 31, 2020

Zhejiang Geely Holding Group Co., Ltd.

Unit RMB

Item	Notes	December 31, 2020	December 31, 2019
Non-current liabilities:			
Long-term bank borrowings		5,149,315,384.00	2,610,000,000.00
Bonds payable		11,489,468,912.02	7,533,383,044.71
In which: preference shares			
Perpetual bonds			
Long-term payables			2,755,055.51
Other non-current liabilities			
Total non-current liabilities		16,638,784,296.02	10,146,138,100.22
Current liabilities:			
Short-term bank borrowings		8,280,000,000.00	8,038,185,000.00
Accounts payable			25,228.97
Employee benefits payable		124,280,308.24	148,071,868.70
Taxes payable		4,916,153.14	4,497,230.69
Other payables		9,195,673,449.96	13,429,006,282.00
In which: interest payable		510,828,802.28	427,435,453.25
Dividends payable		38,068,750.00	9,712,500.00
Non-current liabilities due within one year		2,423,368,674.09	1,201,683,493.71
Other current liabilities		2,000,000,000.00	2,000,000,000.00
Other current liabilities		22,028,238,585.43	24,821,469,104.07
Total liabilities		38,667,022,881.45	34,967,607,204.29
Equity			
Share capital		930,000,000.00	930,000,000.00
Other equity instruments		3,000,000,000.00	1,500,000,000.00
In which: preference shares			
Perpetual bonds		3,000,000,000.00	1,500,000,000.00
Capital reserve		588,784,449.10	588,784,449.10
Less: treasury shares			
Other comprehensive income			
Undistributed profits		1,246,219,758.91	2,486,526,947.06
Total equity		5,765,004,208.01	5,505,311,396.16
Total equity and liabilities		44,432,027,089.46	40,472,918,600.45

Legal Representative: Li Shufu

Chief Financial Officer: Li Donghui

Finance Director: Zhang Quan

Consolidated Income Statement

For the year ended December 31, 2020

Zhejiang Geely Holding Group Co., Ltd.

Unit RMB

Item	Notes	2020	2019
I. Revenue	VI.49	325,618,693,912.15	330,817,647,248.13
Less: cost of sales	VI.49	261,637,244,477.52	262,769,338,254.12
Taxes and surcharges		6,856,567,115.92	7,124,689,641.38
Selling expenses		17,101,603,676.65	18,805,353,493.08
General and administrative expenses		9,210,093,926.33	9,636,106,633.24
Research and development expenses		14,639,138,151.05	12,267,372,107.74
Financial expenses	VI.50	3,063,884,901.67	2,520,336,939.68
In which: interest expenses		4,190,497,146.42	3,660,159,959.45
Interest income		1,645,986,935.90	1,096,721,112.50
Add: other income	VI.51	3,076,134,574.67	2,038,736,840.64
Investment income ("-" for losses)	VI.52	2,625,162,203.21	1,631,158,531.40
In which: investment income from joint ventures and associates		1,127,195,911.53	33,196,846.74
Net exposure to hedging income ("-" for losses)	VI.53	-2,392,329,191.00	-2,582,346,947.00
Gains from changes in fair value ("-" for losses)	VI.54	1,014,660,347.00	-201,769,239.73
Credit impairment losses ("-" for losses)	VI.55	-91,316,622.90	-258,682,323.09
Asset impairment losses ("-" for losses)	VI.56	-301,504,152.35	-135,553,015.48
Gains from disposal of assets ("-" for losses)	VI.57	-608,233,294.58	296,534,998.36
II. Operating profit ("-" for losses)		16,432,735,527.06	18,482,529,023.99
Add: non-operating income	VI.58	136,103,263.33	130,609,560.89
Less: non-operating expenses	VI.59	325,990,505.76	361,979,307.20
III. Profit before tax ("-" for losses)		16,242,848,284.63	18,251,159,277.68
Less: income tax expenses	VI.60	3,052,202,336.26	4,060,322,050.71
IV. Net profit ("-" for losses)		13,190,645,948.37	14,190,837,226.97
1. Classification by operation continuity		13,190,645,948.37	14,190,837,226.97
(1) Net profit from continued operation		13,190,645,948.37	14,190,837,226.97
(2) Net profit from discontinued operation			
2. Classification by ownership		13,190,645,948.37	14,190,837,226.97
(1) Net profit attributable to owners of the Company		9,330,574,882.06	8,510,177,463.00
(2) Net profit attributable to non-controlling interests		3,860,071,066.31	5,680,659,763.97
V. Other comprehensive income for the year, net of tax	VI.46	9,918,486,771.24	171,057,060.31
Other comprehensive income attributable to the Company, net of tax		9,965,012,333.80	297,497,759.88
1. Other comprehensive income which will not be re-classified to profit or loss		5,336,028,634.79	3,260,024,859.75
(1) Other comprehensive income that will not be reclassified to profit or loss under equity method		-10,496.97	
(2) Changes in fair value of other equity instrument investments		5,980,316,829.76	5,338,413,277.16
(3) Others		-644,277,698.00	-2,078,388,417.41
2. Other comprehensive income that will be re-classified to profit or loss		4,628,983,699.01	-2,962,527,099.87
(1) Other comprehensive income that may be reclassified subsequently to profit or loss under equity method		-6,866,693.55	297,414.33
(2) Changes in re-classification of financial assets into other comprehensive income		-126,146,721.80	-798,281,542.11
(3) Changes in cash flow hedge recognized in other comprehensive income		3,577,809,214.00	-1,745,422,666.05
(4) Translation differences of financial statements denominated in foreign currency		1,184,187,900.36	-419,120,306.04
Other comprehensive income attributable to non-controlling interests, net of tax		-46,525,562.56	-126,440,699.57
VI. Total comprehensive income		23,109,132,719.61	14,361,894,287.28
1. Total comprehensive income attributable to owners of the Company		19,295,587,215.86	8,807,675,222.88
2. Total comprehensive income attributable to non-controlling interests		3,813,545,503.75	5,554,219,064.40
VII. Earnings per share:			
1. Basic earnings per share			
2. Diluted earnings per share			

Legal Representative: Li Shufu

Chief Financial Officer: Li Donghui

Finance Director: Zhang Quan

Income Statement of the Company

For the year ended December 31, 2020

Zhejiang Geely Holding Group Co., Ltd.

Unit RMB

Item	Notes	2020	2019
I. Revenue	XIII.3	705,334,278.60	283,118,441.70
Less: Cost of sales	XIII.3	516,562,852.93	143,523,550.65
Taxes and surcharges		2,816,678.84	2,285,241.67
General and administrative expenses		536,496,091.88	765,505,272.81
Financial expenses		1,065,616,284.73	710,969,355.12
In which: interest expenses		995,967,384.41	674,804,187.53
Interest income		15,557,526.87	15,086,117.30
Add: other income		34,605,774.32	8,517,759.92
Investment income ("-" for losses)	XIII.4	-92,455,700.41	3,415,694,925.70
In which: investment income from joint ventures and associates		-96,235,881.91	-72,795,779.74
Income from disposal of assets ("-" for losses)		-63,623.26	170,915.33
II. Operating profit ("-" for losses)		-1,474,071,179.13	2,085,218,622.40
Add: non-operating income		5,058,604.86	3,379,789.12
Less: non-operating expenses		633,573.41	1,339,726.38
III. Profit before tax ("-" for losses)		-1,469,646,147.68	2,087,258,685.14
Less: income tax expenses		-342,332,709.53	-354,603,551.04
IV. Net profit ("-" for losses)		-1,127,313,438.15	2,441,862,236.18
1. Net profit from continued operation		-1,127,313,438.15	2,441,862,236.18
2. Net profit from discontinued operation			
V. Other comprehensive income for the year, net of tax			109,963.48
1. Other comprehensive income which will not be re-classified to profit or loss			
2. Other comprehensive income that will be re-classified to profit or loss			109,963.48
(1) Other comprehensive income that may be reclassified subsequently to profit or loss under equity method			109,963.48
VI. Total comprehensive income		-1,127,313,438.15	2,441,972,199.66

Legal Representative: Li Shufu

Chief Financial Officer: Li Donghui

Finance Director: Zhang Quan

Consolidated Cash Flow Statement

For the year ended December 31, 2020

Zhejiang Geely Holding Group Co., Ltd.

Unit RMB

Item	2020	2019
I. CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash receipts from sale of goods and rendering of services	343,948,478,675.99	365,074,163,097.96
Refund of tax and levies	1,821,665,575.07	1,736,533,976.83
Cash receipts from other operating activities	12,519,586,496.21	16,227,099,416.88
Cash inflows from operations	358,289,730,747.27	383,037,796,491.67
Cash payments for goods purchased and services received	245,720,721,841.06	260,547,525,240.50
Cash payments to and on behalf of employees	37,467,676,772.70	34,298,105,487.73
Payments of taxes	18,145,256,538.93	24,366,638,397.40
Cash payments for other operating activities	22,233,061,424.95	20,074,718,981.38
Cash outflows from operations	323,566,716,577.64	339,286,988,107.01
Net cash flows from operating activities	34,723,014,169.63	43,750,808,384.66
II. CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash receipts from disposals and recovery of investments	3,140,511,614.16	2,107,838,796.49
Cash receipts from investment income	703,523,396.47	1,714,824,002.47
Sales proceed from disposal of tangible assets, intangible assets and other non-current assets	1,497,718,504.79	358,188,417.93
Cash receipts from disposals of subsidiaries and other business entities		630,346,731.98
Cash receipts from other investing activities	308,656,677.53	246,931,997.83
Cash inflows from investment activities	5,650,410,192.95	5,058,129,946.70
Cash payments for acquisition of tangible assets, intangible assets and other non-current assets	32,415,758,948.01	39,809,458,684.71
Cash payment for acquiring investments	6,128,930,879.00	2,101,285,111.22
Cash payment for acquisition of subsidiaries and other business entities		211,260,235.24
Cash payments for other investment activities	89,525,722.03	447,422,779.94
Cash outflows from investment activities	38,634,215,549.04	42,569,426,811.11
Net cash flows from investment activities	-32,983,805,356.09	-37,511,296,864.41
III. CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash receipts from capital contribution	8,038,084,547.74	11,118,063,497.99
Cash receipts from borrowings	50,654,104,251.83	47,923,105,452.15
Cash receipts from other financing activities	39,994,226,893.65	35,523,868,261.13
Cash inflows from financing activities	98,686,415,693.22	94,565,037,211.27
Debt repayment	43,685,436,628.57	48,214,029,625.91
Cash payment for dividend or interest	5,417,145,194.30	5,001,654,862.41
Cash payment for other financing activities	22,049,579,731.51	30,733,460,946.46
Cash outflows from financing activities	71,152,161,554.38	83,949,145,434.78
Net cash flows from financing activities	27,534,254,138.84	10,615,891,776.49
IV. Exchange differences	466,994,782.01	91,141,245.63
V. Net increase/(decrease) in cash and cash equivalents	29,740,457,734.39	16,946,544,542.37
Add: cash and cash equivalents at beginning of the year	103,654,310,579.93	86,707,766,037.56
VI. Cash and cash equivalents at end of year	133,394,768,314.32	103,654,310,579.93

Legal Representative: Li Shufu

Chief Financial Officer: Li Donghui

Finance Director: Zhang Quan

Cash Flow Statement of the Company

For the year ended December 31, 2020

Zhejiang Geely Holding Group Co., Ltd.

Unit RMB

Item	2020	2019
I. CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash receipts from sale of goods and rendering of services	263,496,214.85	88,453,378.05
Refund of tax and levies	28,125,774.92	
Cash receipts from other operating activities	85,984,377,428.92	58,635,521,816.23
Cash inflows from operations	86,275,999,418.69	58,723,975,194.28
Cash payments for goods purchased and services received	450,790.00	3,089,891.14
Cash payments to and on behalf of employees	517,721,853.29	461,204,365.56
Payments of taxes	16,896,080.33	68,343,809.26
Cash payments for other operating activities	91,169,097,858.88	64,872,346,754.90
Cash outflows from operations	91,704,166,582.50	65,404,984,820.86
Net cash flows from operating activities	-5,428,167,163.81	-6,681,009,626.58
II. CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash receipts from disposals and recovery of investments	270,000,000.00	1,122,950,000.00
Cash receipts from investment income	810,258,186.06	3,572,360,330.33
Sales proceed from disposal of tangible assets, intangible assets and other non-current assets	1,348,584.76	742,332.30
Cash inflows from investment activities	1,081,606,770.82	4,696,052,662.63
Cash payments for acquisition of tangible assets, intangible assets and other non-current assets	81,337,731.30	102,725,097.27
Cash payment for acquiring investments	3,613,855,438.00	2,353,690,440.00
Cash outflows from investment activities	3,695,193,169.30	2,456,415,537.27
Net cash flows from investment activities	-2,613,586,398.48	2,239,637,125.36
III. CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash receipts from capital contribution	1,498,500,000.00	1,500,000,000.00
Cash receipts from borrowings	13,050,000,000.00	9,734,425,000.00
Cash receipts from other financing activities	10,990,500,000.00	10,000,000,000.00
Cash inflows from financing activities	25,539,000,000.00	21,234,425,000.00
Debt repayment	16,095,109,616.00	14,659,380,000.00
Cash payment for dividend or interest	1,142,278,859.37	652,433,563.48
Cash payment for other financing activities	14,140,000.00	2,000,000,000.00
Cash outflows from financing activities	17,251,528,475.37	17,311,813,563.48
Net cash flows from financing activities	8,287,471,524.63	3,922,611,436.52
IV. Exchange differences	-40,519.17	64,715.02
V. Net increase/(decrease) in cash and cash equivalents	245,677,443.17	-518,696,349.68
Add: cash and cash equivalents at beginning of the year	309,254,506.10	827,950,855.78
VI. Cash and cash equivalents at end of year	554,931,949.27	309,254,506.10

Legal Representative: Li Shufu

Chief Financial Officer: Li Donghui

Finance director: Zhang Quan

Consolidated Statement of Changes in Equity

For the year ended December 31, 2020

Unit RMB											
Item	Current period										
	Attributable to shareholders of the Company										Non-controlling interests
	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	
		Preferred shares	Perpetual bonds	Others							
I. At 31st December 2019	930,000,000.00		1,500,000,000.00		19,692,258,885.76	-10,360,857,322.12				54,178,637,449.29	54,486,114,524.73
Add changes in accounting policy											
Correction of prior error											
Business combination involving enterprises under common control											
Others											
II. Opening balance of the year	930,000,000.00	-	1,500,000,000.00		19,692,258,885.76	-10,360,857,322.12				54,178,637,449.29	54,486,114,524.73
III. Movement ("+" for increase)			1,500,000,000.00		713,189,912.83	9,965,012,333.80				9,065,093,157.06	10,634,350,094.14
(1) Total comprehensive income						9,965,012,333.80				9,330,574,882.06	3,813,545,503.76
(2) Capital contributions and reduction			1,500,000,000.00		713,189,912.83					8,207,900,541.12	10,421,090,453.95
1 Capital contribution					687,241,572.48					3,579,874,227.96	4,267,115,800.44
2 Capital invested by other equity instrument holders			1,500,000,000.00								1,500,000,000.00
3 Share-based payment recognized in owners' equity					76,991,180.33					124,030,178.23	201,021,358.56
4 Others					-51,042,839.98					4,501,996,134.93	4,452,953,294.95
(3) Profit distribution										-261,161,350.00	-1,598,733,931.50
1 Transfer to surplus reserve											
2 Distributions to shareholders										-1,336,675,579.73	-1,597,836,929.73
3 Others											
(4) Transfer within owners' equity											
1 Transfer of capital reserve to share capital										-897,001.77	-897,001.77
2 Transfer of surplus reserve to share capital											
3 Surplus reserve making up of losses											
4 Transfers of retained earnings due to changes in defined benefit plans											
5 Other comprehensive income transfer to retained earnings											
6 Others											
(5) Special reserve											
1 Transfer to special reserve in the year							-169,053.99			-940,224.16	-1,109,278.15
2 Amount utilized in the year							586,402.84			3,261,384.81	3,847,787.65
(6) Others							753,456.83			4,201,608.97	4,957,065.80
IV. At 31st December 2020	930,000,000.00		3,000,000,000.00		20,405,448,798.50	-395,844,988.32				63,243,730,606.35	65,120,464,618.87

Zhejiang Geesh Holding Group Co., Ltd.

Unit: RMB

Legal Representative: Li Shufu

Chief Financial Officer: Li Donghui

Finance Director: Zhang Quan

Consolidated Statement of Changes in Equity

For the year ended December 31, 2020

Item	Previous period										Unit: RMB	
	Previous period										Previous period	
	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Non-controlling interests	Total equity
		Preferred shares	Perpetual bonds	Others								
I. At 31st December 2018	930,000,000.00		2,000,000,000.00		19,044,130,803.36		-10,658,355,082.00		40,734,742.89	46,440,199,428.28	44,957,068,055.58	102,753,777,948.11
Add: changes in accounting policy												
Correction of prior error												
Business combination involving enterprises under common control												
Others												
II. Opening balance of the year	930,000,000.00		2,000,000,000.00		19,044,130,803.36		-10,658,355,082.00		40,734,742.89	46,440,199,428.28	44,957,068,055.58	102,753,777,948.11
III. Movement ("+" for increase)			-500,000,000.00		648,128,082.40		297,497,759.88		-40,734,742.89	7,738,438,021.01	9,579,046,469.15	17,672,375,589.55
(1) Total comprehensive income							297,497,759.88			8,510,177,463.00	5,554,219,064.40	14,361,894,297.28
(2) Capital contributions and reduction			-500,000,000.00		648,128,082.40				-40,734,742.89	-597,888,236.64	5,588,752,154.64	5,098,257,157.51
1 Capital contribution										30,423,900.00	1,972,548,919.38	1,942,125,019.38
2 Capital invested by other equity instrument holders			-500,000,000.00		68,013,744.00					-507,464,436.64	3,857,991,227.09	2,858,540,534.36
3 Share-based payment recognized in owners' equity					254,628,319.50						366,871,117.90	621,499,437.40
4 Others					325,486,018.90				-40,734,742.89		-608,659,109.64	-323,907,833.63
(3) Profit distribution										-182,106,092.88	-1,617,498,820.09	-1,799,604,912.97
1 Transfer to surplus reserve												
2 Distributions to shareholders												
3 Others												
(4) Transfer within owners' equity												
1 Transfer of capital reserve to share capital												
2 Transfer of surplus reserve to share capital												
3 Surplus reserve making up of losses												
4 Transfers of retained earnings due to changes in defined benefit plans												
5 Other comprehensive income transfer to retained earnings												
6 Others												
(5) Special reserve												
1 Transfer to special reserve in the year												
2 Amount utilized in the year												
(6) Others												
IV. At 31st December 2019	930,000,000.00		1,500,000,000.00		19,692,258,885.76		-10,360,857,322.12			54,178,637,449.29	54,486,114,524.73	120,426,153,537.66

Legal Representative: Li Shufu

Chief Financial Officer: Li Donghui

Finance Director: Zhang Quan

Statement of Changes in Equity of the Company

For the year ended December 31, 2020

Zhejiang Geely Holding Group Co., Ltd.

Unit RMB											
Current period											
Item	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total equity
		Preferred shares	Perpetual bonds	Others							
I. At 31st December 2019	930,000,000.00		1,500,000,000.00		588,784,449.10					2,486,526,947.06	5,505,311,396.16
Add: changes in accounting policy											
Correction of prior error											
Others											
II. Opening balance of the year	930,000,000.00		1,500,000,000.00		588,784,449.10					2,486,526,947.06	5,505,311,396.16
III. Movement ("-" for decrease)			1,500,000,000.00							-1,240,307,188.15	259,692,811.95
(1) Total comprehensive income										-1,127,313,438.15	-1,127,313,438.15
(2) Capital contributions and reduction			1,500,000,000.00								1,500,000,000.00
1. Capital contribution											
2. Capital invested by other equity instrument holders			1,500,000,000.00								1,500,000,000.00
3. Share-based payment recognized in owners' equity											
4. Others											
(3) Profit distribution										-112,993,750.00	-112,993,750.00
1. Transfer to surplus reserve											
2. Distributions to shareholders										-112,993,750.00	-112,993,750.00
3. Others											
(4) Transfer within owners' equity											
1. Transfer of capital reserve to share capital											
2. Transfer of surplus reserve to share capital											
3. Surplus reserve making up of losses											
4. Transfers of retained earnings due to changes in defined benefit plans											
5. Other comprehensive income transfer to retained earnings											
6. Others											
(5) Special reserve											
1. Transfer to special reserve in the year											
2. Amount utilized in the year											
(6) Others											
IV. At 31st December 2020	930,000,000.00		3,000,000,000.00		588,784,449.10					1,246,219,758.91	5,765,004,208.01

Unit: RMB

Legal Representative: Li Shufu

Chief Financial Officer: Li Donghui

Finance Director: Zhang Quan

Statement of Changes in Equity of the Company

For the year ended December 31, 2020

Zhejiang Geely Holding Group Co., Ltd.

Unit RMB											
Item	Previous period										Total equity
	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	
		Preferred shares	Perpetual bonds	Others							
I. At 31st December 2018	930,000,000.00		2,000,000,000.00		597,067,180.59		-109,963.48			136,277,193.76	3,663,234,410.87
Add: changes in accounting policy											
Correction of prior error											
Others											
II. Opening balance of the year	930,000,000.00		2,000,000,000.00		597,067,180.59		-109,963.48			136,277,193.76	3,663,234,410.87
III. Movement ("-" for decrease)			-500,000,000.00		-8,282,731.49		109,963.48			2,350,249,753.30	1,842,076,985.29
(1) Total comprehensive income							109,963.48			2,441,862,236.18	2,441,972,199.66
(2) Capital contributions and reduction					-8,282,731.49						-8,282,731.49
1. Capital contribution											
2. Capital invested by other equity instrument holders			-500,000,000.00								-500,000,000.00
3. Share-based payment recognized in owners' equity											
4. Others					-8,282,731.49						-8,282,731.49
(3) Profit distribution										-91,612,482.88	-91,612,482.88
1. Transfer to surplus reserve											
2. Distributions to shareholders										-91,612,482.88	-91,612,482.88
3. Others											
(4) Transfer within owners' equity											
1. Transfer of capital reserve to share capital											
2. Transfer of surplus reserve to share capital											
3. Surplus reserve making up of losses											
4. Transfers of retained earnings due to changes in defined benefit plans											
5. Other comprehensive income transfer to retained earnings											
6. Others											
(5) Special reserve											
1. Transfer to special reserve in the year											
2. Amount utilized in the year											
(6) Others											
IV. At 31st December 2019	930,000,000.00		1,500,000,000.00		588,784,449.10					2,486,526,947.06	5,505,311,396.16

Legal Representative: Li Shufu

Chief Financial Officer: Li Donghui

Finance Director: Zhang Quan

Notes to the Financial Statements of Financial Year 2020

Zhejiang Geely Holding Group Co., Ltd.

I. Basic situation of the company

Zhejiang Geely Holding Group Co., Ltd.(hereinafter referred to as "the Company") is jointly founded and registered by natural persons Li Shufu and Li Xubing jointly on March 24, 2003 and owns the Business License of Enterprise. The Company currently holds an unified social credit code 91330000747735638J of business license. In March 2007, Li Xubing transferred 17.3% of his shares of the Company with the total amount of 143.59 million yuan to Li Shufu and 10% of his shares of the Company with the total amount of 83 million yuan to Li Xingxing. In January 2017, the Company has changed registered capital from 830 million yuan to 930 million yuan. The current shareholders of the Company are Li Shufu, who invests 847 million yuan, accounting for 91.08% of the registered capital and Li Xingxing, who invests 83 million yuan, accounting for 8.92% of the registered capital. Total paid up capital of the Company is 930 million yuan currently.

The operating period of the Company is 30 years and its legal representative is Li Shufu.

The main operation and business scope of the Company and its subsidiaries (hereinafter referred to as "the Group") includes: automobile manufacture and sales, industrial investment, investment in mechanical and electrical products, real estate investment, investment management, asset management, business administration, technology development of automobile and auto parts, car design, car model design, financial leasing business, software and information technology service, operating import and export business.

The ultimate controller of the Company is Li Shufu. The ultimate controller of the Company has changed to Li Donghui on January 13, 2021.

The financial statements thereto of the Group were approved by the Group Board on April 27, 2021.

II. The scope of consolidated financial statements for this year

The consolidation of financial statements in current period contains 20 1st tier subsidiaries, included a new subsidiary, which is Wuhan Lotus Technology Co., Ltd. (newly-established and not yet in operation); excludes 2 previous subsidiaries, in which the equity of Geely Changxing New Energy Automobile Co., Ltd. was transferred to Geely Automobile Group Co., Ltd., a wholly-owned subsidiary of the Company, and Geely Changxing New Energy Automobile Co., Ltd.was included in Geely Automobile Group Co., Ltd.'s scope of consolidation. Geely factoring (Xi'an) Co., Ltd. was cancelled, reduces 1 subsidiary in total within the period. Please refer to Note VIII "Interest in subsidiaries" for detail.

III. Preparation basis of the financial statements

1. Basis of Preparation

The financial statements of the Group are prepared in accordance with Accounting Standard for Business Enterprises, its Application Guidelines and Interpretations, and other related regulations (generally referred as "Accounting Standards for Enterprises"), which were issued and enforced by the Ministry of Finance.

The Group has adopted the accrual basis of accounting, except for certain financial instruments. The

financial statements are generally measured on historical cost basis. In case of impairment of assets, the corresponding impairment provision shall be recognized in accordance with the relevant requirements.

2. Going concern

The Group has not engaged in any events or circumstances which may cast significant doubt upon its ability to continue as a going concern for the following 12 months since this reporting date.

IV. Interpretations of important accounting policies and estimates

1. Statement of compliance with "Accounting Standards for Enterprises"

The financial statements of the Group have been prepared in accordance with the requirements of "Accounting Standards for Enterprises", and reflected authentically and completely, the consolidated and the Company's financial position as of December 31, 2020, the consolidated and the Company's operating result and cash flows for the financial year ended December 31, 2020.

2. Accounting period

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

3. Operation cycle

The Group takes 12 months as the operating cycle and uses it as the criterion for the liquidity of assets and liabilities.

4. Functional currency

As RMB is the currency of the primary economic environment where the Company and its domestic subsidiaries operate, they adopt RMB as the functional currency for book-keeping. The foreign subsidiaries of the Company adopt Hong Kong dollar, Swedish krona, Ruble, Euro and US dollar as their bookkeeping functional currency according to the primary economic environment where they operate. The functional currency of the Group used in bookkeeping is RMB during the preparation of the financial statements.

5. Business combination involving and not involving enterprises under common control

(1) Business combination involving enterprises under common control

For a business combination under the common control, the assets and liabilities of the acquiree obtained by the acquirer in the combination shall be measured at the book value of the acquiree in the ultimate controlling party's consolidated financial statements on the acquisition date, except for the adjustments due to different accounting policies. The difference between the book value of the merger consideration and the book value of the net assets obtained in the merger shall be used to adjust the capital reserve (capital stock premium). If the capital reserve (capital stock premium) is not sufficient to absorb the difference, retained earnings will be adjusted accordingly.

(2) Business combination not involving enterprises under common control

For the business combination not under the common control, the cost of combination is the fair value of the assets paid, liabilities incurred or assumed and equity securities issued to obtain the control of the acquiree at the acquisition date. On the transaction date, the acquired assets, liabilities and contingent liabilities of the acquiree are recognized at fair value. The difference between the cost of combination and the fair value share of the acquiree's identifiable net assets obtained in the

combination shall be recognized as goodwill if the figure is positive, and the subsequent measurement shall be made by deducting the accumulated impairment provision from the cost; The difference between the cost of combination and the fair value share of the acquiree's identifiable net assets obtained in the combination shall be included in the current profits and losses after review if the figure is negative.

(3) Transaction costs in business combination

The intermediary expenses such as auditing, legal services, valuation and consultation and other related management expenses incurred for business combination shall be recognized in profit or loss when incurred. The transaction costs incurred by issuing equity securities or debt securities as merger consideration shall be recognized in the initial recognition amount.

6. Methods of preparing for consolidated financial statements

(1) Principle of determining the extent of consolidated financial statements

The scope of consolidation in the consolidated financial statements is determined on the basis of control. Control is the power over the investee, has rights to variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee. Subsidiaries refer to the entities controlled by the Group (including enterprises, divisible parts of the invested units, structured entities, etc.).

(2) Methods of preparing for consolidated financial statements

The Group prepared the consolidated financial statements based on the financial statements of the group and its subsidiaries and other relevant information, and using uniform accounting period and accounting policies. The balance of major transactions and transactions between companies shall be eliminated. During the reporting period, the subsidiaries and businesses increased due to business combination under the common control shall be deemed to be included in the consolidation scope of the group from the date when they are under the control of the ultimate controller, and the operating results and cash flows from the date when they are under the control of the ultimate controller shall be included in the consolidated income statement and consolidated cash flow statement respectively. For the subsidiaries and businesses increased due to business combination, which is not under the common control during the reporting period, the income, expenses and profits of the subsidiaries and businesses from the purchase date to the end of the reporting period shall be included in the consolidated income statement, and the cash flow shall be included in the consolidated cash flow statement. The portion of subsidiaries' equity that is not attributable to the Company is treated as non-controlling interest and presented as "Non-controlling interest" in the consolidated balance sheet within shareholders' equity. The portion of net profits or losses of subsidiaries for the period attributable to minority shareholders is presented as "Non-controlling interest" in the consolidated income statement below the "net profit" line item. When the amount of loss for the period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the December 31, 2020 of owners' equity of the subsidiary, the excess amounts are still allocated against non-controlling interest.

