

Zhejiang Geely Holding Group Co.,Ltd.

Financial Year 2021 Auditor's Report

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北京注册会计师协会

业务报告统一编码报备系统

业务报备统一编码:	110000102022774004013
报告名称:	审计报告
报告文号:	[2022]京会兴审字第 68000084 号
被审(验)单位名称:	浙江吉利控股集团有限公司
会计师事务所名称:	北京兴华会计师事务所(特殊普通合伙)
业务类型:	财务报表审计
报告意见类型:	无保留意见
报告日期:	2022 年 04 月 28 日
报备日期:	2022 年 04 月 28 日
签字人员:	陈树华(330000240229), 朱佳明(330002770009)



(可通过扫描二维码或登录北京注协官网输入编码的方式查询信息)

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Auditor's Report

(2022)JingKuaiXingShenZiNo. 68000084

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 at December 31, 2021, 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 consolidated and the company's financial position as at December 31, 2021, and the consolidated and the company's financial performance 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 for 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 a material misstatement 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.



北京兴华会计师事务所(特殊普通合伙)

BEIJING XINGHUA CERTIFIED PUBLIC ACCOUNTANTS (SPECIAL GENERAL PARTNERSHIP)

(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.

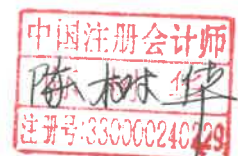
(6) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely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

We communicate with those charged with governance regarding, 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.

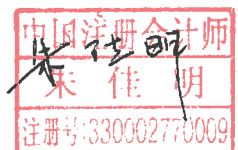
Beijing Xinghua Certified
Public Accountants
(Special General Partnership)

Beijing China

Chinese Certified Public Accountant:
Shuhua Chen



Chinese Certified Public Accountant:
Jiaming Zhu



Date of Report: April 28, 2022

Consolidated Balance Sheet

As at December 31, 2021

Zhejiang Geely Holding Group Co.,Ltd.

Unit RMB

Item	Notes	December 31, 2021	December 31, 2020
Non-current assets:			
Long-term receivables	VI.11	3,608,909,107.03	7,801,402,022.42
Investment in joint ventures & associates	VI.12	22,547,998,037.61	21,504,785,579.80
Other equity investment	VI.13	26,797,399,529.39	27,842,771,202.20
Other non-current financial assets	VI.14	1,987,746,655.89	2,210,715,150.70
Investment properties		732,668.35	797,287.07
Property, plant and equipment	VI.15	108,501,122,356.37	94,303,152,294.49
Construction in progress	VI.16	10,681,521,397.15	10,724,164,208.87
Right-of-use assets	VI.17	6,038,152,632.05	/
Intangible assets	VI.18	58,479,457,291.29	53,302,779,660.83
Development expenditure	VI.19	30,678,920,691.69	34,374,727,339.02
Goodwill	VI.20	978,596,788.04	1,612,259,102.95
Long-term prepayments	VI.21	164,097,498.48	179,468,516.81
Deferred tax assets	VI.22	10,871,226,157.73	9,058,733,334.85
Other non-current assets	VI.23	2,962,184,015.47	3,568,145,206.12
Total non-current assets		284,298,064,826.54	266,483,900,906.13
Current assets:			
Cash and bank balances	VI.1	109,939,196,037.70	104,858,804,240.14
Financial assets held for trading	VI.2	1,918,076,570.26	1,219,962,544.00
Derivative financial assets	VI.3	584,507,920.00	573,731,179.00
Notes receivable	VI.4	754,344,401.13	714,327,220.81
Accounts receivable	VI.5	23,651,515,132.22	17,140,790,066.03
Accounts receivable financing	VI.6	25,118,510,484.07	33,424,324,166.25
Prepayments	VI.7	3,501,553,893.30	2,891,080,836.26
Other receivables	VI.8	13,420,297,425.84	13,593,588,121.98
In which: interest receivable			
Inventories	VI.9	44,708,010,393.52	42,677,973,571.37
Non-current assets due within one year		41,280.71	13,239,429.77
Other current assets	VI.10	10,334,655,373.43	9,683,212,648.04
Total current assets		233,930,708,912.18	226,791,034,023.65
Total assets		518,228,773,738.72	493,274,934,929.78

Legal Representative: Li Donghui

Chief Financial Officer: Zhang Quan

Finance Director: Liu Chengzhen

Consolidated Balance Sheet (Continued)

As at December 31, 2021

Zhejiang Geely Holding Group Co.,Ltd.

Unit RMB

Item	Notes	December 31, 2021	December 31, 2020
Non-current liabilities:			
Long-term bank borrowings	VI.34	31,090,398,822.05	47,590,602,916.20
Bonds payable	VI.35	32,915,365,429.53	35,837,418,937.73
In which: preference shares			
Perpetual bonds			
Lease liabilities	VI.36	4,974,542,679.70	/
Long-term payables	VI.37	5,159,541,105.55	3,597,279,733.97
Provisions	VI.38	6,588,136,984.75	6,881,906,756.44
Deferred income	VI.39	13,389,027,838.23	15,784,281,016.19
Deferred tax liabilities	VI.22	1,905,385,592.80	1,253,479,828.22
Other non-current liabilities	VI.40	16,773,616,513.39	17,981,708,228.69
Total non-current liabilities		112,796,014,966.00	128,926,677,417.44
Current liabilities:			
Short-term bank borrowings	VI.24	28,328,330,790.71	30,814,210,526.13
Derivative financial liabilities	VI.25	1,620,410,656.00	1,542,146,738.00
Notes payable	VI.26	19,282,606,887.80	17,496,425,499.37
Accounts payable	VI.27	81,422,139,419.78	73,142,231,065.51
Advances from customers		28,693,637.45	27,820,451.38
Contract liabilities	VI.28	23,851,889,786.19	20,203,320,470.05
Employee benefits payable	VI.29	9,130,854,583.43	9,865,696,162.19
Taxes payable	VI.30	8,886,225,317.11	9,461,512,010.10
Other payables	VI.31	11,642,479,864.26	7,531,987,788.99
In which: interest payable			
Dividends payable		38,470,833.33	38,757,615.74
Non-current liabilities due within one year	VI.32	30,884,027,137.47	21,403,909,137.34
Other current liabilities	VI.33	17,918,215,642.66	18,783,801,060.77
Total current liabilities		232,995,873,722.86	210,273,060,909.83
Total liabilities		345,791,888,688.86	339,199,738,327.27
Equity:			
Share capital	VI.41	1,030,000,000.00	930,000,000.00
Other equity instruments	VI.42	3,000,000,000.00	3,000,000,000.00
In which: preference shares			
Perpetual bonds		3,000,000,000.00	3,000,000,000.00
Capital reserve	VI.43	23,993,864,619.49	23,210,565,998.59
Less: treasury shares			
Other comprehensive income	VI.44	-5,957,877,375.53	-395,844,988.32
Special reserve	VI.45	3,255.52	
Surplus reserve			
Undistributed profits	VI.46	71,394,327,886.76	62,273,056,691.58
Total equity attributable to owners of the Company		93,460,318,386.24	89,017,777,701.85
Non-controlling interest		78,976,566,663.62	65,057,418,900.66
Total equity		172,436,885,049.86	154,075,196,602.51
Total equity and liabilities		518,228,773,738.72	493,274,934,929.78

Legal Representative: Li Donghui

Chief Financial Officer: Zhang Quan

Finance Director: Liu Chengzhen

Balance Sheet of the Company

As at December 31, 2021

Zhejiang Geely Holding Group Co.,Ltd.

Unit RMB

Item	Notes	December 31, 2021	December 31, 2020
Non-current assets:			
Investment in joint ventures & associates	XIII.2	33,713,993,084.63	34,214,844,073.19
Other equity investment			10,000,000.00
Other non-current financial assets		294,963,067.70	299,963,067.70
Property, plant and equipment		228,369,258.06	216,871,850.20
Construction in progress		1,699,115.04	479,581.76
Right-of-use assets		47,830,869.83	/
Intangible assets		87,459,325.14	96,036,388.91
Development expenditure		74,868,047.66	39,541,705.51
Long-term prepayments		8,745,786.43	13,377,684.78
Deferred tax assets		1,044,900,762.54	694,700,691.70
Total non-current assets		35,502,829,317.03	35,585,815,043.75
Current assets:			
Cash and bank balances		4,985,048,816.21	554,931,949.27
Notes receivable			
Prepayments		50,814,700.00	56,563,407.45
Other receivables	XIII.1	10,856,754,721.08	8,230,795,085.13
In which: interest receivable			
Dividend receivable			
Other current assets			3,921,603.86
Total current assets		15,892,618,237.29	8,846,212,045.71
Total assets		51,395,447,554.32	44,432,027,089.46

Legal Representative: Li Donghui

Chief Financial Officer: Zhang Quan

Finance Director: Liu Chengzhen

Balance Sheet of the Company (Continued)

As at December 31, 2021

Zhejiang Geely Holding Group Co., Ltd.

Unit RMB

Item	Notes	December 31, 2021	December 31, 2020
Non-current liabilities:			
Long-term bank borrowings		4,100,214,515.08	5,149,315,384.00
Bonds payable		10,229,442,952.62	11,489,468,912.02
In which: preference shares			
Perpetual bonds			
Lease liabilities		25,401,722.14	/
Long-term payables			
Other non-current liabilities			
Total non-current liabilities		14,355,059,189.84	16,638,784,296.02
Current liabilities:			
Short-term bank borrowings		8,823,684,148.79	8,280,000,000.00
Notes payable		507,776,007.59	
Accounts payable			
Employee benefits payable		283,648,894.90	124,280,308.24
Taxes payable		23,408,966.65	4,916,153.14
Other payables		6,921,305,074.25	9,195,673,449.96
In which: interest payable			
Dividends payable		38,470,833.33	38,068,750.00
Non-current liabilities due within one year		9,309,307,979.98	2,423,368,674.09
Other current liabilities			2,000,000,000.00
Other current liabilities		25,869,131,072.16	22,028,238,585.43
Total liabilities		40,224,190,262.00	38,667,022,881.45
Equity			
Share capital		1,030,000,000.00	930,000,000.00
Other equity instruments		3,000,000,000.00	3,000,000,000.00
In which: preference shares			
Perpetual bonds		3,000,000,000.00	3,000,000,000.00
Capital reserve		135,280,665.97	588,784,449.10
Less: treasury shares			
Other comprehensive income			
Undistributed profits		7,005,976,626.35	1,246,219,758.91
Total equity		11,171,257,292.32	5,765,004,208.01
Total equity and liabilities		51,395,447,554.32	44,432,027,089.46

Legal Representative: Li Donghui

Chief Financial Officer: Zhang Quan

Finance Director: Liu Chengzhen

Consolidated Income Statement

For the year ended December 31, 2021

Zhejiang Geely Holding Group Co., Ltd.

Unit RMB

Item	Notes	2021	2020
I. Revenue	VI.47	360,315,869,414.72	326,940,061,094.16
Less: cost of sales	VI.47	282,271,555,806.04	263,055,568,651.92
Taxes and surcharges		7,813,649,072.69	6,861,285,141.02
Selling expenses		22,210,664,507.66	17,143,649,022.36
General and administrative expenses		11,986,680,080.30	9,386,936,727.62
Research and development expenses		18,830,990,987.56	14,714,186,772.49
Financial expenses	VI.48	2,419,142,365.78	3,306,399,667.82
In which: interest expenses		4,954,437,566.12	4,453,186,892.22
Interest income		2,370,070,114.91	1,666,996,387.34
Add: other income	VI.49	2,450,112,677.01	3,181,900,708.63
Investment income ("-" for losses)	VI.50	1,839,265,525.77	2,628,291,002.91
In which: investment income from joint ventures and associates		-1,633,831,225.43	1,126,992,711.23
Net exposure to hedging income ("-" for losses)	VI.51	-1,694,858,672.00	-2,392,329,191.00
Gains from changes in fair value ("-" for losses)	VI.52	-734,784,844.47	1,014,660,347.00
Credit impairment losses ("-" for losses)	VI.53	-505,883,920.23	-91,316,622.90
Asset impairment losses ("-" for losses)	VI.54	-877,186,359.46	-301,504,152.35
Gains from disposal of assets ("-" for losses)	VI.55	-711,192,491.66	-610,369,723.77
II. Operating profit ("-" for losses)		14,548,658,509.65	15,901,367,479.45
Add: non-operating income	VI.56	188,498,005.26	206,297,446.63
Less: non-operating expenses	VI.57	236,045,252.05	334,615,465.12
III. Profit before tax ("-" for losses)		14,501,111,262.86	15,773,049,460.96
Less: income tax expenses	VI.58	2,978,463,789.70	3,058,002,476.27
IV. Net profit ("-" for losses)		11,522,647,473.16	12,715,046,984.69
1. Classification by operation continuity		11,522,647,473.16	12,715,046,984.69
(1) Net profit from continued operation		11,522,647,473.16	12,715,046,984.69
(2) Net profit from discontinued operation			
2. Classification by ownership		11,522,647,473.16	12,715,046,984.69
(1) Net profit attributable to owners of the Company		9,488,385,718.11	8,869,820,237.24
(2) Net profit attributable to non-controlling interests		2,034,261,755.05	3,845,226,747.45
V. Other comprehensive income for the year, net of tax		-5,978,096,261.64	9,918,486,771.24
Other comprehensive income attributable to the Company, net of tax		-5,562,032,387.21	9,965,012,333.80
1. Other comprehensive income which will not be reclassified to profit or loss		3,631,045,448.65	5,336,028,634.79
(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		1,870,883,758.24	5,980,316,829.76
(3) Others		1,760,161,690.41	-644,277,698.00
2. Other comprehensive income that will be reclassified to profit or loss		-9,193,077,835.86	4,628,983,699.01
(1) Other comprehensive income that may be reclassified subsequently to profit or loss under equity method		1,520,630.26	-6,866,693.55
(2) Changes in re-classification of financial assets into other comprehensive income		-28,742,300.40	-126,146,721.80
(3) Changes in cash flow hedge recognized in other comprehensive income		-1,472,525,137.00	3,577,809,214.00
(4) Translation differences of financial statements denominated in foreign currency		-7,693,331,028.72	1,184,187,900.36
Other comprehensive income attributable to non-controlling interests, net of tax		-416,063,874.43	-46,525,562.56
VI. Total comprehensive income		5,544,551,211.52	22,633,533,755.93
1. Total comprehensive income attributable to owners of the Company		3,926,353,330.90	18,834,832,571.04
2. Total comprehensive income attributable to non-controlling interests		1,618,197,880.62	3,798,701,184.89
VII. Earnings per share:			
1. Basic earnings per share			
2. Diluted earnings per share			

Legal Representative: Li Donghui

Chief Financial Officer: Zhang Quan

Finance Director: Liu Chengzhen

Income Statement of the Company

For the year ended December 31, 2021

Zhejiang Geely Holding Group Co., Ltd.