(3) Purchase of minority shareholders' equity of subsidiaries

The difference between the newly acquired long-term equity investment cost due to the purchase of minority equity and the share of net asset of the subsidiary calculated continuously from the purchase date or the merger date according to the newly increased shareholding ratio, and the difference between the disposal price obtained from the partial disposal of equity investment of the subsidiary without losing control and the share of net assets of subsidiaries continuously calculated from the date of purchase or merger for disposal of long-term equity investment shall be adjusted in the capital reserve (share premium). If the capital reserve is not sufficient to absorb the difference, retained earnings will be adjusted accordingly.

(4) Accounting treatment for losing control of subsidiaries

When the Group loses its control over subsidiaries due to disposal of certain equity investments or other reasons, any remaining equity shall be re-measured at fair value when lose control. The differences between the sum of the consideration received on disposal and fair value of any remaining equity, the sum of the share of the former subsidiary's net assets cumulatively calculated from the acquisition date according to the original proportion of ownership interest and goodwill are recognized as investment income in the period in which control is lost. Other comprehensive income associated with investment in the former subsidiary shall be recorded in current profit or loss, except changes of designated benefit plan in net liabilities or assets due to re-measurement by the original subsidiaries.

7. Goodwill

Goodwill occurred on a business combination shall be recognized separately in the consolidated financial statement and measured at cost less accumulated impairment losses. Goodwill acquired in a business combination is at least tested for impairment at each financial year-end.

When goodwill is undertaken impairment test, it is combined with related asset group or asset group portfolio. From the acquisition date, the book value of goodwill is allocated reasonably to the asset group or asset portfolio expected to be benefited from synergy effect of the combination. If the recoverable amount of the asset group or asset portfolio contained allocated goodwill, which is less than its book value, an impairment loss of goodwill shall be recognized. The amount of impairment loss should offset the book value of the goodwill allocated to the asset group or asset portfolio firstly, and the remaining part should offset book value of other assets according to proportion of other assets in asset group or asset portfolio. The recoverable amount is the higher amount between the fair value of the asset less the disposal expenses and the present value of the expected future cash flow of the asset.

Goodwill impairment loss shall be recorded in the current profit or loss when it occurs and can not be reversed in the subsequent accounting period.

8. Classification of joint arrangement and accounting treatment of joint operations

Joint arrangement refers to the arrangements jointly controlled by two or more parties. Joint arrangements of the Group are classified into joint operation and joint venture.

1. Joint operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Group recognizes the following items related to the share of interests in the joint operation and conducts accounting treatment in accordance with the relevant accounting standards for business enterprises:

- A. Its assets, including its share of any assets held jointly;
- B. Its liabilities, including its share of any liabilities incurred jointly;
- C. Its revenue from sale of its share of the output arising from the joint operation;
- D. Its share of the revenue from the sale of output by joint operation;
- E. Its expenses, including its share of any expense incurred jointly.

2. Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

The Group accounts for investments in joint ventures by using equity method of the long-term equity investment.

9. Criterion for determining cash and cash equivalents

The cash and cash equivalents of the Group include cash on hand, bank deposits which can be readily withdrawn on demand, cash with a short term, highly liquidity and easily converted to known amounts and investment with an insignificant risk of change in value.

10. Translation of transactions and financial statement denominated in foreign currencies

(1) Transactions denominated in foreign currencies

Foreign currency transactions are initially measured at the spot exchange rate on the date of transaction.

At the balance sheet date, foreign currency of monetary items shall be translated using the closing rate. All exchange differences of such translations shall be recorded in the current profit or loss except: 1) those related to specific-purpose borrowing denominated in foreign currency that qualify for capitalization conditions, which shall be dealt with in the principle of capitalization of the loans costs; 2) exchange differences of hedging instrument for the purpose of hedging against foreign exchange risk is treated according to the hedge accounting; 3) exchange differences arising from changes in the carrying amounts (other than the amortized cost) of the foreign currency monetary items at fair value through comprehensive income are recognized as other comprehensive income. Others are included in current profit or loss.

When the preparation of consolidated financial statements involves overseas operations, if there is any foreign currency monetary item that substantially constitutes to a net investment in a overseas operation, the exchange difference caused by the exchange rate fluctuations shall be recognized as the "exchange differences arising on translation of financial statements denominated in foreign currencies" in other comprehensive income, and the disposal of a foreign operation should be recorded in profit or loss for the period.

Foreign currency of non-monetary items that are measured at historical cost shall be translated using the exchange rate at the date of the transaction. Foreign currency of non-monetary items that are measured at fair value shall be translated using the exchange rates at the date of fair value confirmed. The differences between the re-translated functional currency amount and the original functional currency amount shall be recorded in the profit or loss or other comprehensive income as changes in fair value (including changes of exchange rate).

(2) Accounting treatments of translation of financial statements denominated in foreign currencies

For the purpose of preparing consolidated financial statements, financial statements of a foreign operation are translated from the foreign currency into RMB using the following method: assets and liabilities on the balance sheet shall be translated at the spot exchange rate at the balance sheet date; shareholders' equity items shall be translated at the spot exchange rate except for the item of "undistributed profits". Income and expenses items in the income statement shall be translated at the spot exchange rate at the transaction date. Undistributed profits at the beginning of the year is the translated undistributed profits at the end of last year; Undistributed profits at the end of last year shall be presented as the translated items of profits distributed; the differences between translated items of assets and the aggregate of liabilities and shareholders' equity items shall be recognized as exchange differences arising on translation of financial statements denominated in other comprehensive income. When the Group disposes overseas operation or loses its control, all or the proportion of the exchange differences, related to the overseas operation, of foreign currency financial statements listed under shareholders' equity shall be recorded in the current profit or loss.

Cash flow dominated in foreign currency and the cash flow of overseas subsidiaries shall be translated at the spot exchange rate at the cash flow date. The effect of exchange rate changes on cash is regarded as a reconciling item and presented separately in the cash flow statement.

The amount at the beginning of the year and the amounts in previous year shall be presented according to translated amounts of the financial statements of previous year.

When the Company loses its control over the overseas operation due to disposal of entire shareholders' equity of the overseas operation or partial disposal of the equity investment or other reasons, all exchange differences of foreign currency financial statements attributable to the owners of the Company related to such overseas operation and presented under shareholders' equity item in the balance sheet shall be transferred to the current profit or loss.

When the Company contains a lower overseas operation ratio due to the disposal of part equity investment or other reasons but does not lose its control over the overseas operation, exchange differences of foreign currency financial statements related to the partial disposal of the overseas operation shall be re-attributed to minority shareholders and shall not be recorded in the current profit or loss. For partial disposal of equity interests of an associated enterprise or a joint venture in the overseas operation, exchange differences of foreign currency financial statements related to the overseas operation shall be reclassified into the current profit or loss according to the disposal ratio of the overseas operation.

11. Financial instruments

Financial instrument refers to a contract that forms the financial assets of one party and the financial liabilities or equity instruments of the other party.

(1) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

If the following conditions are satisfied, the recognition of the financial assets (or a part of the financial assets, or a part of a group of similar financial assets) shall be derecognized, which means the financial assets shall be written off from their accounts and balance sheets:

- 1) The contractual rights to collect cash flows from financial assets expired;
- 2) The Group has transferred right to collect cash flow of financial assets, or undertaken the obligation to pay the full gathered cash flow to a third party in time under the "passing agreement"; or substantially neither transfers nor keeps almost all risks and rewards in the ownership of financial asset, but gives up rights to control financial assets.

If the obligation of financial liability has been fulfilled, cancelled or expired, the financial liability shall be derecognized. If the existing financial liability is replaced by another financial liability on substantially almost entirely different terms by the same creditor, or if almost all the terms of the existing liability are materially modified, such replacement or modification is treated as derecognition of the original liability and recognition of the new liability, and the difference is recorded in the current profit or loss.

Financial assets, bought and sold in regular methods, are recognized and derecognized at the transaction day. The regular method of purchasing and selling financial assets refers to the collection or delivery of financial assets within the scheduled time by laws and regulations in accordance with the provisions of the contract. A trading day refers to the date that the Group commits to buy or sell financial assets.

(2) Classification and measurement of financial assets

When the financial assets of the Group are initially recognized, they are classified as follows according to the business model of financial assets management of the Group and the characteristics of contractual cash flows of financial assets: financial assets at amortized cost, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss. When

financial assets are initially recognized, they are measured at fair value. However, if the accounts receivable or notes receivable arose from the sale of goods or the provision of services that do not contain significant financing elements nor take into account financing elements which are not exceeding one year, the initial measurement shall be determined by the transaction price.

For financial assets at fair value through profit or loss, the relevant transaction costs are directly recorded in profit or loss. Relevant transaction costs of other types of financial assets are recorded in the initial recognition amount.

The subsequent measurement of financial assets depends on their classification:

1) Financial assets at amortized cost

Financial assets that simultaneously satisfied the following conditions shall be classified as financial assets at amortized cost: the objective of managing the financial asset is to collect contractual cash flows; the contractual terms of the financial asset stipulate that the cash flows generated at a particular date is only the payment of the principal and interest based on the outstanding principal amount. The interest income of financial assets is recognized by the effective interest method, and the gains or losses from the derecognition, modification or impairment shall be recorded in the profit or loss. The financial assets mainly include cash and bank balances, accounts receivable, notes receivable, other receivables, debt investment and long-term receivables, etc. The Group shall present both debt investments and long-term receivables that due within one year from the balance sheet date as non-current assets due within one year, and present original debt investments due within one year as other current assets.

2) Financial assets at fair value through other comprehensive income

a. Debt instrument investment at fair value through other comprehensive income

Financial assets that simultaneously satisfied the following conditions shall be classified as financial assets at fair value through other comprehensive income: the objective of managing such financial asset is both to collect the contractual cash flow and to sell the financial assets. The contractual terms of such financial asset stipulate that the cash flow generated at a particular date is only the payment of the principal and interest based on the outstanding principal amount. The interest income of financial assets is recognized by the effective interest method. Except for the interest income, impairment loss and exchange difference are recognized as the profit or loss, the other changes in the fair value are recorded into other comprehensive income. When financial assets are derecognized, the accumulated gains or losses in other comprehensive income are transferred from other comprehensive income to profit or loss. Such financial assets include accounts receivable financing and other debt investments. The Group shall present other debt investments due within one year from the balance sheet date as non-current assets due within one year, and present other debt investments originally due within one year as other current assets.

b. Equity instrument investments at fair value through other comprehensive income

The Group irrevocably designated partial non-tradable equity instruments as financial assets at fair value through other comprehensive income, and only recorded relevant dividend income (except the partially received dividend income as investment cost) in the profit or loss. The fair value of the subsequent changes is recorded in other comprehensive income and does not need to recognize provision for impairment loss. When the recognition of financial assets is derecognized, the accumulated gains or losses recorded in other comprehensive income are transferred from other comprehensive income to the retained earnings. Such financial assets are presented as other equity instruments investment.

3) Financial assets at fair value through profit or loss

The financial assets, except for the financial assets 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. For such financial assets, the fair value is adopted for subsequent measurement, and all changes in the fair value are recorded in the profit or loss. These financial assets are presented as transactional financial assets, and those that will mature more than one year from the balance sheet date and are expected to be held for more than one year are presented as other non-current financial assets. For the initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Group irrevocably designates financial assets as financial assets at fair value through profit or loss. The designation shall not be revoked once made.

(3) Classification and measurement of financial liabilities

The initial recognition of financial liabilities of the Group is classified as follows: financial liabilities at fair value through profit or loss, other financial liabilities, and derivative instruments designated as effective hedging instruments. For financial liabilities at fair value through profit or loss, the relevant transaction costs are directly recorded in the profit or loss. Relevant transaction costs of other types of financial liabilities are recorded in the initial recognition amount.

The subsequent measurement of financial liabilities depends on their classification:

1) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss involve trading financial liabilities (including derivative instruments belonging to financial liabilities) and designated financial liabilities at fair value through profit or loss at initial recognition.

Financial liabilities satisfied one of the following conditions can be designated as financial liabilities for trading: The purpose of undertaking relevant financial liabilities is mainly for short-term repurchase or sale; such financial liabilities are a part of the centrally-managed identifiable financial instruments portfolio on initial recognition, and the objective evidence indicates that short-term profit model exists in near term; such financial liabilities are derivative instruments, except for derivatives that are designated as effective hedging instruments and derivatives that meet the definition of financial guarantee contracts. All changes in fair value of financial liabilities for trading (including derivative instruments belonging to financial liabilities) are recorded in profit or loss and subsequently measured at fair value, except for those related to hedge accounting.

2) Other financial liabilities

For such financial liabilities, the effective interest method is adopted and the subsequent measurement is on the basis of the amortized cost.

(4) Offsetting a financial instrument

Where the following conditions are met simultaneously, a financial asset and a financial liability shall be offset and the net amount is presented in the balance sheet.: Having a legal right to set off the confirmed amount and the legal right is currently enforceable; Planning to settle the financial assets on a net basis or to realize the financial assets and liquidate financial liabilities simultaneously.

(5) Financial guarantee contract

Financial guarantee contract refers to a contract whereby the issuing party pays a specified amount to the contract holder who suffers losses when the specified debtor fails to repay the debt in accordance with the terms of the debt instrument at deadline. Financial guarantee contract initially recognized at fair value, except for financial guarantee contract that designated as financial liabilities at fair value through profit or loss, other financial guarantee contracts are subsequently measured at the higher amount between the amount of expected credit loss provision at balance sheet date and the balance of the initial recognition amount deducted the cumulative amortization amount determined by the revenue recognition principle.

(6) Transfer of financial assets

The Group derecognizes the financial assets whose almost all the risks and rewards in the ownership of the financial asset has been transferred to the transferee, and does not derecognize financial assets whose almost all the risks and rewards in the ownership of a financial asset are retained.

The Group deals with the following situations respectively when the financial assets whose almost all the risks and rewards in the ownership of financial assets are neither transferred nor retained: When giving up control of financial assets, the Group derecognizes such financial assets and recognizes the new assets and liabilities; otherwise, the relevant financial assets shall be recognized in accordance with the degree of involvement in the transferred financial asset, and the relevant liabilities shall be recognized accordingly.

If the transferred financial assets continue to be involved by providing financial guarantee, the assets that continue to be involved shall be recognized at the lower amount between the book value of the financial assets and the amount of financial guarantee. The financial guarantee amount refers to the maximum amount that will be required to be repaid out of the consideration received.

12. Determination method and accounting treatment method of expected credit loss

The Group conducts impairment tests and recognizes the credit loss provision on financial assets at amortized cost, debt instrument investments at fair value through other comprehensive income, lease receivables and financial guarantee contracts on the basis of expected credit losses.

Credit loss refers to the difference between all contractual cash flows receivables under the contract discounted at the original effective interest rate and all cash flows expected to be received by the Group, that is the present value of all cash shortfalls. The purchased or originated credit-impaired financial assets shall be discounted at the actual interest rate adjusted by credit of the financial assets.

For leasing receivables and receivables, the Group adopts the simplified measurement method to measure the credit loss provision according to the expected credit loss amount in the whole duration.

In addition to the financial assets and financial guarantee contracts by using the simplified measurement method mentioned above, the Group evaluates whether the credit risk has increased significantly since the initial recognition at each balance sheet date. If not, it is in the first stage. The Group shall make a loss allowance at an amount in the future 12-month expected credit loss and calculate the interest income according to the book balance and the actual interest rate. If the credit risk has increased significantly since the initial recognition but no credit impairment has occurred, it is in the second stage. The Group shall make a loss allowance at an amount of lifetime expected credit loss and calculate the interest income according to the book balance and the actual interest rate. If the credit impairment occurs after the initial recognition, it is in the third stage. The Group shall make a loss allowance at an amount of lifetime expected credit loss and calculate the interest income according to the amortized cost and the actual interest rate. For financial instruments with low credit risk at the balance sheet date, the Group assumes that the credit risk has not increased significantly since the initial recognition.

The Group evaluates credit losses of financial instruments on a single and combined basis. The Group considers the credit risk characteristics of different customers and evaluates the expected credit loss of financial instruments measured at amortized cost on the basis of the aging portfolio.

When assessing expected credit losses, the Group makes use of reasonable and supportable information about past events, current conditions and future economic conditions.

(1) The Judgment standard of credit risk increased significantly

The Group uses the reasonable and supportable forward-looking information to determine whether the credit risk of financial instruments has increased significantly since the initial recognition through comparing the risk of the default occurring on the financial instruments at the balance sheet date with

the risk of the default occurring on the financial instrument at the initial recognition date.

The Group takes the following factors into consideration when evaluating whether the credit risk is significantly increased:

- Whether there are significant changes in the internal price indicators caused by credit risk changes.
- Whether an adverse change in the business, financial or economic situation cause a significant change in the ability of the borrower to meet its obligations.
- Whether the actual or expected operating results of the borrower have changed significantly.
- Whether there has been a significant adverse change in the regulatory, economic or technical environment of the borrower.
- Whether there has been a significant change in the value of the collateral used as collateral for the debt or in the quality of the collateral or credit enhancement provided by a third party. These changes are expected to reduce the borrower's financial incentive to repay the debt within the contractual period or affect the probability of default.
- Whether there is a significant change in the economic motivation that is expected to reduce the incentive of borrower's repayment within the contracted term.
- Whether there is any change in the expectation of the loan contract, including the expected release or amendment of contractual obligations that may result from the breach of the contract, the granting of an interest-free period, a jump in interest rates, the demand for additional collateral or guaranty, or other changes in the contractual framework of the financial instrument.
- Whether the borrower's expected performance and repayment behavior have changed significantly.
- Whether the payment of the contract is overdue for more than (including) 30 days.

(2) The definition of Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following events:

- Significant financial difficulty of the issuer or borrower.
- A breach of contract by the borrower, such as a default or delinquency in interest or principal payments.
- The lender, for economic or legal reasons relating to the borrower's financial difficulty, will not grant a concession to the borrower.
- It becoming probable that the borrower will enter bankruptcy or other financial reorganizations.
- The financial difficulties of the lender or borrower cause the financial assets' active market to disappear.
- Purchase or originate a financial asset with substantial discount reflects a credit loss.

(3) Recognition of expected credit losses

The Group shall determine the expected credit losses of the relevant financial instruments according to the following methods:

- For financial assets, the credit loss refers to the present value of the difference between the contractual cash flows to be received by the Group and the expected cash flows to be received.
- For leasing receivables, the credit loss refers to the present value of the difference between the contractual cash flows to be received by the Group and the expected cash flows to be received.
- For a financial asset that is credit-impaired at the balance sheet date but is not purchased or originated, the credit loss refers to the difference between the book balance of the financial assets and the present value of the estimated future cash flows discounted at the original effective interest rate.

The factors reflected in the Group's methods of measuring the expected credit losses of financial instruments include: the unbiased probability-weighted average amount determined by evaluating a

series of possible results; time value of money; reasonable and supportable information about past events, current conditions, and forecasts on future economic conditions at the balance sheet date that can be obtained without unnecessary additional cost or effort.

(4) Written-off financial assets

When the group no longer reasonably expects that the cash flows of the financial asset contract can be fully or partially recovered, the book balance of the financial asset shall be directly written off. Such written-off constitutes to the derecognition of the relevant financial asset.

13. Inventory

(1) Classification of inventory

Inventory mainly includes raw material, materials in transit, self-made semi-finished goods and work-in-progress, finished products, goods in transit, revolving materials (including low-value and short-lived consumables, packages), consigned processing materials, project cost, and others.

(2) Valuation method of inventories upon purchase and delivery

Inventory initially obtained shall be valued at its actual cost. Inventory cost includes purchasing cost, processed cost and other costs. Weighted average method shall be used when consuming or delivering inventories.

(3) Recognition of net realizable value of inventory and provision methods for decline in value of inventories

Net realizable value refers to the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs necessary to make the sale and relevant taxes. When determining the net realizable value of inventory, basis is relied on the actual evidences obtained while the objectives of inventories holding and the impact of post balance sheet date events are also considered.

Inventory shall be valued at the lower of cost and net realizable value at the balance sheet date. Provision for inventories devaluation is to be made when its net realizable value is lower than cost. Inventory devaluation provision is normally to be made based on the difference between the cost of single inventory item and its net realizable value. For the inventory with large quantity and low unit price, provision is made based on categories of inventories; For inventories which are related to the products produced and marketed in the same region, have the same or similar end uses or purpose, and are hard to be valued separately from other items, provision for devaluation is determined on an aggregate basis.

After provision for devaluation of inventories is made, if the factors that caused inventories to be written down below cost are no longer existed and the net realizable value of inventories is higher than their cost, the original provision for devaluation of inventories shall be reversed and the reversal is included in profit or loss for the period.,

(4) Perpetual inventory system is adopted

(5) Amortization method of low-priced and short-lived consumable items and packages

Low-priced and short-lived consumable items and packages are amortized by one-time write-off method. The packaging shall be recorded in the cost according to the estimated times of use.

14. Investment in joint ventures & associates

(1) Judgment criterion of determining joint control or significant influence over the investee

Joint control refers that the Group jointly controls an arrangement according to relevant agreement, and decisions about the relevant activities of the arrangement require unanimous consent of the parties sharing control. Significant influence refers to the power of participating in decision-making on the

financial and operating policies of the Investees, but not control or joint control with other parties over the formulation of those policies. In determining whether it is possible to exercise control over or exert significant influence on the Investees, potential voting rights factors such as the current convertible corporate bonds of the Investees and the current exercisable stock warrants held by the investor and other parties were taken into account.

(2) Recognition of investment cost

For a long-term equity investment acquired through business combination involving enterprises under common control, shares of book value of owners' equity of combined party in financial statements of ultimate controlling party are recognized as initial investment cost of long-term equity investment at combination date. For a long-term equity investment acquired through business combination not involving enterprises under common control, the investment cost of the long-term equity investment is the cost of acquisition.

Long-term equity investment acquired otherwise than through a business combination: for a long-term equity investment acquired through paying cash, the initial investment cost shall be the actual purchase price paid; for a long-term equity investment acquired through issuing equity securities, the initial investment cost shall be the fair value of the equity securities.

(3) Method for subsequent measurement and profit or loss recognition

1) Long-term equity investments accounted for using the cost method

For a long-term equity investment accounted by the cost method, except for the price actually paid at the time of the investment or the consideration includes the declared but not yet paid cash dividend or profit, the cash dividend or profit declared and distributed by the investee shall be recognized as investment income in profit or loss.

2) The long-term equity investment accounted for using the equity method

The Group accounts for investment in associates and joint ventures using the equity method. An associate is an entity over which the Group has a significant influence, and joint venture is a joint venture arrangement in which the Group only has rights to the net assets of the arrangement.

Under the equity method, where the initial investment cost of long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of fair value of the Investees' identifiable net assets at the time of acquisition, the difference shall be recorded in profit or loss, and the cost of long-term equity investment shall be adjusted accordingly.

Under the equity method, the Group recognizes its share of the net profit or loss and other comprehensive income of the investee for the period as investment income and other comprehensive income for the period, and carrying amount of long-term equity investment is adjusted accordingly; the carrying amount of long-term equity investment is decreased in accordance with its share of the investee's declared profit or cash dividends; other changes of owner's equity of the Investees other than net profit or loss, other comprehensive income and profit distributed, are correspondingly adjusted to the carrying amount of the long-term equity investment, and recognized in the capital reserve. The Group recognizes its share of the investee's net profit or loss based on the fair value of the investee's individual identifiable assets after adjusting net profit of the investee. When accounting policies and accounting period adopted by the investees are inconsistent with those of the Company, the investees' financial statements shall be adjusted to conform the Company's accounting policies and accounting period and the Company shall recognize the investment income and other comprehensive income. Unrealized gains or losses resulting from the Group's transactions with its associates and joint ventures, which do not constitute a business, are eliminated based on the proportion attributable to the Group

and then investment gains or losses is recognized. However, unrealized losses resulting from the Group's transactions with its associates and joint ventures which represent impairment losses on the transferred assets are not eliminated.

The Group discontinues recognizing its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero. Besides, if the Group has incurred obligations to assume additional losses of the investee, a provision is recognized according to the expected obligation, and recorded as investment loss for the period. Where net profits are subsequently made by the investee, the Group resumes recognizing its share of those profits only after its share of the profits exceeds the share of losses previously not recognized.

(4) Disposal of long-term equity investments

When disposing the long-term equity investment, the difference between the carrying amount of the investment and actual consideration paid shall be recorded in current profit or loss.

15. Held for sale, and discontinued operation

The entity shall measure non-current assets (excluding financial assets and deferred tax assets) or disposal group as held for sale are required to satisfy the following conditions: the non-current assets or disposal group are available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset or disposal group; The Group has committed to a selling plan and obtained a confirmed purchase commitment from the shareholders' meeting or relevant authority approval if required; The Group has signed an irrevocable transfer agreement with the transferee; The transfer will be completed within a year.

Assets held for sale include individual item assets and disposal group. In certain cases, the disposal group includes goodwill obtained from the business combination, etc.

Non-current assets and disposal group held for sale should not be depreciated or amortized, and measured at the lower of their carrying amount and the fair value less costs to sell, presenting as "assets held for sale".

The Group presents non-current assets held for sale and assets in the disposal group held for sale separately from other asset items in the balance sheet, and presents liabilities in the disposal group held for sale separately from other liabilities. Non-current assets, or assets and liabilities in the disposal group held for sale cannot be eliminated by each other, but shall be presented as current assets and current liabilities respectively.

When the non-current asset or the disposal group held for sale no longer fulfill the recognition criteria of non-current assets held for sale subsequently, the company shall measure the non-current asset that ceases to be classified as held for sale assets at the lower of:

- (1) The carrying amount of the asset or disposal group before classified as held for sale category adjusted for any depreciation, amortization or revaluation that would have been recognized had the asset not been classified as held for sale assets;
- (2) The recoverable amount at the date of subsequent decision not to sell.

Discontinued operation is a component of the entity either has been disposed of or is classified as held for sale and fulfills the following conditions:

- 1) The component represents a separate major business or geographical area of operation;
- 2) Is a part of single coordinated plan to dispose of a separate major business or geographic area operation or;
- 3) Is a subsidiary acquired exclusively a view to resale.

The Company shall separately present profit or loss from continued operations and discontinued

operations in income statement. The impairment loss, reversal amount, and the gain or loss from disposal of the non-current assets or the disposal group held for sale shall be presented as the profit or loss of continued operation when not satisfying the definition of discontinued operation. The profit or loss in operations as well as the disposal, the impairment loss from discontinued operations and its reversal amount, shall be reported as the profit or loss of the discontinued operation.

16. Investment properties

Investment properties refer to the real estate held to earn rents or capital appreciation, or both. It mainly includes:

(1) Classification of investment properties

- 1) The right to use the leased land;
- 2) The land use right held and prepared for transfer after appreciation;
- 3) Leased buildings.

(2) Measurement model of investment properties

The company adopts the cost model for subsequent measurement of investment properties. The method of asset impairment is shown in Note IV. (23) Impairment of long-term assets.

The company calculates the depreciation or amortization of the investment properties cost by the straight-line method after deducting the accumulated impairment and net residual value. The depreciation period and annual depreciation rate of the investment property are determined according to the classification, estimated economic service life and estimated net residual value rate of the investment property as follows:

Category	Depreciation period (year)	Residual value rate (%)	Annual depreciation rate (%)
Houses and buildings	15-30	4	6.4-3.2

17. Property, Plant and Equipment

(1) Recognition criteria

Property, plant and equipment are tangible assets held for the use in the production or supply of goods or service provision, for rental or for operation and administrative purpose with a useful life of more than one accounting year. A tangible asset is only recognized when its relevant economic benefits are likely to flow to the Group and its cost can be measured reliably. Property, plant and equipment shall be initially measured at cost.

(2) Depreciation method

Property, plant and equipment are depreciated over their useful life using the straight-line method since the month subsequent to the one in which they are ready for intended use. The useful life, estimated net residual value rate, and annual depreciation rate of each category of tangible assets are as follows:

Category	Depreciation years	Residual value rate (%)	Annual depreciation rate (%)
Houses and buildings	14.5-50	0-10	1.80-6.90
Machinery equipment	3-30	0-10	3.00-33.33
Transportation vehicles	4-10	0-10	9.00-25.00
Molds and gauges	3-7	0-10	12.86-33.33
Electronic and office equipment	3-10	0-10	9.00-33.33
Other equipment	3-5	0-10	18.00-33.33

Estimated net residual value is the estimated amount that the Group obtained from the disposal of the asset, after deducting estimated costs of disposal, if the assets were already of the stage and in the condition expected at the end of its useful life.

The Group adopts the consistent depreciation policy for a tangible asset held under a finance lease with that for its owned tangible asset. The Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated over the remaining useful life of the leased assets. Otherwise, leased assets are depreciated over the shorter of lease term and the remaining useful life of the leased assets.

(3) Impairment test and impairment provision of property, plant and equipment, please refer to Note IV, 23 "Impairment of long-term asset", except for goodwill, for details.

(4) Other explanations

For the subsequent expenditure of tangible assets, if the economic benefit related to such tangible assets is likely to inflow and its cost could be measured reliably, they are capitalized to fixed assets cost and the carrying amount of replacement will be derecognized. Other subsequent expenditure other than the above are recorded in profit or loss for the current year when incurred.

If the property, plant and equipment is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the property, plant and equipment is derecognized. When the property, plant and equipment is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognized in profit or loss for the period.

The Group reviews the useful life and estimated net residual value of the property, plant and equipment and the depreciation method applied at least once at each financial year-end, and account for any change as a change in an accounting estimate.

18. Construction in progress

Construction in progress is recognized based on the actual construction cost, including all expenditures incurred for construction projects, capitalized borrowing costs for the construction in progress before it has reached the working condition for its intended use, and other related expenses during the construction period. A construction in progress shall be transferred to property, plant and equipment when reaching the working condition for its intended use.

Refer to details of impairment test and impairment provision of construction in progress in Note IV, 23 "Impairment of long-term asset", expect for goodwill.

19. Borrowing cost

Borrowing costs include interest, amortization of discount or premium related to borrowings, auxiliary expenses and exchange differences arising from foreign currency borrowings etc. For borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, when expenditures for the asset and borrowing costs are being incurred, activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced, such borrowing costs shall be capitalized as part of the cost of that asset; and capitalization shall be discontinued when the qualifying asset is ready for its intended use or sale. Other borrowing cost is recognized as expenses when occurs during the current year.

Where funds are borrowed for a specific purpose, the amount of interest to be capitalized shall be the actual interest expense incurred during the current year less any bank interest earned from depositing the borrowed funds before being used into banks or any investment income on the temporary

investment of those funds. Where funds are borrowed for general purpose, the Group shall determine the amount of interest to be capitalized on such borrowings by applying a capitalization rate to the weighted average of the excess amounts of cumulative expenditures on the asset over and above the amounts of specific-purpose borrowings. The capitalization rate shall be the weighted average of the interest rates applicable to the general-purpose borrowings.

During the capitalization period, exchange differences related to a specific-purpose borrowing denominated in foreign currency are all capitalized. Exchange differences related to general-purpose borrowings are recognized in profit or loss when occurs during the current year.

Qualifying assets are assets (property, plant and equipment, inventories, etc.) that necessarily taking a substantial year of time for acquisition, construction or production to get ready for their intended use or sale.

If the process of acquisition, construction or production of qualifying assets have been abnormally suspended, and the interruption interval is more than 3 months, the capitalization of the borrowing costs is suspended until the acquisition construction or production activities of the assets restart.

20. Intangible assets

Intangible assets refer to the identifiable non-monetary assets without physical substance owned or controlled by the Group. Intangible assets include software system, proprietary technology, land use right, non-patent technology, patents, trademark, dealer network and others.

Intangible assets shall be initially measured at cost. For the expenditure related to intangible assets, if the economic benefits related to the intangible assets is likely to inflow and its cost is measured reliably, such expenditure shall be capitalized to recorded in intangible assets cost, and other expenditure shall be charged to profit or loss for the current year when incurred.

The land-use right acquired is normally recognized as an intangible asset. The expenditure of self-constructed buildings (e.g. plants), related land use right and the buildings shall be separately accounted for as intangible assets and tangible assets. For buildings and structures purchased, the purchase consideration shall be allocated among land use right and the buildings on a reasonable basis. If there is any difficulty in making a reasonable allocation, the consideration shall be recognized in full as the property, plant and equipment.

When an intangible asset with a finite useful life is available for use, its original cost less estimated net residual value and any accumulated impairment losses provided is amortized over its estimated useful life using the straight-line method. The intangible assets with infinite useful life are not amortized.

The Group shall review the finite useful life of an intangible asset and the amortization method applied at the end of the year. Any changes shall be accounted for as changes in accounting estimate. Besides, the Group shall review the useful life of an intangible asset with infinite useful life, if any evidence shows that the intangible assets can bring foreseeable economic benefit to the enterprise within a certain period, its useful life shall be estimated and it shall be amortized under amortization method of intangible assets within the useful life.

Refer to Note IV, 23 "Impairment of long-term asset", except for goodwill, for details of impairment test and impairment provision of intangible assets.

21. Research and development expenditure

The research and development expenditures of the Group are classified into research stage expenditure and development stage expenditure.

The expenditure arising from research phase shall be recorded in profit or loss when incurred.

Expenses incurred during the development stage that satisfy the following conditions are recognized as

intangible assets, while those that do not satisfy the following conditions are accounted for in the profit or loss for the current year:

- (1) It is technically feasible that the intangible asset can be used or sold upon completion;
- (2) There is intention to complete the intangible asset for use or sale;
- (3) The intangible asset can produce economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there is usage for the intangible asset;
- (4) There is sufficient support in terms of technology, financial resources and other resources in order to complete the development of the intangible asset, and there is capability to use or sell the intangible asset;
- (5) The expenditure attributable to the development phase of the intangible asset can be reliably measured.

If the expenditure incurred during the research stage and the development stage cannot be distinguished separately, all development expenditure incurred are accounted for in the profit or loss for the current year

Capitalized expenditure incurred during development stage is presented as development expenditures on the balance sheet and transferred to intangible assets at the date that the assets is ready for its intended use.

22. Long-term deferred expenses

Long-term deferred expenses are expenses which have incurred but shall be amortized over the current year and subsequent years of more than one year. Long-term deferred expenses are amortized by using the straight-line method over the expected periods in which benefits are derived.

23. Impairment of long-term assets

At the balance sheet date, the Group assesses whether there is any indication any investment properties, property, plant and equipment, construction in process, intangible assets, research and development expenditure, long-term equity investments may be impaired. If any, their recoverable amount shall be estimated and impairment tests shall be conducted. Intangible assets with infinite useful life and intangible assets before reaching working condition are tested for each year regardless of any indication of impairment.

If the impairment test indicates that the recoverable amount of an asset is less than its carrying amount, the difference shall be regarded as a provision for impairment loss of the asset and recognized in impairment loss. The recoverable amount is determined at the higher of the net amount after deducting the disposal expenses from the assets' fair value and the present value of the assets' estimated future cash flow. The fair value of the assets is determined according to the price in the sales agreement in fair bargain; the fair value shall be determined according to price offered by the buyer of the assets when the sales agreement does not exist but active market for assets does; the fair value shall be estimated according to the best information available when both sales agreement and active market for assets do not exist. The disposal expenses include legal expenses relevant to asset disposal, relevant tax, cartage and direct expenses that enable the assets ready to be sold. The present value of the assets' estimated future cash flow shall be determined based on the amount of estimated future cash flow of assets incurred during the continuous use and at the final disposal of assets after being discounted at an appropriate discount rate. Impairment provision for assets shall be measured and recognized on the basis of the individual asset. The recoverable amount should be estimated of the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group shall determine the recoverable amount of the asset group to which the asset belongs. The asset group refers to the smallest asset group that can generate cash inflow independently.

Once the impairment loss of such assets is recognized, it shall not be reversed in a subsequent year.

24. Employee benefits

Employee benefits of the Group mainly include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. The short-term employee benefits include wages, bonuses, allowances and subsidies, employee welfare expenses, medical insurance, maternity insurance, work-related injury insurance premiums, housing provident fund, labor union expenditure and employee education expenses, non-monetary welfare and so on. The Group recognizes the short-term employee benefits actually occurred as liability, and charged to profit or loss for the current year or cost of relevant assets in the accounting year in which employees rendered service. The non-monetary welfare shall be measured at fair value.

Post-employment benefits mainly include the defined contribution plans, which mainly include the basic endowment insurance, unemployment insurance and annuity and so on. The corresponding payable amount shall be recorded in the relevant asset costs or profit or loss when incurred.

When terminating the labor relationship with the employee before contract term expires, or proposing to give compensation to encourage employees to accept redundancy voluntarily, the Group shall recognize a liability for a termination benefit in profit or loss for the period at the earlier of when the Group cannot unilaterally withdraw from the termination plan or the redundancy offer and when the Group recognizes any related restructuring costs or expenses. However, if the termination benefits cannot be fully paid as expected within 12 months after the annual reporting period, it shall be dealt with as other long-term employee benefits.

The Group accounts for early retirement benefits using the same accounting policy for termination benefits. When recognition criteria for provisions are met, the Group recognizes the salaries and social insurance of early retirement employees for the period from the date termination of service to the date of statutory retirement in profit or loss of current period.

Other long-term employee benefits the Group offers to its employees shall be accounted according to the defined contribution plan when recognition criteria for defined contribution plan are met, otherwise they shall be accounted according to the defined benefit plan.

25. Share-based payment

A share-based payment of the Group is a transaction which the Group grants equity instruments or assumes liabilities determined on the basis of equity instruments in return for services rendered by employees. The Group's share payment is cash-settled share-based payment.

Share-based payments settled in cash shall be measured at fair value of the liabilities assumed by the Group on the basis of shares. The fair value of the liabilities shall be re-measured on each balance sheet date before the settlement of the relevant liabilities and settlement date, and the changes shall be recorded in the profit or loss in the current period.

26. Provisions

Provisions are recognized when the Group has a present obligation related to a contingency, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money.

Where all or part of the expenditure required to settle a provision is expected to be reimbursed by a

third party, the reimbursement is recognized as a separate asset only when it is virtually certain that reimbursement will be received, and the amount of reimbursement recognized does not exceed the carrying amount of the provision.

(1) Onerous contract

Onerous contract refers to the contract in which the unavoidable costs the contract obligations exceed the economic benefits as expected. When an executory contract becomes onerous contract, and the obligation in such onerous contract meets the recognition conditions criteria of a provision, the Group shall recognize a provision at the amount that the estimated loss of the contract exceeds recognized impairment loss (if any) of contractual subject assets.

(2) Restructuring obligations

For a detailed and formal restructuring plan that has been officially announced, if recognition criteria of a provision have been met, the amount of the provision shall be recognized according to the direct expenditure associated with the restructuring. For the restructuring obligations with part of the business sold, such obligations shall be reorganized after the Group commits to sell part of the business, (namely, to sign a binding sales agreement).

27. Revenue

The Group's revenue mainly comes from the following business:

(1) Revenue from selling goods

(2) Service revenue

The Group recognizes revenue based on the transaction price allocated to such performance obligation when a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. A performance obligation refers to the commitment of that a good or service that is distinct shall be transferred by the Group to the customer. Transaction price refers to the consideration that the Group is expected to charge due to the transfer of goods or services to the customer, but it does not include the payments received on behalf of third parties and the amount that the Group expects to refund to the customer.

Should one of the following conditions is satisfied, it is a performance obligation performed within a certain period of time. The Group recognizes revenue within a period of time in accordance with the progress of contract performance. The conditions are: 1) the customer receives and consumes the economic benefits brought by the contract at the time performing the contract; 2) the customer is able to control the products under construction during the Group's performance; 3) The products of the Group have irreplaceable uses, and the Group has the right to ask for payment for the cumulative part that has been completed so far during the entire contract period. Otherwise, the Group recognizes revenue at the point when the customer obtains control of the relevant goods or services.

Contract asset refers to the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer when that right is conditioned on something other than the passage of time. The Group's unconditional (i.e., depending only on the passage of time) right to receive consideration from customers is presented separately as receivables.

Contract liabilities refer to the obligation of the Group to transfer goods or services to a customer for which the Group has received or shall receive consideration from the customer.

Contract assets and contract liabilities under common contract are presented as net.

Cost of acquiring the contract:

When the incremental costs incurred from the acquisition of the contract (i.e. costs that will not occur without the acquisition of the contract) are expect to be recovered, the Group recognizes such incremental costs as an asset and amortizes the costs on the same basis as the recognition of revenue

related to the asset from sale of goods or rendering services, and the amortization amounts are recorded in profit or loss. Other expenditures incurred by the Group for obtaining the contract shall be recorded in profit or loss at the time of occurrence, except those clearly borne by the customers.

Cost of performing the contract:

The cost incurred from the performance of the contract are recognized as an asset when the cost is not in the scope of other enterprise accounting standards except revenue standards and meets the following conditions at the same time: 1) the cost is directly related to a current or expected contract that is acquired; 2) the cost increases the resources of the Group for fulfilling performance obligations; 3) the cost is expected to be recovered. The assets mentioned above shall be amortized on the same basis as the recognition of revenue related to the assets from the goods sale or service rendering, and the amortization shall be recorded in profit or loss

28. Government grants

(1) Government grants refer to monetary or non-monetary assets gratuitously acquired from the government. Government grants include government grants related to asset and government grants related to income.

1) Judgment criteria and accounting treatment of government grants related to asset

A government grant related to an asset is the grant that the Group receives to purchase, construct the long-term assets or form the long-term assets by other ways.

A government grant related to an asset is charged against carrying amount of related assets or recognized as deferred income and evenly included in profit or loss over the useful life of the related asset by using reasonable and systematic methods. The Government grant measured at the nominal amount shall be recorded in profit or loss directly.

The balance of undistributed deferred income from the relevant assets which are sold, transferred, scrapped or damaged before useful life is transferred into profit or loss.

2) Judgment criteria and accounting treatment of government grants related to income

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent years, the grant is recognized as deferred income and recognized in profit or loss when the relevant expenses or losses are recognized.

If the grant is a compensation for related expenses or losses already incurred, the grant is recognized immediately in profit or loss for the period.

For a government grant that includes the related parts of asset and income simultaneously, different parts of the government grant should be distinguished and apply accounting methods respectively; if the grant is difficult to be distinguished, then the whole is classified as the government grant related to income.

Government grants related to the Group's daily activities are recorded in other income or offset the relevant cost in accordance with its economic substance. Otherwise, government grants are recorded in non-operating income or expense.

(2) The accounting methods of policy-related preferential loan discount

The Government appropriates the discount interest funds to the lending banks, and the lending banks provide loans to the Group at preferential policy interest rates, and the entry value of the loans is based on the actual amount of received loans, and the related loans costs are calculated according to the principal of the loans and the preferential policy interest rates.

The Government appropriates the discount interest funds to the Group directly, and the corresponding discounts will be used to offset the related loans costs.

Government grants are recognized and measured in accordance with the actual amount of funds

received. Only when there is conclusive evidence that the grants are appropriated according to a fixed quota standard, and there is conclusive evidence that the grants satisfy the relevant conditions stipulated in the financial support policy and financial support funds is expected to be received, the grants can be recognized and measured according to the amount receivable.

If the recognized government grants need to be returned, the Group shall conduct accounting treatment at the time when the grants need to be returned, that is, to adjust the related book value of assets, which was offset at the time of initial recognition.

29. Deferred tax assets/ liabilities

Income tax expense includes current income tax expense and deferred income tax expense.

(1) The current income tax

At the balance sheet date, current income tax liabilities (or assets) for the current and prior years are measured at the amount expected to be paid (or recovered) according to the requirements of tax law.

(2) Deferred tax assets and deferred tax liabilities

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognized as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognized using the balance sheet liability method.

For taxable temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction (not a business combination) that affects neither the accounting profit nor taxable profits (or deductible losses) at the time of transaction, no deferred tax liability is recognized. In addition, deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future.

For deductible temporary differences associated with the initial recognition of an asset or liability arising from a transaction (not a business combination) that affects neither the accounting profit nor taxable profits (or deductible losses) at the time of transaction, no deferred tax asset is recognized. In addition, deferred tax assets arising from deductible temporary differences associated with investments in subsidiaries, associates, and joint ventures are only recognized to the extent that it is probable that there will be taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilized.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to apply in the year in which the asset is realized or the liability is settled.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilized. Such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

(3) Income tax expenses

Income tax expense includes current income tax expense and deferred income tax expense.

Current income tax expense and deferred income tax shall be recorded in profit or loss for the year, except when they arise from transactions or events that are directly recognized in other comprehensive income or in shareholders' equity, in which case they are recognized in other comprehensive income or

in shareholders' equity; and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

(4) Offset of income tax

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realize the assets and liabilities simultaneously, in each future year in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

30. Leases

Financial lease refers to the lease that transfers substantially all the risks and rewards of ownership to the lessee. Its ownership may or may not be transferred ultimately. All other leases are classified as operating lease.

(1) The Group as lessee under operating lease

Operating lease payments are recognized on a straight-line basis over the term of the relevant lease, and are either included in the cost of related asset or charged to profit or loss for the period. Initial direct costs incurred are charged to profit or loss for the period. Contingent rental is recognized in profit or loss when incurred.

(2) The Group as a lessor under operating lease

Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs with more than an insignificant amount are capitalized when incurred, and are recognized in profit or loss on the same basis as rental income over the lease term. Other initial direct costs with an insignificant amount are charged to profit or loss in the period in which they are incurred. Contingent rental is recognized in profit or loss when incurred.

(3) The Group as lessee under finance leases

At the commencement of the lease term, the Group records the leased asset at an amount equal to the lower of the fair value of the leased asset and the present value of the minimum lease payments at the inception of the lease, and recognizes a long-term payable at an amount equal to the minimum lease payments. The difference between the recorded amounts is accounted for as unrecognized finance charges. Besides, initial direct costs that are attributable to the leased item incurred during the process of negotiating and securing the lease agreement are also added to the amount recognized for the leased asset. Minimum lease payment net of unrecognized finance charge is presented as long-term liabilities and long-term liabilities due within one year.

Unrecognized financial charges shall be recognized as current financial charges by effective interest method during the lease term. Contingent rental is recognized in profit or loss when incurred.

(4) The Group as a lessor under financial leases

At the commencement of the lease term, the aggregate of the minimum lease receivable at the inception of the lease and the initial direct costs is recognized as a finance lease receivable, and the unguaranteed residual value is recorded at the same time. The difference between the aggregate of the minimum lease receivable, the initial direct costs and the unguaranteed residual value, and the aggregate of their present values is recognized as unearned finance income. The net amount of financial lease receivables less unearned financial income shall be presented as long-term credit and

long-term credit due within one year respectively.

Unearned finance income is recognized as finance income for the period using the effective interest method over the lease term. Contingent rents are recognized in profit or loss when incurred.

31. Safety production expense

On February 14, 2012, the Ministry of Finance and the State Administration of Work Safety issued and implemented the management measures for the withdrawal and use of enterprise safety production expense (Caiqi [2012] No.16). The Company withdraws and uses safety production expense in accordance with the regulations of Caiqi [2012] No.16.

The amount of withdrawal the safety production expense shall be included in the cost of relevant products or current profit and loss, and also recorded as special reserve. Accounting treatments for the use of production safety expense are distinguished whether fixed assets are formed, for those in the nature of expenses are directly charged against special reserve, for those which form part of fixed assets, the accumulated cost is recognized in fixed assets when it is ready for intended use, meanwhile special reserve is reversed at the same amount and depreciation is recognized at the same amount. The fixed assets will not be depreciated in the future.

32. Related parties

If one party controls, jointly controls or exerts significant influence on the other party, and two or more parties are controlled or jointly controlled by the same party, they constitute related parties.

Related parties of the company include but are not limited to:

- (1) Parent company;
- (2) Subsidiaries;
- (3) Other enterprises controlled by the same parent company;
- (4) Investors exercising jointly control;
- (5) Investors exerting significant influence;
- (6) Joint ventures, including their subsidiaries;
- (7) Associates, including their subsidiaries;
- (8) Joint ventures or associates of the company and other member companies of the group (including parent company and subsidiaries);
- (9) Major investors and their close family members;
- (10) Key management staff and their close family members of the company or its parent company;
- (11) Other companies controlled or jointly controlled by company's major investors, key management staff or their close family members.

In addition to the above-mentioned related parties of the company determined according to the relevant requirements of the Accounting Standard for Business Enterprise, Administrative measures for information disclosure of listed companies issued by China Securities Regulatory Commission also regulates that the following enterprises or individuals (including but not limited to) also belong to the related parties of the company:

- (12) Enterprises or persons acting in concert holding more than 5% of shares of the company;
- (13) Individuals who directly or indirectly hold more than 5% of shares of the company and their close family members, supervisors of listed companies and their close family members;
- (14) In the past 12 months or in the next 12 months according to the relevant agreements, the enterprise that is in one of the situations mentioned in items 1, 3 and 11 above;
- (15) In the past 12 months or in the next 12 months according to the relevant agreements, the individual who is in one of the conditions mentioned in items 9 and 12 above;
- (16) Enterprises directly or indirectly controlled by items 9, 12 and 14 above, or in which the related

persons acting as directors or senior managers, except for the company and its holding subsidiaries. In addition to the related parties of the company listed above, the following parties also belong to related parties: joint ventures of the company and other joint ventures or associates of the company.

33. Significant accounting judgment and estimates

In the application of the Group's accounting policies, which are described in Note III, the Group is required to make Judgments, estimates and assumptions about the carrying amounts of items in the financial statements that cannot be measured accurately, due to the internal uncertainty of the operating activities. These Judgments, estimates and assumptions are based on historical experiences of the Group's management as well as other factors that are considered to be relevant. Actual results may differ from these estimates of the Group. The above judgments, estimates and assumptions shall be reviewed regularly by Group on the basis of continued operations. Where the changes in accounting estimates only impact the current year, the impact shall be recognized during the current year; where such changes impact both the current and future years, the impact shall be confirmed during the current and future years when such changes occur.

The Group has made the following important judgments in the application of accounting policies, which had a significant impact on the amounts recognized in the financial statements: (1) Classification of financial assets

The significant Judgments related to the Group's classification of financial assets are based on business model and contractual cash flow characteristics.

The Group determines the business model of managing the financial assets at the level of financial asset portfolio. Factors that should be considered include the way to evaluate and report the performance of financial assets to key managers, the risks affecting the performance of financial assets and their management approaches, as well as the ways in which relevant business managers are remunerated.

When evaluating whether the contractual cash flow of financial assets is consistent with the basic borrowing arrangement, the group has the following major judgments: Whether the principal may change in time distribution or amount during the duration due to reasons such as prepayment; Whether the interest only includes the monetary time value, credit risk, other basic borrowing risks and the consideration against costs and profits. For example, whether the amount of prepayment only reflect outstanding principal and interest based on the unpaid principal, as well as reasonable compensation due to early termination of the contract.

(2) Impairment of financial instruments

The Group uses the expected credit loss model to evaluate the impairment of receivables and debt investments measured at amortized cost and accounts receivable financing and other debt investments measured at fair value with changes in other comprehensive income. Applying the expected credit loss model involves significant judgments and estimation by management. The key parameters of expected credit loss measurement include default probability, default loss rate and default risk exposure. The Group considers the quantitative analysis of historical statistical data and forward-looking information to establish default probability, default loss rate and default risk exposure models. The difference between the actual impairment result of the financial instrument and the original estimate will affect the book value of the financial instrument and the provision or reversal of the credit impairment losses during the period when the estimate is changed.

(3) Impairment of long-term assets

At the balance sheet date, the Group assesses whether there is any indication of possible impairment of non-current assets other than financial assets. For intangible assets with infinite useful life, except for

the annual impairment test, the Group shall conduct impairment test when the signs of impairment exist. Other non-current assets other than financial assets are subject to impairment tests when there are signs that the carrying amount cannot be recovered.

Impairment occurs when the carrying amount of an asset or asset group is higher than the recoverable amount, that is, the higher of the net amount of fair value less the disposal costs and the present value of the estimated future cash flows.

The net amount of fair value less disposal costs is determined by referring to the agreed sale price or observable market price of a similar asset in fair trading deducted by the incremental cost directly attributable to disposal of the asset. When estimating the present value of future cash flows, important judgments need to be made on the output, selling price, related operating costs of the asset (or asset group) and the discount rate used in calculating the present value. When estimating recoverable amounts, the Group uses all relevant and available information, including projections of production volumes, selling prices and related operating costs based on reasonable and supportable assumptions.

(4) Notes receivable business model

The Group confirms the notes receivable business model according to notes receivable situation of different subordinate business entities. If the business model only aims to collect the contract cash flow, the Group will classify it as financial assets measured at the amortized cost and list it in the notes receivable. If the target of business model is both to collect the contract cash flow and to sell the notes, the Group will classify it as financial assets measured at fair value with changes included in other comprehensive income and list them in accounts receivable financing.

(5) Residual value risk

The Group faces residual value risk when signing of sales contracts with repurchase agreements or residual value guarantee clause. Residual value risk will be reflected in the consolidated financial statements in different ways according to the degree of risk held by the Group. If the major risks in vehicle ownership remain in the Group, the relevant vehicles are presented as assets leased under operating leases on the balance sheet. The accumulated depreciation of these vehicles will reduce the original value of the vehicle to its residual value, which is the expected recoverable amount of the asset at the end of the lease period. Depreciation shall be calculated and recognized under straight line method during the lease period. If the vehicle sales contract is attached with residual value guarantee clause, but the major risk has been transferred, the asset should be derecognized, expected recoverable amount of the assets in future period shall be recognized as a provision. The Group will constantly pay attention to and adjust its expected recoverable amount of each asset when it is recovered in future period. The expected amount is based on the latest auction price of second hand cars and future price fluctuations due to changes in the anticipated market environment, market incentive plans, vehicle quality data and repair costs. The situation of high inventory and low demand in the automotive industry may have a negative impact on the prices of new and used cars.

(6) Product warranty

The Group undertakes the warranty obligation for the vehicles sold within a certain warranty period, and accrues the after-sales service expenses according to the sales volume and estimated cost standards. Product warranty includes contractual guarantees, warranty activities (recall and repurchase) and goodwill guarantees (the guarantees provided to consumers according to the policies of the Group and industry practices, other than contractual guarantees and warranty activities, in order to maintain a good relationship with consumers), etc. The improvement of product quality shown by historical data has been reflected in the forecasting process of the above three product warranty as a forecasting parameter.

When the compensation obtained from the supplier can be basically determined, the product warranty shall be offset accordingly.

(7) Provision for decline in value of inventories

The net realizable value of an individual inventory item is the amount that the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs necessary to make the sale and relevant taxes. The difference between the cost of inventory and its net realizable value is recognized as a provision for decline in value of inventories, as mentioned in Note IV.13.

(8) Deferred tax assets

The Group and its subsidiaries or other forms of business organizations around the world shall, according to the differences between the accounting and tax bases, calculate deferred tax assets to the extent that it is probable that future taxable profits will be available against which the deductible losses and deductible temporary difference can be utilized. The recognition of deferred tax assets is based on the prediction of future taxable income and the period during which deferred tax assets will be returned. These assumptions have considered future operation results and the impact of reversal of taxable temporary differences. The measurement of deferred tax assets is uncertain, as it may be affected by some factors, such as the change of future operating environment and tax law. The Group evaluates whether reversal of deferred tax assets is feasible on each balance statement date. If necessary, the amount of deferred tax assets will be revised and this situation will affect the profit or loss.

(9) Legal action

Lawsuits faced by the Company's subsidiaries involves different legal cases in multiple jurisdictions, including but not limited to contractual disputes, inadequate supply of goods or services, product liability, patents or other infringements. Due to the complexity of the cases and legal provisions involved, it is difficult for the Group to infer the final outcomes. The Group maintains close cooperation with professional legal advisers and relevant experts. Once the loss is probable to occur and can be measured reliably, the Group will recognize the corresponding liabilities. If the above conditions are not satisfied simultaneously, the Group will disclose the loss as contingent liabilities.

(10) Tax treatment

According to accounting standards, the Group regularly evaluates tax risks. If such losses are probable to occur and the amount of losses can be reliably measured, the Group will recognize corresponding liabilities. If these conditions are not satisfied simultaneously the Group will disclose the loss as contingent liabilities.

34. Changes in significant accounting policies and estimates

(1) Changes in significant accounting policies

On December 10, 2019, the Ministry of Finance issued Accounting Standard for Business Enterprises Interpretation No. 13 ("Interpretation No. 13") with Caikuai [2019] No. 21 documentation, clarifying the judgment of related parties related to company and subsidiaries of the group, as well as the judgment on whether the combination of business activities or assets acquired in the business combination constitutes a business, and stipulates that it shall be effective from January 1, 2020, retrospective adjustment is not required.

(2) Changes in significant accounting estimates.

Significant accounting estimates in this accounting period have not changed.

V. Taxes

1. Item and rate of taxation

Item	The specific tax rates
Value added tax	The output tax is calculated according to 6%, 9% and 13% of the taxable income, and the value added tax is calculated and paid according to the difference after deducting the input tax allowed to be deducted in the current period; or the value added tax is calculated and paid according to 1% or 3% of the taxable income
Consumption tax	Calculated and paid according to 3%, 5% and 25% of the taxable income
City maintenance and construction tax	Calculated and paid according to 1% , 5% and 7% of the paid in turnover tax
Education surcharge	Calculated and paid according to 3% of the paid in turnover tax
Local education surcharge	Calculated and paid according to 1.5% and 2% of the paid in turnover tax
Enterprise income tax	Calculated and paid according to 15%, 20% and 25% of the taxable income
Real estate tax	Price-based taxation is calculated according to 1.2% of the 70% to 90% of the original value; rent-based taxation is calculated according to 12% of the rent.

Note: Only the main types of tax and tax rates in China are listed above; types of tax and tax rates of overseas subsidiaries shall be paid according to local tax regulations and are not listed separately above.

2. Tax benefits

(1) Ningbo Geely Luoyou Engine Parts and Component and Co., Ltd. (a sub-subsidiary of Geely Automobile Holdings Limited) was recognized as a High-tech enterprise on November 29, 2017. The certificate number is GR201733100656 (valid for 3 years). Ningbo Geely Luoyou Engine Parts and Component and Co., Ltd. received the renewed certificate of High-tech enterprise on December 1, 2020, which number is GR202033100176 (valid for 3 years). During the reporting period, the company enjoys the preferential tax policy of "high-tech enterprise", and the applicable income tax rate of the company is 15%.

(2) Zhejiang Ruhoo Automobile Co., Ltd. (a sub-subsidiary of Geely Automobile Holdings Limited) was recognized as a High-tech enterprise on November 21, 2016. The certificate number is GR201633000066 (valid for 3 years). Zhejiang Ruhoo Automobile Co., Ltd. received the renewed certificate of High-tech enterprise on December 4, 2019, which number is GR201933004208 (valid for 3 years). During the reporting period, the company enjoys the preferential tax policy of "high-tech enterprise", and the applicable income tax rate of the company is 15%.