Item	Notes	Unit RMB	
		2021	2020
I. Revenue	XIII.3	919,616,915.48	705,334,278.60
Less: Cost of sales	XIII.3	640,501,472.64	516,562,852.93
Taxes and surcharges		4,146,845.78	2,816,678.84
General and administrative expenses		582,764,096.55	536,496,091.88
Financial expenses		1,134,582,526.28	1,065,616,284.73
In which: interest expenses		1,152,900,677.92	995,967,384.41
Interest income		56,196,881.23	15,557,526.87
Add: other income		36,067,952.77	34,605,774.32
Investment income ("-" for losses)	XIII.4	6,954,527,232.13	-92,455,700.41
In which: investment income from joint ventures and associates		-361,984,493.15	-96,235,881.91
Asset impairment losses ("-" for losses)		-5,000,000.00	
Gains from disposal of assets ("-" for losses)		10,362,926.54	-63,623.26
II. Operating profit ("-" for losses)		5,553,580,085.67	-1,474,071,179.13
Add: non-operating income		2,762,894.26	5,058,604.86
Less: non-operating expenses		800,000.00	633,573.41
III. Profit before tax ("-" for losses)		5,555,542,979.93	-1,469,646,147.68
Less: income tax expenses		-350,200,070.84	-342,332,709.53
IV. Net profit ("-" for losses)		5,905,743,050.77	-1,127,313,438.15
1. Net profit from continued operation		5,905,743,050.77	-1,127,313,438.15
2. Net profit from discontinued operation			
V. Other comprehensive income for the year, net of tax			
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			
(1) Other comprehensive income that may be reclassified subsequently to profit or loss under equity method			
VI. Total comprehensive income		5,905,743,050.77	-1,127,313,438.15

Legal Representative: Li Donghui

Chief Financial Officer: Zhang Quan

Finance Director: Liu Chengzhen

Consolidated Cash Flow Statement

For the year ended December 31, 2021

Zhejiang Geely Holding Group Co., Ltd.

Unit RMB

Item	2021	2020
I. CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash receipts from sale of goods and rendering of services	371,368,640,458.03	344,711,630,023.37
Refund of tax and levies	3,091,526,296.01	1,823,654,826.87
Cash receipts from other operating activities	19,325,339,827.92	18,373,742,719.59
Total cash inflows from operating activities	393,785,506,581.96	364,909,027,569.83
Cash payments for goods purchased and services received	264,803,629,147.47	246,617,508,454.10
Cash payments to and on behalf of employees	37,243,517,792.68	37,700,108,168.77
Payments of taxes	23,638,160,229.09	18,151,058,871.62
Cash payments for other operating activities	24,119,270,479.35	25,729,376,088.02
Total cash outflows from operating activities	349,804,577,648.60	328,198,051,582.51
Net cash flows from operating activities	43,980,928,933.36	36,710,975,987.32
II. CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash receipts from disposals and recovery of investments	3,331,969,515.20	3,140,511,614.16
Cash receipts from investment income	4,213,802,897.22	703,523,396.47
Cash receipts from disposal of tangible assets, intangible assets and other non-current assets	753,886,362.34	1,498,694,832.85
Cash receipts from disposals of subsidiaries and other business entities	73,973,894.13	419,950,700.00
Cash receipts from other investing activities	483,897,715.45	308,656,677.53
Total cash inflows from investing activities	8,857,530,384.34	6,071,337,221.01
Cash payments for acquisition of tangible assets, intangible assets and other non-current assets	39,419,282,041.88	32,827,638,762.85
Cash payment for acquiring investments	8,890,682,129.83	6,148,480,879.00
Cash payment for acquisition of subsidiaries and other business entities		
Cash payments for other investment activities	2,472,952,178.88	89,525,722.03
Total cash outflows from investing activities	50,782,916,350.59	39,065,645,363.88
Net cash flows from investing activities	-41,925,385,966.25	-32,994,308,142.87
III. CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash receipts from capital contribution	20,112,388,281.45	8,199,584,547.74
Cash receipts from borrowings	50,633,032,401.18	64,918,512,075.78
Cash receipts from other financing activities	18,384,978,498.17	26,929,719,069.70
Total cash inflows from financing activities	89,130,399,180.80	100,047,815,693.22
Debt repayment	61,513,780,854.83	44,285,336,628.57
Cash payments for distribution of dividends or profit and interest expenses	6,153,500,867.99	5,446,908,513.07
Cash payment for other financing activities	25,850,523,675.12	22,777,225,731.50
Total cash outflows from financing activities	93,517,805,397.94	72,509,470,873.14
Net cash flows from financing activities	-4,387,406,217.13	27,538,344,820.08
IV. Effect of exchange rate changes on cash and cash equivalents	-3,906,162,963.58	466,994,782.01
V. Net increase/(decrease) in cash and cash equivalents	-6,238,026,213.60	31,722,007,446.54
Add: cash and cash equivalents at beginning of the year	135,500,221,589.99	103,778,214,143.45
VI. Cash and cash equivalents at end of year	129,262,195,376.39	135,500,221,589.99

Legal Representative: Li Donghui

Chief Financial Officer: Zhang Quan

Finance Director: Liu Chengzhen

Cash Flow Statement of the Company

For the year ended December 31, 2021

Zhejiang Geely Holding Group Co., Ltd.		Unit RMB
Item	2021	2020
I. CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash receipts from sale of goods and rendering of services	57,137,071.22	263,496,214.85
Refund of tax and levies	1,185,906.20	28,125,774.92
Cash receipts from other operating activities	79,715,940,475.27	85,984,377,428.92
Total cash inflows from operating activities	79,774,263,452.69	86,275,999,418.69
Cash payments for goods purchased and services received		450,790.00
Cash payments to and on behalf of employees	473,401,317.50	517,721,853.29
Payments of taxes	18,903,648.10	16,896,080.33
Cash payments for other operating activities	83,024,715,261.85	91,169,097,858.88
Total cash outflows from operating activities	83,517,020,227.45	91,704,166,582.50
Net cash flows from operating activities	-3,742,756,774.76	-5,428,167,163.81
II. CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash receipts from disposals and recovery of investments	4,483,480,522.36	270,000,000.00
Cash receipts from investment income	7,276,288,701.40	810,258,186.06
Cash receipts from disposal of tangible assets, intangible assets and other non-current assets	4,688,043.68	1,348,584.76
Total cash inflows from investing activities	11,764,457,267.44	1,081,606,770.82
Cash payments for acquisition of tangible assets, intangible assets and other non-current assets	71,430,414.99	81,337,731.30
Cash payment for acquiring investments	4,797,848,841.00	3,613,855,438.00
Total cash outflows from investing activities	4,869,279,255.99	3,695,193,169.30
Net cash flows from investing activities	6,895,178,011.45	-2,613,586,398.48
III. CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash receipts from capital contribution	100,000,000.00	1,498,500,000.00
Cash receipts from borrowings	18,442,000,000.00	24,040,500,000.00
Total cash inflows from financing activities	18,542,000,000.00	25,539,000,000.00
Debt repayment	15,951,684,616.00	16,095,109,616.00
Cash payments for distribution of dividends or profit and interest expenses	1,239,227,196.35	1,142,278,859.37
Cash payment for other financing activities	2,082,724,000.00	14,140,000.00
Total cash outflows from financing activities	19,273,635,812.35	17,251,528,475.37
Net cash flows from financing activities	-731,635,812.35	8,287,471,524.63
IV. Effect of exchange rate changes on cash and cash equivalents	-31,981.32	-40,519.17
V. Net increase/(decrease) in cash and cash equivalents	2,420,753,443.02	245,677,443.17
Add: cash and cash equivalents at beginning of the year	554,931,949.27	309,254,506.10
VI. Cash and cash equivalents at end of year	2,975,685,392.29	554,931,949.27

Legal Representative: Li Donghui

Chief Financial Officer: Zhang Quan

Finance Director: Liu Chengzhen

Consolidated Statement of Changes in Equity

For the year ended December 31, 2021

Zhejiang Geely Holding Group Co., Ltd.

Item	Current period											Total equity
	Attributable to shareholders of the Company											
	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Non-controlling interests	
		Preferred shares	Perpetual bonds	Others								
I. At 31st December 2020	930,000,000.00				20,405,448,798.59		-395,844,988.32			63,243,730,606.35	65,120,464,618.87	152,303,799,035.49
Add: changes in accounting policy										-138,318,962.14	-5,736,867.03	-144,055,829.17
Correction of prior error												
Business combination involving entities under common control					2,805,117,200.00							
Others										-970,673,914.77	-63,045,718.20	1,771,397,567.03
II. Opening balance of the year	930,000,000.00				23,210,565,998.59		-395,844,988.32					
III. Movement ("-" for decrease)	100,000,000.00			3,000,000,000.00						62,134,737,729.44	65,051,682,033.64	153,931,140,773.35
(1) Total comprehensive income					783,298,620.90		-5,562,032,387.21	3,255.52		9,259,590,157.32	13,924,884,629.98	18,505,744,276.51
(2) Capital contributions and reduction												
1. Capital contribution	100,000,000.00						-5,562,032,387.21			9,488,385,718.11	1,618,197,880.62	5,544,551,211.52
2. Capital invested by other equity instrument holders	100,000,000.00				783,298,620.90						13,539,771,136.62	14,423,069,757.52
3. Share-based payment recognized in owners' equity												
4. Others					591,864,962.60						13,408,374,651.34	13,508,574,651.34
(3) Profit distribution												
1. Transfer to surplus reserve					191,433,638.30						985,600,289.64	1,577,465,252.24
2. Distributions to shareholders											-854,403,804.36	-662,970,146.06
3. Others										-228,795,560.79	-1,233,084,387.26	-1,461,879,948.05
(4) Transfer within owners' equity												
1. Transfer of capital reserve to share capital										-193,795,560.79	-1,233,084,387.26	-1,436,879,948.05
2. Transfer of surplus reserve to share capital										-35,000,000.00		-35,000,000.00
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								3,255.52				3,255.52
2. Amount utilized in the year								9,494,018.71			24,392,718.39	33,886,737.10
(6) Others								9,490,763.19			24,392,718.39	33,883,481.58
IV. At 31st December 2021	1,030,000,000.00			3,000,000,000.00	23,993,864,619.49		-5,957,877,375.53	3,255.52		71,394,327,886.76	78,976,566,663.62	172,436,885,049.86

Legal Representative: Li Donghui

Chief Financial Officer: Zhang Quan

Finance Director: Liu Chengzhen

Consolidated Statement of Changes in Equity

For the year ended December 31, 2021

Zhejiang Geely Holding Group Co., Ltd.

Item	Previous period											Unit: RMB	
	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 2019	930,000,000.00		1,500,000,000.00		19,692,258,885.76		-10,560,857,322.12			54,178,637,449.29	54,486,114,524.73	120,426,153,537.66	
Add: changes in accounting policy													
Correction of prior error													
Business combination involving entities under common control					2,432,147,500.00					-488,129,832.53	-157,040,126.07	1,786,977,541.40	
Others													
II. Opening balance of the year	930,000,000.00		1,500,000,000.00		22,124,406,385.76		-10,560,857,322.12			53,690,507,616.76	54,329,074,398.66	122,213,131,079.06	
III. Movement ("-" for decrease)			1,500,000,000.00		1,086,159,612.83		9,965,012,333.80			8,582,549,074.82	10,728,344,502.00	31,862,065,523.45	
(1) Total comprehensive income							9,965,012,333.80			8,869,820,237.24	3,798,701,184.89	22,633,533,755.93	
(2) Capital contributions and reduction			1,500,000,000.00		1,086,159,612.83					-21,789,437.42	8,316,739,267.85	10,881,109,443.26	
I. 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					321,926,860.02					-21,789,437.42	4,612,834,861.66	4,912,972,284.26	
(3) Profit distribution										-261,161,350.00	-1,337,572,581.50	-1,598,733,931.50	
1. Transfer to surplus reserve													
2. Distributions to shareholders										-261,161,350.00	-1,336,675,579.73	-1,597,836,929.73	
3. Others											-897,001.77	-897,001.77	
(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								-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								755,456.83			4,201,608.97	4,957,065.80	
IV. At 31st December 2020	930,000,000.00		3,000,000,000.00		23,210,565,998.59		-395,844,988.32			62,273,056,691.58	65,057,418,900.66	154,075,196,602.51	

Legal Representative: Li Donghui

Chief Financial Officer: Zhang Quan

Finance Director: Luo Chengzhen

Statement of Changes in Equity of the Company

For the year ended December 31, 2021

Zhejiang Geely Holding Group Co., Ltd.

Item	Current period										Unit RMB
	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 2020	930,000,000.00		3,000,000,000.00		588,784,449.10					1,246,219,758.91	5,765,004,208.01
Add: changes in accounting policy											
Correction of prior error											
Others											
II. Opening balance of the year	930,000,000.00		3,000,000,000.00		588,784,449.10					1,246,219,758.91	5,765,004,208.01
III. Movement ("-" for decrease)	100,000,000.00				-453,503,783.13					5,759,756,867.44	5,406,253,084.31
(1) Total comprehensive income										5,905,743,050.77	5,905,743,050.77
(2) Capital contributions and reduction	100,000,000.00				-453,503,783.13						-353,503,783.13
1. Capital contribution	100,000,000.00										100,000,000.00
2. Capital invested by other equity instrument holders											
3. Share-based payment recognized in owners' equity											
4. Others											
(3) Profit distribution					-453,503,783.13						-453,503,783.13
1. Transfer to surplus reserve										-145,986,183.33	-145,986,183.33
2. Distributions to shareholders											
3. Others										-145,999,583.33	-145,999,583.33
(4) Transfer within owners' equity									13,400.00		13,400.00
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 2021	1,030,000,000.00		3,000,000,000.00		135,280,665.97					7,005,976,626.35	11,171,257,292.32

Legal Representative: Li Donghui

Chief Financial Officer: Zhang Quan

Finance Director: Liu Chengzhen

Statement of Changes in Equity of the Company
For the year ended December 31, 2021

Zhejiang Geely Holding Group Co., Ltd.

Item	Previous period										Unit RMB
	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	259,692,811.85
(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											
3. Others										-112,993,750.00	-112,993,750.00
(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	5,765,084,208.01

Legal Representative: Li Donghui

Chief Financial Officer: Zhang Quan

Finance Director: Liu Chengzhen

Notes to the Financial Statements of Financial Year 2021

Zhejiang Geely Holding Group Co., Ltd.

I. Basic situation of the company

Zhejiang Geely Holding Group Co., Ltd. (hereinafter referred to as "the Company") was 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 a 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 changed its registered capital from 830 million yuan to 930 million yuan. The 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.

In November 2021, according to the resolution of the shareholder committee, the Company changed its registered capital from 930 million yuan to 1.03 billion yuan. The new shareholder, Ningbo Yima Enterprise Management Partnership (Limited Partnership) invested 100 million yuan, and the original shareholders agreed to give up pre-emption rights. The current shareholders of the Company are Li Shufu, who invests 847 million yuan, accounting for 82.23% of the registered capital, Li Xingxing, who invests 83 million yuan, accounting for 8.06% of the registered capital, and Ningbo Yima Enterprise Management Partnership (Limited Partnership), who invests 100 million yuan, accounting for 9.71% of the registered capital.