(3) Zhejiang Fulin Guorun Automobile Parts and Components Co., Ltd. (a sub-subsidiary of Geely Automobile Holdings Limited) was recognized as a High-tech enterprise on November 13, 2017. The certificate number is GR201733001100 (valid for 3 years). Zhejiang Fulin Guorun Automobile Parts and Components Co., Ltd. received the renewed certificate of High-tech enterprise on December 1, 2020, which number is GR202033000499 (valid for 3 years). During the reporting period, the company enjoys the preferential tax policy of "high-tech enterprise", and the applicable income tax rate of the company is 15%.

(4) Hunan Geely Automobile Parts Co., Ltd. (a sub-subsidiary of Geely Automobile Holdings Limited) was recognized as a High-tech enterprise on September 5, 2017. The certificate number is

GR201743000521 (valid for 3 years). Hunan Geely Automobile Parts Co., Ltd. received the renewed certificate of High-tech enterprise on September 11, 2020, which number is GR202043000754 (valid for 3 years). During the reporting period, the company enjoys the preferential tax policy of "high-tech enterprise", and the applicable income tax rate of the company is 15%.

(5) Ningbo Vision Automobile Parts & Components Co., Ltd. (a sub-subsidiary of Geely Automobile Holdings Limited) was recognized as a High-tech enterprise on November 27, 2018. The certificate number is GR201833100311 (valid for 3 years). During the reporting period, the company enjoys the preferential tax policy of "high-tech enterprise", and the applicable income tax rate of the company is 15%.

(6) Zhejiang Jirun Chunxiao Automobile Parts Co., Ltd. (a sub-subsidiary of Geely Automobile Holdings Limited) was recognized as a High-tech enterprise on November 27, 2019. The certificate number is GR201933100750 (valid for 3 years). During the reporting period, the company enjoys the preferential tax policy of "high-tech enterprise", and the applicable income tax rate of the company is 15%.

(7) Zhejiang Fengrui Engine Co., Ltd. (a sub-subsidiary of Geely Automobile Holdings Limited) was recognized as a High-tech enterprise on November 13, 2017. The certificate number is GR201733003469 (valid for 3 years). Zhejiang Fengrui Engine Co., Ltd. received the renewed certificate of High-tech enterprise on December 1, 2020, which number is GR202033000670 (valid for 3 years). During the reporting period, the company enjoys the preferential tax policy of "high-tech enterprise", and the applicable income tax rate of the company is 15%.

(8) Shanxi Geely Automobile Parts Co., Ltd. (a sub-subsidiary of Geely Automobile Holdings Limited) was recognized as a High-tech enterprise on November 21, 2018. The certificate number is GR201814000116 (valid for 3 years). During the reporting period, the company enjoys the preferential tax policy of "high-tech enterprise", and the applicable income tax rate of the company is 15%.

(9) Ningbo Shangzhongxia Automatic Transmission Co., Ltd. (a sub-subsidiary of Geely Automobile Holdings Limited) was recognized as a High-tech enterprise on November 27, 2018. The certificate number is GR201833100149 (valid for 3 years). During the reporting period, the company enjoys the preferential tax policy of "high-tech enterprise", and the applicable income tax rate of the company is 15%.

(10) Baoji Geely Engine Co., Ltd. (a sub-subsidiary of Geely Automobile Holdings Limited) was recognized as a High-tech enterprise on October 29, 2018. The certificate number is GR201861000736 (valid for 3 years). During the reporting period, the company enjoys the preferential tax policy of "high-tech enterprise", and the applicable income tax rate of the company is 15%.

(11) Ningbo Jirun Automobile Parts Co., Ltd. (a sub-subsidiary of Geely Automobile Holdings Limited) was recognized as a High-tech enterprise on November 27, 2019. The certificate number is GR201933100670 (valid for 3 years). During the reporting period, the company enjoys the preferential tax policy of "high-tech enterprise", and the applicable income tax rate of the company is 15%.

(12) Hangzhou Geely Automobile Co., Ltd. (a sub-subsidiary of Geely Automobile Holdings Limited) was recognized as a High-tech enterprise on December 4, 2019. The certificate number is GR201933002378 (valid for 3 years). During the reporting period, the company enjoys the preferential tax policy of "high-tech enterprise", and the applicable income tax rate of the company is 15%.

(13) Zhejiang Yili Automobile Parts and Components Co., Ltd. (a sub-subsidiary of Geely Automobile Holdings Limited) was recognized as a High-tech enterprise on December 1, 2020. The certificate number is GR202033000264 (valid for 3 years). During the reporting period, the company enjoys the preferential tax policy of "high-tech enterprise", and the applicable income tax rate of the company is 15%.

(14) Yiwu Royal Engine Co., Ltd. (a sub-subsidiary of Geely Automobile Holdings Limited) was recognized as a High-tech enterprise on December 1, 2020. The certificate number is GR202033004958 (valid for 3 years). During the reporting period, the company enjoys the preferential tax policy of "high-tech enterprise", and the applicable income tax rate of the company is 15%.

(15) Taizhou Binhai Geely Engine Co., Ltd. (a sub-subsidiary of Geely Automobile Holdings Limited) was recognized as a High-tech enterprise on December 1, 2020. The certificate number is GR202033006254 (valid for 3 years). During the reporting period, the company enjoys the preferential tax policy of "high-tech enterprise", and the applicable income tax rate of the company is 15%.

(16) Guizhou Geely Engine Co., Ltd. (a sub-subsidiary of Geely Automobile Holdings Limited) was recognized as a High-tech enterprise on October 12, 2020. The certificate number is GR202052000340 (valid for 3 years). During the reporting period, the company enjoys the preferential tax policy of "high-tech enterprise", and the applicable income tax rate of the company is 15%.

(17) According to "Circular on the Issues Concerning Related Tax Policies for the In-depth Implementation of the West Development Strategy" (Cai Shui[2011] No.58), Baoji Geely Automobile Parts Co., Ltd. (a sub-subsidiary of Geely Automobile Holdings Limited) satisfies the second condition prescribed in the Circular for encouraged industry enterprises located in the western region. Therefore, the applicable income tax rate of the company is 15% during the reporting period.

(18) According to "Circular on the Issues Concerning Related Tax Policies for the In-depth Implementation of the West Development Strategy" (Cai Shui[2011] No.58), Chengdu Geely Automobile Manufacture Co., Ltd. (a sub-subsidiary of Geely Automobile Holdings Limited) satisfies the second condition prescribed in the Circular for encouraged industry enterprises located in the western region. Therefore, the applicable income tax rate of the company is 15% during the reporting period.

(19) Kaiyue Automobile Parts Manufacture (Zhangjiakou) Co., Ltd. (a subsidiary of Link Investment Limited) was recognized as a High-tech enterprise on September 11, 2018. The certificate number is GR201813000527 (valid for 3 years). During the reporting period, the company enjoys the preferential tax policy of "high-tech enterprise", and the applicable income tax rate of the company is 15%.

(20) Ningbo Geely Automobile Reserch & Development Co., Ltd. (a subsidiary of Zhejiang Geely Automobile Co., Ltd.) was recognized as a High-tech enterprise on November 29, 2017. The certificate number is GR201733100522 (valid for 3 years). Ningbo Geely Automobile Reserch & Development Co., Ltd. received the renewed certificate of High-tech enterprise on December 1, 2020, which number is GR202033100327 (valid for 3 years). During the reporting period, the company enjoys the preferential tax policy of "high-tech enterprise", and the applicable income tax rate of the company is 15%.

(21) According to the "Circular on the Issues Concerning Related Tax Policies for the In-depth Implementation of the West Development Strategy" (Cai Shui [2011] No.58), Geely Sichuan Commercial Vehicle Co., Ltd. (a sub-subsidiary of Zhejiang Geely New Energy Commercial Vehicle Group Co., Ltd.) satisfies the second condition prescribed in the Circular for encouraged industry enterprises located in the western region. Therefore, the applicable income tax rate of the company is 15% during the reporting period.

(22) Nanchong Geely Commercial Vehicle Research Institute Co., Ltd. (a subsidiary of Zhejiang Geely New Energy Commercial Vehicle Group Co., Ltd.) was recognized as a High-tech enterprise on December 3, 2018. The certificate number is GR201851001195 (valid for 3 years). During the reporting period, the company enjoys the preferential tax policy of "high-tech enterprise", and the applicable income tax rate of the company is 15%.

(23) Zhejiang Yinglun Automobile Co., Ltd. (a subsidiary of Zhejiang Geely New Energy Commercial

Vehicle Group Co., Ltd.) was recognized as a High-tech enterprise on December 1, 2020. The certificate number is GR202033000617 (valid for 3 years). During the reporting period, the company enjoys the preferential tax policy of "high-tech enterprise", and the applicable income tax rate of the company is 15%.

(24) Anhui Hualing Automobile Co., Ltd. (a sub-subsidiary of Zhejiang Geely New Energy Commercial Vehicle Group Co., Ltd.) was recognized as a High-tech enterprise on August 17, 2020. The certificate number is GR202034002369 (valid for 3 years). During the reporting period, the company enjoys the preferential tax policy of "high-tech enterprise", and the applicable income tax rate of the company is 15%.

(25) Anhui Xingma Special Purpose Vehicle Co., Ltd. (a sub-subsidiary of Zhejiang Geely New Energy Commercial Vehicle Group Co., Ltd.) was recognized as a High-tech enterprise on August 17, 2020. The certificate number is GR202034001046 (valid for 3 years). During the reporting period, the company enjoys the preferential tax policy of "high-tech enterprise", and the applicable income tax rate of the company is 15%.

(26) Ma'anshan Fuheng Automobile Interior Decoration Co., Ltd. (a sub-subsidiary of Zhejiang Geely New Energy Commercial Vehicle Group Co., Ltd.) was recognized as a High-tech enterprise on July 24, 2018. The certificate number is GR201834000720 (valid for 3 years). During the reporting period, the company enjoys the preferential tax policy of "high-tech enterprise", and the applicable income tax rate of the company is 15%.

(27) Wuhu Fuma Automobile Spare Parts Co., Ltd. (a sub-subsidiary of Zhejiang Geely New Energy Commercial Vehicle Group Co., Ltd.) was recognized as a High-tech enterprise on July 24, 2018. The certificate number is GR201834000835 (valid for 3 years). During the reporting period, the company enjoys the preferential tax policy of "high-tech enterprise", and the applicable income tax rate of the company is 15%.

(28) Ma'anshan Fuma Automobile Parts Co., Ltd. (a sub-subsidiary of Zhejiang Geely New Energy Commercial Vehicle Group Co., Ltd.) was recognized as a High-tech enterprise on September 9, 2019. The certificate number is GR201934000903 (valid for 3 years). During the reporting period, the company enjoys the preferential tax policy of "high-tech enterprise", and the applicable income tax rate of the company is 15%.

(29) Shanghai Suoda Driving Machinery Co., Ltd. (a sub-subsidiary of Zhejiang Geely New Energy Commercial Vehicle Group Co., Ltd.) was recognized as a High-tech enterprise on October 28, 2019. The certificate number is GR201931003017 (valid for 3 years). During the reporting period, the company enjoys the preferential tax policy of "high-tech enterprise", and the applicable income tax rate of the company is 15%.

(30) Tianjin Xingma Automobile Co., Ltd. (a sub-subsidiary of Zhejiang Geely New Energy Commercial Vehicle Group Co., Ltd.) was recognized as a High-tech enterprise on October 28, 2020. The certificate number is GR202012001172 (valid for 3 years). During the reporting period, the company enjoys the preferential tax policy of "high-tech enterprise", and the applicable income tax rate of the company is 15%.

(31) Hunan Hualing Automobile Co., Ltd. (a sub-subsidiary of Zhejiang Geely New Energy Commercial Vehicle Group Co., Ltd.) was recognized as a High-tech enterprise on December 3, 2018. The certificate number is GR201843001148 (valid for 3 years). During the reporting period, the company enjoys the preferential tax policy of "high-tech enterprise", and the applicable income tax rate of the company is 15%.

(32) Hunan Xingma Heavy Automobile Manufacturing Co., Ltd. (a sub-subsidiary of Zhejiang Geely New Energy Commercial Vehicle Group Co., Ltd.) was recognized as a High-tech enterprise on

October 17, 2018. The certificate number is GR201843000504 (valid for 3 years). During the reporting period, the company enjoys the preferential tax policy of "high-tech enterprise", and the applicable income tax rate of the company is 15%.

(33) According to the "Confirmation on Encouraged Industries in the Western Region" (Cheng Fagaizhengwu[2016]No.125) issued by Chengdu Development and Reform Commission on April 11, 2016, Chengdu Gaoyuan Automobile Industrial Co., Ltd. satisfies the conditions prescribed in the documents issued by The National Development and Reform Commission (Guo Fa [2014] No.15) for encouraged industry enterprises located in the western region, which is valid from 2016 to the end of 2020. Therefore the applicable income tax rate of the company is 15% during the reporting period.

(34) For small and micro enterprises, the part of annual taxable income below 1 million yuan shall be included in the taxable income at a reduced rate of 25%, and the enterprise income tax shall be paid at the rate of 20% in accordance with the "Notice of the implementation of inclusive tax reduction policy for small and micro enterprises" (Cai Shui (2019) No.13) issued by The Ministry of Finance and Tax Bureau and "Announcement on issues related to the implementation of the inclusive income tax reduction and exemption policy for small and micro enterprises" (No.2 Announcement of State Administration of Taxation on 2019) issued by the State Administration of Taxation; The part of annual taxable income exceeding 1 million yuan but not exceeding 3 million yuan shall be included in the taxable income at a reduced rate of 50%, and the enterprise income tax shall be paid at the rate of 20%. During the reporting period, Jizhi (Hangzhou) cultural creativity Co., Ltd. and Hangzhou Xinfuqianwanjia Health Service Management Co., Ltd. (subsidiaries of Zhejiang Geely Business Service Co., Ltd.) and Harbin Lingjixing Automobile Sales Service Co., Ltd., Yishui Lingji Yuantong Automobile Sales Service Co., Ltd., Dongying Lingji Kaihua Automobile Sales Service Co., Ltd. (sub-subsidiaries of Geely Automobile Group Co., Ltd) satisfy the inclusive tax reduction policy for small and micro enterprises.

(35) For small-scale taxpayers of other provinces, except for Hubei Province, autonomous regions and municipalities directly under the central government, with taxable sales revenue with a 3% rate, they could pay the VAT at a reduced rate of 1% from March 1 to May 31, 2020 based on the "Notice of the announcement of the Ministry of Finance and the State Administration of Taxation on the value added tax policy for supporting individual industrial and commercial households to return to work" (Announcement No. 13, 2020 of the Ministry of Finance and the State Administration of Taxation); According to the announcement on extending the implementation period of VAT reduction and exemption policy for small-scale taxpayers (No. 24 Announcement of the Ministry of Finance and the State Administration of Taxation on 2020), the implementation period of preferential tax policies (No.13 Announcement of Ministry of Finance and State Administration of Taxation on 2020) is extended to December 31, 2020. During the reporting period, as a small-scale VAT tax payer, Hangzhou Xinfuqianwanjia Health Service Management Co., Ltd. (a subsidiary of Zhejiang Geely Business Service Co., Ltd.) could pay the VAT at a reduced rate of 1%.

VI. Notes to items of consolidated financial statements

(In the notes to the financial statements, "end of period" refers to December 31, 2020, "beginning of period" refers to December 31, 2019, "current period" refers to the year 2020, "the same period of last year" refers to the year 2019.)

1. Cash and bank balances

Item	December 31, 2020	December 31, 2019
Cash	3,897,641.31	36,772,980.65
Bank balances	98,253,439,364.40	79,416,522,048.43
Other monetary fund	4,467,587,458.74	4,281,461,134.27

Item	December 31, 2020	December 31, 2019
Total	102,724,924,464.45	83,734,756,163.35

Note: As of December 31, 2020, the Group had restricted cash and bank balances amounted to RMB 2,638,115,089.61 (Year 2019: RMB 2,135,586,018.00)

2. Financial assets through profit and loss

Item	December 31, 2020	December 31, 2019
Financial assets through profit and loss	1,219,962,544.00	5,470,754,411.00
Including: Commercial acceptances (Note)	1,219,962,544.00	5,470,754,411.00
Total	1,219,962,544.00	5,470,754,411.00

Note: The subsidiary of the Group, Shanghai Geely Zhaoyuan International Investment Co., Ltd. (hereinafter referred to as: Geely Zhaoyuan), held commercial acceptances amounted to RMB 1,219,962,544.00 (Year 2019: RMB 5,470,754,411.00) at the end of the year 2020, of which RMB 620,139,568.00 (Year 2019: RMB 4,647,779,482.00) will be matured within 3 months, RMB 599,822,976.00 (Year 2019: RMB 822,974,929.00) will be matured over 3 months.

3. Derivative financial assets

Item	December 31, 2020	December 31, 2019
Hedging instruments	536,473,784.00	78,482,534.00
Including: cash flows hedging instruments (Note 1)	533,431,422.00	60,546,248.00
Hedging instruments of a net investment in a foreign operation (Note 2)	3,042,362.00	17,936,286.00
Interest swap instrument (Note 1)	7,482,455.00	3,188,233.50
Commodity futures hedging	29,774,940.00	11,375,133.00
Total	573,731,179.00	93,045,900.50

Note 1: At the balance sheet date, Geely Zhaoyuan owns foreign exchange forward, option contract and interest swap instrument, and all of these instruments had positive fair values (foreign exchange forward, option contract and interest swap instrument with negative fair values are listed in Note VI.27). All of these instruments were designated to be the highly effective hedging instruments in order to manage the currency risk related to the sales and purchases denominated in foreign currency in 2020.

The provisions in the foreign exchange forward, option contract and interest swap instrument signed by Geely Zhaoyuan are consistent with the prediction. The information is listed as follows:

Foreign exchange forward contract:

Nominal amount (Note ①)	Maturity date	Fair value
RMB		RMB
1,969,015,611.00	Within 1 month	47,964,544.00
3,356,108,851.00	1 to 3 months	101,206,999.00
12,676,626,676.00	3 to 12 months	380,221,750.00
13,708,724,782.00	1 to 5 years	898,847,623.00

Foreign exchange option contract:

Nominal amount (Note ①)	Maturity date	Fair value
RMB		RMB
240,430,158.00	Within 1 month	157.00
721,290,475.00	1 to 3 months	4,037,972.00

2,473,738,278.00	1 to 5 years	92,697,130.00
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Interest swap instrument:

Nominal amount (Note①)	Maturity date	Fair value
RMB		RMB
4,007,169,306.00	3 to 12 months	7,482,455.00
801,433,861.00	1 to 5 years	13,305,328.00
1,202,150,792.00	More than 5 years	12,824,891.00

Note①: Nominal amount is translated into RMB by using the spot exchange rates on December 31, 2020. For those foreign exchange forward, option contract and interest swap instrument which will mature over 1 year, please refer to Note VI.24.

Note 2: In order to reduce the negative influence of the fluctuation of foreign exchange rate and reduce the effect of changes in the value of a net investment in a foreign operation, Geely Zhaoyuan applies the exchange rate swap contract. The information is listed as follows:

Exchange rate swap contract:

Nominal amount (Note①)	Maturity date	Fair value
RMB		RMB
906,282,813.00	Within 1 month	2,930,984.00
14,896,845.00	3 to 12 months	111,378.00

Note①: Nominal amount is translated into RMB by using the spot exchange rates on December 31, 2020.

4. Notes receivable

(1) Classification

Item	December 31, 2020	December 31, 2019
Bank acceptance	1,283,998,666.18	22,057,534,434.58
Commercial acceptance	56,860,998.16	81,936,000.00
Deduction: Credit loss provision	3,118,049.91	
Total	1,337,741,614.43	22,139,470,434.58

(2) The Group has no pledged notes receivable at the end of the year 2020.

(3) Commercial acceptance endorsed or discounted by the Group but yet undue by the end of reporting period is RMB 39,183,175.02.

5. Accounts receivable

(1) Aging

Aging	December 31, 2020			December 31, 2019		
	Book balance		Bad debt provision	Book balance		Bad debt provision
	Amount	Ratio (%)		Amount	Ratio (%)	
Within 1 year	14,424,025,395.26	85.96	528,227,051.42	6,623,807,693.19	76.16	59,574,152.55
1 to 2 years	1,975,040,469.94	11.77	57,221,975.80	1,283,490,603.11	14.76	63,700,634.66

2 to 3 years	97,837,263.20	0.58	12,216,616.50	36,120,087.52	0.41	3,270,780.41
More than 3 years	283,375,264.41	1.69	224,232,295.46	753,609,278.07	8.67	372,278,147.63
Total	16,780,278,392.81	100.00	821,897,939.18	8,697,027,661.89	100.00	498,823,715.25

(2) Changes in Bad debt provision

January 1, 2020	Addition (Including addition through business combination)	Deduction		Translation differences	December 31, 2020
		Reversal	Write-off		
498,823,715.25	723,808,443.91	56,704,613.16	322,871,685.82	-21,157,921.00	821,897,939.18

6. Accounts receivable financing

(1) Classification

Item	December 31, 2020	December 31, 2019
Bank acceptance	32,994,271,247.61	
Deduction: other comprehensive income-changes in fair value	193,361,474.98	
Total	32,800,909,772.63	

(2) Pledged notes receivable at the end of the year 2020 is RMB 132,205,000.00.

(3) Notes receivable endorsed or discounted by the Group but yet undue by the end of reporting period is RMB 660,584,272.56.

7. Prepayments

(1) Aging

Aging	December 31, 2020			December 31, 2019		
	Amount	Ratio (%)	Bad debt provision	Amount	Ratio (%)	Bad debt provision
Within 1 year	2,662,619,387.78	92.54		1,659,092,232.53	87.61	
1 to 2 years	185,774,932.24	6.46		207,582,168.77	10.96	
2 to 3 years	12,756,362.06	0.44		17,042,492.07	0.90	
More than 3 years	15,978,400.87	0.56	2,358,569.57	10,013,828.45	0.53	2,364,215.45

Total	2,877,129,082.95	100.00	2,358,569.57	1,893,730,721.82	100.00	2,364,215.45
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(2) Changes in doubtful debt provisions

January 1, 2020	Addition	Deduction		December 31, 2020
		Reversal	Write-off	
2,364,215.45			5,645.88	2,358,569.57

8. Other receivables

(1) Items

Item	December 31, 2020	December 31, 2019
Interest receivable	235,263,803.31	47,062,964.12
Dividend receivable		
Other receivables	11,896,949,579.02	8,889,872,723.30
Total	12,132,213,382.33	8,936,935,687.42

(2) Interest receivable

Item	December 31, 2020	December 31, 2019
Deposits and loans interest	235,263,803.31	47,062,964.12
Total	235,263,803.31	47,062,964.12

The Group has no significant overdue interest at the end of the reporting period

(3) Other receivables

1) Aging

Aging	December 31, 2020			December 31, 2019		
	Book balance		Bad debt provision	Book balance		Bad debt provision
	Amount	Ratio (%)		Amount	Ratio (%)	
Within 1 year	10,391,318,667.53	86.97	10,610,074.21	7,562,629,833.28	84.48	12,918,686.46
1 to 2 years	1,242,017,228.93	10.39	12,835,839.17	1,103,125,202.60	12.32	25,998,556.87
2 to 3 years	185,606,312.37	1.55	1,688,780.44	175,928,187.87	1.96	393,076.92
More than 3 years	130,385,030.04	1.09	27,242,966.03	110,996,497.29	1.24	23,496,677.49
Total	11,949,327,238.87	100.00	52,377,659.85	8,952,679,721.04	100.00	62,806,997.74

2) Changes in bad debt provision

January 1, 2020	Addition	Deduction	Translation differences	December 31, 2020
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	(Including addition through business combination)	Reversal	Write-off		
62,806,997.74	38,186,300.83	22,983,405.00	25,352,835.91	-279,397.81	52,377,659.85

9. Inventories

(1) Classification

Item	December 31, 2020			December 31, 2019		
	Book balance	Provision	Book value	Book balance	Provision	Book value
Raw materials	4,688,790,688.14	138,683,863.97	4,550,106,824.17	3,523,299,911.94	11,858,909.88	3,511,441,002.06
Work-in-progress	4,533,114,538.37		4,533,114,538.37	3,962,906,487.06		3,962,906,487.06
Finished goods	23,530,993,427.23	816,474,434.34	22,714,518,992.89	21,980,732,094.85	522,067,659.88	21,458,664,434.97
Revolving materials	5,235,250.41		5,235,250.41	168,117.70		168,117.70
Consigned processing materials	502,903.77		502,903.77	330,899.34		330,899.34
Project costs	1,316,455,720.57		1,316,455,720.57	155,284,149.13		155,284,149.13
Materials in transit	9,044,425,275.87		9,044,425,275.87	7,892,602,201.43		7,892,602,201.43
Goods in transit	328,333,365.01		328,333,365.01	111,006,411.18	345,233.78	110,661,177.40
Total	43,447,851,169.37	955,158,298.31	42,492,692,871.06	37,626,330,272.63	534,271,803.54	37,092,058,469.09

Note: The inventory used for mortgage is RMB 243,005,517.00 on December 31, 2020 (Year 2019: RMB 279,823,877.00).

(2) Provision for inventories

Item	January 1, 2020	Addition		Deduction		December 31, 2020
		Recognition	Addition through business combination	Reversal	Write-off	
Raw materials	11,858,909.88	50,664,809.32	88,064,995.64		11,904,850.87	138,683,863.97
Work-in-progress						
Finished goods	522,067,659.88	248,594,271.12	232,816,699.79	77,490,283.52	109,513,912.93	816,474,434.34
Revolving materials						
Consigned processing materials						
Project costs						
Goods in transit	345,233.78				345,233.78	
Total	534,271,803.54	299,259,080.44	320,881,695.43	77,490,283.52	121,763,997.58	955,158,298.31

10. Non-current assets due within one year

Item	December 31, 2020	December 31, 2019
Long-term receivables due within 1 year	13,239,429.77	6,458,170.20
Long-term deferred expenses within 1 year		1,155,090.03
Total	13,239,429.77	7,613,260.23

11. Other current assets

Item	December 31, 2020	December 31, 2019
Input VAT to be deducted	7,121,757,237.63	6,519,564,073.99
Prepaid income tax	331,389,256.09	261,073,800.09
Deferred expenses	1,698,954,705.68	1,659,087,512.20
Others	180,259,665.56	78,583,655.61
Total	9,332,360,864.96	8,518,309,041.89

12. Long-term receivables**(1) Long-term receivables**

Item	December 31, 2020			December 31, 2019		
	Book balance	Bad debt provision	Book value	Book balance	Doubtful debt provisions	Book value
Finance lease receivables	6,329,067,911.99	236,697,381.97	6,092,370,530.02	4,527,194,009.47	150,768,072.19	4,376,425,937.28
Revenue from franchise transfer by installments	56,590,472.17		56,590,472.17			
Rendering of services settled by installments				118,583,926.00		118,583,926.00
Other long-term receivables	1,678,709,099.14	13,028,649.14	1,665,680,450.00	1,328,187,844.37		1,328,187,844.37
Subtotal	8,064,367,483.30	249,726,031.11	7,814,641,452.19	5,973,965,779.84	150,768,072.19	5,823,197,707.65
Less: long-term receivables due within one year (refer to Note VI.10)	26,268,078.91	13,028,649.14	13,239,429.77	12,916,340.40	6,458,170.20	6,458,170.20
Total	8,038,099,404.39	236,697,381.97	7,801,402,022.42	5,961,049,439.44	144,309,901.99	5,816,739,537.45

Note: The long-term receivable used for mortgage is RMB 437,080,095.67 on December 31, 2020.

13. Investment in joint ventures & associates

Investees	January 1, 2020	Impairment Provision on January 1, 2020	Movement			Other comprehensive income adjustment
			Increase	Decrease	Profit or loss recognized under equity method	
I. Joint venture						
Genius Auto Finance Co., Ltd.	3,796,241,337.77				585,478,966.46	
Zhejiang Geely AISIN AW AUTOMATIC Transmission Co., Ltd.	302,215,167.36				-16,546,936.17	
Smart Motor Automobile Co., Ltd.			2,700,000,000.00		-40,365,552.13	-10,496.97
Geely Financials Denmark A/S	5,061,539,956.00				438,726,838.34	
Volvofinans Bank AB	1,813,987,308.00				167,545,508.14	
Polestar Automotive Holding Ltd.			3,016,912,373.20		-514,904,540.91	
V2 Plug-In Hybrid Vehicle Partnership HB	173,364,196.00				274,039,678.00	
Volvo Car Financial Services UK Ltd.			310,479,348.00			
World of Volvo AB			99,409,113.46		-8,832,808.46	
Zenuity AB			191,895,762.00		239,146,329.00	
Others	83,773,047.00		644,745,384.00		2,875,966.00	
Subtotal	11,231,121,012.13		6,963,441,980.66		1,127,163,448.27	-10,496.97
II. Associates						

Mando (Ningbo) Automotive Parts Co., Ltd.	278,073,019.16				16,644,149.05	
Closed Joint Stock Company BELGEE	190,905,002.80				31,387,428.02	-27,622,174.05
PT.Geely Mobil Indonesia	6,162,280.21	6,162,280.21				
Times Geely Power Battery Co., Ltd.			49,490,000.00		2,572,587.60	
Proton Holdings Berhad	552,701,309.56				-12,419,408.00	
Lotus Finance Limited	363,168.00					
DRB-HICOM GEELY SD. BHD.	2,461.00					
SiEngine Technology Co., Ltd.					-12,529,807.52	
Shanghai Jijin Electrical and Mechanical Equipment Co., Ltd.	108,445,144.21				74,850,359.69	
Zhejiang Hengyuan new energy technology Co., Ltd.	33,665,682.77		86,885,808.50		11,225,946.81	
Zhejiang Yinji Auto Parts Co., Ltd.	23,194,987.01				178,300.06	
China Railway Gecent Technology Co., Ltd.	3,431,171,074.72				-96,414,181.97	
Zhejiang Transfar Green Huilian Logistics Co., Ltd	93,353,180.85		300,000,000.00		-12,787,177.15	
Shandong Hengyuan New Energy Technology Co., Ltd.	10,722,355.77				-5,549,670.94	
VCC Tjänstebilar KB	2,981,147.00				1,219,071.00	
VCC Försäljnings KB	1,187,440.00				207,477.00	

Volvohandels PV Försäljnings KB	2,669,326.00				4,958.00	
Volvohandels PV Försäljnings AB	8,605,948.00				377,077.00	
Trio Bilservice AB	275,005.00				113,251.00	
Göteborgs Tekniska College AB	2,825,530.00				259,182.00	
Leiebilservice AS	99,197.00				515,164.00	
Anhui Huirong Energy Co. Ltd				2,115,428.44	177,757.61	
Subtotal	4,747,403,259.06	6,162,280.21	438,491,236.94		32,463.26	-27,622,174.05
Total	15,978,524,271.19	6,162,280.21	7,401,933,217.60		1,127,195,911.53	-27,632,671.02

(Continued)

Investees	Movement				December 31, 2020	Impairment provision on December 31, 2020
	Other equities changes	Dividend	Impairment provision	Others		
I. Joint venture						
Genius Auto Finance Co., Ltd.					4,381,720,304.23	
Zhejiang Geely AISIN AW AUTOMATIC Transmission Co., Ltd.					285,668,231.19	
Smart Motor Automobile Co., Ltd.					2,659,623,950.90	
Geely Financials Denmark A/S				-319,432,778.34	5,180,834,016.00	
Volvofinans Bank AB				136,606,210.86	2,118,139,027.00	

Polestar Automotive Holding Ltd.				-1,620,357,948.29	881,649,884.00
V2 Plug-In Hybrid Vehicle Partnership HB	371,267,927.00			29,579,162.00	105,715,109.00
Volvo Car Financial Services UK Ltd.					310,479,348.00
World of Volvo AB					90,576,305.00
Zenuity AB	261,176,943.00			-169,865,148.00	
Others	2,398,697.00			9,757,982.00	738,753,682.00
Subtotal	634,843,567.00			-1,933,712,519.77	16,753,159,857.32
II. Associates					
Mando (Ningbo) Automotive Parts Co., Ltd.	40,361,495.00				254,355,673.21
Closed Joint Stock Company BELGEE				-6,591,259.04	188,078,997.73
PT.Geely Mobil Indonesia					6,162,280.21
Times Geely Power Battery Co., Ltd					52,062,587.60
Proton Holdings Berhad					540,281,901.56
Lotus Finance Limited					363,168.00

DRB-HICOM GEELY SD. BHD.						2,461.00	
SiEngine Technology Co., Ltd.					12,529,807.52		
Shanghai Jijin Electrical and Mechanical Equipment Co., Ltd.						183,295,503.90	
Zhejiang Hengyuan new energy technology Co., Ltd						131,777,438.08	
Zhejiang Yinji Auto Parts Co., Ltd.						23,373,287.07	
China Railway Gecent Technology Co., Ltd.						3,334,756,892.75	
Zhejiang Transfar Green Huilian Logistics Co., Ltd					-380,566,003.70		
Shandong Hengyuan New Energy Technology Co., Ltd.						5,172,684.83	
VCC Tjänstebilar KB			2,386,704.00		250,321.00	2,063,835.00	
VCC Försäljnings KB			277,449.00		90,215.00	1,207,683.00	
Volvohandeln PV Försäljnings KB					173,878.00	2,848,162.00	
Volvohandeln PV Försäljnings AB					616,640.00	9,599,665.00	
Trio Bilservice AB					22,721.00	410,977.00	
Göteborgs Tekniska College AB					177,076.00	3,261,788.00	

Leiebilservice AS				8,670.00	623,031.00	
Anhui Huirong Energy Co. Ltd					2,293,186.05	
Subtotal			43,025,648.00	-373,287,934.22	4,741,991,202.99	6,162,280.21
Total			677,869,215.00	-2,307,000,453.99	21,495,151,060.31	6,162,280.21

14. Other equity investment

Item	December 31, 2020	December 31, 2019
Financial assets at fair value through other comprehensive income	27,841,617,356.20	21,658,671,163.08
Total	27,841,617,356.20	21,658,671,163.08

15. Other non-current financial assets

Item	December 31, 2020	December 31, 2019
Guoqi (Beijing) Automotive Lightweight Technology Research Institute Co., Ltd.	3,000,000.00	3,000,000.00
Zhongfalian Investment Co., Ltd.	10,500,000.00	10,500,000.00
Zhejiang Automobile Vocational and Technical College	30,875,000.00	30,875,000.00
Zhejiang Modern Capital and Industry Institute	30,000.00	30,000.00
Carbon Recycling Int'l Ehf.	90,930,766.38	90,930,766.38
Wuhan Digital Design and Manufacturing Innovation Center Co., Ltd.	10,009,433.96	10,009,433.96
Shanghai Xiaoi Robot Technology Co., Ltd	180,492,867.36	180,492,867.36
Taizhou Geely Automobile Industry Co., Ltd.	2,000,000.00	2,000,000.00
Zhejiang Limin Industrial Co., Ltd.	4,832,850.00	4,832,850.00
Zhejiang Jijutai Automobile Interior Co., Ltd.		1,610,943.71
Ningbo Beilun District Xinlei Geely Kindergarten	500,000.00	
Luminar Technologies Inc.	1,665,360,576.00	73,742,194.00
Others	212,183,657.00	163,567,688.82
Total	2,210,715,150.70	571,591,744.23

16. Investment properties

Item	Houses and buildings	Total
1. Cost		
1) January 1, 2020		
2) Addition	3,169,449.46	3,169,449.46
① Addition through business combination	3,169,449.46	3,169,449.46
3) Deduction	1,007,423.12	1,007,423.12
4) December 31, 2020	2,162,026.34	2,162,026.34
2. Accumulated depreciation		
1) January 1, 2020		
2) Addition	1,853,595.92	1,853,595.92

① Provision	56,541.41	56,541.41
② Addition through business combination	1,797,054.51	1,797,054.51
3) Deduction	606,338.28	606,338.28
4) December 31, 2020	1,247,257.64	1,247,257.64
3. Impairment provision		
1) January 1, 2020		
2) Addition	117,481.63	117,481.63
① Addition through business combination	117,481.63	117,481.63
3) Deduction		
4) December 31, 2020	117,481.63	117,481.63
4. Carrying amount		
1) January 1, 2020		
2) December 31, 2020	797,287.07	797,287.07

17. Property, plant and equipment

Item		December 31, 2020					December 31, 2019	
Property, plant and equipment		93,372,776,926.05					81,720,079,080.37	
Property, plant and equipment pending disposal		7,133,211.00					16,440,953.41	
Total		93,379,910,137.05					81,736,520,033.78	
Details								
Item	Houses and buildings	Machinery equipment	Transportation vehicles	Molds and gauges	Electronic and Office equipment	Other equipment	Total	
I. Cost								
1) January 1, 2020	36,526,129,952.33	101,080,935,316.73	2,906,189,855.67	3,598,833,604.02	2,252,933,652.06	312,191,517.31	146,677,213,898.12	
2) Addition	5,426,271,522.25	17,038,514,941.39	2,623,838,253.39	1,005,774,123.26	307,784,609.08	20,996,530.11	26,423,179,979.48	
①Purchase	802,360,088.85	7,509,618,855.88	2,119,895,336.03	1,005,774,123.26	307,330,164.92	20,679,849.27	11,765,658,418.21	
②Addition through business combination	1,873,141,894.52	3,736,045,833.35	503,942,917.36		454,444.16	316,680.84	6,113,901,770.23	
③Transfer from construction-in-process	2,750,769,538.88	5,792,850,252.16					8,543,619,791.04	
3) Deduction	598,755,072.99	3,280,649,292.60	1,423,689,396.68	85,321,126.70	57,078,453.34	50,846,056.66	5,496,339,398.97	
① Disposal or retired	598,755,072.99	3,280,649,292.60	1,423,689,396.68	85,321,126.70	57,078,453.34	50,846,056.66	5,496,339,398.97	
4)Translation differences	480,421,531.00	4,075,330,193.00	193,256,885.00		-2,333,226.19	-7,922.76	4,746,667,460.05	
5) December 31, 2020	41,834,067,932.59	118,914,131,158.52	4,299,595,597.38	4,519,286,600.58	2,501,306,581.61	282,334,068.00	172,350,721,938.68	

Item	Houses and buildings	Machinery equipment	Transportation vehicles	Molds and gauges	Electronic and Office equipment	Other equipment	Total
2. Accumulated depreciation							
1) January 1, 2020	9,719,175,814.81	52,438,892,062.96	460,898,117.31	1,393,690,437.87	787,348,693.92	123,049,426.30	64,923,054,553.17
2) Addition	1,548,576,289.64	9,589,453,348.42	739,292,692.06	694,713,671.63	221,328,402.08	12,572,802.67	12,805,937,206.50
① Provision	1,014,841,663.67	7,466,863,615.48	612,664,588.80	694,713,671.63	221,056,631.98	12,437,667.37	10,022,577,838.93
② Addition through business combination	533,734,625.97	2,122,589,732.94	126,628,103.26		271,770.10	135,135.30	2,783,359,367.57
3) Deduction	108,382,471.31	1,674,956,870.83	386,159,922.38	35,634,851.16	6,560,482.85	660,704.08	2,212,355,302.61
① Disposal or retired	108,382,471.31	1,674,956,870.83	386,159,922.38	35,634,851.16	6,560,482.85	660,704.08	2,212,355,302.61
4) Translation differences	373,160,779.00	2,997,161,980.24	23,911,595.10			-2,352.93	3,394,232,001.41
5) December 31, 2020	11,532,530,412.14	63,350,550,520.79	837,942,482.09	2,052,769,258.34	1,002,116,613.15	134,959,171.96	78,910,868,458.47
3. Impairment provision							
1) January 1, 2020		19,470,234.69	293,621.58	13,853,918.35	462,489.96		34,080,264.58
2) Addition	5,735,076.93	28,059,100.78	1,064,561.53		96,554.07		34,955,293.31
① Provision		28,059,100.78	1,064,561.53		96,554.07		29,220,216.38
② Addition through business combination	5,735,076.93						5,735,076.93
3) Deduction		1,175,924.95		780,595.08	2,483.70		1,959,003.73

Item	Houses and buildings	Machinery equipment	Transportation vehicles	Molds and gauges	Electronic and Office equipment	Other equipment	Total
① Disposal or retired		1,175,924.95		780,595.08	2,483.70		1,959,003.73
4) December 31, 2020	5,735,076.93	46,353,410.52	1,358,183.11	13,073,323.27	556,560.33		67,076,554.16
4. Carrying amount							
1) January 1, 2020	26,806,954,137.52	48,622,573,019.08	2,444,998,116.78	2,191,289,247.80	1,465,122,468.18	189,142,091.01	81,720,079,080.37
2) December 31, 2020	30,295,802,443.52	55,517,227,227.21	3,460,294,932.18	2,453,444,018.97	1,498,633,408.13	147,374,896.04	93,372,776,926.05

18. Construction in progress

Item	December 31, 2020	December 31, 2019
Construction in progress	10,700,917,100.80	8,420,929,712.96
Construction materials		
Total	10,700,917,100.80	8,420,929,712.96

Details

Item	December 31, 2020			December 31, 2019		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Constructions	3,920,469,390.73		3,920,469,390.73	2,449,422,144.38		2,449,422,144.38
Equipments	3,240,396,319.88		3,240,396,319.88	1,997,897,010.63		1,997,897,010.63
Domestic and overseas projects of Geely Zhaoyuan	3,462,472,113.00		3,462,472,113.00	3,820,219,909.00		3,820,219,909.00

Software system	77,579,277.19		77,579,277.19		153,390,648.95		153,390,648.95		
Total	10,700,917,100.80		10,700,917,100.80		8,420,929,712.96		8,420,929,712.96		
19. Intangible assets									
Item	Software	Proprietary technology	Land use right	Non-Patent technology	Patent	Trademark	Dealer network	Others	Total
I. Cost									
1) January 1, 2020	3,981,455,505.36	11,868,548,263.82	7,490,701,707.66	41,248,697,471.83	2,375,981,018.61	2,952,659,586.41	609,184,728.00	4,318,015,164.94	74,845,243,343.58
2) Addition	1,140,948,693.27	5,571,133,300.13	2,017,634,290.50	8,988,267,845.52	278,653.33	148,000.00		929,876,215.58	18,648,286,998.95
① Addition through business combination	63,950,426.13	576,540,839.11	606,430,165.76			148,000.00		17,441,518.00	1,264,510,949.00
3) Deduction	269,758,703.30	526,901,540.76	1,329,980,279.67	152,913,449.43	201,022,727.95	17,935,201.49		3,467,205.83	2,501,979,108.43
① Disposal or retired	269,758,703.30	526,901,540.76	1,329,980,279.67	152,913,449.43	201,022,727.95	17,935,201.49		3,467,205.83	2,501,979,108.43
4) Translation differences	228,418,470.20			2,161,361,360.00		188,080,417.00	27,916,398.00	184,777,391.00	2,790,554,036.20
5) December 31, 2020	5,081,063,965.53	16,912,780,023.19	8,178,355,718.49	52,245,413,227.92	2,175,236,943.99	3,122,952,801.92	637,101,126.00	5,429,201,565.69	93,782,105,372.73
2. Accumulated depreciation									
1) January 1, 2020	1,774,482,165.08	4,042,820,630.15	422,795,684.46	21,469,380,216.75	5,501,062.59	61,044,140.05	190,214,818.00	2,190,979,183.69	30,157,217,900.77
2) Addition	492,666,006.81	2,377,229,500.05	293,570,507.00	5,977,647,047.11	1,195,341.03	20,318,934.81	20,730,022.00	419,360,947.37	9,602,718,306.18
① Provision	447,165,077.54	2,126,362,645.84	171,309,198.78	5,977,647,047.11	1,195,341.03	20,170,934.81	20,730,022.00	414,499,659.37	9,179,079,926.48

Item	Software	Proprietary technology	Land use right	Non-Patent technology	Patent	Trademark	Dealer network	Others	Total
② Addition through business combination	45,500,929.27	250,866,854.21	122,261,308.22			148,000.00		4,861,288.00	423,638,379.70
3) Deduction	125,640,343.44	215,456,122.71	146,540,086.29	91,941,334.00	1,440,264.11	22,635.00		1,953,896.09	582,994,681.64
① Disposal or retired	125,640,343.44	215,456,122.71	146,540,086.29	91,941,334.00	1,440,264.11	22,635.00		1,953,896.09	582,994,681.64
4) Translation differences	117,635,812.00			1,231,168,661.00		6,845,499.00	9,267,278.00	89,694,711.00	1,454,611,961.00
5) December 31, 2020	2,259,143,640.45	6,204,594,007.49	569,826,105.17	28,586,254,590.86	5,256,139.51	88,185,938.86	220,212,118.00	2,698,080,945.97	40,631,553,486.31
3. Impairment provision									
1) January 1, 2020		158,128,045.62							158,128,045.62
2) Addition		29,962,633.05		20,207,506.00					50,170,139.05
① Provision		29,962,633.05		20,207,506.00					50,170,139.05
3) Deduction		476,279.35							476,279.35
① Disposal or retired		476,279.35							476,279.35
4) Translation differences									-
5) December 31, 2020		187,614,399.32		20,207,506.00					207,821,905.32
4. Carrying amount									-
1) January 1, 2020	2,206,973,340.28	7,667,599,588.05	7,067,906,023.20	19,779,317,255.08	2,370,479,956.02	2,891,615,446.36	418,969,910.00	2,127,035,981.25	44,529,897,500.24
2) December 31,	2,821,920,325.08	10,520,571,616.38	7,608,529,613.32	23,638,951,131.06	2,169,980,804.48	3,034,766,863.06	416,889,008.00	2,731,120,619.72	52,942,729,981.10

Item	Software	Proprietary technology	Land use right	Non-Patent technology	Patent	Trademark	Dealer network	Others	Total
2020									

20. Development expenditure

Item	January 1, 2020	Addition	Addition through business combination	Deduction		Translation difference	December 31, 2020
				Research and development expense	Transfer to Intangible assets		
Research costs		6,450,888,017.34		6,450,888,017.34			
Development costs	29,494,788,470.34	15,360,192,723.81	361,503,323.08	1,580,444,907.19	9,853,236,591.39	327,963,351.00	34,110,766,369.65
Total	29,494,788,470.34	21,811,080,741.15	361,503,323.08	8,031,332,924.53	9,853,236,591.39	327,963,351.00	34,110,766,369.65

21. Goodwill

Item	December 31, 2020	December 31, 2019
Opening balance	624,954,076.05	722,977,806.77
Increase through business combination (Note 1)	404,104,566.15	
Derecognition of disposal of subsidiaries (Note 2)	-361,005,684.00	-94,179,135.60
Others	8,256,323.00	1,833,287.00
Translation difference	-3,836,242.00	-5,677,882.12
Less: impairment provision	3,544,534.00	2,989,891.00
Total	668,928,505.20	621,964,185.05

Note 1: The generation of goodwill in current year is due to the business combination, which is the acquisition of Zenuity AB business by Geely Zhaoyuan. In July 2020, Geely Zhaoyuan purchased the related assets and liabilities from Zenuity AB, which is the joint venture company, through the wholly-owned subsidiary Zenseact AB of Geely Zhaoyuan. The fair value of the related assets and liabilities on the purchase date was RMB 80 million, and the consideration paid was RMB 438 million. Therefore, the goodwill was equivalent to RMB 358 million. After completion of the transaction, Zenseact AB will focus on producing extensible SPA2 platform architecture of Volvo cars' next generation, which will essentially promote road safety performance.

The subsidiary Zhejiang Geely New Energy Commercial Vehicle Group Co., Ltd. (hereinafter referred to as: Geely Commercial Vehicle Group) purchased Zhejiang Green Huilian Co., Ltd and Hanma Technology Group Co., Ltd. (hereinafter referred to as: "Hanma Technology") generating goodwill at amount of RMB 46 million.

Note 2: Polestar Automotive (Shanghai) Co., Ltd disposed subsidiary and result in derecognition the goodwill at the amount of RMB 361 million this year.

Changes in impairment provision

January 1, 2020	Addition	Addition-Others	Deduction	December 31, 2020
2,989,891.00	345,000.00	209,643.00		3,544,534.00

22. Long-term deferred expenses

Item	January 1, 2020	Addition	Amortization	Deduction	December 31, 2020
Renovation	165,482,552.50	26,735,254.66	153,062,257.35	5,043,252.26	34,112,297.55
Service Fee		190,596,385.92	75,489,144.58	15,236,256.59	99,870,984.75
Others	42,377,882.53	34,985,799.64	41,966,254.24		35,397,427.93
Total	207,860,435.03	252,317,440.22	270,517,656.17	20,279,508.85	169,380,710.23

23. Deferred tax assets/liabilities**(1) Deferred tax assets that are not offset**

Item	December 31, 2020		December 31, 2019	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment of assets	511,268,657.00	118,121,073.47	424,296,279.19	91,187,548.14
Deductible losses	15,315,759,549.29	3,347,720,814.78	14,249,473,221.19	3,186,085,132.14
Defined-benefit-liability	5,994,887,303.07	1,276,467,114.34	2,674,444,977.40	573,753,183.72
Accruals and contract liabilities	15,067,794,715.67	3,735,489,616.80	12,141,136,993.99	3,015,202,146.55
Provision for warranty	4,114,016,474.99	1,048,286,751.34	4,170,148,654.52	1,067,449,335.13
Government grants	1,228,808,332.04	191,571,249.81	1,562,460,041.89	234,369,006.28
Temporary difference arising from amortization	4,678,599,753.83	743,688,247.06	3,726,270,007.12	618,153,626.24
Temporary difference arising from depreciation	17,060,973.60	4,265,243.40	50,520,682.49	10,897,566.49
Employee benefit payable	7,774,096.80	1,943,524.20	24,373,143.67	4,960,000.00
Unrealized gains on financing activities	599,257,576.72	149,814,394.18	477,118,891.88	119,279,722.97
Unrealized profits from intragroup transactions	493,084,158.33	120,896,219.78	289,402,609.90	73,250,920.21
Others	-8,198,266,383.29	-1,679,530,914.31	-3,785,857,345.28	-951,446,447.55
Total	39,830,045,208.05	9,058,733,334.85	36,003,788,157.96	8,043,141,740.32

(2) Deferred tax liabilities that are not offset

Item	December 31, 2020		December 31, 2019	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Temporary difference arising from amortization and depreciation	2,699,600,577.63	666,702,953.33	2,437,786,877.28	593,550,025.97
Withholding tax on undistributed profits of domestic subsidiaries	4,987,963,096.83	388,417,216.76		
Others	824,769,772.90	198,359,658.13	1,141,094,095.02	238,098,523.55
Total	8,512,333,447.36	1,253,479,828.22	3,578,880,972.30	831,648,549.52

24. Other non-current assets

Item	December 31, 2020	December 31, 2019
Prepayment of construction, equipment and land	552,593,136.62	633,183,662.47
Pension plan assets	302,821,655.00	284,426,450.00
Refund of tax and levies	150,574,538.00	145,944,301.00
Traffic service performance cost	503,634,559.85	206,978,562.68
Property under financing lease	92,838,897.00	314,689,739.30
Long-term financial instrument	1,021,254,054.00	217,076,210.00
In which: cash flow hedging instrument (Note VI.3)	991,544,753.00	117,987,047.00
Interest swap instruments	26,130,219.00	78,923,244.00
Electricity futures	3,579,082.00	15,792,170.00
Commodity futures hedging		4,373,749.00
Others	944,428,365.65	728,808,518.53
Total	3,568,145,206.12	2,531,107,443.98

25. Short-term bank borrowings**(1) Classification**

Item	December 31, 2020	December 31, 2019
Pledged loans (Note 1)	472,050,991.80	
Mortgage loans (Note 2)	345,516,421.00	299,632,375.00
Guaranteed loans	13,962,624,775.00	11,523,049,904.44
Credit loans	15,534,118,338.33	15,167,450,435.80
Total	30,314,310,526.13	26,990,132,715.24

Note 1: The pledged loans were obtained by the pledge of certificates of deposit, and bills from Hanma Technology, which is a subordinate company.

Note 2: The RMB 243,009,070.00 mortgage loans was obtained by using inventory for financing mortgage from Geely Zhaoyuan, and the amount of RMB 102,507,351.00 was obtained by using brand-new and used taxi vehicles for financing mortgage from London EV Company Limited.

(2) As of December 31, 2020, the Group has no overdue short-term bank borrowings.

26. Financial liabilities through profit or loss

Item	December 31, 2020	December 31, 2019
Foreign exchange forward contract		14,461,160.77
Total		14,461,160.77

27. Derivative financial liabilities

Item	December 31, 2020	December 31, 2019
Hedging instruments	1,348,143,745.00	2,579,408,771.00
Including: cash flows hedging instruments (Note 1)	841,353,500.00	2,415,971,075.00
Hedging instruments of a net investment in a foreign operation (Note 2)	506,790,245.00	163,437,696.00
Interest swap instrument (Note 3)	91,732,828.00	
Cross currency swap instrument	83,743,360.00	4,294,579.00
Interest rate swap	3,278,972.00	
Electricity futures	15,247,833.00	1,768,754.00
Total	1,542,146,738.00	2,585,472,104.00

Note 1: At the balance sheet date, Geely Zhaoyuan owns foreign exchange forward, option contract and interest swap instrument with negative fair values listed below (foreign exchange forward, option contract and interest swap instrument with positive values are listed in Note VI, 3). All of these instruments were designated to be highly effective hedging instruments in order to manage the currency risk related to the sales and purchases denominated in foreign currency in 2020. Geely Zhaoyuan hedges currency exchange risk through purchasing foreign exchange forward and foreign currency options. The provisions in the foreign exchange forward and option contract are consistent with the prediction. The information is listed as follows:

Foreign exchange forward contract

<u>Nominal amount (Note①)</u>	<u>Maturity date</u>	<u>Fair value</u>
RMB		RMB
3,504,130,346.00	Within 1 month	156,443,011.00
4,172,488,886.00	1 to 3 months	174,187,747.00
12,743,924,340.00	3 to 12 months	485,835,722.00
5,240,440,706.00	1 to 5 years	138,061,270.00

Foreign exchange option contract

<u>Nominal amount (Note①)</u>	<u>Maturity date</u>	<u>Fair value</u>
RMB		RMB
1,055,644,362.00	Within 1 month	15,636,168.00
1,443,933,935.00	1 to 3 months	9,250,852.00
2,473,738,278.00	1 to 5 years	92,682,912.00

Note①: Nominal amount is translated into RMB by using the spot exchange rates on December 31, 2020. For those foreign exchange forward and option contracts which will mature in 1-5 years, please refer to Note VI, 42.

Note 2: In order to reduce the negative influence of the fluctuation of foreign exchange rate and reduce the effect of changes in the value of a net investment in a foreign operation, Geely Zhaoyuan applies the exchange rate swap contract and exchange rate option contract. The information is listed as follows:

Exchange rate swap contract

<u>Nominal amount (Note①)</u> RMB	<u>Maturity date</u>	<u>Fair value</u> RMB
16,928,563,233.00	Within 1 month	354,873,779.00
6,951,718,340.00	1 to 3 months	149,304,659.00
323,863,329.00	3 to 12 months	2,611,807.00

Note①: Nominal amount is translated into RMB by using the spot exchange rates on December 31, 2020.

Note 3: The provisions in the foreign exchange forward and option contract are consistent with the prediction. The information is listed as follows:

Interest swap instrument:

<u>Nominal amount (Note①)</u> RMB	<u>Maturity date</u>	<u>Fair value</u> RMB
176,364,407.00	3 to 12 months	91,732,828.00
384,678,882.00	1 to 5 years	37,876,576.00

Note①: Nominal amount is translated into RMB by using the spot exchange rates on December 31, 2020. For those Interest swap instrument which will not mature in one year please refer to Note VI.42.

28. Notes payable

Item	December 31, 2020	December 31, 2019
Bank acceptances	15,332,150,769.93	12,807,803,049.34
Commercial acceptances	1,092,898,170.24	
Letter of credit	964,940,000.00	
Total	17,389,988,940.17	12,807,803,049.34

Note: As of December 31, 2020, the Group has no overdue notes payable.

29. Accounts payable

(1) Aging

Aging	December 31, 2020	December 31, 2019
Within 1 year	70,837,176,854.89	54,931,253,390.39
1 to 2 years	939,401,924.57	1,028,281,047.55
2 to 3 years	330,958,935.18	86,169,003.49
More than 3 years	175,586,365.02	187,542,937.25
Total	72,283,124,079.66	56,233,246,378.68

Note: As of December 31, 2020, there are no accounts payable related to shareholders who have 5% or more shares in the Group; for details of accounts payable to related parties, please refer to Note IX.6 (2).

(2) Items

Item	December 31, 2020	December 31, 2019
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Item	December 31, 2020	December 31, 2019
Procurement of material	72,283,124,079.66	56,233,246,378.68
Total	72,283,124,079.66	56,233,246,378.68

30. Advances from customers**(1) Aging**

Aging	December 31, 2020	December 31, 2019
Within 1 year	825,933,455.95	5,037,559,965.48
1 to 2 years	5,313,897.28	2,863,575.61
2 to 3 years	1,543,667.33	1,015,634.96
More than 3 years	885,156.76	554,366.56
Total	833,676,177.32	5,041,993,542.61

(2) Items

Item	December 31, 2020	December 31, 2019
Products payment	805,855,725.94	5,022,812,924.00
Others	27,820,451.38	19,180,618.61
Total	833,676,177.32	5,041,993,542.61

31. Contract liabilities

Item	December 31, 2020	December 31, 2019
Sales generated obligations	14,680,508,045.00	13,537,186,263.96
Extended service business	3,820,895,089.00	3,673,466,933.00
Sales with purchase commitment	1,375,514,603.00	689,771,975.00
Advances payment for customers	3,571,740,321.20	1,608,670,101.58
Others		41,188,239.86
Less: non-current portions in other non-current liabilities	4,501,160,892.00	3,893,242,839.00
Total	18,947,497,166.20	15,657,040,674.40

32. Employee benefits payable

Item	December 31, 2020	December 31, 2019
Short-term employee benefits	7,727,120,596.02	6,581,793,572.87
Post-employment benefits – defined contribution plan	2,094,031,184.00	1,221,186,080.57
Termination Benefits	12,736,911.12	9,396,318.49
Total	9,833,888,691.14	7,812,375,971.93

(1) Short-term employee benefits:

Item	December 31, 2020	December 31, 2019
Salaries, bonuses, allowance and subsidies	7,237,830,428.59	6,278,432,737.07
Staff welfare	67,360,199.72	69,756,758.23
Social insurance premium	354,694,120.91	171,078,112.57
Including: Medical insurance	102,768,003.69	34,247,464.57
Work-related injury insurances	58,059,903.66	38,005,930.01
Maternity insurance	193,866,213.56	98,824,717.99
Housing funds	21,282,266.92	12,413,426.31
Labor union expenditure and employees' education expenses	23,111,199.20	27,314,206.71
Staff incentive and welfare fund	22,842,380.68	22,798,331.98
Total	7,727,120,596.02	6,581,793,572.87

(2) Defined contribution plan:

Item	December 31, 2020	December 31, 2019
Endowment insurance	1,115,048,567.86	781,490,206.01
Unemployment insurance	978,982,616.14	439,695,874.56
Total	2,094,031,184.00	1,221,186,080.57

(3) Termination benefits

Item	December 31, 2020	December 31, 2019
Compensation for termination of employment	12,736,911.12	9,396,318.49
Total	12,736,911.12	9,396,318.49

33. Taxes payable

Item	December 31, 2020	December 31, 2019
Value added tax	4,980,079,137.83	2,357,715,514.98
Consumption tax	1,448,900,271.79	998,982,470.80
Corporate income tax	2,411,136,441.51	1,577,714,790.35
Personal income tax	56,566,766.74	52,597,277.45
City maintenance and construction tax	99,096,077.16	42,222,557.99
Educational surcharges (included local education surcharges)	76,788,771.31	34,543,317.36
Land value increment tax	2,601,377.93	78,381.73
Real estate tax	95,877,142.74	56,929,233.59

Land use tax	96,014,063.79	71,285,655.52
Stamp duty	33,316,370.74	22,200,588.46
Other tax	145,077,476.00	70,751,121.80
Total	9,445,453,897.54	5,285,020,910.03

34. Other payables

(1) Total items

Item	December 31, 2020	December 31, 2019
Interest payable	894,861,589.48	677,547,953.68
Dividend payable	38,757,615.74	21,975,766.73
Other payables	4,881,693,002.95	3,857,776,999.56
Total	5,815,312,208.17	4,557,300,719.97

(2) Interest payable

Item	December 31, 2020	December 31, 2019
Loan interest	523,600,597.72	391,704,875.38
Corporate bonds interest	371,260,991.76	285,843,078.30
Total	894,861,589.48	677,547,953.68

(3) Dividend payable

Item	December 31, 2020	December 31, 2019
Common stock dividends	688,865.74	12,263,266.73
Perpetual bonds classified as equity instruments	38,068,750.00	9,712,500.00
Total	38,757,615.74	21,975,766.73

(4) Other payables

1) Aging

Aging	December 31, 2020	December 31, 2019
Within 1 year	3,800,668,870.44	2,475,387,856.51
1 to 2 years	459,695,310.37	468,677,592.45
2 to 3 years	207,617,271.54	633,158,685.36
More than 3 years	413,711,550.60	280,552,865.24
Total	4,881,693,002.95	3,857,776,999.56

Note: As of December 31, 2020, there are no other payables related to shareholders who have 5% or more shares in the Group; for details of other payables to related parties, please refer to Note IX.6 (2).