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

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, investment management, asset management, business administration, technology development of automobile and auto parts, car design, car model design, software and information technology service, operating import and export business.

The financial statements thereto of the Group were approved by the Group Board on April 28, 2022.

II. The scope of consolidated financial statements for this year

The consolidation of financial statements in the current period contains 26 1st tier subsidiaries, including 7 new subsidiaries, which are Zhejiang Haowu Network Technology Co., Ltd., Sichuan Yinglun New Energy Vehicle Technology Co., Ltd., Hangzhou Langge Technology Co., Ltd., Zhejiang Geely Industrial Investment Holding Co. Ltd., Shanghai Jinli Jipin Business Management Co., Ltd., Genius & Guru Investment Group Co., Ltd., and Hainan Geely Investment Holding Co., Ltd.; excludes a previous subsidiary Wuhan Lotus Technology Co., Ltd., whose equity was transferred, net adds 6 subsidiaries 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 have been prepared in accordance with Accounting Standards

for Business Enterprises, its Implementation 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 a 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 truly and completely, the consolidated and the Company's financial position as at December 31, 2021, the consolidated and the Company's financial performance and cash flows for the financial year ended December 31, 2021.

2. Accounting period

The accounting year of the Group is a 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 entities under common control

(1) Business combination involving entities under common control

For a business combination under 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 adjusted to capital reserve (capital premium). If the capital reserve (capital premium) is not sufficient to absorb the difference, retained earnings shall be adjusted accordingly.

(2) Business combination not involving entities under common control

For a business combination not under 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 recognized in profit or loss 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 scope 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 company 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 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 financial performance 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 acquired 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 losses for the period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening total equity of the subsidiary on December 31, 2021, 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 percentage, 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, and the sum of the share of 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 an investment in the subsidiary shall be recorded in current profit or loss, except for changes of designated benefit plan in net liabilities or assets due to re-measurement.

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 should be tested for impairment at least at each financial year-end.

When goodwill is undertaken impairment test, it should be progressed with related assets group or assets group portfolio. From the acquisition date, the book value of goodwill should be allocated reasonably to the assets group or assets portfolio expected to benefit from synergy effect of the combination. If the recoverable amount of the assets group or assets portfolio contained allocated goodwill 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 assets group or assets portfolio firstly, and the remaining part should offset the book value of other assets according to the proportion in assets group or assets 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 profit or loss when it occurs and cannot 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 as either joint operation or 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, high liquidity and easily converted into known amounts and investments 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.

The foreign currency monetary items shall be translated at the spot exchange rate at the balance sheet date. The exchange difference caused by the difference between the spot exchange rate at the balance sheet date and the spot exchange rate at the initial recognition date or at the previous balance sheet date shall be recorded in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions, and the amount denominated in the functional currency is not changed. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The resulting exchange differences are recognized in profit or loss or other comprehensive income depending on the nature of the non-monetary items.

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

As at the balance sheet date, the assets and liabilities are translated using the spot exchange rate at the balance sheet date, and equity items other than "unappropriated profit" are translated at the spot exchange rates at the dates of transactions

Income and expense items in the income statement are translated using the annual average exchange rate. Unless there is a significant fluctuation of exchange rate during the year, the spot exchange rates on the dates of transactions shall be used.

All items in the cash flow statement are translated using the annual average exchange rate. Unless there is a significant fluctuation in the exchange rate during the year, the spot exchange rates on the dates of occurrence of the transactions shall be used. The impact of exchange rate changes on cash is taken as an adjustment item, and listed in the item "Impact of exchange rate changes on cash and cash equivalents".

The difference arising from the translation of the financial statements is reflected in the balance sheet item "Other Comprehensive Income" under equity.

When disposing overseas business and losing control, the balance of foreign currency statement translation related to the overseas business as shown in the balance sheet shall be transferred to profit or loss in whole or in proportion to the disposal of the overseas business.

11. Financial instruments

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

(1) Recognition and derecognition of financial instruments

The Group recognizes a financial asset or a financial liability when it becomes a party to the

contractual provisions of a financial instrument.

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

- 1) The contractual rights to receive cash flows from financial assets have expired;
- 2) The Group has transferred its rights to receive cash flows from the financial asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (i) has transferred substantially all the risks and rewards of the financial asset, or (ii) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the financial asset. A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognized in profit or loss.

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

(2) Classification and measurement of financial assets

When the financial assets of the Group are initially recognized, they are classified as follows according to financial asset's contractual cash flow characteristics and the Group's business model for managing them: financial assets at amortized cost, financial assets at fair value through other comprehensive income and 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 arising from the sale of goods or rendering of services that do not contain significant financing components or take into account financing components 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 recognized in profit or loss. Relevant transaction costs of other types of financial assets are recognized 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 give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The interest income of financial assets is recognized by the effective interest method, gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. 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 meet the following conditions shall be classified as financial assets at fair value through other comprehensive income: the financial asset is held within a business model

with the objective of both holding to collect contractual cash flows and selling; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income is recognized using the effective interest method. The interest income, impairment losses and foreign exchange revaluation are recognized in profit or loss. The remaining fair value changes are recognized in other comprehensive income. Upon derecognition, the cumulative fair value change recognized in other comprehensive income is recycled to profit or loss. 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 the relevant dividend income (excluding the dividend income explicitly recovered as part of the investment cost) is recognized in profit or loss. Subsequent changes in the fair value are included in other comprehensive income, and no provision for impairment is made. When the financial asset is derecognized, the accumulated gains or losses previously included in other comprehensive income are transferred from other comprehensive income to retained earnings. Such financial assets are presented as other equity instruments investment.

3) Financial assets at fair value through profit or loss

The financial assets other than the above financial assets measured at amortized cost and financial assets at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Such financial assets are subsequently measured at fair value with net changes in fair value recognized in profit or loss. These financial assets are presented as financial assets held for trading, 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. On initial recognition, in order to eliminate or significantly reduce accounting mismatch, 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 recognized in profit or loss. Relevant transaction costs of other types of financial liabilities are included 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 include financial liabilities held for trading (including derivative instruments attributable to financial liabilities) and financial liabilities designated upon initial recognition as at fair value through profit or loss.

The Group measures Financial liabilities as financial liabilities held for trading if meet one of the following conditions: The purpose of undertaking relevant financial liabilities is mainly for short-term repurchase or sale; such financial liabilities are 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 held for trading

(including derivative instruments attributable to financial liabilities) are recognized in profit or loss and subsequently measured at fair value, except for those related to hedge accounting.

2) Other financial liabilities

After initial recognition, such financial liabilities are measured at amortized cost using the effective interest method.

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

(5) Financial guarantee contract

Financial guarantee contracts are those contracts that require a payment to be made by the issuer to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are measured, on initial recognition, at fair value. For financial guarantee contracts that are not designated as financial liabilities at fair value through profit or loss, they are, after initial recognition, subsequently measured at the higher of: (i) the amount of provisions for expected credit losses ("ECLs") at the balance sheet date, and (ii) the amount initially recognized less the cumulative amortization recognized in accordance with the guidance for revenue recognition.

(6) Transfer of financial assets

A financial asset is derecognized when the Group has transferred substantially all the risks and rewards of the asset to the transferee. A financial asset is not derecognized when the Group retains substantially all the risks and rewards of the financial asset. When the Group has neither transferred nor retained substantially all the risks and rewards of the financial asset, it either (i) derecognizes the financial asset and recognizes the assets and liabilities created in the transfer when it has not retained control of the asset; or (ii) continues to recognize the transferred asset to the extent of the Group's continuing involvement, in which case, the Group also recognizes an associated liability.

Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the guarantee amount. The guarantee amount is the maximum amount of consideration that the Group could be required to repay.

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

Based on ECLs, the Group recognizes an allowance for ECLs for the financial assets at amortized cost, debt instrument investments at fair value through other comprehensive income, lease receivables and financial guarantee contracts.

Credit loss refers to the difference between all contractual cash inflows discounted at the original effective interest rate and all cash flows expected to receive by the Group, which means the present value of all cash shortfalls. The purchased or originated credit-impaired financial assets need to be discounted at the actual interest rate adjusted by credit of the financial assets.

For leasing receivables and receivables, the Group applies the simplified approach to recognize a loss allowance based on lifetime ECLs.

In addition to the financial assets and financial guarantee contracts apply 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 loss allowance is measured at an amount equal to 12-month ECLs by the Group and the interest income is calculated

according to the carrying amount and the effective 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 loss allowance is measured at an amount equal to lifetime ECLs by the Group and the interest income is calculated according to the carrying amount and the effective interest rate. If the credit impairment occurred after the initial recognition, it is in the third stage. The loss allowance is measured at an amount equal to lifetime ECLs by the Group and the interest income is calculated according to the amortized cost and the effective 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 ECL 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 by comparing the risk of the default occurring on the financial instruments at the balance sheet date and 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 causes a significant change in the ability of the borrower to meet its obligations.
- Whether the actual or expected financial performance 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 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 exemption 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 becomes 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 recognize 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 evaluated 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; Items of inventories relating to the same product line that have the same or similar end uses or purposes, are produced and marketed in the same geographical area, and cannot be practicably evaluated separately from other items in that product line, are grouped and written down 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 to 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 is 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 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 entities 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) Methods 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 dividends or profit distributions 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 interest in the fair value of the investee's identifiable net assets at the acquisition date, no

adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's interest in the fair value of the investee's identifiable net assets at the acquisition date, 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 profits and 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 received shall be recorded in current profit or loss.

15. Held for sale, and discontinued operation

(1) Classification and measurement of non-current assets or disposal groups held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction (including exchange of non-monetary assets of commercial substance) rather than through continuing use.

The above non-current assets do not include investment real estate which is subsequently measured using the fair value model, biological asset which is measured using the net fair value minus selling expenses, assets derived from employee compensation, financial assets, deferred income tax assets and rights arising from insurance contracts.

Disposal group means a group of assets disposed together as a whole by sale or otherwise in a transaction, and liabilities directly related to these assets transferred in the transaction. In certain cases, the disposal group includes goodwill acquired in a business merger, etc.

Non-current assets or disposal groups are classified as held for sale if they meet the following conditions: non-current assets or disposal groups are immediately available for sale in current

condition in accordance with the practice for the sale of such assets or disposal groups in similar transactions; A sale is highly probable to occur if the Group has passed a disposal resolution and obtained a firm purchase commitment, expecting to complete the sale within one year. If the Group committed to a sale plan involving a loss of control of a subsidiary, the investment in the subsidiary is classified in whole as an asset held for sale in the individual financial statements, and all assets and liabilities of the subsidiary are classified as a disposal group held for sale in the consolidated financial statements when the criteria are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

At the time of initial recognition or remeasurement at the balance sheet date of non-current assets or disposal groups held for sale, the difference between the carrying value and the net value after deducting selling expenses is recognized as asset impairment loss. For the amount of asset impairment loss recognized by disposal groups held for sale, the carrying value of goodwill in disposal groups shall be deducted first, and then the remaining value shall be deducted proportionally according to the proportion of the carrying value of various non-current assets in disposal groups.

If the net value of fair value of non-current assets or disposal groups held for sale after deducting selling expenses increases at the subsequent balance sheet date, the amount previously written down shall be restored, and the amount of asset impairment loss recognized after the division of assets held for sale shall be reversed, and the reversed amount shall be recognized in profit and loss. The offset carrying value of goodwill shall not be reversed.

Non-current assets and disposal groups held for sale shall not be depreciated or amortized; interest and other expenses on liabilities held for sale in disposal groups continue need to be recognized. For all or part of the investment of the joint venture or joint venture classified as held for sale, the equity method shall be discontinued for the portion classified as held for sale, and the retained portion (not classified as held for sale) shall continue to be accounted for by the equity method; When the group loses its significant influence or sale joint ventures and associates, the equity method shall be discontinued.

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 group measures 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) Recoverable amount.
- (2) Discontinued operation

A discontinued operation is a component separately identifiable that either has been disposed of or is classified as held for sale, and satisfies one of the following conditions:

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

(3) Presenting

In the balance sheet of the Group, non-current assets or disposal groups held for sale are presented as "Assets held for Sale" and the liabilities in disposal groups held for sale are presented as "Liabilities held for sale".

The Group 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.

Disposal groups that intend to end rather than sell and satisfy the conditions for the relevant components of the definition of discontinued operations shall be presented as discontinued operations as of the date of discontinued use.

For discontinued operations presented in current period, in the financial statements, the information previously reported as a continuing operation profit and loss is re-reported as a discontinued operation profit and loss for the comparable accounting period. Where the discontinued business no longer meets the classification conditions for holding for sale, the information previously reported as the discontinued business gains and losses is restated as the continuing business gains and losses for the comparable accounting period in the financial statements of the current period.

16. 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 into 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 start from 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	4-14	0-10	6.43-25.00
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.

(3) Property, plant and equipment impairment test method and impairment provision method

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 need to be capitalized if the economic benefit related to such tangible assets is likely to inflow and its cost could be measured reliably; the daily repair expenses of property, plant and equipment that do not meet the conditions of capitalized subsequent expenditures of fixed assets shall be recorded into profit and loss or the costs of relevant assets

according to the beneficiaries when incurred. The carrying value of replaced part shall be terminated. If the property, plant and equipment are upon disposal or no future economic benefits are expected to be generated from their use or disposal, the property, plant and equipment are derecognized. When the property, plant and equipment are 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.

17. 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 is ready 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 the asset is ready 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.

18. Borrowing cost

Borrowing costs include interest, amortization of discount or premium related to borrowings, auxiliary costs 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 have been incurred, activities that are necessary to acquire, construct or produce the asset for its intended use or sale have been undertaken, 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 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.

Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally by activities other than those necessary to get the asset ready for its intended use or sale, when the suspension is for a continuous period of more than 3 months. Borrowing costs incurred during these periods are recognized as an expense in profit or loss

until the acquisition, construction or production is resumed.

19. Right-of-use assets

The right-of-use assets of the Group mainly include land, houses and buildings, machinery equipment, transportation vehicles, etc.

The Group recognizes the right-of-use assets on the beginning of the date of the lease term, except short-term leases and low-value asset leases with simplified treatment. The beginning date of the lease term refers to the date on which the lessor provides the leased assets for use to the Group.

The right-of-use assets are initially measured at cost. The cost includes:

- (1) The initial measurement amount of the lease liability;
- (2) The amount of lease payment paid on or before the beginning date of the lease term less any lease incentives received;
- (3) Initial directed expenses incurred by the Group, and
- (4) An estimate of costs incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, excluding those incurred for the production of inventory.

If the Group is reasonably certain that the ownership of the underlying asset will be transferred to the Group at the end of the lease term, the Group depreciates the asset from the commencement date to the end of the useful life of the asset. Otherwise, the Group depreciates the assets from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term.

In accordance with the impairment of long-term assets in Note IV, (23), except for goodwill, the Group determines whether the assets of the right of use have been impaired and conducts accounting treatment.

After the beginning of the lease term, if any of the following situations occur, the Group shall re-measure the lease liabilities and adjust the corresponding right-of-use assets. when the carrying amount of the right-of-use asset is reduced to zero, and there is a further reduction in the measurement of the lease liability, the Group recognizes the remaining amount of the remeasurement in profit or loss:

- (1) If the actual vesting and the evaluation result of purchase option, renewal option or termination option, have been changed, the Group recalculates the lease liability by changed lease payment and present value with revised discount rate;
- (2) When there is a change in the substantial fixed payment amount, a change in the expected amount payable in the guarantee residual value or a change in the index or ratio used to determine the lease payment amount, the Group recalculates the lease liability by changed lease payment and present value with the same discount rate. However, if changes in lease payments are due to changes in floating interest rates, the present value should be calculated by the revised discount rate.

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 can be 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 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 phase expenditure and development phase 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 recognized in 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) How the intangible asset will generate probable future economic benefits, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of 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 phase and the development phase cannot be distinguished separately, all development expenditure incurred are accounted for in profit or loss for the current year.

Capitalized expenditure incurred during development phase 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 prepayments

Long-term prepayments are expenses which have incurred but shall be amortized over the current year and subsequent years for more than one year. Long-term prepayments 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, right-of-use assets, intangible assets, research and development expenditure, or long-term equity investments may be impaired. If any, their recoverable amount shall be estimated and impairment tests shall be performed. Intangible assets with infinite useful life and intangible assets that have not been ready for their intended use are tested each year regardless of any indication of impairment.

If the impairment test indicates that the recoverable amount of an asset is less than 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 fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. 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 to be ready for sale. 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, 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 for 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 which the asset belongs to. 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 subsequent years.

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 in 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. Lease liabilities

The Group makes initial measurement of lease liabilities according to the present value of the outstanding lease payments at the commencement date of the lease term, except for short-term leases with simplified treatment and leases of low-value assets. In calculating the presenting value of the lease payments, the Group uses the interest rate implicit in the lease as the discount rate. If the rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Lease payment refers to the amount paid by the Group to the lessor in relation to the right to use the leased assets during the lease term, including:

- (1) Fixed payment amount and substantial fixed payment amount, if there is a lease incentive, the amount related to lease incentive will be deducted;
- (2) Variable lease payments subject to an index or ratio, which is based on the index or ratio of the commencement date of the lease term at the time of initial measurement;
- (3) The exercise price which will be exercised is reasonably determined by the Group;
- (4) If the lease term reflects that the Group will exercise the option to terminate the lease, the amount to be paid for exercising the option to terminate the lease;
- (5) The amount expected to be paid based on the residual value of the guarantee provided by the Group.

After the beginning of the lease term, the Group calculates the interest expense of the lease liability in each period of the lease term according to the fixed periodic interest rate and recognizes in profit and loss or the cost of related assets. The variable lease payment not included in the measurement of the lease liability will be recognized in profit and loss or the cost of related assets when it actually occurs.

After the beginning of the lease term, if any of the following situations occur, the Group shall re-measure the lease liabilities and adjust the corresponding right-of-use assets. When the carrying amount of the right-of-use asset is reduced to zero, and there is a further reduction in the measurement of the lease liability, the Group recognizes the remaining amount of the remeasurement in profit or loss:

- (1) If the actual vesting and the evaluation result of purchase option, renewal option or termination option, have been changed, the Group recalculates the lease liability by changed lease payment and present value with revised discount rate;
- (2) When there is a change in the substantial fixed payment amount, a change in the expected amount payable in the guarantee residual value or a change in the index or ratio used to determine the lease payment amount, the Group recalculates the lease liability by changed lease payment and present value with the same discount rate. However, if changes in lease payments are due to changes in floating interest rates, the present value should be calculated by the revised discount rate.

26. 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 an equity-settled share-based payment.

Stock option plan refers to a share payment made in exchange for services received from employees, and measured at the fair value of the equity instrument granted to the employee at the date of grant.

The Group at each balance sheet date during the vesting period recognizes the services received for the current period as related costs and expenses, with a corresponding increase in capital reserves, at an amount equal to the fair value of the equity instruments at the grant date, based on the best estimate of the number of equity instruments expected to vest.

27. 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 expenditure 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 an 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 the part of the business will be sold, such obligations shall be reorganized after the Group commits to sell part of the business, (namely, to sign a binding sales agreement).

28. 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 the customer obtains control of relevant goods or services. A performance obligation refers to the commitment 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 receive 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 assets refer 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 performing 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; 2) the cost increases the resources of the Group for performing 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 sale of goods or rendering services, and the amortization shall be recorded in profit or loss.

29. 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 shall be offset against carrying amount of related assets or recognized as deferred income and evenly amortized 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 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.

30. 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) arising from the current and prior years are measured at the amount expected to be paid by the Group or returned by the tax authority calculated according to related tax laws.

(2) Deferred tax assets and deferred tax liabilities

Deferred tax is provided using the balance sheet liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts, and temporary differences between the tax bases and the carrying amounts of the items, which have a tax base according to related tax laws but are not recognized as assets and liabilities.

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, in accordance with the requirements of 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.

31. Leases

(1) Identification of leases

Lease refers to a contract whereby the lessor assigns the right to use an asset to the lessee for consideration within a certain period of time. At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Unless the terms and conditions of the contract change, the Group does not re-evaluate whether the contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, the customer has both of the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset.

(2) Identification of separate lease components

For a contract that contains multiple separate lease components, the Group separates the components of the contract and accounts for each separate lease component. The right to use an underlying asset is a separate lease component if both: 1) the lessee can benefit from use of the underlying asset either on its own or together with other resources that are readily available to the lessee; 2) the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract.

(3) As lessee

1) Separating lease components and non-lease components

For a contract that contains lease components and non-lease components, the Group accounts for lease components and non-lease components separately. The contract consideration shall be apportioned in proportion to the sum of the separate prices of each leased part and the separate prices of the non-leased components.

2) Assessment of the lease term

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

3) Right-of-use assets and Lease liabilities

Please refer to Note IV, 19 and Note IV, 25.

4) Lease modifications

Lease modification is a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease, for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term.

The Group accounts for a lease modification as a separate lease if both:

- ① the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- ② the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification, the Group remeasures the consideration of the modified contract and remeasures the lease liability by discounting the revised lease payments using a revised discount rate.

For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by: 1) decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, and recognizing the gain or loss relating to the partial or full termination of the lease in profit or loss; 2) making a corresponding adjustment to the right-of-use asset for all other lease modifications.

5) Short-term leases and leases of low-value assets

The Group considers a lease that, at the commencement date of the lease, has a lease term of 12 months or less, and does not contain any purchase option as a short-term lease. A lease for which the value of the individual underlying asset with low value when it is new as a lease of low-value assets. If the Group subleases an asset, or expects to sublease an asset, the head lease does not qualify as a lease of a low-value asset. The Group does not recognize the right-of-use assets and lease liabilities for short-term leases and low-value assets. The Group recognizes lease payments on short-term leases and leases of low-value assets in the costs of the related asset or profit or loss on a straight-line basis over the lease term.

(4) As lessor

1) Separating lease components and non-lease components

If the contract contains both leased and non-leased parts, the apportion shall be based on the separate price of the leased part and the non-leased part respectively, in accordance with Accounting Standard for Business Enterprises No.14 – Revenue.

2) Classification of leases

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

3) As lessor of an operating lease

Rental income under an operating lease is recognized on a straight-line basis over the lease term, through profit or loss. Variable lease payments that are not included in the measurement of lease receivables are charged to profit or loss as incurred. Initial direct expenses incurred by the Group in relation to operating leases are capitalized at the time of occurrence and are amortized over the term of the lease on the same basis as rental income recognition and recorded in the current profit and loss by stages. In accordance with the Accounting Standard for Business Enterprises No. 8 - Impairment of Assets, the Group determines whether the impairment of operating leased assets occurs and conducts corresponding accounting treatment.

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

4) As lessor of a finance lease

At the commencement date of the lease, the Group recognizes finance lease receivable and derecognizes finance lease assets. The Group presents lease receivable at an amount equal to the net investment in the lease for the initial measurement. The net investment in the lease is the sum of any unguaranteed residual value accruing to the lessor and at the commencement date of the lease the lease payments receivable by a lessor under a finance lease discounted at the interest rate implicit in the lease.

The Group recognizes finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the net investment in the lease. The termination recognition and impairment of the receivable finance lease shall be in accordance with Note IV, 11 “Financial instruments” and Note IV, 12 “Determination method and accounting treatment method of expected credit loss”.

Variable lease payments received by the Group that are not included in the measurement of the net investment in the lease are recognized in profit or loss as incurred.

The Group accounts for a modification to a finance lease as a separate lease if both:

- ① the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- ② the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a modification to a finance lease that is not accounted for as a separate lease, the Group accounts for the modification as follows:

- ① if the lease would have been classified as an operating lease had the modification been in effect at the inception date, the Group accounts for the lease modification as a new lease from the effective date of the modification, and measures the carrying amount of the underlying asset as the net investment in the lease immediately before the effective date of the lease modification; or
- ② if the lease would have been classified as a finance lease had the modification been in effect at the

inception date, the Group accounts for the lease modification in accordance with the requirements in Note IV, 11 "Financial instruments" on the contract modifications or re-negotiation.

(5) Sale and leaseback transactions

The Group applies the requirements in Note IV, 28 to assess and determine whether the transfer of an asset is accounted for as a sale of that asset.

1) As seller and lessee

If the transfer of an asset satisfies the requirements to be accounted for as a sale of the asset, the Group, as a lessee, measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Group. Accordingly, the Group recognizes only the amount of any gain or loss that relates to the rights transferred to the lessor; and if the transfer of an asset does not satisfy the requirements to be accounted for as a sale of the asset, the Group, as a lessee, continues to recognize the transferred asset and recognizes a financial liability equal to the transfer proceeds. The Group accounts for the financial liability applying Note IV, 11 "Financial instruments".

2) As buyer and lessor

If the transfer of an asset satisfies the requirements to be accounted for as a sale of the asset, the Group, as a lessor, accounts for the purchase of the asset and for the lease applying the accounting requirements set forth; and if the transfer of an asset by the Group does not satisfy the requirements to be accounted for as a sale of the asset, the Group, as a lessor, does not recognize the transferred asset and recognizes a financial asset equal to the transfer proceeds. The Group accounts for the financial asset applying Note IV, 11 "Financial instruments".

32. 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 profit or loss, and credited to 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 offset 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 offset against with the full depreciation of the fixed asset. The fixed assets will not be depreciated in the future.

33. Related parties

If one party has the power to controls, jointly controls or exercise significant influence over another party, and two or more parties are subject to control or joint control from the same party, they constitute related parties.

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

- (1) Parent of the company;
- (2) Subsidiaries of the Company;
- (3) Other enterprises controlled by the same parent company;
- (4) Investors that have joint control over the Company;
- (5) Investors that have significant influence over the Company;
- (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.

34. 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 recognized 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 warranties 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.

35. Changes in significant accounting policies and estimates

(1) Changes in significant accounting policies

Implementation of Accounting Standard for Business Enterprises No. 21 - Leases (revised in 2018)

The Group has accounted for leases under the revised Accounting Standard for Business Enterprises No. 21 – Leases (the “New Leases Standard”) with Caikuai [2018] No. 35 documentation since 1 January 2021. According to the transitional requirements, the Group did not reassess whether a contract is, or contains, a lease at the date of initial application.

1) As lessee

The Group elects to adjust the cumulative impact of the initial implementation of this Code to the amount of retained earnings and other relevant items in the financial statements as at 1 January 2021, and the Group did not restate comparative information.

For leases previously classified as operating leases, the Group recognized lease liabilities based on the present value of the remaining lease payments discounted at the incremental borrowing rate at the date of initial application, the Group recognized lease liabilities and right-of-use assets as if the New Leases Standard had been applied since the commencement date of the lease.

For operating leases before the date of initial application, the Group shall, in conjunction with the application of the above method, choose one or more of the following simplified treatments for each lease:

- ① Leases completed within 12 months after the date of initial application will be treated as short-term leases;
- ② Applied a single discount rate to a portfolio of leases with reasonably similar characteristics; and excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application;
- ③ Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease;
- ④ Relied on its assessment of whether leases are onerous applying Accounting Standard for Business Enterprises No. 13 - Contingency immediately before the date of initial application as an alternative to performing an impairment review, and adjusted the right-of-use assets at the date of initial application by the amount of any provision for onerous leases recognized in the balance sheet immediately before the date of initial application; and
- ⑤ Accounted for the changes in leases before the date of initial application based on the final arrangement for such changes.

The effect of implementation of the New Leases Standard on the balance sheet as at January 1 2021 is as follows:

Items	December 31, 2021 (Before adjustment)	The effect of the New Leases Standard	January 1 2021 (After adjustment)
Inventories	42,677,973,571.37	-2,302,568.00	42,675,671,003.37
Right-of-use assets		5,597,216,752.41	5,597,216,752.41
Deferred tax assets	9,058,733,334.85	25,647,668.00	9,084,381,002.85
Non-current liabilities due within one year	21,403,909,137.34	1,015,921,504.00	22,419,830,641.34

Lease liabilities		4,748,696,177.58	4,748,696,177.58
Undistributed profits	62,273,056,691.58	-138,318,962.14	62,134,737,729.44
Non-controlling interest	65,057,418,900.66	-5,736,867.03	65,051,682,033.63

2) As lessor

The Group does not need to adjust its leases as lessors in accordance with the New Leases Standard.

(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 1%, 3%, 5% and 9% of the taxable income
Urban maintenance and construction tax	Calculated and paid according to 1%, 5% and 7% of the paid value added tax and consumption tax
Education surcharge	Calculated and paid according to 3% of the paid value added tax and consumption tax
Local education surcharge	Calculated and paid according to 1.5% and 2% of the paid value added tax and consumption 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) Zhejiang Jirun Automobile 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 GR202033101500 (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) Ningbo Yuanjing Automobile Parts Co., Ltd. (a subsidiary of Zhejiang Jirun Automobile Co., Ltd.) received the renewed certificate of High-tech enterprise on December 10, 2021. The certificate number is GR202133101310 (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 Jirun Chunxiao Automobile Parts Co., Ltd. (a subsidiary of Zhejiang Jirun Automobile Co., Ltd.) received the renewed certificate of 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%.

(4) Ningbo Jirun Automobile Parts Co., Ltd. (a subsidiary of Zhejiang Jirun Automobile Co., Ltd.) 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%.

(5) Hangzhou Geely Automobile Co., Ltd. (a subsidiary of Zhejiang Jirun Automobile Co., Ltd.) 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%.

(6) 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), Guizhou Geely Automobile Manufacturing Co., Ltd. (a subsidiary of Zhejiang Jirun Automobile 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. Guizhou Geely Automobile Manufacturing Co., Ltd. was recognized as a High-tech enterprise in 2020. The certificate number is GR202052000467 (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) 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 subsidiary of Zhejiang Jirun Automobile 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.

(8) 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 subsidiary of Zhejiang Jirun Automobile 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.

(9) According to the relevant laws and regulations of the country and region, the enterprise income tax of Borisov Engine Plant "Geely" Limited Liability Company (a subsidiary of Zhejiang Jirun Automobile Co., Ltd.) shall be calculated and paid at 18% of the taxable income; According to the tax benefits of the free trade zone in the country and region where the company is located, it is exempt from income tax for ten years from the day when it begins to make profits.