2) Items

Item	December 31, 2020	December 31, 2019
Current account and project equipment item	3,952,717,168.86	3,006,222,248.10
Deposits	846,610,835.07	771,177,406.51
Others	82,364,999.02	80,377,344.95
Total	4,881,693,002.95	3,857,776,999.56

35. Non-current liabilities due within one year

Item	December 31, 2020	December 31, 2019
Long-term bank borrowings due within one year	4,749,651,567.00	4,345,173,753.00
Bonds payable due within one year	10,255,997,764.00	1,200,000,000.00
Long-term payables due within one year	489,396,920.34	119,081,469.64
Provisions due within one year	5,908,862,886.00	5,249,325,053.00
Total	21,403,909,137.34	10,913,580,275.64

36. Other current liabilities

Item	December 31, 2020	December 31, 2019
Accruals	8,242,397,980.00	7,424,780,816.92
Liabilities related to repurchase commitment	7,354,265,496.98	7,288,079,033.44
Short-term financing	2,000,000,000.00	2,000,000,000.00
Endorsed and not derecognized notes receivable	699,767,447.58	
Others	324,113,106.71	
Total	18,620,544,031.27	16,712,859,850.36

37. Long-term bank borrowings

Item	December 31, 2020	December 31, 2019
Guaranteed loans	8,279,897,169.20	4,398,484,796.92
Credit loans	44,060,357,314.00	41,794,396,977.00
Less: current portion refer to Note VI.35	4,749,651,567.00	4,345,173,753.00
Total	47,590,602,916.20	41,847,708,020.92

38. Bonds payable

Item	December 31, 2020	December 31, 2019
13 Geely Corporate Bond		1,200,000,000.00
15 Geely Corporate Bond 01	41,000,000.00	41,000,000.00
18 Geely MTN002	2,000,000,000.00	2,000,000,000.00
19 Geely MTN001	3,495,693,977.77	3,492,383,044.71
19 Geely MTN002	2,000,000,000.00	2,000,000,000.00
20 Geely MTN002	2,000,000,000.00	
20 Geely Corporate Bond 01	1,997,722,533.73	
20 Geely Corporate Bond 02	1,996,052,400.52	
5.25 year bond, MSEK 2,500 with a floating rate and MSEK 500 with a fixed rate (Note 1)	2,394,926,410.00	2,235,359,812.00
7.2 year bond, MEUR 500 with a medium-term (Note 2)	3,991,891,984.00	3,887,395,588.00
5 year bond, MEUR 500 with a fixed rate (Note 3)	4,011,484,961.00	3,907,922,431.00
3 year bond, MUSD 250 (Note 4)	1,628,956,751.00	1,731,429,890.00
Green Bond (Note 5)	2,574,556,052.00	2,763,871,304.00
5 year bond, MEUR 600 with a fixed rate (Note 6)	4,779,526,855.00	4,653,045,357.00
4 year medium-term bond, MSEK 2000 with a floating rate (Note 7)	1,596,552,855.00	1,491,089,296.00
5 year exchangeable bond, MEUR 400 (Note 8)	3,053,448,117.00	2,915,866,125.00
7 year green bond, MEUR 500 (Note 8)	3,987,604,610.00	
5 year bond, MUSD 300 with a fixed rate (Note 5)	1,981,282,492.22	2,060,084,649.45
5 year bond, MUSD 400 (Note 11)	2,562,716,702.49	
Less: current portion (Refer to Note VI.35)	10,255,997,764.00	1,200,000,000.00
Total	35,837,418,937.73	33,179,447,497.16

Note 1: In December 2016, Geely Zhaoyuan issued a 5.25 year bond, MSEK 3,000 with a floating rate and a fixed rate (equivalent to MRMB 2,400), the fixed rate is 2.5% and the floating rate is 3 months Ribor +235 basis points (Stibor 3 months +2.35%).

Note 2: In November 2017, Geely Zhaoyuan issued a 7.2 year bond, MEUR 500 (equivalent to MRMB 4,000) with a fixed rate of 2%.

Note 3: In May 2016, Geely Zhaoyuan issued a 5 year bond, MEUR 500 (equivalent to MRMB 4,000) with a fixed rate of 3.25%, which will be expired in 2021 and listed in non-current liabilities due within one year.

Note 4: In November 2018, Geely Zhaoyuan issued a 3 year bond, MUSD 250 (equivalent to MRMB 1,600) with a fixed rate of 4.875%, which will be expired in 2021 and listed in non-current

liabilities due within one year.

Note 5: In May 2016, LTC GB Limited issued a 5 year bond, MUSD 400 (equivalent to MRMB 2,575) with a fixed rate of 2.75%, which will be expired in 2021 and listed in non-current liabilities due within one year.

Note 6: In April 2019, Geely Zhaoyuan issued a 5 year bond, MEUR 600 (equivalent to MRMB 4,800) with a fixed rate of 2.13%.

Note 7: In February 2019, Geely Zhaoyuan issued a 4 year bond, MSEK 2,000 (equivalent to MRMB 1,600) with a floating rate, which is Ribor +230 basis points (Stibor +2.30%).

Note 8: In June 2019, Geely Zhaoyuan issued a 5 year bond, MEUR 400 (equivalent to MRMB 3,100) with a fixed rate of 0%. For the relative derivative financial liabilities, refer to Note VI. 42.

Note 9: In October 2020, Geely Zhaoyuan issued a 7 year green bond, MEUR 500 (equivalent to MRMB 4,000) with a fixed rate of 2.5%.

Note 10: In January 2018, Geely Automobile Holdings Co., Ltd. (HK.0175) issued a MUSD 300 bond with semi-annual interest payment since July, 2018. Net proceeds raised is MUSD 297 and will be matured in 2023.

Note 11: In March 2020, Geely Finance (Hong Kong) Limited issued a 5 year bond, MUSD 400 (equivalent to MRMB 2,563) with a fixed rate of 3.0%.

39. Long-term payables

Item	December 31, 2020	December 31, 2019
Payables for financing lease	537,956,155.26	473,148,416.45
Loans for long-term projects	500,000,000.00	500,000,000.00
Excess loss of long-term equity investment (Note 1)		156,744,000.00
Liabilities related to repurchase commitment (Note 2)	1,228,721,359.00	729,928,781.00
Others	1,798,170,042.70	687,243,445.32
Less: current portion refer to Note VI.35	489,396,920.34	119,081,469.64
Total	3,575,450,636.62	2,427,983,173.13

Note 1: The excessive loss of long-term equity investment last year attributes to the equity-holding of Zenuity AB of Geely Zhaoyuan. In July 2020, Geely Zhaoyuan purchased a portion of Zenuity AB's assets and liabilities through establishing subsidiary Zenseat AB. The main purpose of the purchase is to acquire the technology rights for the development of unmanned driving technology.

Note 2: Part of the sales of vehicle in Geely Zhaoyuan combined with repurchase commitments: 1) the difference between original sales price and the repurchase price was recognized in the income statement as revenue over the contract term; 2) The repurchase obligation is considered to be liability.

40. Provisions

Item	December 31, 2020	December 31, 2019
Warranty (Note)	9,903,941,550.44	8,703,983,318.71
Others	2,886,828,092.00	2,146,706,789.51
Less: current portion refer to Note VI.35	5,908,862,886.00	5,249,325,053.00
Total	6,881,906,756.44	5,601,365,055.22

Note: Warranty provision, in each market in different places, includes the Group's cost of satisfying the customers with specific contractual warranties and other costs, which are not covered by standard contractual commitments.

41. Deferred income

Item	December 31, 2020	December 31, 2019
Subsidies for research and development, Infrastructure	13,546,172,277.58	11,151,898,377.85
Others	3,568,821.22	7,054,979.06
Total	13,549,741,098.80	11,158,953,356.91

42. Other non-current liabilities

Item	December 31, 2020	December 31, 2019
Long-term derivative financial liabilities	958,423,310.00	2,137,314,578.00
In which: electricity futures (refer to Note VI.27)	8,965,256.00	6,375,880.00
Interest swap instruments	37,876,576.00	46,342,562.00
Cash flow hedging instruments (refer to Note VI.27)	230,744,182.00	1,828,281,075.00
Derivative financial liabilities related to bonds (Note)	680,837,296.00	256,315,061.00
Provisions for post-employment benefit	11,521,880,129.20	9,253,597,999.60
Single performance obligations recognized by contract for over one year	4,501,160,892.00	3,548,726,709.33
Others	1,000,243,897.49	663,901,948.09
Total	17,981,708,228.69	15,603,541,235.02

Note: In June 2019, the Group issued a 5 year bond, MEUR 400 (equivalent to MRMB 3,100) with a fixed rate, please refer to Note VI.38. According to the contract, the bondholders have two additional rights:

- (1) The right to convert the bonds into AB Volvo shares from July 23, 2019 to June 19, 2023.
- (2) The right to own a put option at the price equals to the principal at the end of the third year.

43. Share capital

Shareholder	January 1, 2020		Addition	Deduction	December 31, 2020	
	Amount	Percentage %			Amount	Percentage %
Li Shufu	847,000,000.00	91.08			847,000,000.00	91.08
Li Xingxing	83,000,000.00	8.92			83,000,000.00	8.92
Total	930,000,000.00	100.00			930,000,000.00	100.00

44. Other equity instruments

Item	December 31, 2020	December 31, 2019
Perpetual bonds	3,000,000,000.00	1,500,000,000.00
Total	3,000,000,000.00	1,500,000,000.00

45. Capital reserve

Item	January 1, 2020	Addition	Deduction	December 31, 2020
Capital premium	8,345,635,987.32	775,244,815.26	52,546,112.36	9,068,334,690.22
Other capital reserve	11,346,622,898.44	17,323,031.55	26,831,821.62	11,337,114,108.37
Total	19,692,258,885.76	792,567,846.81	79,377,933.98	20,405,448,798.59

46. Other comprehensive income

Item	January 1, 2020	Movement					December 31, 2020
		Amount incurred before income tax in current year	Less: amount previously included in other comprehensive income and transferred to profit or loss in the year	Less: income tax expenses	Attributable to the owners of the Company after tax	Attributable to non-controlling interest after tax	
I. Other comprehensive income which will not be re-classified into the profit or loss	-7,292,951,948.72	5,122,704,843.44		-159,171,365.00	5,336,028,634.79	-54,152,426.35	-1,956,923,313.93
In which: Other comprehensive income that will not be reclassified to profit or loss under equity method		-10,496.97			-10,496.97		-10,496.97
Changes due to re-measurement of defined benefit plans	-3,430,062,849.41	-878,793,998.00		-159,171,365.00	-644,277,698.00	-75,344,935.00	-4,074,340,547.41
Changes in the fair value of other equity instrument investments	-3,862,889,099.31	6,001,509,338.41			5,980,316,829.76	21,192,508.65	2,117,427,730.45
II. Other comprehensive income that will be re-classified into profit or loss.	-3,067,905,373.40	5,588,052,944.24	-17,611,367.94	969,053,749.38	4,628,983,699.01	7,626,863.79	1,561,078,325.61
In which: Other comprehensive income that may be reclassified subsequently to profit or loss under equity method	-12,444,065.78	-27,622,174.05			-6,866,693.54	-20,755,480.51	-19,310,759.32
Changes in re-classification of financial assets into other comprehensive income	307,818,203.78	-169,856,454.71		-17,489,365.63	-126,146,721.80	-26,220,367.28	181,671,481.98
Changes in cash flow hedge recognized in other comprehensive income	-3,460,179,071.05	4,505,357,555.00		927,548,341.00	3,577,809,214.00		117,630,142.95
Translation differences of financial statements denominated in foreign currency	96,899,559.65	1,280,174,018.00	-17,611,367.94	58,994,774.01	1,184,187,900.35	54,602,711.58	1,281,087,460.00
Other comprehensive income in total	-10,360,857,322.12	10,710,757,787.68	-17,611,367.94	809,882,384.38	9,965,012,333.80	-46,525,562.56	-395,844,988.32

47. Special reserve

Item	January 1, 2020	Addition	Deduction	December 31, 2020
Safety production costs		755,456.83	755,456.83	
Total		755,456.83	755,456.83	

48. Undistributed profits

Item	December 31, 2020	December 31, 2019
Balance at the end of the last year	54,178,637,449.29	46,440,199,428.28
Opening balance	54,178,637,449.29	46,440,199,428.28
Add: net profit attributable to the owners of the Company	9,330,574,882.06	8,510,177,463.00
Less: dividend of perpetual bonds	165,547,861.00	91,612,482.88
Less: dividend of preferred shares (Note)	95,613,489.00	90,493,610.00
Less: others	4,320,375.00	589,633,349.11
Balance at the end of the year	63,243,730,606.35	54,178,637,449.29

Note: Volvo Car AB (subsidiary of Geely Zhaoyuan) allocated dividend to its preferred shareholders.

49. Revenue and cost of sales**(1) Item**

Item	2020		2019	
	Revenue	Cost of sales	Revenue	Cost of sales
Primary operations	315,898,977,012.91	255,931,104,883.47	323,971,611,520.40	259,021,000,944.32
Other operations	9,719,716,899.24	5,706,139,594.05	6,846,035,727.73	3,748,337,309.80
Total	325,618,693,912.15	261,637,244,477.52	330,817,647,248.13	262,769,338,254.12

(2) The revenue and cost of sales allocated by category

Item	2020	2019
Revenue-primary operations	315,898,977,012.91	323,971,611,520.40
Including: sales of vehicles	289,876,599,661.00	295,431,247,090.49
Sales of parts and related products	23,028,387,045.72	25,146,374,123.72
Others	2,993,990,306.19	3,393,990,306.19

Item	2020	2019
Costs of sales-primary operations	255,931,104,883.47	259,021,000,944.32
Including: sales of vehicles	234,616,281,493.22	234,706,313,885.33
Sales of parts and related products	18,584,302,668.49	21,288,146,003.15
Others	2,730,520,721.76	3,026,541,055.84

50. Financial expenses

Item	2020	2019
Interest expenses	4,190,497,146.42	3,660,159,959.45
Less: interest income	1,645,986,935.90	1,096,721,112.50
Bank charges and others	446,954,214.00	340,254,311.77
Foreign exchange gain or loss	72,420,477.15	-383,356,219.04
Total	3,063,884,901.67	2,520,336,939.68

51. Other income

Item	2020	2019
Government grants	3,076,134,574.67	2,038,736,840.64
Total	3,076,134,574.67	2,038,736,840.64

52. Investment income

Item	2020	2019
Investment income (losses) under equity method	1,127,195,911.53	33,196,846.74
Dividend income from other equity investments	735,000.00	1,210,786,406.00
Income from other non-current financial assets	1,778,365.00	20,906,702.43
Income from bank financial products		1,018,239.52
Income from financial assets through profit and loss		1,442,332.42
Income from disposals of long-term equity investments	1,507,954,422.90	364,439,420.90
Others	-12,501,496.22	-631,416.61
Total	2,625,162,203.21	1,631,158,531.40

53. Net exposure to hedging income

Item	2020	2019
Net exposure to hedging income	-2,392,329,191.00	-2,582,346,947.00
Total	-2,392,329,191.00	-2,582,346,947.00

54. Gains from changes in fair value

Item	2020	2019
Derivative financial instruments	-489,131,210.00	-169,105,183.47
Other equity instrument investments	1,510,069,348.00	
Financial assets through profit and loss	-5,466,290.00	-41,828,277.46
Financial liabilities through profit or loss		9,164,221.20
Electricity futures	-811,501.00	
Total	1,014,660,347.00	-201,769,239.73

55. Credit impairment losses

Item	2020	2019
Bad Debt expenses for notes receivable	-210,049.91	
Bad Debt expenses for accounts receivable	-13,884,400.26	-108,196,887.26
Bad Debt expenses for other receivables	-1,802,329.64	-11,497,555.66
Bad Debt expenses for Long-term receivables	-75,419,843.09	-138,987,880.17
Total	-91,316,622.90	-258,682,323.09

56. Asset impairment losses

Item	2020	2019
Provision for inventories	-221,768,796.92	-126,962,857.82
Impairment loss of tangible assets	-29,220,216.38	-1,390,934.80
Impairment loss of intangible assets	-50,170,139.05	
Impairment loss of goodwill	-345,000.00	-3,031,597.00
Bad debt expenses for prepayments		-2,358,569.57
Impairment loss for other non-current financial assets		-1,809,056.29
Total	-301,504,152.35	-135,553,015.48

57. Gains from disposal of assets

Item	2020	2019
Gains from disposal of tangible assets	-697,675,108.43	-498,625,892.13
Gains from disposal of intangible assets	89,441,813.85	795,160,890.49
Total	-608,233,294.58	296,534,998.36

58. Non-operating income

Item	2020	2019
Gain from non-current assets write off	827,049.10	1,384,194.26
Gain from penalty, fines, indemnity	33,246,897.42	72,513,893.50
Government grants	3,233,277.16	18,075,924.01
No payment required	68,363,735.07	13,730,494.64
Others	30,432,304.58	24,905,054.48
Total	136,103,263.33	130,609,560.89

59. Non-operating expenses

Item	2020	2019
Losses on non-current assets write off	162,192,734.84	128,070,667.43
Abnormal losses	743,150.68	1,443,257.30
Donations	133,369,279.02	162,903,138.90
Penalty and fines	8,693,277.52	60,650,147.10
Others	20,992,063.70	8,912,096.47
Total	325,990,505.76	361,979,307.20

60. Income tax expenses

Item	2020	2019
Current income tax	3,583,841,445.19	4,888,074,930.87
Deferred taxes	-531,639,108.93	-827,752,880.16
Total	3,052,202,336.26	4,060,322,050.71

61. Other comprehensive income

For details, please refer to Note VI.46.

62. Supplementary information of cash flows statement**(1) Supplementary information of cash flows statement**

Supplementary materials	2020	2019
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	13,190,645,948.37	14,190,837,226.97
Add: provision for impairment of assets	301,504,152.35	135,553,015.48
Credit impairment losses	91,316,622.90	258,682,323.09
Depreciation of tangible assets and investment property	10,022,634,380.34	8,903,134,745.40
Amortization of intangible assets	9,179,079,926.48	8,534,583,817.67
Amortization of long-term deferred expenses	270,517,656.17	120,554,602.16
Losses from disposal of assets	608,233,294.58	-296,534,998.36
Losses on non-current assets write off	161,365,685.74	126,686,473.17
Income on the fair value change	-1,014,660,347.00	201,769,239.73
Financial expenses	4,277,928,019.19	3,614,708,721.58
Income in investment	-2,625,162,203.21	-1,631,158,531.40
Increase in deferred tax assets	-953,470,387.63	-259,758,928.21
Increase in deferred tax liabilities	421,831,278.70	-567,993,951.95
Increase in inventories	-3,563,857,685.98	113,079,222.02
Increase in operating receivable	-14,959,587,914.31	-6,332,086,249.26
Increase in operating payable	19,314,695,742.94	16,638,751,656.57
Others		
Net cash flows from operating activities	34,723,014,169.63	43,750,808,384.66
2. Net changes in cash and cash equivalents:		
Year-end cash balance	100,086,809,374.84	81,599,170,145.35
Less: Opening cash balance	81,599,170,145.35	64,092,956,440.57
Add: Closing balance of cash equivalents	33,307,958,939.48	22,055,140,434.58
Less: Opening balance of cash equivalents	22,055,140,434.58	22,614,809,596.99
Net increase in cash and cash equivalents	29,740,457,734.39	16,946,544,542.37

(2) Composition of cash and cash equivalents

Item	December 31, 2020	December 31, 2019
I. Cash	100,086,809,374.84	81,599,170,145.35
Including: cash on hand	3,897,641.31	36,772,980.65
Bank deposits	98,253,439,364.40	79,416,522,048.43
Other monetary fund	1,829,472,369.13	2,145,875,116.27

Item	December 31, 2020	December 31, 2019
II. Cash equivalents	33,307,958,939.48	22,055,140,434.58
Including: bond investment due within three months		
III. Cash and cash equivalents	133,394,768,314.32	103,654,310,579.93

VII. Changes of consolidation scope

1. Disposal of subsidiaries

Single disposal of investments in subsidiaries, i.e. the loss of control

Subsidiaries' Name	Equity disposal consideration	Equity disposal ratio (%)	Equity disposal approach	Time point of losing control	Determination basis for time point of losing control	The residual equity ratio at the date of losing control (%)	The book value of residual equity at the date of losing control	Fair value of residual equity at the date of losing control	The gain or loss of residual equity based on fair value remeasurement	The determination of fair value and the main assumptions of residual equity at the date of losing control
Geely Factoring (Xi'an) Co., Ltd.		100.00	Cancellation	July 16, 2020	The cancellation procedures have been completed.					

2. Other reasons for changes of consolidation scope

New entities included the scope of consolidated financial statements during the reporting period

Company type	Company name	Registered capital (ten thousand yuan)	Shareholding percentage (%)	Reasons for changes
Subsidiary	Wuhan Lotus Technology Co., Ltd.	10,000.00	60.00	Newly established

VIII. Interest in subsidiaries

1. Interest in subsidiaries

(1) The Group structure

1) Subsidiaries in the scope of consolidation

Subsidiary name	Principal place of business	Registration place	Business nature	Shareholding ratio (%)		Acquisition method
				Directly	Indirectly	
Beijing Geely Kaisheng International Investment Co., Ltd.	Beijing	Beijing	Investment	100.00		Found

Subsidiary name	Principal place of business	Registration place	Business nature	Shareholding ratio (%)		Acquisition method
				Directly	Indirectly	
Zhejiang Haoqing Automobile Manufacture Co., Ltd.	Taizhou	Taizhou	Manufacture	100.00		Found
Zhejiang Geely Automobile Co., Ltd.	Ningbo	Ningbo	Manufacture	71.05		Found
Shanghai Maple Automobile Co., Ltd.	Shanghai	Shanghai	Manufacture	90.00		Found
Jining Fulin Auto Parts Co., Ltd. (Note 1)	Jining	Jining	Manufacture	90.00	10.00	Found
Geely International (US) Co., Ltd.	USA	USA	R&D	100.00		Found
Hangzhou Geely Evun Technology Co., Ltd.	Hangzhou	Hangzhou	R&D	100.00		Found
Zhejiang Geely Business Service Co., Ltd.	Hangzhou	Hangzhou	Service	100.00		Found
Proper Glory Holding Inc. (Note 2)	BVI	BVI	Investment	100.00		Found
Geely International (Hong Kong) Limited	Hong Kong	Hong Kong	Investment	100.00		Found
Weirui Electric Vehicle Technology (Suzhou) Co., Ltd.	Suzhou	Suzhou	Manufacture	100.00		Found
Zhejiang Geely New Energy Commercial Vehicle Co., Ltd. (Note 3)	Hangzhou	Hangzhou	R&D and Service	100.00		Found
Easy-insure Insurance Agency Co., Ltd.	Hangzhou	Hangzhou	Insurance	100.00		Found
Ningbo Yijie Equity Investments and Fund Management Partnership (LP)	Ningbo	Ningbo	Investment	70.00		Found
Zhejiang Zhongjian Investment Co., Ltd.	Hangzhou	Hangzhou	Investment	100.00		Found

Subsidiary name	Principal place of business	Registration place	Business nature	Shareholding ratio (%)		Acquisition method
				Directly	Indirectly	
Geely Automobile Group Co., Ltd.	Ningbo	Ningbo	Management	100.00		Found
Polestar Automotive (Shanghai) Co., Ltd. (Note 4)	Shanghai	Shanghai	Manufacture	50.00	50.00	Found
Zhejiang Houtong Equity Investment Management Co., Ltd.	Hangzhou	Hangzhou	Investment	100.00		Found
Zhejiang Liankong Technology Co., Ltd.	Ningbo	Ningbo	R&D	100.00		Found
Wuhan Lotus Technology Co., Ltd.	Wuhan	Wuhan	R&D	60.00		Found

Note 1: The Company holds 90% equity of Jining Fulin Auto Parts Co., Ltd. The shareholding percentage of the subsidiary, Zhejiang Geely Automobile, is 10%, and the direct and indirect holding as well as the proportion of voting rights of the company is 97.11%.

Note 2: According to the "Shareholding Entrustment Agreement", the BVI Geely Group Limited will entrust the company with the equity of the Proper Glory Holding Inc.

Note 3: 1) In September 18, 2020, China Securities Depository and Clearing Corporation Limited issued the "Transfer of ownership registration confirmation". Anhui Xingma Automobile Group Co., Ltd. (hereinafter referred to as: Xingma Group) and its wholly-owned subsidiary Ma'anshan Huashen Building Materials Industry Co., Ltd. (hereinafter referred to as: Huashen Building Materials) have completed the securities transfer registration procedures on September 17, 2020. Xingma Group has transferred all 24,136,112 shares of Valin Xingma Automobile (Group) Co., Ltd. (later renamed as Hanma Technology Group Co., Ltd.) to Zhejiang Geely New Energy Commercial Vehicle Group Co., Ltd. Huashen Building Materials has transferred all 60,544,793 shares of Hanma Technology to Geely Commercial Vehicle Group. After the completion of share transfer registration, Xingma Group and Huashen Building Materials no longer hold any share of Hanma Technology, and Geely Commercial Vehicle Group holds 84,680,905 shares of Hanma Technology, accounting for 15.24% of the total share capital. After completion of the share transfer registration, the controlling shareholder of Hanma Technology is changed from Xingma Group to Geely Commercial Vehicle Group, and the actual controller of the company is changed from Ma'anshan Municipal People's Government to Mr. Li Shufu.

2) In August 2020, Geely Commercial Vehicle Group signed the Capital Increase Agreement with Chuanhua Logistics Group Co., Ltd. In order to expand the

operation scale of Zhejiang Green Huilian Co., Ltd., the shareholder, Geely Commercial Vehicle Group, increased investment by RMB 0.3 billion and increased shareholding proportion from 50% to 80%.

Note 4: The Company and the subsidiary, Volvo Automobile (China) Investment Co., Ltd., each holds 50% of the equity of Polestar Automotive (Shanghai) Co., Ltd. The overall direct and indirect holding and the proportion of voting rights of the Company is 100.00%. In December 2020, the Company and Volvo Cars (China) Investment Co., Ltd. signed a capital reduction agreement to withdraw all investment in Polestar Automotive (Shanghai) Co., Ltd. After both parties withdraw their initial investment costs, Polestar Shanghai will be liquidated. At the end of the reporting period, the net long-term equity investment of Volvo Cars (China) Investment Co., Ltd. in Polestar Automotive (Shanghai) Co., Ltd. is the initial investment cost which will be withdrawn. In January 2021, the divestment of the Company was completed, and Polestar Automotive (Shanghai) Co., Ltd. became a wholly-owned subsidiary of Volvo Cars (China) Investment Co., Ltd.