(10) Zhejiang Fengrui Engine Co., Ltd. (a subsidiary of Zhejiang Jirun Automobile Co., Ltd.) received the renewed certificate of High-tech enterprise on December 1, 2020. The certificate 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%.

(11) Ningbo Shangzhongxia Automatic Transmission Co., Ltd. (a sub-subsidiary of Zhejiang Jirun Automobile Co., Ltd.) received the renewed certificate of High-tech enterprise on December 10, 2021. The certificate number is GR202133100689 (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) Baoji Geely Engine Co., Ltd. (a sub-subsidiary of Zhejiang Jirun Automobile Co., Ltd.) received the renewed certificate of High-tech enterprise on October 14, 2021. The certificate number is

- GR202161000385 (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) Guizhou Geely Engine Co., Ltd. (a sub-subsidiary of Zhejiang Jirun Automobile Co., Ltd.) was recognized as a High-tech enterprise in 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%.
- (14) Ningbo Geely Luoyou Engine Parts and Component Co., Ltd. (a sub-subsidiary of Zhejiang Jirun Automobile 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%.
- (15) Zhejiang Yili Auto Parts Co., Ltd. (a sub-subsidiary of Zhejiang Jirun Automobile Co., Ltd.) received the renewed certificate of 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%.
- (16) Yiwu Geely Powertrain Co., Ltd. (a sub-subsidiary of Zhejiang Jirun Automobile Co., Ltd.) 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%.
- (17) Taizhou Binhai Geely Engine Co., Ltd. (a sub-subsidiary of Zhejiang Jirun Automobile Co., Ltd.) 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%.
- (18) Zhejiang Yinglun Motor Co., Ltd. (a subsidiary of Sichuan Yinglun New Energy Vehicle Technology Co., Ltd.) was recognized as a High-tech enterprise in 2021. 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%.
- (19) Ningbo Geely Automobile Research & Development Co., Ltd. (a subsidiary of Zhejiang Geely Automobile 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%.
- (20) 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 15, 2021, which number is GR202151003638 (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) Jiangxi Geely New Energy Commercial Vehicles Co., Ltd. (a subsidiary of Zhejiang Geely New Energy Commercial Vehicle Group Co., Ltd.) was recognized as a High-tech enterprise on November 3, 2021, which number is GR202136000216 (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%.
- (22) Shandong Tangjun Ouling Automobile Manufacturing Co., Ltd. (a subsidiary of Zhejiang Geely New Energy Commercial Vehicle Group Co., Ltd.) was recognized as a High-tech enterprise on December 8, 2020, which number is GR202037002024 (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) 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), 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.

(24) Anhui Hualin 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, which 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 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, which 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) Maanshan Fuheng Automobile Interior Co., Ltd. (a sub-subsidiary of Zhejiang Geely New Energy Commercial Vehicle Group Co., Ltd.) received the renewed certificate of High-tech enterprise in 2021, which number is GR202134003549 (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 Auto Parts Co., Ltd. (a sub-subsidiary of Zhejiang Geely New Energy Commercial Vehicle Group Co., Ltd.) received the renewed certificate of High-tech enterprise in 2021, which number is GR202134003648 (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) Anhui Fuma Auto Parts Group 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, which 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 Transmission 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, which 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, which 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 Hualin Automobile Co., Ltd. (a sub-subsidiary of Zhejiang Geely New Energy Commercial Vehicle Group Co., Ltd.) was recognized as a High-tech enterprise in 2021, which number is GR202143001551 (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 Automobile Co., Ltd. (a sub-subsidiary of Zhejiang Geely New Energy Commercial Vehicle Group Co., Ltd.) was recognized as a High-tech enterprise in 2021, which number is GR202143002149 (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) Kai Yue Auto Parts Manufacturing (Zhangjiakou) Co., Ltd. (a subsidiary of Lynk&Co Investment Limited) was recognized as a High-tech enterprise on October 27, 2021, which number is GR202113001506 (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%.

(34) Yuyao Lynk&Co Auto Parts Co., Ltd. (a subsidiary of Lynk&Co Investment Limited) was recognized as a High-tech enterprise on December 10, 2021, which number is GR202133101062 (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%.

(35) 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 Lynk&Co Automobile Co., Ltd. (a sub-subsidiary of Lynk&Co Investment 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.

VI. Notes to items of consolidated financial statements

(In the notes to the financial statements, "end of period" refers to December 31, 2021, "beginning of period" refers to December 31, 2020, "current period" refers to the year 2021, "the same period of last year" refers to the year 2020.)

1. Cash and bank balances

Item	December 31, 2021	December 31, 2020
Cash	1,567,047.09	3,906,863.71
Bank balances	95,929,869,843.95	100,358,883,417.67
Other monetary fund	14,007,759,146.66	4,496,013,958.76
Total	109,939,196,037.70	104,858,804,240.14

Note: As at December 31, 2021, the Group had restricted cash and bank balances amounted to RMB 5,707,334,720.00 (Year 2020: RMB 2,666,541,589.63).

2. Financial assets held for trading

Item	December 31, 2021	December 31, 2020
Financial assets held for trading	1,918,076,570.26	1,219,962,544.00
In which: investment products (Note)	1,886,125,357.00	1,219,962,544.00
Others	31,951,213.26	
Total	1,918,076,570.26	1,219,962,544.00

Note: The investment products are short-term investment products held by Shanghai Geely Zhaoyuan International Investment Co., Ltd. (hereinafter referred to as: Geely Zhaoyuan).

3. Derivative financial assets

Item	December 31, 2021	December 31, 2020
Hedging instruments	489,841,593.00	536,473,784.00
In which: cash flows hedging instruments (Note 1)	445,812,117.00	533,431,422.00
Hedging instruments of a net investment in a foreign operation (Note 2)	44,029,476.00	3,042,362.00
Interest rate swap instrument (Note 1)	7,300,587.00	7,482,455.00
Commodity futures hedging	15,995,471.00	29,774,940.00
Electricity futures hedging	71,370,269.00	
Total	584,507,920.00	573,731,179.00

Note 1: At the balance sheet date, Geely Zhaoyuan owns foreign exchange forwards and option contracts, and all of these instruments had positive fair values (foreign exchange forwards and option contracts with negative fair values are listed in Note VI.25). 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 2021.

The loss after tax arising from the change of fair value of cash flow hedging instruments included in other comprehensive income in 2021 is RMB 1,592,212,673.00 (2020: income after tax is RMB 3,577,809,214.00), and it is expected to be gradually transferred to the income statement within 48 months after the balance sheet date (2020: 48 months).

The provisions in the foreign exchange forwards and option contracts signed by Geely Zhaoyuan are consistent with the prediction. The information is listed as follows:

Foreign exchange forward contracts:

<u>Nominal amount (Note①)</u>	<u>Maturity date</u>	<u>Fair value</u>
RMB		RMB
1,474,734,422	Within 1 month	24,386,742
2,507,220,118	1 to 3 months	40,924,127
11,632,221,383	3 to 12 months	236,816,870
5,493,467,085	1 to 5 years	95,669,960

Foreign exchange option contracts:

<u>Nominal amount (Note①)</u>	<u>Maturity date</u>	<u>Fair value</u>
RMB		RMB
270,789,139	Within 1 month	17,433,734
657,039,412	1 to 3 months	37,471,678
1,866,779,427	3 to 12 months	88,778,966

Note①: Nominal amount is the currency amount of contracts and translated into RMB by using the spot exchange rates on December 31, 2021. For those foreign exchange forward and option contract which will mature over 1 year, please refer to Note VI.25.

Note 2: Geely Zhaoyuan adopts the exchange rate swap contracts 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. The main information is listed as follows:

Exchange rate swap contracts:

<u>Nominal amount (Note①)</u>	<u>Maturity date</u>	<u>Fair value</u>
RMB		RMB
4,680,099,556	Within 1 month	40,423,281
1,072,094,605	1 to 3 months	3,606,195

Note①: Nominal amount is the currency amount of contracts and translated into RMB by using the spot exchange rates on December 31, 2021.

4. Notes receivable

(1) Classification

Item	December 31, 2021	December 31, 2020
Commercial acceptance bill	28,395,760.83	56,860,998.16
Bank acceptance bill	729,327,395.92	660,584,272.56
Deduction: Credit loss provision	3,378,755.62	3,118,049.91
Total	754,344,401.13	714,327,220.81

(2) The Group has no pledged notes receivable at the end of the year 2021.

(3) Commercial acceptance bill endorsed or discounted by the Group but yet undue by the end of reporting period is RMB 12,985,469.76; Bank acceptance bill endorsed or discounted by the Group but yet undue by the end of reporting period is RMB 729,327,395.92.

5. Accounts receivable

(1) Aging

Aging	December 31, 2021			December 31, 2020		
	Book balance		Bad debt provision	Book balance		Bad debt provision
	Amount	Ratio (%)		Amount	Ratio (%)	
Within 1 year	21,651,807,963.31	86.97	926,528,752.30	15,606,435,007.66	86.88	528,227,051.42
1 to 2 years	1,903,539,146.62	7.65	73,918,431.91	1,975,040,469.94	11.00	57,221,975.80
2 to 3 years	1,023,846,680.47	4.11	36,260,589.00	97,837,263.20	0.54	12,216,616.50
More than 3 years	314,919,035.20	1.27	205,889,920.17	283,375,264.41	1.58	224,232,295.46
Total	24,894,112,825.60	100.00	1,242,597,693.38	17,962,688,005.21	100.00	821,897,939.18

(2) Changes in Bad debt provision

December 31, 2020	Addition (Including addition through business combination)	Deduction		Translation differences	December 31, 2021
		Reversal	Write-off		
821,897,939.18	537,946,905.39	94,819,423.67	22,448,492.32	20,764.80	1,242,597,693.38

6. Accounts receivable financing

(1) Classification

Item	December 31, 2021	December 31, 2020
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Bank acceptance bill	25,368,763,187.39	33,617,685,641.23
Deduction: other comprehensive income-changes in fair value	250,252,703.32	193,361,474.98
Total	25,118,510,484.07	33,424,324,166.25

(2) Pledged notes receivable at the end of the year 2021 is RMB 71,812,200.00.

7. Prepayments

(1) Aging

Aging	December 31, 2021			December 31, 2020		
	Amount	Ratio (%)	Bad debt provision	Amount	Ratio (%)	Bad debt provision
Within 1 year	3,226,007,001.93	92.05		2,676,220,111.93	92.49	
1 to 2 years	219,817,856.18	6.27		187,420,124.30	6.48	
2 to 3 years	39,761,238.10	1.13		13,750,372.58	0.48	
More than 3 years	19,269,832.09	0.55	3,302,035.00	16,048,797.02	0.55	2,358,569.57
Total	3,504,855,928.30	100.00	3,302,035.00	2,893,439,405.83	100.00	2,358,569.57

(2) Changes in bad debt provisions

December 31, 2020	Addition	Deduction		December 31, 2021
		Reversal	Write-off	
2,358,569.57	3,302,035.00	2,358,569.57		3,302,035.00

8. Other receivables

(1) Aging

Aging	December 31, 2021			December 31, 2020		
	Book balance		Bad debt provision	Book balance		Bad debt provision
	Amount	Ratio (%)		Amount	Ratio (%)	
Within 1 year	10,545,330,920.26	78.12	38,968,213.89	11,960,264,487.87	87.65	10,610,074.21
1 to 2 years	1,599,127,908.47	11.85	10,145,327.82	1,343,838,210.36	9.85	12,835,839.17
2 to 3 years	1,154,037,195.09	8.55	3,246,780.22	200,796,160.42	1.47	1,688,780.44
More than 3 years	200,535,222.47	1.48	26,373,498.52	141,066,923.18	1.03	27,242,966.03

Total	13,499,031,246.29	100.00	78,733,820.45	13,645,965,781.83	100.00	52,377,659.85
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(2) Changes in bad debt provision

December 31, 2020	Addition	Deduction		December 31, 2021
		Reversal	Write-off	
52,377,659.85	54,388,646.73	9,794,652.44	18,237,833.69	78,733,820.45

9. Inventories

(1) Classification

Item	December 31, 2021			December 31, 2020		
	Book balance	Provision	Book value	Book balance	Provision	Book value
Raw materials	5,503,108,573.82	262,016,351.41	5,241,092,222.41	4,807,609,143.55	138,683,863.97	4,668,925,279.58
Work-in-progress	5,396,891,358.84	3,396,751.53	5,393,494,607.31	4,552,992,586.38		4,552,992,586.38
Finished goods	25,491,609,311.88	714,777,866.95	24,776,831,444.93	23,575,547,590.30	816,474,434.34	22,759,073,155.96
Revolving materials	1,254,198.74		1,254,198.74	5,235,250.41		5,235,250.41
Consigned processing materials	6,248,805.98		6,248,805.98	2,529,729.82		2,529,729.82
Project costs	590,458,911.90		590,458,911.90	1,316,455,720.57		1,316,455,720.57
Materials in transit	8,451,206,833.91		8,451,206,833.91	9,044,425,275.87		9,044,425,275.87
Goods in transit	248,429,628.02	1,006,259.68	247,423,368.34	328,336,572.78		328,336,572.78
Total	45,689,207,623.09	981,197,229.57	44,708,010,393.52	43,633,131,869.68	955,158,298.31	42,677,973,571.37

Note: The inventory used for mortgage is RMB 212,328,954.00 on December 31, 2021 (Year 2020: RMB 243,005,517.00).