2) The scope of consolidated statements of the significant subsidiaries and shareholding ratio

Subsidiary name	Consolidated scope of the subsidiary	Business nature	Registered place	Registered capital (ten thousand yuan)	Whether control or not
Geely International (Hong Kong) Co., Ltd.	Dawn Raise International Co., Ltd.	Investment	BVI	MUSD 0.05	Yes
	Geely UK Limited	Investment	UK	MGBP 97.5001	Yes
	Hangzhou Jiqiao Automobile Technology Co., Ltd.	R&D	Hangzhou	MUSD 37.9104	Yes
	Lotus Advance Technologies Sdn. Bhd.	Investment	Malaysia	MGBP 365.580474	Yes
	Geely Research and Development UK Limited	R&D	UK	MGBP 10	Yes
	Size-up Investment Co., Ltd.	Investment	BVI	USD 100	Yes
	Symphony Lotus Limited	Marketing	Hong Kong	MUSD 23.174002	Yes
	Geely Finance (Hong Kong) Limited	Investment	Hong Kong	MHKD 0.05	Yes
	Grand Glory (Hong Kong) Corporation Limited	Investment	Hong Kong	MHKD 0.05	Yes
	Geely International Technology Ltd.	Investment	Hong Kong	MHKD 0.05	Yes
	Castle Automobile International Limited	Investment	Hong Kong	MHKD 56	Yes

Subsidiary name	Consolidated scope of the subsidiary	Business nature	Registered place	Registered capital (ten thousand yuan)	Whether control or not
Zhejiang Geely Automobile Co., Ltd.	Jinan Ruhoo Automobile Parts Co., Ltd.	Production	Jinan	1,000	Yes
	Ningbo Geely Automobile Research & Development Co., Ltd.	R&D	Ningbo	3,000	Yes
	Ningbo Huali Real Estate Co., Ltd.	Real Estate Development	Ningbo	2,100	Yes
	China-Euro Vehicle Technology AB	R&D	Sweden	MUSD 85	Yes
	Ningbo Lijing Real Estate Co., Ltd.	Real Estate Development	Ningbo	2,100	Yes
	Guizhou Geely New Energy Automobile Co., Ltd.	Manufacture	Guiyang	80,000	Yes
	Shenzhen Geely Automobile Sale Co., Ltd.	Marketing	Shenzhen	5,000	Yes
	Xiamen Geely Automobile Sale Co., Ltd.	Marketing	Xiamen	1,000	Yes
	Hangzhou Geely New Energy Automobile Sale Co., Ltd.	Marketing	Hangzhou	1,000	Yes
	Hangzhou Geely Auto Parts Co., Ltd.	Manufacture	Hangzhou	20,000	Yes
	Taizhou Geely Luoyou Engine Co., Ltd.	Manufacture	Taizhou	5,000	Yes
	Guiyang Geely Engine Co., Ltd.	Manufacture	Guiyang	33,846	Yes
	Beijing Geely New Energy Automobile Sale Co., Ltd.	Marketing	Beijing	1,000	Yes
	Guangzhou Geely New Energy Automobile Sale Co., Ltd.	Marketing	Guangzhou	1,000	Yes
	Tianjin Geely Dihao New Energy Automobile Sale Co., Ltd.	Marketing	Tianjin	1,000	Yes
	Yiwu Geely Engine Co., Ltd.	Manufacture	Yiwu	5,000	Yes
	Zhejiang Geely Automobile Parts purchasing Co., Ltd	Marketing	Ningbo	10,000	Yes

Subsidiary name	Consolidated scope of the subsidiary	Business nature	Registered place	Registered capital (ten thousand yuan)	Whether control or not
	Fuzhou Geely Dihao New Energy Automobile Sale Co., Ltd.	Marketing	Fuzhou	1,000	Yes
	Xian Geely New Energy Automobile Sale Co., Ltd.	Marketing	Xi'an	1,000	Yes
	Changsha Geely New Energy Automobile Sale Co., Ltd.	Marketing	Changsha	1,000	Yes
	Geely Changxing Automatic Transmission Co., Ltd.	Production	Changxing	15,000	Yes
	Hefei Geely Dihao Automobile Sale Co., Ltd.	Marketing	Hefei	1,000	Yes
	Zhejiang Xingzhi Financing Guarantee Co., Ltd.	Financing Assurance	Hangzhou	10,000	Yes
Zhejiang Haoqing Automobile Manufacture Co., Ltd.	Zhejiang Geely Automobile Technology Co., Ltd.	R&D	Hangzhou	10,000	Yes
	Hefei Geely New Energy Automobile Sales Co., Ltd.	Marketing	Hefei	1,000	Yes
	Putian Geely New Energy Automobile Sales Co., Ltd.	Marketing	Putian	1,000	Yes
Proper Glory Holding Inc.	Geely Automobile Holdings Ltd.	Investment	Cayman Islands	MHKD 247	Yes
Shanghai Maple Automobile Co., Ltd.	Shanghai LTI Automobile Components Co., Ltd.	Production	Shanghai	MUSD 54,29715	Yes
	Ningbo Jihong Alcohol Hydrogen Technology Co., Ltd.	R&D	Ningbo	3,508	Yes
	Shanghai Mudi Automobile Molds Co., Ltd.	Production	Shanghai	4,000	Yes
Beijing Geely Kaisheng International Investment Co., Ltd.	Beijing Geely Wanyuan International Investment Co., Ltd.	Investment	Beijing	710,000	Yes
Zhejiang Geely New Energy Commercial Vehicle Group Co., Ltd.	Zhejiang Yinglun Automobile Co., Ltd.	Manufacture	Yiwu	32,000	Yes

Subsidiary name	Consolidated scope of the subsidiary	Business nature	Registered place	Registered capital (ten thousand yuan)	Whether control or not
	Jiangxi Geely New Energy Commercial Vehicle Co., Ltd.	Manufacture	Shangrao	10,000	Yes
	Nanchong Geely Commercial Vehicle Research Institute Co., Ltd.	R&D	Nanchong	73,000	Yes
	Zibo Geely New Energy Commercial Vehicle Development Co., Ltd.	R&D	Zibo	1,000	Yes
	Shandong Geely New Energy Commercial Vehicle Co., Ltd.	Manufacture	Zibo	10,000	Yes
	Wanwu Youhao Transport Technology Co., Ltd.	Service	Hangzhou	30,000	Yes
	Zhejiang Geely New Energy Commercial Vehicle Sales Co., Ltd.	Marketing	Hangzhou	1,000	Yes
	Ma 'anshan Geely New Energy Commercial Vehicle Development Co., Ltd.	R&D	Ma 'anshan	1,000	Yes
	Zhejiang Green Huilian Co., Ltd.	Logistics R&D/	Hangzhou	50,000	Yes
	Hanna Technology Group Co., Ltd.	Production/ Marketing	Ma 'anshan	55,574.0597	Yes
Zhejiang Geely Business Service Co., Ltd.	Hangzhou Xuanyu Human Resource Co., Ltd.	Service	Hangzhou	200	Yes
	Jizhi (Hangzhou) Cultural and Creative Co. Ltd	Service	Hangzhou	2,000	Yes
	Hangzhou Xinfu Qianwanjia Health Service Management Co., Ltd.	Service	Hangzhou	1,000	Yes
Zhejiang Zhongjian Investment Co.,	Zhejiang Zhihui Puhua Finance lease	Rental Service	Ningbo	MUSD 107.86	Yes

Subsidiary name	Consolidated scope of the subsidiary	Business nature	Registered place	Registered capital (ten thousand yuan)	Whether control or not
Ltd.	Co., Ltd.				
	Chongqing Zhongjian Information Technology Consulting Co., Ltd.	Service	Chongqing	100	Yes
	Beijing Zhongjian Information Consulting Co., Ltd.	Service	Beijing	100	Yes
Geely Automobile Group Co., Ltd	Zhejiang Jichuang Auto Parts Co., Ltd.	Production	Ningbo	30,000	Yes
	Wuhan Geely Auto Parts Co., Ltd.	Production	Wuhan	10,000	Yes
	Jinan Geely Automobile Co., Ltd.	Production	Jinan	36,000	Yes
	Shanghai Meihuan Trading Co., Ltd.	Marketing	Shanghai	5,000	Yes
	Wuhan Geely Automobile Industry Co., Ltd.	Manufacture	Wuhan	11,923	Yes
	Zhejiang Geely Education Technology Co., Ltd.	Service	Ningbo	1,000	Yes
	Taizhou Haoqing Automobile Sales and Service Co., Ltd.	Marketing	Taizhou	13,680	Yes
	Linhai Haoqing Real Estate Development Co., Ltd.	Real Estate Development	Taizhou	3,100	Yes
	Baoji Geely Automobile Co., Ltd.	Production	Baoji	15,000	Yes
	Shanxi New Energy Automobile Industry Co., Ltd.	Production	Jingzhong	15,000	Yes
	Asia-Europe Automobile Manufacturing (Taizhou) Co., Ltd.	Production	Taizhou	50,000	Yes
	Zhejiang Kingkong Automobile Co., Ltd.	Production	Taizhou	41,300	Yes
	Ningbo Beilun Geely Automobile Manufacturing Co., Ltd.	Production	Ningbo	30,000	Yes

Subsidiary name	Consolidated scope of the subsidiary	Business nature	Registered place	Registered capital (ten thousand yuan)	Whether control or not
	Zhejiang Hyperlink Technology Development Co., Ltd.	Service	Ningbo	2,000	Yes
	Ningbo Jkr Intelligent Technology Co., Ltd.	R&D	Ningbo	50,000	Yes
	Zhejiang Geely Automobile Manufacturing Co., Ltd.	Manufacture	Ningbo	50,000	Yes
	Geely Changxing New Energy Automobile Co., Ltd.	Manufacture	Huzhou	50,000	Yes
	Lingji Automobile Trading Co., Ltd.	Marketing	Huzhou	10,000	Yes
	Jiling Automobile Sales Co., Ltd	Marketing	Ningbo	10,000	Yes

3) The scope of consolidated statements of the significant sub-subsidiaries

Sub-subsidiaries	Consolidated scope of sub-subsidiary	Business nature	Registered place	Registered capital (ten thousand yuan)	Whether control or not
Geely Automobile Holdings Ltd. (HK.0175)	Zhejiang Jirun Automobile Co., Ltd.	Production	Ningbo	MUSD 690	Yes
	Shanghai Maple Guorun Automobile Co., Ltd.	Production	Shanghai	MUSD 121.3636	Yes
	Hunan Geely Automobile Parts Co., Ltd.	Production	Xiangtan	MUSD 88.50	Yes
	Zhejiang Ruhoo Automobile Co., Ltd.	Production	Taizhou	52,167.70	Yes
	Zhejiang Fulin Guorun Automobile Parts Co., Ltd.	Production	Taizhou	MUSD 57.63774204	Yes
	Value Century Group Limited	Investment	BVI	USD 1	Yes

Sub-subsidiaries	Consolidated scope of sub-subsidiary	Business nature	Registered place	Registered capital (ten thousand yuan)	Whether control or not
	Centurion Industries Limited	Investment	BVI	USD 1	Yes
	Geely International Limited	Investment	Hong Kong	MHKD 235,29412	Yes
	Luckview Group Limited	Investment	BVI	USD 1	Yes
	Linkstate Overseas Limited	Investment	BVI	USD 1	Yes
Beijing Geely Wanyuan International Investment Co., Ltd.	Shanghai Geely Zhaoyuan International Investment Co., Ltd.	Investment	Shanghai	1,328,657	Yes

(2) Companies with more than 50% of shareholding percentage that haven't been included in the scope of the consolidation and the reasons

Subsidiary name	Shareholding percentage (%)	Whether control or not	Reason of not being consolidated
Zhejiang Automobile Vocational and Technical College	100.00	No	Note 1
Ningbo Beilun District Xinlei Geely Kindergarten	100.00	No	Note 2
Genius Auto Finance Co., Ltd.	80.00	No	Note 3

Note 1: The business scope of Zhejiang Automobile Vocational and Technical College includes full-time higher education, adult higher vocational education and short-term professional training. The company's financial and operating policies will be managed by Mitime Investment and Development Group Co., Ltd. which is out of the consolidated scope and the company has no control right over it.

Note 2: Xinlei Geely Kindergarten of Beilun District of Ningbo City is a private-owned, non-profit school, which is approved by the Education Bureau of Beilun District of Ningbo City. The Group has no control, joint control nor significant influence over it.

Note 3: Genius Auto Finance Co., Ltd. funded by Geely Automobile Holdings Co., Ltd. (HK.0175) and the third party BNP Paribas jointly, is a joint venture company and engages in auto finance business in China. The company's registered capital is MRMB 4,000, of which the Geely Automobile Holdings Co., Ltd. (HK.0175) contributed MRMB 3,200, owns 80% of the stock, whereas, according to the joint venture agreement, the joint venture company is controlled by both investors and the company has no control right over it.

2. Equities in joint venture and associated enterprise

(1) Significant joint ventures and associates

Joint venture or associates	Principal place of business	Registered place	Business nature	Shareholding percentage (%)		Accounting method
				Directly	Indirectly	
Volvofinans Bank AB	Sweden	Sweden	Finance		50.00	Equity method
Polestar Automotive Holding Ltd.	Hong Kong	Hong Kong	Manufacturing		50.00	Equity method
Genius Auto Finance Co., Ltd	Shanghai	Shanghai	Finance		80.00	Equity method
Zhejiang Geely Aixin Automatic Transmission Co., Ltd.	Ningbo	Ningbo	Manufacturing		40.00	Equity method
Mando (Ningbo) Automotive Parts Co., Ltd.	Ningbo	Ningbo	Manufacturing		35.00	Equity method

(2) Important Financial information of significant joint ventures

Item	December 31, 2020/2020			
	Volvofinans Bank AB.	Polestar Automotive Holding Ltd.	Genius Auto Finance Co., Ltd.	Zhejiang Geely Aixin Automatic Transmission Co., Ltd.
Current assets	5,364,124,608.00	7,693,531,933.00	44,753,613,966.55	346,304,185.28
Including: cash and cash equivalents	1,884,621,074.00	2,372,988,362.00	3,430,803,904.12	235,346,932.52
Non-current assets	29,895,410,413.00	9,703,360,408.00	1,328,012,617.54	1,292,789,152.60
Total assets	35,259,535,021.00	17,396,892,341.00	46,081,626,584.09	1,639,093,337.88
Current liabilities	1,973,311,297.00	12,444,608,570.00	31,095,269,689.59	74,922,759.92
Non-current liabilities	29,651,025,573.00	520,818,287.00	9,509,206,512.89	850,000,000.00
Total liabilities	31,624,336,870.00	12,965,426,857.00	40,604,476,202.48	924,922,759.92
Net assets	3,635,198,151.00	4,431,465,484.00	5,477,150,381.61	714,170,577.96
Share of net assets calculated based on the proportion of ownership interest	1,817,599,076.00	2,215,732,742.00	4,381,720,304.23	285,668,231.19
Adjustments				
- Goodwill	288,872,780.00			
- Increase of capital by joint venture shareholders		-1,466,403,450.00		
- Translation difference		132,320,592.00		
- Other	11,667,171.00			
Carrying value of investments in equity of joint ventures	2,118,139,027.00	881,649,884.00	4,381,720,304.23	285,668,231.19
Fair value of investments in equity of joint ventures in public markets				
Revenue	3,639,646,769.00	3,030,754,431.00	1,929,942,462.42	130,505.37
Net profit and total comprehensive income	272,528,067.00	-1,304,100,639.00	731,848,708.08	-41,367,340.44
Dividends from joint venture in the current year				

(Continued)

Item	December 31, 2019/2019			
	Volvofinans Bank AB.	Polestar Automotive Holding Ltd.	Genius Auto Finance Co., Ltd.	Zhejiang Geely Aixin Automatic Transmission Co., Ltd.
Current assets	5,302,819,701.00		34,403,286,934.19	570,610,748.50
Including: cash and cash equivalents	1,959,412,804.00		2,961,434,912.37	544,346,932.52
Non-current assets	27,771,052,105.00		977,093,329.50	210,523,544.11
Total assets	33,073,871,806.00		35,380,380,263.69	781,134,292.61
Current liabilities	1,865,434,224.00		23,826,321,586.81	25,596,374.21
Non-current liabilities	28,142,310,762.00		6,808,757,003.35	
Total liabilities	30,007,744,986.00		30,635,078,590.16	25,596,374.21
Net assets	3,066,126,820.00		4,745,301,673.53	755,537,918.40
Share of net assets calculated based on the proportion of ownership interest	1,533,063,410.00		3,796,241,337.77	302,215,167.36
Adjustments				
- Goodwill	288,872,780.00			
- Other	-7,948,882.00			
Carrying value of investments in equity of joint ventures	1,813,987,308.00		3,796,241,337.77	302,215,167.36
Fair value of investments in equity of joint ventures in public markets				
Revenue	3,461,027,910.00		2,223,598,123.69	
Net profit and total comprehensive income	237,858,759.00		509,087,198.03	-60,814,276.06
Dividends from joint venture in the current year	36,082,808.00			

(3) Important financial information of the significant associates

Item	Mando (Ningbo) Automotive Parts Co., Ltd.	
	December 31, 2020/2020	December 31, 2019/2019
Current assets	2,161,007,875.16	2,442,284,742.56
Non-current assets	308,143,008.33	348,492,439.73
Total assets	2,469,150,883.49	2,790,777,182.29
Current liabilities	1,736,332,468.56	1,988,427,941.83
Non-current liabilities	6,087,920.00	7,854,900.00
Total liabilities	1,742,420,388.56	1,996,282,841.83
Net assets	726,730,494.93	794,494,340.46
Share of net assets calculated based on the proportion of ownership interest	254,355,673.21	278,073,019.16
Adjustments		
- Goodwill		
- Unrealized profit arising from internal transactions		
- Others		
Carrying value of investments in equity of associates	254,355,673.21	278,073,019.16
Fair value invested in the associates' equity in public markets		
Revenue	2,091,339,492.56	2,432,324,359.40
Net profit	47,554,694.48	13,821,405.43
Discontinued operating profit or loss		
Other comprehensive income		
Total comprehensive income	47,554,694.48	13,821,405.43
Dividends from associates in the current year	40,361,495.00	

IX. Related parties and transactions**1. Information of the shareholders of the Group**

Name of shareholder	Types of relationship	Equity ratio %	Proportion of votes %
Li Shufu	Investor	91.08	91.08
Li Xingxing	Investor	8.92	8.92

2. Subsidiaries of the Company

For details, please refer to Note VIII.1.

3. Joint ventures and associates of the Company

For details, please refer to Note VIII.2.

Other joint ventures and associates with related party transactions in current or previous year, which had remaining balance, are listed as follows:

Name of joint ventures or associates	Relationship with the Group
Geely Financials Denmark A/S	Joint venture

Name of joint ventures or associates	Relationship with the Group
V2 Plug-in Hybrid Vehicle Partnership HB	Joint venture
VCFS Germany GmbH	Joint venture
VH Systems AB	Joint venture
Volvo Trademark Holding AB	Joint venture
Volvofinans Bank AB	Joint venture
Genius Auto Finance Co., Ltd.	Joint venture
Smart Motor Automobile Co., Ltd.	Joint venture
Closed Joint Stock Company BELGEE	Associates
Göteborgs Tekniska College AB	Associates
Leiebilservice AS	Associates
Proton Holdings Berhad	Associates
Trio Bilservice AB	Associates
Anhui Huirong Energy Co., Ltd.	Associates
China Railway Gecent Technology Co., Ltd.	Associates
Shandong Hengyuan New Energy Technology Co., Ltd.	Associates
Mando (Ningbo) Automotive Parts Co., Ltd.	Associates
Zhejiang Hengyuan New Energy Technology Co., Ltd.	Associates

4. Other related parties

Name of other related parties	Relationship with the Group
Geely Group Limited	The same ultimate controller
Chengdu Geely Youxing Technology Co., Ltd.	The same ultimate controller
Dongguan Youxing Technology Co., Ltd.	The same ultimate controller
Fengsheng Automobile Technology Group Co., Ltd.	The same ultimate controller
Fuzhou Youxing Network Technology Co., Ltd.	The same ultimate controller
Hainan Mitime Fragrance Bay Tourism Development Co., Ltd.	The same ultimate controller
Hangzhou Fenghua Cultural and Creative Co., Ltd.	The same ultimate controller
Hangzhou Jixing Technology Co., Ltd.	The same ultimate controller
Hangzhou Geely Global Technology Co., Ltd.	The same ultimate controller
Hangzhou Thunbu Technology Co., Ltd.	The same ultimate controller
Hangzhou Youxing Technology Co., Ltd.	The same ultimate controller
Hangzhou Zhongyue Transportation Technology Co., Ltd.	The same ultimate controller
Hefei Geely Youxing Technology Co., Ltd.	The same ultimate controller
Hubei Geely Terrafugia Co., Ltd.	The same ultimate controller

Hubei Yichi New Energy Technology Co., Ltd.	The same ultimate controller
Hubei Yikatong Techonology Co., Ltd.	The same ultimate controller
Jixing International Technology Co., Ltd.	The same ultimate controller
Geely Group (Ningbo) Co., Ltd.	The same ultimate controller
Geely Group Company Limited	The same ultimate controller
Mitime Motor Racing Cars Sports Co., Ltd.	The same ultimate controller
Mitime Investment and Development Co., Ltd.	The same ultimate controller
Ningbo Fuhong Automobile Sales Co., Ltd.	The same ultimate controller
Ningbo Mitime Investment Co., Ltd.	The same ultimate controller
Shanghai Xiedong Technology Co., Ltd.	The same ultimate controller
Tianjin Geely Youxing Technology Co., Ltd.	The same ultimate controller
Wuhan Banban Technology Co., Ltd.	The same ultimate controller
Wuhan Geely Youxing Technology Co., Ltd.	The same ultimate controller
Yiyi New Energy Technology Co., Ltd.	The same ultimate controller
Changsha Youxing Network Technology Co., Ltd.	The same ultimate controller
Zhejiang Maple Asset Management Co., Ltd.	The same ultimate controller
Zhejiang Jizhi New Energy Automobile Technology Co., Ltd.	The same ultimate controller
Zhejiang Juke Industrial Co., Ltd.	The same ultimate controller
Zhejiang Juke New Material Co., Ltd.	The same ultimate controller
Zhejiang Juli Medical Supplies Co., Ltd.	The same ultimate controller
Zhejiang Mingdao Aluminum Industry Co., Ltd.	The same ultimate controller
Zhejiang Qianjiang Lithium Technology Co., Ltd.	The same ultimate controller
Zhejiang Qianjiang Motorcycle Co., Ltd.	The same ultimate controller
Zhejiang Ruik Resource Recycling Co., Ltd.	The same ultimate controller
Zhejiang Xuanfu Technology Co., Ltd.	The same ultimate controller
Zhejiang Zuozhongyou Electric Vehicle Service Co., Ltd.	The same ultimate controller
Chongqing Geely Youxing Technology Co., Ltd.	The same ultimate controller
Zuozhongyou Electric Vehicle Service (Taizhou) Co., Ltd.	The same ultimate controller
Polestar Automotive Belgium NV	Controlled by joint ventures
Polestar Automotive Canada Inc.	Controlled by joint ventures
Polestar Automotive Germany	Controlled by joint ventures
Polestar Automotive Netherlands	Controlled by joint ventures
Polestar Automotive Norway AS	Controlled by joint ventures
Polestar Automotive Sweden AB	Controlled by joint ventures
Polestar Automotive Switzerland	Controlled by joint ventures
Polestar Automotive UK Ltd.	Controlled by joint ventures
Polestar Automotive USA Inc.	Controlled by joint ventures

Polestar Performance AB	Controlled by joint ventures
Polestar Automotive China Distribution Co., Ltd. Taizhou Subsidiary	Controlled by joint ventures
Polestar Automotive China Distribution Co., Ltd.	Controlled by joint ventures
Polestar New Energy Vehicle Co., Ltd.	Controlled by joint ventures
Proton Parts Centre Sdn. Bhd.	Controlled by associates
Weixing Technology Co., Ltd.	Joint company which is controlled by ultimate controller
Chengdu Quality Xingxiang Technology Co., Ltd.	Company controlled by joint company which is controlled by ultimate controller
Lanzhou Zhidou Electric Vehicle Co., Ltd.	Joint stock company which is controlled by ultimate controller
Xiaolinggou Travel Technology Co., Ltd.	Joint stock company which is controlled by ultimate controller
Zhidou Electric Vehicle Co., Ltd.	Joint stock company which is controlled by ultimate controller
Zhejiang Limin Industrial Group Co., Ltd.	Joint stock company

5. Related-party transaction (Unit: ten thousand yuan)

(1) Sales and purchase of goods/rendering and receipts of services

1) Purchase of goods/receipts of services

Related party	Related party transaction	2020	2019
Mando (Ningbo) Automotive Parts Co., Ltd.	Purchase of goods	182,009.56	255,245.37
Hubei Yikatong Techonology Co., Ltd.	Purchase of goods	145,760.97	165,320.03
Volvofinans Bank AB	Purchase of goods	111,274.55	109,806.49
V2 Plug-In Hybrid Vehicle Partnership HB	Purchase of goods	62,169.42	67,555.10
Ningbo Fuhong Automobile Sales Co., Ltd.	Purchase of goods	15,070.59	
VH Systems AB	Purchase of goods	14,036.38	11,935.52
Zhejiang Hengyuan New Energy Technology Co., Ltd.	Purchase of goods	1,437.68	15,759.01
Trio Bilservice AB	Purchase of goods	827.71	
Volvo Trademark Holding AB	Purchase of goods	814.79	1,145.87
VCFS Germany GmbH	Purchase of goods	648.47	577.24
Göteborgs Tekniska College AB	Purchase of goods	558.93	400.36
Zhejiang Juke Industrial Co., Ltd.	Purchase of goods	364.89	
Leiebilservice AS	Purchase of goods	85.31	

Related party	Related party transaction	2020	2019
Zhejiang Xuanfu Technology Co., Ltd.	Purchase of goods	37.92	1,560.92
Zhejiang Limin Industrial Group Co., Ltd.	Purchase of goods	27.87	86,024.50

2) Sale of goods/rendering services

Related party	Related party transaction	2020	2019
Proton Holdings Berhad	Sales of goods	205,825.90	
Closed Joint Stock Company BELGEE	Sales of goods	97,668.65	62,910.21
Volvofinans Bank AB	Sales of goods	83,132.15	82,219.70
Ningbo Fuhong Automobile Sales Co., Ltd.	Sales of goods	57,916.20	
Hangzhou Youxing Technology Co., Ltd.	Sales of goods	30,616.70	123,190.88
VH Systems AB	Sales of goods	12,718.84	12,083.45
Proton Parts Centre Sdn. Bhd.	Sales of goods	3,270.23	
VCFS Germany GmbH	Sales of goods	607.06	571.44
Geely Group Limited	Sales of goods	490.96	45.54
Geely Financials Denmark A/S	Sales of goods	418.09	172.30
Göteborgs Tekniska College AB	Sales of goods	249.06	514.23
Zhejiang Jizhi New Energy Automobile Technology Co., Ltd.	Sales of goods	61.67	139.75
Hubei Yikatong Techonology Co., Ltd.	Sales of goods	314.57	24.94
Hangzhou Zhongyue Transportation Technology Co., Ltd.	Sales of goods		6,515.44
Zuozhongyou Electric Vehicle Service (Taizhou) Co., Ltd.	Sales of goods		576.91
Zhejiang Xuanfu Technology Co., Ltd.	Sales of goods		8.26
Genius Auto Finance Co., Ltd.	Sales of goods		1.14
Zhejiang Hengyuan New Energy Technology Co., Ltd.	Sales of goods		52.22

(2) Other related-party transactions

Related party	Related party transaction	2020	2019
Proton Holdings Berhad	Technology transfer income	21,085.98	24,183.94
Zhejiang Jizhi New Energy Automobile Technology Co., Ltd.	Technology transfer income	1,551.86	67.93

Related party	Related party transaction	2020	2019
Hubei Geely Terrafugia Co., Ltd.	Technology transfer income	37,712.13	
Zhejiang Jizhi New Energy Automobile Technology Co., Ltd.	Technology licensing income	14,169.46	
Hubei Yikatong Techonology Co., Ltd.	Technical service income	612.26	1,157.09
Zhejiang Jizhi New Energy Automobile Technology Co., Ltd.	Technical service income	231.57	
Smart Motor Automobile Co., Ltd.	Service income	1,659.95	
Geely Group Company Limited	Service income	1,559.50	
Hubei Yichi New Energy Technology Co., Ltd.	Service income	1,181.31	
Genius Auto Finance Co., Ltd.	Service income	336.65	369.03
Zhejiang Qianjiang Motorcycle Co., Ltd.	Service income	252.07	
Hangzhou Jixing Technology Co., Ltd.	Service income	236.94	
Hangzhou Youxing Technology Co., Ltd.	Service income	196.57	235.15
Mitime Investment and Development Co., Ltd.	Service income	186.88	53.49
Hangzhou Geely Global Technology Co., Ltd.	Service income	137.57	
Hubei Yikatong Techonology Co., Ltd.	Service income	135.45	99.90
Hubei Geely Terrafugia Co., Ltd.	Service income	106.84	
Zhejiang Hengyuan New Energy Technology Co., Ltd.	Service income	75.79	19.74
Zhejiang Mingdao Aluminum Industry Co., Ltd.	Service income	0.66	
Zhejiang Xuanfu Technology Co., Ltd.	Service income		9.59
Shandong Hengyuan New Energy Technology Co., Ltd.	Service income		5.70
China Railway Gecent Technology Co., Ltd.	Service income		2.62
Hubei Yikatong Techonology Co., Ltd.	Transfer tangible assets		47.83
Genius Auto Finance Co., Ltd	Interest income	18,174.62	3,832.24
Zhejiang Jizhi New Energy	Income from franchise	20.91	