(2) Provision for inventories

Item	December 31, 2020	Addition		Deduction		December 31, 2021
		Recognition	Reversal	Reversal	Write-off	
Raw materials	138,683,863.97	165,974,807.72	10,516,852.15		32,125,468.13	262,016,351.41
Work-in-progress		3,396,751.53				3,396,751.53
Finished goods	816,474,434.34	405,321,629.54	250,872,686.67		256,145,510.26	714,777,866.95
Revolving materials						
Consigned processing materials						
Project costs						
Materials in transit						
Goods in transit		1,006,259.68				1,006,259.68
Total	955,158,298.31	575,699,448.47	261,389,538.82		288,270,978.39	981,197,229.57

10. Other current assets

Item	December 31, 2021	December 31, 2020
Prepaid tax and deductible tax	8,053,808,839.14	7,803,998,276.80
Deferred expenses	2,008,574,635.00	1,698,954,705.68
Others	272,271,899.29	180,259,665.56
Total	10,334,655,373.43	9,683,212,648.04

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

Item	December 31, 2021			December 31, 2020		
	Book balance	Bad debt provision	Book value	Book balance	Doubtful debt provisions	Book value
Finance lease receivables	1,451,890,392.81	145,544,594.96	1,306,345,797.85	6,329,067,911.99	236,697,381.97	6,092,370,530.02
Revenue from franchise transfer by installments				56,590,472.17		56,590,472.17
Other long-term receivables	2,314,352,110.58	11,788,801.40	2,302,563,309.18	1,678,709,099.14	13,028,649.14	1,665,680,450.00
Subtotal	3,766,242,503.39	157,333,396.36	3,608,909,107.03	8,064,367,483.30	249,726,031.11	7,814,641,452.19
Less: long-term receivables due within one year	11,788,801.40	11,788,801.40		26,268,078.91	13,028,649.14	13,239,429.77
Total	3,754,453,701.99	145,544,594.96	3,608,909,107.03	8,038,099,404.39	236,697,381.97	7,801,402,022.42

(2) Changes in Bad debt provision

December 31, 2020	Addition	Deduction		Deduction through business combination	Less: provisions for long-term receivables due within 1 year	December 31, 2021
		Reversal	Write-off			
249,726,031.11	18,198,120.82	1,239,847.74	250,418.79	109,100,489.04	11,788,801.40	145,544,594.96

12. Investment in joint ventures & associates

Investees	December 31, 2020	Impairment Provision on December 31, 2020	Movement			Other comprehensive income adjustment
			Increase	Decrease	Profit or loss recognized under equity method	
I. Joint venture						
Genius Auto Finance Co., Ltd.	4,381,720,304.23				848,141,614.87	
Zhejiang Geely AISIN AW Automatic Transmission Co., Ltd.	285,668,231.19				-47,031,094.55	
Shandong Geely Xinwangda Power Battery Co., Ltd.			14,000,000.00		-3,740,795.45	
smart Automobile Co., Ltd.	2,659,623,950.90				-247,043,465.34	2,682,278.78
Jika Intelligent Robot Co., Ltd.			200,000,000.00		16,222,348.07	
Hainan Haiken Xiaolingou New Energy Automobile Technology Co., Ltd.	15,796,799.70			15,360,296.22	-436,503.48	
Geely Financials Denmark A/S	5,180,834,016.00			2,238,615,968.86	140,776,493.59	
Volvofinans Bank AB	2,118,139,027.00				203,639,746.05	
Polestar Automotive Holding Limited	881,649,884.00		1,564,633,001.14	234,181,915.36	-3,265,751,011.56	
V2 Plug-In Hybrid Vehicle Partnership HB	105,715,109.00			100,034,091.00		
Volvo Car Financial Services UK Ltd.	310,479,348.00				-13,779,735.92	
World of Volvo AB	90,576,305.00				-160,444.59	
Zenuity AB					908,848,315.15	

Saxo Geely Tech Holding AS	698,796,583.00		116,445,172.03		-42,619,506.66	
Volvo Trademark Holding AB	4,714,059.00				-190,338.02	
VH Systems AB	30,341,918.00				-557,188.24	
VCFS Germany GmbH	1,394,340.00				1,449,613.30	
VCIS Germany GmbH	3,506,782.00				2,840,622.68	
Subtotal	16,768,956,657.02		1,895,078,173.17	2,588,192,271.44	-1,499,391,330.10	2,682,278.78
II. Associates						
Mando (Ningbo) Automotive Parts Co., Ltd.	254,355,673.21				12,180,503.68	
Closed Joint Stock Company BELGEE	188,078,997.73		51,447,523.23		38,431,138.09	-3,096,078.17
PT. Geely Mobil Indonesia	6,162,280.21	6,162,280.21				
Times Geely Power Battery Co., Ltd.	52,062,587.60				13,377,279.87	
Guangdong Xinyueneng Semiconductor Co., Ltd.			120,000,000.00		-3,702,135.54	
Proton Holdings Berhad	540,281,901.56				57,829,361.79	
Lotus Finance Limited	363,168.00					
DRB-HICOM GEELY SD. BHD.	2,461.00					
Lotus Technology Inc.			1,272,379,421.05			
Zhejiang Hengyuan New Energy Technology Co., Ltd.	131,777,438.08		74,411,926.30		-27,382,960.21	

Jidu Automobile Co., Ltd.				900,000,000.00			-80,459,066.49
Hezhong Property Insurance Co., Ltd.				260,173,980.00			-20,926,506.47
Hangzhou CaoCao Technology Co., Ltd.				2,388,000,000.00	2,169,619,453.14		-218,380,546.86
Zhejiang Yinji Auto Parts Co., Ltd.	23,373,287.07					134,335.94	
China Railway Gecent Technology Co., Ltd.	3,334,756,892.75					-65,818,388.68	
Zhejiang Xiumeng Digital Technology Co., Ltd.				20,000,000.00		-204,940.36	
Shandong Hengyuan New Energy Technology Co., Ltd.	5,172,684.83					-3,010,574.42	
Shanghai Jijin Electrical and Mechanical Equipment Co., Ltd.	183,295,503.90					84,574,573.44	
Zhejiang Wisdom Puhua Leasing Co., Ltd.				1,107,320,207.43		135,025,676.59	
VCC Tjänstebilar KB	2,063,835.00					1,394,013.98	
VCC Försäljnings KB	1,207,683.00					-50,178.54	
Volvohandels PV Försäljnings KB	2,848,162.00					-903,762.94	
Volvohandels PV Försäljnings AB	9,599,665.00					147,571.92	
Trio Bilservice AB	410,977.00					4,708.24	
Göteborgs Tekniska College AB	3,261,788.00					311,977.97	
Leiebilservice AS	623,031.00					53,703.45	

Zhejiang Transfar Zhilian Automobile Supply Chain Management Co., Ltd.			20,000,000.00			-379,433.90
Hangzhou Zhongqi New Energy Technology Co., Ltd.			7,000,000.00			-9,809.40
Anhui Huirong Energy Co. Ltd	2,293,186.05					112,010.24
Ningbo Yisheng Enterprise Management Partnership (Limited Partnership)			84,000,000.00			
Wuhan Lotus Technology Co., Ltd.			60,000,000.00		3,211,553.28	-56,788,446.72
Subtotal	4,741,991,202.99	6,162,280.21	6,364,733,058.01		2,172,831,006.42	-3,096,078.17
Total	21,510,947,860.01	6,162,280.21	8,259,811,231.18		4,761,023,277.86	-413,799.39

(Continued)

Investees	Movement				December 31, 2021	Impairment provision on December 31, 2021
	Other equities changes	Dividend	Impairment provision	Others		
I. Joint venture						
Genius Auto Finance Co., Ltd.					5,229,861,919.10	
Zhejiang Geely AISIN AW Automatic Transmission Co., Ltd.					238,637,136.64	
Shandong Geely Xinwangda Power Battery Co., Ltd.					10,259,204.55	
smart Automobile Co., Ltd.					2,415,262,764.34	
Jika Intelligent Robot Co., Ltd.					216,222,348.07	
Hainan Haiken Xiaolinggou New Energy Automobile Technology Co., Ltd.						

Geely Financials Denmark A/S					-413,781,841.25	2,669,212,699.48	
Volvofinans Bank AB				80,604,229.71	-271,510,561.27	1,969,663,982.07	
Polestar Automotive Holding Limited			1,577,479,898.95		-449,241,439.93	74,588,417.24	
V2 Plug-In Hybrid Vehicle Partnership HB					-5,681,018.00		
Volvo Car Financial Services UK Ltd.					-37,533,057.55	259,166,554.53	
World of Volvo AB					-10,809,864.12	79,605,996.29	
Zenuity AB				908,848,315.15			
Saxo Geely Tech Holding AS					15,303,421.00	787,925,669.37	
Volvo Trademark Holding AB					-601,265.74	3,922,455.24	
VH Systems AB					-3,746,171.46	26,038,558.30	
VCFS Germany GmbH					-1,192,737.27	1,651,216.03	
VCIS Germany GmbH				2,689,707.95	644,071.30	4,301,768.03	
Subtotal			1,577,479,898.95	992,142,252.81	-1,178,150,464.29	13,986,320,689.28	
II. Associates							

Mando (Ningbo) Automotive Parts Co., Ltd.						266,536,176.89	
Closed Joint Stock Company BELGEE						274,861,580.88	
PT. Geely Mobil Indonesia						6,162,280.21	6,162,280.21
Times Geely Power Battery Co., Ltd.						65,439,867.47	
Guangdong Xinyuening Semiconductor Co., Ltd.						116,297,864.46	
Proton Holdings Berhad						598,111,263.35	
Lotus Finance Limited					363,168.00	363,168.00	363,168.00
DRB-HICOM GEELY SD. BHD.						2,461.00	
Lotus Technology Inc.						1,272,379,421.05	
Zhejiang Hengyuan New Energy Technology Co., Ltd.						178,806,404.17	
Jidu Automobile Co., Ltd.						819,540,933.51	
Hezhong Property Insurance Co., Ltd.						239,247,473.53	
Hangzhou CaoCao Technology Co., Ltd.							
Zhejiang Yinji Auto Parts Co., Ltd.						23,507,623.01	

China Railway Gecent Technology Co., Ltd.						3,268,938,504.07	
Zhejiang Xitumeng Digital Technology Co., Ltd.						19,795,059.64	
Shandong Hengyuan New Energy Technology Co., Ltd.						2,162,110.41	
Shanghai Jijin Electrical and Mechanical Equipment Co., Ltd.				224,443,147.27		43,426,930.07	
Zhejiang Wisdom Puhua Leasing Co., Ltd.						1,242,345,884.02	
VCC Tjänstebilar KB				1,193,465.35		-238,452.68	2,025,930.95
VCC Försäljnings KB				203,263.70		-121,872.08	832,368.68
Volvohandelns PV Försäljnings KB						-259,931.90	1,684,467.16
Volvohandelns PV Försäljnings AB						-1,186,736.14	8,560,500.78
Trio Bilservice AB						-56,197.61	359,487.63
Göteborgs Tekniska College AB						-421,208.32	3,152,557.65
Leiebilservice AS						-30,209.49	646,524.96
Zhejiang Transfar Zhilian Automobile Supply Chain Management Co., Ltd.							19,620,566.10
Hangzhou Zhongqi New Energy Technology Co., Ltd.							6,990,190.60
Anhui Huirong Energy Co. Ltd							2,405,196.29
Ningbo Yisheng Enterprise Management Partnership (Limited Partnership)							84,000,000.00

Wuhan Lotus Technology Co., Ltd.							
Subtotal		225,839,876.32	363,168.00	-2,314,608.22	8,568,202,796.54	6,525,448.21	
Total	1,577,479,898.95	1,217,982,129.13	363,168.00	-1,180,465,072.51	22,554,523,485.82	6,525,448.21	

13. Other equity investment

Item	December 31, 2021	December 31, 2020
AB Volvo	24,753,801,335.00	26,029,163,486.00
Others	2,043,598,194.39	1,813,607,716.20
Total	26,797,399,529.39	27,842,771,202.20

14. Other non-current financial assets

Item	December 31, 2021	December 31, 2020
Luminar Technologies Inc.	827,988,809.00	1,665,360,576.00
ECARX Holdings Inc.	351,646,000.00	
Others	808,111,846.89	545,354,574.70
Total	1,987,746,655.89	2,210,715,150.70

15. Property, plant and equipment

Item		December 31, 2021				December 31, 2020	
Property, plant and equipment		108,477,278,445.77				94,296,019,083.49	
Property, plant and equipment pending disposal		23,843,910.60				7,133,211.00	
Total		108,501,122,356.37				94,303,152,294.49	
Details							
Item	Houses and buildings	Machinery equipment	Transportation vehicles	Molds and gauges	Electronic and Office equipment	Other equipment	Total
1. Cost							
1) January 1, 2021	42,197,400,726.89	119,457,566,974.89	5,679,714,369.53	4,524,366,176.01	2,535,430,539.18	282,334,068.00	174,676,812,854.50
2) Addition	7,260,490,170.83	19,389,961,986.61	4,198,721,072.30	692,835,552.55	834,000,444.92	122,361,907.03	32,498,371,134.24
①Purchase	1,396,120,459.27	4,740,335,886.93	3,588,900,797.37	150,885,596.48	518,279,330.88	15,282,223.34	10,409,804,294.27
②Addition through business combination	809,765,689.55	340,434,346.39	6,337,768.29		12,015,265.34	73,260,375.13	1,241,813,444.70
③Transfer from construction-in-process	5,054,604,022.01	14,309,191,753.29	603,482,506.64	541,949,956.07	303,705,848.70	33,819,308.56	20,846,753,395.27
3) Deduction	787,465,039.44	535,281,498.24	1,564,191,364.45	475,044,763.82	439,581,372.15	78,688,586.87	3,880,252,624.97
① Disposal or retirements	360,991,419.19	349,668,025.25	168,005,719.24	455,574,619.04	391,780,080.69		1,726,019,863.41
②Disposal of subsidiaries	426,473,620.25	185,613,472.99	1,396,185,645.21	19,470,144.78	47,801,291.46	78,688,586.87	2,154,232,761.56
4)Translation differences	-1,775,457,628.30	-8,375,686,911.05	-537,585,228.66		-8,736,789.75	-2,899.97	-10,697,469,457.73

Item	Houses and buildings	Machinery equipment	Transportation vehicles	Molds and gauges	Electronic and Office equipment	Other equipment	Total
5) December 31, 2021	46,894,968,229.98	129,936,560,552.21	7,776,658,848.72	4,742,156,964.74	2,921,112,822.20	326,004,488.19	192,597,461,906.04
2. Accumulated depreciation							
1) January 1, 2021	11,570,286,094.74	63,766,994,840.41	1,766,446,447.83	2,053,560,064.73	1,021,470,597.18	134,959,171.96	80,313,717,216.85
2) Addition	1,557,813,436.71	8,669,732,038.49	696,848,483.66	661,894,510.05	567,733,919.94	60,937,196.76	12,214,959,585.61
① Provision	1,364,528,022.29	8,245,396,846.67	692,614,331.90	661,894,510.05	562,538,889.50	16,532,314.04	11,543,504,914.45
② Addition through business combination	193,285,414.42	424,335,191.82	4,234,151.76		5,195,030.44	44,404,882.72	671,454,671.16
3) Deduction	205,373,903.05	107,620,901.45	1,038,762,951.88	281,233,270.05	219,899,386.11	10,839,819.89	1,863,730,232.43
① Disposal or retirements	188,986,029.70	84,114,097.46	49,150,474.13	277,940,380.27	205,464,486.07		805,655,467.63
② Disposal of subsidiaries	16,387,873.35	23,506,803.99	989,612,477.75	3,292,889.78	14,434,900.04	10,839,819.89	1,058,074,764.80
4) Translation differences	-803,698,634.42	-5,809,579,371.26	-46,856,387.00		-4,858,152.10	-1,055.04	-6,664,993,599.82
5) December 31, 2021	12,119,026,993.98	66,519,526,606.19	1,377,675,592.61	2,434,221,304.73	1,364,446,978.91	185,055,493.79	83,999,952,970.21
3. Impairment provision							
1) January 1, 2021	5,735,076.93	46,353,410.52	1,358,183.11	13,073,323.27	556,560.33		67,076,554.16
2) Addition		83,606,576.66	1,187,579.68	8,019,949.97	336,764.24		93,150,870.55
① Provision		83,606,576.66	1,171,263.74	8,019,949.97	336,764.24		93,134,554.61

Item	Houses and buildings	Machinery equipment	Transportation vehicles	Molds and gauges	Electronic and Office equipment	Other equipment	Total
② Addition through business combination			16,315.94				16,315.94
3) Deduction	5,735,076.93	28,165,943.16	82,151.32	5,762,871.85	250,891.39		39,996,934.65
① Disposal or retirements	5,735,076.93	28,165,943.16	82,151.32	5,762,871.85	250,891.39		39,996,934.65
4) December 31, 2021		101,794,044.02	2,463,611.47	15,330,401.39	642,433.18		120,230,490.06
4. Carrying amount							
1) January 1, 2021	30,621,379,555.22	55,644,218,723.96	3,911,909,738.59	2,457,732,788.01	1,513,403,381.67	147,374,896.04	94,296,019,083.49
2) December 31, 2021	34,775,941,236.00	63,315,239,902.00	6,396,519,644.64	2,292,605,258.62	1,556,023,410.11	140,948,994.40	108,477,278,445.77

16. Construction in progress

Item	December 31, 2021	December 31, 2020
Construction in progress	10,681,521,397.15	10,724,164,208.87
Total	10,681,521,397.15	10,724,164,208.87

Details

Item	December 31, 2021			December 31, 2020		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Construction Projects	3,578,061,096.71		3,578,061,096.71	3,934,455,067.02		3,934,455,067.02
Equipment Projects	3,451,776,081.69		3,451,776,081.69	3,249,017,874.04		3,249,017,874.04

Projects of Geely Zhaoyuan	3,642,963,568.00		3,642,963,568.00	3,462,472,113.00		3,462,472,113.00
Software Projects	8,720,650.75		8,720,650.75	78,219,154.81		78,219,154.81
Total	10,681,521,397.15		10,681,521,397.15	10,724,164,208.87		10,724,164,208.87

17. Right of use assets

Item	Land, houses and buildings	Machinery equipment	Transportation vehicles	Total
I. Cost				
December 31, 2020				
Addition: changes in accounting policies	5,743,026,861.08	1,694,014,782.00	3,898,989.00	7,440,940,632.08
1) January 1, 2021	5,743,026,861.08	1,694,014,782.00	3,898,989.00	7,440,940,632.08
2) Addition	2,377,376,627.65	7,652,676.72		2,385,029,304.37
rent in	2,377,376,627.65	7,652,676.72		2,385,029,304.37
3) Deduction	57,890,901.50	947,414,260.00	2,844,050.00	1,008,149,211.50
4) Translation differences	-3,736,359.00	7,794.00	1,929.00	-3,726,636.00
5) December 31, 2021	8,058,776,228.23	754,260,992.72	1,056,868.00	8,814,094,088.95
2. Accumulated depreciation				
December 31, 2020				
Addition: changes in accounting policies	1,471,639,911.96	368,955,463.71	3,128,504.00	1,843,723,879.67
1) January 1, 2021	1,471,639,911.96	368,955,463.71	3,128,504.00	1,843,723,879.67
2) Addition	1,011,973,503.44	161,834,272.76	601,648.00	1,174,409,424.20

Item	Land, houses and buildings	Machinery equipment	Transportation vehicles	Total
Provision	1,011,973,503.44	161,834,272.76	601,648.00	1,174,409,424.20
3) Deduction	73,147,456.97	166,207,850.00	2,836,540.00	242,191,846.97
4) December 31, 2021	2,410,465,958.43	364,581,886.47	893,612.00	2,775,941,456.90
3. Impairment provision				
December 31, 2020				
Addition: changes in accounting policies				
1) January 1, 2021				
2) Addition				
3) Deduction				
4) December 31, 2021				
4. Carrying amount				
1) January 1, 2021	4,271,386,949.12	1,325,059,318.29	770,485.00	5,597,216,752.41
2) December 31, 2021	5,648,310,269.80	389,679,106.25	163,256.00	6,038,152,632.05

18. Intangible assets

Item	Software	Proprietary technology	Land use right	Non-Patent technology	Patent	Trademark	Dealer network	Others	Total
1. Cost									
1) January 1, 2021	5,093,822,917.49	17,257,494,173.21	8,271,241,550.61	52,245,413,227.92	2,177,686,943.99	3,122,952,801.92	637,101,126.00	5,429,201,565.69	94,234,914,306.83
2) Addition	1,490,917,815.71	7,191,264,656.81	635,864,217.41	9,395,174,418.56	890,063,822.41	562,300.00		368,929,455.90	19,972,776,686.80

Item	Software	Proprietary technology	Land use right	Non-Patent technology	Patent	Trademark	Dealer network	Others	Total
① Purchase	1,482,253,927.67		346,619,783.40	586,765,755.72	3,757,311.30	562,300.00		368,929,455.90	2,788,888,533.99
② Internal R & D		7,191,264,656.81		8,808,408,662.84	886,306,511.11				16,885,979,830.76
③ Transfer from construction-in-process	8,614,831.44								8,614,831.44
④ Addition through business combination	49,056.60		289,244,434.01						289,293,490.61
3) Deduction	148,612,888.96	525,631,652.25	496,546,937.18	513,451,957.11	3,757,311.30			80,350,558.98	1,768,351,305.78
① Disposal or retirements	78,626,436.60	525,631,652.25	496,546,937.18	513,451,957.11	3,757,311.30			80,350,558.98	1,698,364,853.42
② Disposal of subsidiaries	69,986,452.36								69,986,452.36
4) Translation differences	-474,623,213.00			-4,665,124,706.00	12,995.95	-360,326,236.80	-68,643,539.00	-464,779,784.00	-6,033,484,482.85
5) December 31, 2021	5,961,504,631.24	23,923,127,177.77	8,410,558,830.84	56,462,010,983.37	3,064,006,451.05	2,763,188,865.12	568,457,587.00	5,253,000,678.61	106,405,855,205.00
2. Accumulated depreciation									
1) January 1, 2021	2,262,424,263.56	6,280,048,068.92	582,920,258.31	28,586,254,590.86	6,186,556.20	88,185,938.86	220,212,118.00	2,698,080,945.97	40,724,312,740.68
2) Addition	473,860,434.44	2,038,724,538.77	203,083,500.42	6,913,661,327.81	153,200,322.55	16,706,258.16	15,849,551.95	500,116,793.72	10,315,202,727.82
① Provision	473,853,075.95	2,038,724,538.77	168,211,176.62	6,913,661,327.81	153,200,322.55	16,706,258.16	15,849,551.95	500,116,793.72	10,280,323,045.53
② Addition through business combination	7,358.49		34,872,323.80						34,879,682.29
3) Deduction	90,807,823.19	247,898,863.81	75,077,746.18	389,802,688.33	125,243.70			28,665,659.96	832,378,025.17

Item	Software	Proprietary technology	Land use right	Non-Patent technology	Patent	Trademark	Dealer network	Others	Total
① Disposal or retirements	55,616,403.19	247,898,863.81	75,077,746.18	389,802,688.33	125,243.70			28,634,826.96	797,155,772.17
② Disposal of subsidiaries	35,191,420.00							30,833.00	35,222,253.00
4) Translation differences	-249,514,812.65			-2,443,024,074.20		-2,257,072.80	-23,966,218.00	-194,754,793.00	-2,913,516,970.65
5) December 31, 2021	2,395,962,062.16	8,070,873,743.88	710,926,012.55	32,667,089,156.14	159,261,635.05	102,635,124.22	212,095,451.95	2,974,777,286.73	47,293,620,472.68
3. Impairment provision									
1) January 1, 2021		187,614,399.32		20,207,506.00					207,821,905.32
2) Addition		128,691,471.55		297,552,015.00					426,243,486.55
① Provision		128,691,471.55		297,552,015.00					426,243,486.55
3) Deduction									-
① Disposal or retirements									-
4) Translation differences				-1,287,950.84					-1,287,950.84
5) December 31, 2021		316,305,870.87		316,471,570.16					632,777,441.03
4. Carrying amount									
1) January 1, 2021	2,831,398,653.93	10,789,831,704.97	7,688,321,292.30	23,638,951,131.06	2,171,500,387.79	3,034,766,863.06	416,889,008.00	2,731,120,619.72	53,302,779,660.83
2) December 31, 2021	3,565,542,569.08	15,535,947,563.02	7,699,632,818.29	23,478,450,257.07	2,904,744,816.00	2,660,553,740.90	356,362,135.05	2,278,223,391.88	58,479,457,291.29

19. Development expenditure

Item	December 31, 2020	Addition	Deduction			Translation difference	December 31, 2021
			Research and development expense	Transfer to Intangible assets	Other		
Research costs		7,175,767,497.02	7,175,767,497.02				
Development costs	34,374,727,339.02	15,441,696,017.50	1,614,823,867.06	16,885,979,830.76	7,551,903.65	-629,147,063.36	30,678,920,691.69
Total	34,374,727,339.02	22,617,463,514.52	8,790,591,364.08	16,885,979,830.76	7,551,903.65	-629,147,063.36	30,678,920,691.69

20. Goodwill

Item	December 31, 2021	December 31, 2020
Opening balance	1,615,803,636.95	1,568,284,673.80
Increase through business combination (Note)	372,459,985.25	404,104,566.15
Derecognition of disposal of subsidiaries	-943,330,597.75	-361,005,684.00
Others	-59,967,842.00	8,256,323.00
Translation difference	-2,045,824.41	-3,836,242.00
Less: impairment provision	4,322,570.00	3,544,534.00
Total	978,596,788.04	1,612,259,102.95

Note: 1) In January 2021, Volvo Personvagnar Norden AB (a subsidiary of Geely Zhaoyuan) completed the equity acquisition of Upplands Motor with a consideration of RMB 340 million and generated goodwill at amount of RMB 170 million. After the completion of the equity acquisition, Geely Zhaoyuan will be able to carry out technology-led retail business transformation in the Swedish market, and create barrier free online and offline whole process experience and services with its global retail partners.

2) In January 2021, Zhejiang Geely New Energy Commercial Vehicle Group Co., Ltd. (hereinafter referred to as Commercial Vehicle Group) completed the equity acquisition of Shandong Tangjun Ouling Automobile Manufacturing Co., Ltd. with a consideration of RMB 440 million and generated goodwill at amount of RMB 200 million. After the completion of the equity acquisition, a new energy multi-functional commercial vehicle project will be formed, involving new energy intelligent urban logistics vehicles, new energy intelligent pickup trucks and high-end off-road vehicles on the same platform. Commercial Vehicle Group will enrich the product system and expand the market scale and market share.

Changes in impairment provision

December 31, 2020	Translation difference	December 31, 2021
3,544,534.00	778,036.00	4,322,570.00

21. Long-term prepayments

Item	December 31, 2020	Addition	Amortization	Deduction	December 31, 2021
Renovation	43,151,420.74	185,146,348.40	62,730,776.60	1,492,277.23	164,074,715.31
Network construction cost	100,919,668.14		100,919,668.14		
Others	35,397,427.93	24,854.37	35,399,499.13		22,783.17
Total	179,468,516.81	185,171,202.77	199,049,943.87	1,492,277.23	164,097,498.48

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

Item	December 31, 2021		December 31, 2020	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment of assets	2,762,706,674.49	687,282,581.19	511,268,657.00	118,121,073.47
Deductible losses	16,809,643,724.41	4,154,520,540.67	15,315,759,549.29	3,847,720,814.78
Defined-benefit-liability	6,060,173,419.29	1,289,994,093.52	7,394,887,303.07	1,583,824,867.03
Accruals and contract liabilities	12,294,793,849.87	2,508,635,086.03	5,469,528,332.38	1,148,600,949.80
Provision for warranty	3,723,965,633.54	888,898,445.06	4,114,016,474.99	1,048,286,751.34
Government grants	1,008,141,044.56	191,592,743.46	1,228,808,332.04	191,571,249.81
Temporary difference arising from depreciation and amortization	4,031,786,115.50	748,069,447.07	4,695,660,727.43	847,953,490.46
Unrealized profits from intragroup transactions	1,552,224,673.74	374,881,534.13	1,092,341,735.05	270,710,613.96
Others	175,017,003.57	27,351,686.60	7,774,096.80	1,943,524.20
Total	48,418,452,138.97	10,871,226,157.73	39,830,045,208.05	9,058,733,334.85

(2) Deferred tax liabilities that are not offset

Item	December 31, 2021		December 31, 2020	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Temporary difference arising from amortization and depreciation	5,030,129,275.16	1,234,927,854.47	2,699,600,577.63	666,702,953.33
Withholding tax on undistributed profits of domestic subsidiaries	4,368,323,084.88	221,037,964.75	4,987,963,096.83	388,417,216.76
Others	1,953,289,921.83	449,419,773.58	824,769,772.90	198,359,658.13
Total	11,351,742,281.87	1,905,385,592.80	8,512,333,447.36	1,253,479,828.22

23. Other non-current assets

Item	December 31, 2021	December 31, 2020
Prepayment	1,006,574,918.95	1,497,021,502.27
Pension plan assets	276,688,947.00	302,821,655.00
Refund of tax and levies	629,111,044.00	150,574,538.00

Item	December 31, 2021	December 31, 2020
Traffic service fulfillment cost	623,355,231.52	503,634,559.85
Property under financing lease	307,954,721.00	92,838,897.00
Long-term financial instrument	118,499,153.00	1,021,254,054.00
In which: cash flow hedging instrument (Note VI.3)	95,669,960.00	991,544,753.00
Interest rate swap instruments	4,115,684.00	26,130,219.00
Electricity futures hedging	18,021,528.00	3,579,082.00
Commodity futures hedging	691,981.00	
Total	2,962,184,015.47	3,568,145,206.12

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

Item	December 31, 2021	December 31, 2020
Credit loans	11,644,196,318.53	15,534,118,338.33
Guaranteed loans	15,900,966,769.18	14,462,524,775.00
Pledged loans (Note 1)	35,400,000.00	472,050,991.80
Mortgage loans (Note 2)	179,767,703.00	345,516,421.00
Guaranteed and pledged loans (Note 3)	568,000,000.00	
Total	28,328,330,790.71	30,814,210,526.13

Note 1: The pledged loans were obtained by the pledge of certificates of deposit, and bills from Hualing Xingma Automobile (Group) Co., Ltd. (hereinafter referred to as "Hanma Technology"), which is a subordinate company.

Note 2: The RMB 60.7688 million mortgage loans are obtained by using vehicles (taxis) for financing mortgage from London EV Company Limited, and the amount of RMB 71.9989 million is obtained by using machinery equipment for financing mortgage from Lotus Advance Technologies Sdn.Bhd. and the amount of RMB 47 million is obtained by using house buildings and land use rights for financing mortgage from Shandong Tangjun Ouling Automobile Manufacturing Co., Ltd.

Note 3: The guaranteed and pledged loans of RMB 225.75 million are guaranteed by Anhui Hualing Automobile Co., Ltd. (hereinafter referred to as "Hualing Automobile"), Ma'anshan Fuma Auto Parts Co., Ltd., Anhui Xingma Special Purpose Vehicle Co., Ltd. and Wuhu Fuma Auto Spare Parts Co., Ltd.; and the amount of RMB 178.85 million is guaranteed by Hanma Technology; and the amount of RMB 163.40 million is guaranteed by Hanma Technology and Hualing Automobile's certificates of deposit and bills.

(2) As of December 31, 2021, the Group has no overdue short-term bank borrowings.