Related party	Related party transaction	2020	2019
Automobile Technology Co., Ltd.	transfer by installments		
Wuhan Geely Youxing Technology Co., Ltd.	Financing lease interest income	478.53	
Chongqing Geely Youxing Technology Co., Ltd.	Financing lease interest income	216.70	410.10
Tianjin Geely Youxing Technology Co., Ltd.	Financing lease interest income	194.36	697.09
Zhejiang Zuozhongyou Electric Vehicle Service Co., Ltd.	Financing lease interest income	181.40	
Dongguan Youxing Technology Co., Ltd.	Financing lease interest income	176.80	
Fuzhou Youxing Network Technology Co., Ltd.	Financing lease interest income	119.90	
Chendu Geely Youxing Technology Co., Ltd.	Financing lease interest income	103.28	640.24
Hefei Geely Youxing Technology Co., Ltd.	Financing lease interest income	101.60	
Changsha Youxing Network Technology Co., Ltd.	Financing lease interest income	50.32	166.10
Chengdu Quality Xingxiang Technology Co., Ltd.	Financing lease interest income	28.57	
Hangzhou Youxing Technology Co., Ltd.	Interest income	3,337.74	247.37
China Railway Gecent Technology Co., Ltd.	Interest income	323.07	2.36
Zhejiang Hengyuan New Energy Technology Co., Ltd.	Interest income	293.76	1,030.41
Lanzhou Zhidou Electric Vehicle Co., Ltd.	Interest income		1,347.64
Zhidou Electric Vehicle Co., Ltd.	Interest income		632.11
Hubei Yikatong Techonology Co., Ltd.	Quality assurance claim income	487.69	2,445.51
Zhejiang Hengyuan New Energy Technology Co., Ltd.	Quality assurance claim income	32.39	
Hangzhou Youxing Technology Co., Ltd.	Quality assurance claim income		588.52
Mando (Ningbo) Automotive Parts Co., Ltd.	Quality assurance claim income		8,063.74
Zhejiang Xuanfu Technology Co.,	Quality assurance claim		0.28

Related party	Related party transaction	2020	2019
Ltd.	income		
Mando (Ningbo) Automotive Parts Co., Ltd.	Freight revenue	505.13	510.88
Smart Motor Automobile Co., Ltd.	Intellectual property service income	20.59	
Zhejiang Jizhi New Energy Automobile Technology Co., Ltd.	Rental and water & electricity incomes	352.01	407.53
Fengsheng Automobile Technology Group Co., Ltd.	Rental and water & electricity incomes	79.56	
Hubei Geely Terrafugia Co., Ltd.	Rental and water & electricity incomes	64.17	
Hangzhou Youxing Technology Co., Ltd.	Rental income	228.29	457.73
Weixing Technology Co., Ltd.	Rental income	27.78	
Hubei Yikatong Techonology Co., Ltd.	Data traffic procurement expense	5,627.12	8,741.55
Hubei Yikatong Techonology Co., Ltd.	Technological development expense	20,326.17	8,084.52
Zhejiang Hengyuan New Energy Technology Co., Ltd.	Technological development expense	19,212.46	449.59
Hangzhou Fenghua Cultural and Creative Co., Ltd.	Other expenditure	636.06	
Zhejiang Juli Medical Supplies Co., Ltd.	Other expenditure	113.77	
Anhui Huirong Energy Co., Ltd.	Other expenditure	44.96	
Göteborgs Tekniska College AB	Purchase tangible assets		215.33
Zhejiang Qianjiang Lithium Technology Co., Ltd.	Purchase tangible assets		21.34
Closed Joint Stock Company BELGEE	Quality assurance claim expenditure		364.24
Hangzhou Youxing Technology Co., Ltd.	Service fee		11.92
Genius Auto Finance Co., Ltd.	Interest expense	1,824.73	

6. Receivables and payables from related party**(1) Receivables**

Item	December 31, 2020		December 31, 2019	
	Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivable:				
Polestar Performance AB	6,492,232,007.50			
Closed Joint Stock Company BELGEE	1,022,425,086.15		522,286,145.28	
Polestar Automotive China Distribution Co., Ltd. Taizhou Subsidiary	601,191,186.80			
Polestar Automotive China Distribution Co., Ltd.	489,221,058.08			
Volvofinans Bank AB	384,156,926.00		517,062,286.00	
Proton Holdings Berhad	185,523,289.88		330,009,454.10	
Zhejiang Jizhi New Energy Automobile Technology Co., Ltd.	180,841,864.11		67,232,632.45	
Hangzhou Youxing Technology Co., Ltd.	152,146,577.59		781,202,600.00	
VH Systems AB	29,246,513.00		22,435,351.00	
Polestar New Energy Vehicle Co., Ltd.	19,425,978.56			
Polestar Automotive Germany	17,719,703.00			
Polestar Automotive USA Inc.	17,598,289.00			
Hubei Yikatong Technology Co., Ltd.	15,513,298.23		15,547,836.75	
Polestar Automotive Sweden AB	13,005,735.00			
Polestar Automotive Netherlands	12,269,952.00			
Polestar Automotive Norway AS	9,782,509.00			
Polestar Automotive Switzerland	7,303,236.00			
Hubei Yichi New Energy Technology Co., Ltd.	5,656,229.84			
Hangzhou Jixing Technology Co., Ltd.	5,388,400.57		2,880,551.82	
Polestar Automotive UK Ltd.	4,989,592.00			
Proton Parts Centre Sdn. Bhd.	4,419,987.36			
Hangzhou Geely Global Technology Co., Ltd.	2,900,606.94		1,440,275.91	
Polestar Automotive Belgium NV	1,899,398.00			

Item	December 31, 2020		December 31, 2019	
	Book balance	Bad debt provision	Book balance	Bad debt provision
Genius Auto Finance Co., Ltd.	1,619,208.49			
Göteborgs Tekniska College AB	1,548,759.00		1,913,828.00	
Zhejiang Mingdao Aluminum Industry Co., Ltd.	1,494,721.90		1,487,921.90	
Polestar Automotive Canada Inc.	1,267,706.00			
Zhejiang Xuanfu Technology Co., Ltd.	139,386.00		1,011,186.59	
Shanghai Xiedong Technology Co., Ltd.	79,575.02		53,145,491.51	
Hangzhou Zhongyue Transportation Technology Co., Ltd.			86,234,600.00	
VCFS Germany GmbH			218,790.00	
Mando (Ningbo) Automotive Parts Co., Ltd.			2,882,279.46	
Prepayments:				
Hubei Yikatong Techonology Co., Ltd.	326,875,482.04			
Hangzhou Youxing Technology Co., Ltd.	33,887,800.00		30,000.00	
Chengdu Geely Youxing Technology Co., Ltd.	3,730,000.00			
Volvofinans Bank AB			4,539,082.00	
Zhejiang Hengyuan New Energy Technology Co., Ltd.			39,426.69	
Other receivables:				
Hangzhou Youxing Technology Co., Ltd.	1,836,084,798.68		1,269,937,224.84	
Geely Group (Ningbo) Co., Ltd.	969,300,000.00		969,300,000.00	
Hubei Geely Terrafugia Co., Ltd.	604,017,476.90			
Geely Financials Denmark A/S	431,612,937.00		416,368,619.00	
JH International Technology Co., Ltd.	200,000,000.00		150,000,000.00	
Zhejiang Ruike Resource Recycling Co., Ltd.	161,857,296.05			
China Railway Gecent Technology Co., Ltd.	81,449,550.00		39,023,726.90	
Hubei Yichi New Energy	65,412,195.83			

Item	December 31, 2020		December 31, 2019	
	Book balance	Bad debt provision	Book balance	Bad debt provision
Technology Co., Ltd.				
Hubei Yikatong Techonology Co., Ltd.	49,545,469.41		73,448,449.19	
Mitime Investment and Development Co., Ltd.	21,223,600.27		169,284,059.45	
Zhejiang Jizhi New Energy Automobile Technology Co., Ltd.	8,527,057.18		4,523,344.52	
Hangzhou Thunbu Technology Co., Ltd.	5,168,826.33			
Smart Motor Automobile Co., Ltd.	3,092,994.35			
Wuhan Banban Technology Co., Ltd.	1,530,000.00			
Yiyi New Energy Technology Co., Ltd.	1,223,398.28			
Proton Holdings Berhad	978,157.77		428,716,579.95	
Mitime Motor Racing Cars Sports Co., Ltd.	850,000.00		142,203.20	
Zhejiang Hengyuan New Energy Technology Co., Ltd.	783,118.90		335,462,189.44	
Ningbo Mitime Investment Co., Ltd.	121,000.50		97,989.00	
Hangzhou Fenghua Cultural and Creative Co., Ltd.	1,897.37		18,594.29	
Shandong Hengyuan New Energy Technology Co., Ltd.			36,910,171.05	
Genius Auto Finance Co., Ltd.			14,978,347.66	
Zhejiang Xuanfu Technology Co., Ltd.			3,904.50	
Hainan Mitime Fragrance Bay Tourism Development Co., Ltd.			1,156.28	
Non-current assets due within one year:				
Zhejiang Jizhi New Energy Automobile Technology Co., Ltd.	13,239,429.77			
Long-term receivables:				
Zhejiang Jizhi New Energy Automobile Technology Co., Ltd.	43,351,042.40			

Item	December 31, 2020		December 31, 2019	
	Book balance	Bad debt provision	Book balance	Bad debt provision
Wuhan Geely Youxing Technology Co., Ltd.	39,941,626.95		56,070,500.00	
Fuzhou Youxing Network Technology Co., Ltd.	36,275,020.71		56,070,500.00	
Dongguan Youxing Technology Co., Ltd.	35,586,643.36		56,070,500.00	
Hefei Geely Youxing Technology Co., Ltd.	34,625,042.38		56,070,500.00	
Zhejiang Zuozhongyou Electric Vehicle Service Co., Ltd.	22,030,425.30			
Chengdu Quality Xingxiang Technology Co., Ltd.	17,532,124.20			
Chongqing Geely Youxing Technology Co., Ltd.	13,294,867.09		48,159,749.70	
Xiaolinggou Travel Technology Co., Ltd.	6,024,000.00			
Tianjin Geely Youxing Technology Co., Ltd.	3,222,978.78		61,479,609.90	
Chengdu Geely Youxing Technology Co., Ltd.	477,539.78		33,224,091.66	
Changsha Youxing Network Technology Co., Ltd.			16,513,450.00	

(2) Payables

Item	December 31, 2020	December 31, 2019
Accounts payables:		
Polestar Performance AB	1,121,888,708.00	
Mando (Ningbo) Automotive Parts Co., Ltd.	782,559,359.44	728,391,711.12
Hubei Yikatong Techonology Co., Ltd.	483,504,133.27	262,628,567.56
Proton Holdings Berhad		85,901,687.10
Zhejiang Hengyuan New Energy Technology Co., Ltd.	79,837,508.46	75,673,735.66
V2 Plug-In Hybrid Vehicle Partnership HB	56,512,502.00	189,654,271.00
VH Systems AB	27,442,693.00	23,504,733.00

Item	December 31, 2020	December 31, 2019
Polestar New Energy Vehicle Co., Ltd.	26,407,091.40	
Polestar Automotive Germany	21,766,944.00	
Volvofinans Bank AB	17,544,870.00	87,425,660.00
Polestar Automotive Sweden AB	16,931,603.00	
Hangzhou Fenghua Cultural and Creative Co., Ltd.		150,861.74
Volvo Trademark Holding AB	4,633,483.00	2,510,918.00
Zhejiang Limin Industrial Group Co., Ltd.	2,971,113.22	302,255,717.81
Zhejiang Juke Industrial Co., Ltd.	2,382,800.66	
VCFS Germany GmbH	1,186,122.00	
Göteborgs Tekniska College AB	1,141,780.00	279,489.00
Trio Bilservice AB	504,526.00	
Ningbo Fuhong Automobile Sales Co., Ltd.	100,000.00	
Hangzhou Youxing Technology Co., Ltd.		139,143,411.55
Geely Financials Denmark A/S		14,934,937.00
Dividend payable:		
Zhejiang Maple Asset Management Co., Ltd.		12,263,266.73
Advances from customers:		
Ningbo Fuhong Automobile Sales Co., Ltd.	29,209,341.00	
Other payables:		
Hubei Yikatong Techonology Co., Ltd.	69,635,991.77	128,948,294.08
Hangzhou Youxing Technology Co., Ltd.	10,843,428.37	12,099.16
Genius Auto Finance Co., Ltd.	2,121,381.99	616,393.26
Zhejiang Qianjiang Lithium Technology Co., Ltd.	1,947,921.71	
Fengsheng Automobile Technology Group Co., Ltd.	659,711.27	
Mitime Motor Racing Cars Sports Co., Ltd.	628,020.80	
Hangzhou Fenghua Cultural and Creative Co., Ltd.	137,411.01	
Zhidou Electric Vehicle Co., Ltd.	255,555.56	2,375,055.56

Item	December 31, 2020	December 31, 2019
Zhejiang Juke New Material Co., Ltd.	656,500.00	
Zhejiang Hengyuan New Energy Technology Co., Ltd.		3,328,400.00
Closed Joint Stock Company BELGEE		513,537.85
Zuozhongyou Electric Vehicle Service (Taizhou) Co., Ltd.		1,000.00
Contract liabilities:		
Hubei Geely Terrafugia Co., Ltd.	770,193,369.61	
Smart Motor Automobile Co., Ltd.	667,642,928.64	
Zhejiang Xuanfu Technology Co., Ltd.	1,602,719.70	
Closed Joint Stock Company BELGEE		1,755,484.89

7. Guarantees with related parties (Unit: ten thousand yuan)

The Company as the guarantor

Warrantee	Guaranteed amount	Guaranteed start date	Guaranteed end date	Whether the guarantee has been fulfilled
Fengsheng Automobile Technology Group Co. Ltd	15,000.00	2020-3-26	2021-3-26	NO
Fengsheng Automobile Technology Group Co. Ltd	4,999.40	2020-3-30	2021-3-27	NO
Fengsheng Automobile Technology Group Co. Ltd	25,000.00	2020-12-14	2021-12-10	NO
Fengsheng Automobile Technology Group Co. Ltd	5,000.00	2020-12-11	2021-12-10	NO
Hangzhou Youxing Technology Co., Ltd.	14,000.00	2020-6-17	2021-6-16	NO

X. Commitments and contingencies**1. Significant commitments (Unit: ten thousand yuan)****(1) Capital commitments**

Item	December 31, 2020
Commitment for acquisition of long-term assets	111,639.27
External investment commitment	123,385.06
Total	235,024.33

Note:

The Company established Zhejiang Zhongjian Investment Co., Ltd. with a registered capital of RMB 500 million. The Company subscribes RMB 500 million in cash, accounting for 100% of the registered capital. The due date of capital contribution is March 1, 2023. As of December 31, 2020, the Company has contributed RMB 400 million.

The Company and Ningbo polymerization engine enterprise management consulting partnership (LP) jointly established Wuhan Lotus Technology Co., Ltd. with a registered capital of RMB 100 million. The Company subscribes RMB 60 million in cash, accounting for 60% of the registered capital. The due date of capital contribution is December 31, 2030. No contribution has been generated by the Company as of December 31, 2020, and it has contributed RMB 60 million on January 27, 2021.

The Company, together with Wuhan Digital Design and Manufacturing Innovation Center Co., Ltd., Shenzhen Turing Singularity Intelligent Technology Co., Ltd. and Hangzhou Aishi Zhilian Technology Co., Ltd., jointly established Zhejiang Xitumeng Digital Technology Co., Ltd., with a registered capital of RMB 65 million. The Company subscribes RMB 20 million in the form of intellectual property rights, accounting for 30.7692% of the registered capital. The due date of contribution is December 31, 2030. As of December 31, 2020, no contribution has been generated by the Company.

Zhejiang Jirun Automobile Co., Ltd. (a sub- subsidiary of Geely Automobile Holding Co., Ltd.) signed a joint venture agreement with Contemporary Amperex Technology Co., Limited on December 20, 2018. Both parties agreed to establish a joint venture named as Times Geely Power Battery Co., Ltd., which is mainly engaged in the research, development, manufacture and sales of batteries, battery modules and battery packs. The registered capital of the joint venture is RMB 1 billion, and the Group subscribes RMB 490 million in cash, accounting for 49% of the registered capital. As of December 31, 2020, Zhejiang Jirun Automobile Co., Ltd. has contributed RMB 49.49 million, and the remaining has not been contributed.

Shanghai Maple Guorun Automobile Co., Ltd. (a sub-subsidiary of Geely Automobile Holding Co., Ltd.) signed a joint venture agreement with LG Chem Ltd. (LG chemistry) on June 12, 2019. The registered capital of the joint venture is USD 188 million, equivalent to RMB 1.309 billion. The Group subscribes USD 94 million (equivalent to RMB 613.34 million) in cash) and the joint venture has not been established yet as of December 31, 2020.

(2) Operating lease commitments

At the balance sheet date, the Group has the following commitments in respect of non-cancellable operating leases:

Minimum lease payments under non-cancellable operating lease:	December 31, 2020	December 31, 2019
1st year subsequent to the balance sheet date	93,301.07	80,201.00
2nd year-5th year subsequent to the balance sheet date	239,587.63	227,933.80
Subsequent years	141,618.23	145,106.40
Total	474,506.93	453,241.20

(3) Other significant commitments

1) The subsidiary of the Group-Hanma Technology Group Co., Ltd provides repurchase guarantee for customers who carry out mortgage loan, confirmed storage, financial leasing and other credit sales business with banks and financial leasing companies in order to purchase its products. As of December 31, 2020, the outstanding balance of repurchase guarantee under mortgage loan business is RMB 2,792,908,300.00, and that under confirmed storage business is RMB 425,026,000.00.

2) As of December 31, 2020, the total overdue amount of mortgage loans, financial leasing and confirmed storage that funds advanced by Hanma technology is RMB 264,953,100.00. Hanma technology has transferred advanced payments to accounts receivable and recognized bad debt provision.

2. Contingencies**(1) Pending litigations**

Geely Zhaoyuan may at times be involved in legal proceedings. The estimated risk exposure is recognized as contingent liabilities amounting to RMB 48,932,600.00.

(2) Contingent liabilities related to pension plan

According to agreement, Volvo Personvagnar AB, Volvo Bili Göteborg AB and Volvo Personbilar Sverige AB shall undertake the contingent liability of 2% pension plan with amount of RMB 137,952,300.00. Management believes that the risk is immaterial.

(3) Tax risk

The risk exposure to tax arisen from tax review procedure in Geely Zhaoyuan is recognized as the amount of RMB 656,394,800.00.

(4) Other contingent liabilities

The amount involved in other external contract related to contingent liabilities is RMB 656,394,800.00.

XI. Events after the balance sheet date

1. As of the reporting date, the coronavirus is still spreading overseas, which has a certain impact on the overseas production and sales of the Group. The Group is taking actions to mitigate the impact of the pandemic on its employees and operations. The management will continue to follow the risk and assess its impact on the Group's financial position and operating results.

2. On February 24, 2021, Geely Automobile Holding Co., Ltd. (a subsidiary of the Group), announced its discussion with the management of Volvo car AB, involving a series of business combinations and cooperation plan. The two parties intend to integrate their powertrain business into a new company, focusing on the development of a new generation of dual motor hybrid system and highly efficient internal combustion engine.

3. Zhejiang Geely New Energy Commercial Vehicle Group Co., Ltd. (a subsidiary of the Group) purchased Shandong Tangjun Ouling Automobile Manufacture Co., Ltd. on January 2021, and the

industrial and commercial registration of change was completed on January 14, 2021.

4. The company established a wholly-owned subsidiary, Zhongjian Investment Group Co., Ltd. on January 2021, with a registered capital of RMB 501 million. The due date of capital contribution is December 31, 2039.

5. The company established a wholly-owned subsidiary, Zhejiang Lingkehaowu Network Technology Co., Ltd. on March 2021, with a registered capital of RMB 10 million and the paid-in-capital was in place on March.

XII. Other significant events

The directors of Geely Automobile Holdings Co., Ltd. (HK.0175) proposed a dividend of HK\$0.20 per ordinary share to the shareholders on the registered list on June 4, 2021, amounting to approximately RMB 1,637,367,000.00.

XIII. Notes to items in finance statements of the Company

1. Other receivables

(1) Items

Item	December 31, 2020	December 31, 2019
Interest receivable	201,379,130.15	246,106,704.81
Dividend receivable		
Other receivables	8,029,415,954.98	7,844,702,924.59
Total	8,230,795,085.13	8,090,809,629.40

(2) Interest receivable

Item	December 31, 2020	December 31, 2019
Loans interest	201,379,130.15	246,106,704.81
Total	201,379,130.15	246,106,704.81

(3) Other receivables

1) Items

Item	December 31, 2020				
	Book balance		Bad debt provision		Book value
	Amount	Ratio (%)	Amount	Ratio (%)	
Other receivables for which bad debt provision is collectively assessed by credit risk characteristics	8,031,886,655.59	100	2,470,700.61	0.03	8,029,415,954.98
Total	8,031,886,655.59	100	2,470,700.61	0.03	8,029,415,954.98

(Continued)

Item	December 31, 2019				
	Book balance		Bad debt provision		Book value
	Amount	Ratio (%)	Amount	Ratio (%)	
Other receivable for which bad debt provision is collectively assessed by credit risk characteristics	7,847,173,625.20	100.00	2,470,700.61	0.03	7,844,702,924.59
Total	7,847,173,625.20	100.00	2,470,700.61	0.03	7,844,702,924.59

2) Aging

Aging	December 31, 2020			December 31, 2019		
	Book balance		Bad debt provision	Book balance		Bad debt provision
	Amount	Ratio (%)		Amount	Ratio (%)	
Within 1 year	4,691,944,730.27	58.42		4,929,533,784.27	62.82	
1 to 2 years	1,190,437,293.68	14.82		2,129,168,514.00	27.13	
2 to 3 years	1,537,098,382.92	19.14		440,156,719.01	5.61	
More than 3 years	612,406,248.72	7.62	2,470,700.61	348,314,607.92	4.44	2,470,700.61
Total	8,031,886,655.59	100.00	2,470,700.61	7,847,173,625.20	100.00	2,470,700.61

(4) Bad debt provision

Bad debt provision	Phase 1 Future 12-month expected credit loss	Phase 2 Lifetime expected credit loss (not credit-impaired)	Phase 3 Lifetime expected credit loss (credit-impaired)	Total
January 1, 2020	2,470,700.61			2,470,700.61
January 1, 2020 for current period	—	—	—	—
--Transfer to Phase 2				
--Transfer to Phase 3				
--Reversal to Phase 2				
-- Reversal to Phase 1				
Provision for the year				
Reversal for the year				
Write-off for the year				
Verification and write-off for the year				
Others				
December 31, 2020	2,470,700.61			2,470,700.61

(5) As of December 31, 2020, there are no other receivables related to shareholders who have 5% or more shares in the Group.

2. Investment in joint ventures & associates

Item	December 31, 2020			December 31, 2019		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiaries	30,901,503,891.82	44,789,998.45	30,856,713,893.37	27,557,648,453.82	44,789,998.45	27,512,858,455.37
Investment in associates and joint ventures	3,358,130,179.82		3,358,130,179.82	3,454,366,061.73		3,454,366,061.73
Total	34,259,634,071.64	44,789,998.45	34,214,844,073.19	31,012,014,515.55	44,789,998.45	30,967,224,517.10

(1) Investments in subsidiaries

Investees	January 1, 2020	Impairment provision on January 1, 2020	Addition	Deduction	December 31, 2020	Impairment provision on December 31, 2020
Proper Glory Holding Inc.	160,377,380.00				160,377,380.00	
Geely International (Hong Kong) Limited	591,430,882.00		3,376,235,500.00		3,967,666,382.00	
Shanghai Maple Automobile Co., Ltd.	222,289,236.03	44,789,998.45			222,289,236.03	44,789,998.45
Zhejiang Haoqing Automobile Co., Ltd.	3,305,726,105.26		87,619,938.00		3,393,346,043.26	
Zhejiang Geely Automobile Co., Ltd.	2,264,794,493.37				2,264,794,493.37	
Jining Fulin Automobile Components Co., Ltd.	45,000,000.00				45,000,000.00	
Beijing Geely Kaisheng International Investment Co., Ltd.	7,242,000,000.00				7,242,000,000.00	
Hangzhou Geely Evun Technology Co., Ltd.	30,000,000.00				30,000,000.00	
Zhejiang Geely Business Service Co., Ltd.	20,000,000.00				20,000,000.00	

Investees	January 1, 2020	Impairment provision on January 1, 2020	Addition	Deduction	December 31, 2020	Impairment provision on December 31, 2020
Zhangjiakou Volvo Engine Manufacturing Co., Ltd	604,975,000.00				604,975,000.00	
Weirui Electric Vehicles(Suzhou) Co., Ltd.	26,000,000.00				26,000,000.00	
Daqing Volvo Cars Manufacture Co., Ltd.	833,260,000.00				833,260,000.00	
Shanghai Volvo Cars R&D Co., Ltd.	77,342,500.00				77,342,500.00	
Zhejiang Geely New Energy Commercial Vehicle Co., Ltd.	500,000,000.00				500,000,000.00	
Easy-insure Insurance Agency Co., Ltd.	50,000,000.00				50,000,000.00	
Ningbo Yijie Equity Investments and Fund Management Partnership (LP)	2,000,000.00				2,000,000.00	
Geely International (US) Corporation	67,542,580.00				67,542,580.00	
Geely Changxing New Energy Automobile Co., Ltd. (Note)	270,000,000.00			270,000,000.00	-	
Shanghai Geely Zhaoyuan International Investment Co., Ltd.	5,186,570,000.00				5,186,570,000.00	
Zhejiang Zhongjian Investment Co., Ltd.	300,000,000.00		100,000,000.00		400,000,000.00	
Geely Automobile Group Co., Ltd	900,000,000.00				900,000,000.00	
Geely Automobile Holdings Ltd.	382,310,347.06				382,310,347.06	
Polestar Automotive (Shanghai) Co., Ltd.	4,456,029,930.10				4,456,029,930.10	
Zhejiang Houtong Equity Investment Management Co., Ltd.	20,000,000.00				20,000,000.00	
Zhejiang Liankong Technology Co., Ltd.			50,000,000.00		50,000,000.00	
合计	27,557,648,453.82	44,789,998.45	3,613,855,438.00	270,000,000.00	30,901,503,891.82	44,789,998.45

Note: Geely Changxing New Energy Automobile Co., Ltd. was transferred to Geely Automobile Group Co., Ltd. in 2020, a wholly-owned subsidiary of the company.

(2) Investments in associates and joint ventures

Investees	January 1, 2020	Movement						December 31, 2020	Impairment provision on December 31, 2020
		Increase	Decrease	Profit or loss recognized under equity method	Other comprehensive income adjustment	Other equity changes	Dividend		
I. Associates									
Zhejiang Yinji Auto Parts Co., Ltd.	23,194,987.01			178,300.06				23,373,287.07	
China Railway Geccent Technology Co., Ltd.	3,431,171,074.72			-96,414,181.97				3,334,756,892.75	
Total	3,454,366,061.73			-96,235,881.91				3,358,130,179.82	

3. Revenue and cost of sales

Item	2020		2019	
	Revenue	Costs of sales	Revenue	Costs of sales
Other operations	705,334,278.60	516,562,852.93	283,118,441.70	143,523,550.65
Total	705,334,278.60	516,562,852.93	283,118,441.70	143,523,550.65

4. Investment income**(1) Details**

Item	2020	2019
Investment income (losses) under equity method	-96,235,881.91	-72,795,779.74
Income from disposals of long-term equity investments	-1,289,955.25	-83,869,624.89
Income from holding long-term equity investment	4,335,136.75	3,572,360,330.33
Dividend income from holding other non-current financial assets	735,000.00	
Total	-92,455,700.41	3,415,694,925.70

(2) Long-term equity investment income under equity method

Item	2020	2019
Zhejiang Yinji Auto Parts Co., Ltd.	178,300.06	-282,074.00
China Railway Gecent Technology Co., Ltd.	-96,414,181.97	-72,513,705.74
Total	-96,235,881.91	-72,795,779.74

Zhejiang Geely Holding Group Co., Ltd.
April 27, 2021



统一社会信用代码

911101020855463270

营业执照

(副本) (10-3)



名称 北京兴华会计师事务所(特殊普通合伙)

类型 特殊普通合伙企业

经营范围 张恩军

成立日期 2013年11月22日

合伙期限 2013年11月22日 至 2063年11月21日

主要经营场所 北京市西城区裕民路18号2206房间

审查企业会计报表、出具审计报告；验证企业资本，出具验资报告；办理企业合并、分立、清算事宜中的审计业务，出具有关报告；基本建设年度财务决算审计；代理记账、会计咨询、税务咨询、管理咨询、会计培训；法律、法规规定的其他业务。（市场主体依法自主选择经营项目，开展经营活动；依法须经批准的项目，经相关部门批准后依批准的内容开展经营活动；不得从事国家和本市产业政策禁止和限制类项目的经营活动。）

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登记机关

2020年 08月 06日



证书序号: 000577

会计师事务所

证券、期货相关业务许可证

经财政部、中国证券监督管理委员会审查, 批准

北京兴华会计师事务所(特殊普通合伙) 执行证券、期货相关业务。

首席合伙人: 张恩军

证书号: 10

发证时间: 二〇一二年九月十四日

证书有效期至: 二〇一三年九月十四日





会计师事务所
执业证书

名称：北京兴华会计师事务所（特殊普通合伙）
首席合伙人：张思军
主任会计师：
经营场所：北京市西城区裕民路18号2206房间
组织形式：特殊普通合伙
执业证书编号：11000010
批准执业文号：京财会许可（2013）0060号
批准执业日期：2013年10月10日



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证书编号 0011908

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发证机关：北京市财政局
二〇一九年八月六日

中华人民共和国财政部制



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浙江立信会计师事务所
Zhejiang PricewaterhouseCoopers

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