25. Derivative financial liabilities

Item	December 31, 2021	December 31, 2020
Hedging instruments	1,620,054,341.00	1,348,143,745.00

Item	December 31, 2021	December 31, 2020
In which : cash flows hedging instruments (Note 1)	1,611,537,148.00	841,353,500.00
Hedging instruments of a net investment in a foreign operation (Note 2)	8,517,193.00	506,790,245.00
Interest rate swap instrument		95,011,800.00
Cross currency swap instrument		83,743,360.00
Electricity futures hedging		15,247,833.00
Commodity futures hedging	356,315.00	
Total	1,620,410,656.00	1,542,146,738.00

Note 1: At the balance sheet date, Geely Zhaoyuan owns foreign exchange forwards and option contracts with negative fair values listed below (foreign exchange forwards and option contracts 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 2021.

Geely Zhaoyuan hedges currency exchange risk through purchasing foreign exchange forwards and foreign currency options. The provisions in the foreign exchange forwards and option contracts are consistent with the prediction. The information is listed as follows:

Foreign exchange forward contract

<u>Nominal amount (Note ①)</u>	<u>Maturity date</u>	<u>Fair value</u>
RMB		RMB
3,480,311,067	Within 1 month	202,787,780
6,951,776,891	1 to 3 months	370,212,400
21,692,382,072	3 to 12 months	899,436,454
11,193,029,574	1 to 5 years	230,451,316

Foreign exchange option contract

<u>Nominal amount (Note ①)</u>	<u>Maturity date</u>	<u>Fair value</u>
RMB		RMB
566,941,458	Within 1 month	17,740,590
1,049,340,280	1 to 3 months	33,822,628
1,879,526,873	3 to 12 months	87,537,296

Note 2: Geely Zhaoyuan adopts the exchange rate swap contracts and exchange rate option contracts 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. The main information is listed as follows:

Exchange rate swap contract

<u>Nominal amount (Note ①)</u>	<u>Maturity date</u>	<u>Fair value</u>
RMB		RMB
2,262,506,913	Within 1 month	5,613,424
1,143,777,126	1 to 3 months	1,589,844

58,442,425

3 to 12 months

1,313,925

Note①: Nominal amount is the currency amount of contracts and translated into RMB by using the spot exchange rates on December 31, 2021.

26. Notes payable

Item	December 31, 2021	December 31, 2020
Bank acceptances bills	13,833,366,364.00	15,438,587,329.13
Commercial acceptances bills	449,240,523.80	1,092,898,170.24
Letter of credit	5,000,000,000.00	964,940,000.00
Total	19,282,606,887.80	17,496,425,499.37

Note: As at December 31, 2021, the Group has no overdue notes payable.

27. Accounts payable**(1) Aging**

Aging	December 31, 2021	December 31, 2020
Within 1 year	79,162,428,683.79	71,693,487,079.13
1 to 2 years	1,469,677,122.57	941,992,395.87
2 to 3 years	400,067,227.27	331,165,225.49
More than 3 years	389,966,386.15	175,586,365.02
Total	81,422,139,419.78	73,142,231,065.51

Note: As at December 31, 2021, 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, 2021	December 31, 2020
Procurement of material	81,422,139,419.78	73,142,231,065.51
Total	81,422,139,419.78	73,142,231,065.51

28. Contract liabilities

Item	December 31, 2021	December 31, 2020
Advances payment from customers	31,101,312,609.58	25,704,725,259.54
Less: non-current portions in other non-current liabilities	7,249,422,823.39	5,501,404,789.49
Total	23,851,889,786.19	20,203,320,470.05

29. Employee benefits payable

Item	December 31, 2021	December 31, 2020
Short-term employee benefits	7,921,648,118.76	7,758,895,094.36

Post-employment benefits – defined contribution plan	1,199,784,599.53	2,094,031,184.00
Termination Benefits	9,421,865.14	12,769,883.83
Total	9,130,854,583.43	9,865,696,162.19

(1) Short-term employee benefits:

Item	December 31, 2021	December 31, 2020
Salaries, bonuses, allowance and subsidies	7,436,900,169.47	7,269,604,926.93
Staff welfare	67,461,772.72	67,360,199.72
Social insurance premium	356,473,681.75	354,694,120.91
Including: Medical insurance	128,242,557.16	102,768,003.69
Work-related injury insurances	54,778,510.80	58,059,903.66
Maternity insurance	173,452,613.79	193,866,213.56
Housing funds	20,716,876.83	21,282,266.92
Labor union expenditure and employees' education expenses	17,253,237.31	23,111,199.20
Staff incentive and welfare fund	22,842,380.68	22,842,380.68
Total	7,921,648,118.76	7,758,895,094.36

(2) Defined contribution plan:

Item	December 31, 2021	December 31, 2020
Endowment insurance	638,528,052.02	1,115,048,567.86
Unemployment insurance	561,256,547.51	978,982,616.14
Total	1,199,784,599.53	2,094,031,184.00

(3) Termination benefits

Item	December 31, 2021	December 31, 2020
Compensation for termination of employment	9,421,865.14	12,769,883.83
Total	9,421,865.14	12,769,883.83

30. Taxes payable

Item	December 31, 2021	December 31, 2020
Value added tax	3,680,573,583.12	4,900,051,218.57
Consumption tax	1,195,154,158.48	1,448,900,271.79
Corporate income tax	3,077,529,431.47	2,420,559,409.02
Personal income tax	94,952,814.37	57,537,796.11
Urban maintenance and construction tax	100,007,029.22	99,096,493.73

Educational surcharges (included local education surcharges)	81,404,489.32	76,789,068.87
Land value increment tax	2,975,790.04	2,601,377.93
Real estate tax	147,183,201.62	97,134,813.23
Land use tax	92,778,225.19	97,452,618.79
Stamp duty	46,099,031.57	33,543,654.03
Other tax	367,567,562.71	227,845,288.03
Total	8,886,225,317.11	9,461,512,010.10

31. Other payables**(1) Total items**

Item	December 31, 2021	December 31, 2020
Dividend payable	38,470,833.33	38,757,615.74
Other payables	11,604,009,030.93	7,493,230,173.25
Total	11,642,479,864.26	7,531,987,788.99

(2) Dividend payable

Item	December 31, 2021	December 31, 2020
Common stock dividends		688,865.74
Perpetual bonds classified as equity instruments	38,470,833.33	38,068,750.00
Total	38,470,833.33	38,757,615.74

(3) Other payables**1) Aging**

Aging	December 31, 2021	December 31, 2020
Within 1 year	9,996,154,814.79	6,409,409,279.13
1 to 2 years	832,730,435.69	462,285,781.67
2 to 3 years	313,862,016.58	207,823,561.85
More than 3 years	461,261,763.87	413,711,550.60
Total	11,604,009,030.93	7,493,230,173.25

Note: As at December 31, 2021, 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, 2021	December 31, 2020
Current account and project equipment item	10,616,886,226.85	6,564,254,339.16

Item	December 31, 2021	December 31, 2020
Deposits	892,751,005.06	846,610,835.07
Others	94,371,799.02	82,364,999.02
Total	11,604,009,030.93	7,493,230,173.25

32. Non-current liabilities due within one year

Item	December 31, 2021	December 31, 2020
Long-term bank borrowings due within one year	18,699,141,214.29	4,749,651,567.00
Bonds payable due within one year	5,625,337,541.61	10,255,997,764.00
Long-term payables due within one year	643,115,933.00	489,396,920.34
Provisions due within one year	4,581,920,712.00	5,908,862,886.00
Lease liabilities due within one year	1,334,511,736.57	
Total	30,884,027,137.47	21,403,909,137.34

33. Other current liabilities

Item	December 31, 2021	December 31, 2020
Liabilities related to repurchase commitment	5,458,477,175.26	7,354,265,496.98
Fees to be paid and others	11,717,425,601.72	8,729,768,116.21
Endorsed and not derecognized notes receivable	742,312,865.68	699,767,447.58
Short-term financing		2,000,000,000.00
Total	17,918,215,642.66	18,783,801,060.77

34. Long-term bank borrowings

Item	December 31, 2021	December 31, 2020
Guaranteed loans	16,342,537,548.43	8,279,897,169.20
Credit loans	33,270,144,305.14	44,060,357,314.00
Mortgage loans	176,858,182.77	
Less: current portion refer to Note VI.32	18,699,141,214.29	4,749,651,567.00
Total	31,090,398,822.05	47,590,602,916.20

35. Bonds payable

Item	December 31, 2021	December 31, 2020
15 Geely Corporate Bond 01		41,000,000.00

Item	December 31, 2021	December 31, 2020
18 Geely MTN002		2,000,000,000.00
19 Geely MTN001	3,498,995,864.56	3,495,693,977.77
19 Geely MTN002	2,000,000,000.00	2,000,000,000.00
20 Geely MTN002	2,000,000,000.00	2,000,000,000.00
20 Geely Corporate Bond 01	1,998,287,642.52	1,997,722,533.73
20 Geely Corporate Bond 02	1,996,994,764.02	1,996,052,400.52
21 Geely Corporate Bond 01	1,997,422,003.28	
21 Geely MTN001	2,000,000,000.00	
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
7.2-year bond, MEUR 500 with a medium-term (Note 2)	3,595,335,683.00	3,991,891,984.00
5-year bond, MEUR 500 with a fixed rate (Note 3)		4,011,484,961.00
3-year bond, MUSD 250 (Note 4)		1,628,956,751.00
Green Bond		2,574,556,052.00
5-year bond, MEUR 600 with a fixed rate (Note 5)	4,308,465,945.00	4,779,526,855.00
4-year medium-term bond, MSEK 2,000 with a floating rate	1,400,232,515.00	1,596,552,855.00
5-year exchangeable bond, MEUR 400 (Note 6)	2,786,528,857.00	3,053,448,117.00
7-year green bond, MEUR 500 (Note 7)	3,590,610,753.00	3,987,604,610.00
5-year bond, MUSD 300 with a fixed rate (Note 8)	1,932,685,166.91	1,981,282,492.22
5-year bond, MUSD 400 (Note 9)	2,528,847,083.00	2,562,716,702.49
3-year bond, MUSD 400	2,543,216,474.00	
Bond interest payable	363,080,219.85	
Less: current portion (Refer to Note VI.32)	5,625,337,541.61	10,255,997,764.00
Total	32,915,365,429.53	35,837,418,937.73

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%), which was expired and paid in 2021.

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 was expired and paid in 2021.

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 was expired and paid in 2021.

Note 5: 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 6: In June 2019, Geely Zhaoyuan issued a 5-year exchangeable bond, MEUR 400 (equivalent to MRMB 3,100) with a fixed rate of 0%. For the relative derivative financial liabilities, refer to Note VI. 40.

Note 7: 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 8: 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 9: In March 2020, Geely Finance (Hong Kong) Limited issued a 5-year bond, MUSD 400 (equivalent to MRMB 2,782.58) with a fixed rate of 3.0%.

36. Lease liabilities

Item	December 31, 2021	December 31, 2020
Lease payments	6,309,054,416.27	/
Less: current portion refer to Note VI.32	1,334,511,736.57	/
Total	4,974,542,679.70	/

37. Long-term payables

Item	December 31, 2021	December 31, 2020
Payables for financing lease	382,143,751.99	559,785,252.61
Loans for long-term projects	500,000,000.00	500,000,000.00
Liabilities related to repurchase commitment	1,150,020,814.47	1,228,721,359.00
Others	3,770,492,472.09	1,798,170,042.70
Less: current portion refer to Note VI.32	643,115,933.00	489,396,920.34
Total	5,159,541,105.55	3,597,279,733.97

38. Provisions

Item	December 31, 2021	December 31, 2020
Warranty (Note)	8,248,036,652.02	9,903,941,550.44
Others	2,922,021,044.73	2,886,828,092.00
Less: current portion refer to Note VI.32	4,581,920,712.00	5,908,862,886.00
Total	6,588,136,984.75	6,881,906,756.44

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.

39. Deferred income

Item	December 31, 2021	December 31, 2020
Subsidies for research and development, Infrastructure	13,384,531,969.41	15,780,712,194.97
Others	4,495,868.82	3,568,821.22
Total	13,389,027,838.23	15,784,281,016.19

40. Other non-current liabilities

Item	December 31, 2021	December 31, 2020
Long-term derivative financial liabilities	1,127,205,863.00	958,423,310.00
In which: interest swap instruments	31,350,656.00	37,876,576.00
Cash flow hedging instruments (refer to Note VI.25)	230,451,316.00	230,744,182.00
Derivative financial liabilities related to bonds (Note)	865,310,562.00	680,837,296.00
Commodity futures hedging	93,329.00	
Electricity futures hedging		8,965,256.00
Provisions for post-employment benefit	8,396,987,827.00	11,521,880,129.20
Long term contract liabilities	7,249,422,823.39	5,501,404,789.49
Total	16,773,616,513.39	17,981,708,228.69

Note: In June 2019, Geely Zhaoyuan issued a 5-year bond, MEUR 400 (equivalent to MRMB 3,100) with a fixed rate, please refer to Note VI.35. 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.

41. Share capital

Shareholder	December 31, 2020	Addition	Deduction	December 31, 2021
	Amount			Amount
Li Shufu	847,000,000.00			847,000,000.00
Li Xingxing	83,000,000.00			83,000,000.00
Ningbo Yima Enterprise Management Partnership (Limited Partnership)		100,000,000.00		100,000,000.00
Total	930,000,000.00	100,000,000.00		1,030,000,000.00

42. Other equity instruments

Item	December 31, 2021	December 31, 2020
Perpetual bonds	3,000,000,000.00	3,000,000,000.00
Total	3,000,000,000.00	3,000,000,000.00

43. Capital reserve

Item	December 31, 2020	Addition	Deduction	December 31, 2021
Capital premium	9,068,334,690.22	6,536,040,723.24	536,607,092.12	15,067,768,321.34
Other capital reserve	14,142,231,308.37	265,406,888.88	5,481,541,899.10	8,926,096,298.15
Total	23,210,565,998.59	6,801,447,612.12	6,018,148,991.22	23,993,864,619.49

44. Other comprehensive income

Item	December 31, 2020	Movement					December 31, 2021
		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	-1,956,923,313.93	4,192,192,277.68		506,148,561.00	3,631,045,448.65	54,998,268.03	1,674,122,134.72
In which: other comprehensive income that will not be reclassified to profit or loss under equity method	-10,496.97						-10,496.97
Changes due to re-measurement of defined benefit plans	-4,074,340,547.41	2,320,853,802.41		506,148,561.00	1,760,161,690.41	54,543,551.00	-2,314,178,857.00
Changes in the fair value of other equity instrument investments	2,117,427,730.45	1,871,338,475.27			1,870,883,758.24	454,717.03	3,988,311,488.69
II. Other comprehensive income that will be re-classified into profit or loss.	1,561,078,325.61	-10,049,540,426.23		-385,400,447.91	-9,193,077,835.86	-471,062,142.46	-7,631,999,510.25
In which: other comprehensive income that may be reclassified subsequently to profit or loss under equity method	-19,310,759.32	-413,799.39			1,520,630.26	-1,934,429.65	-17,790,129.06
Changes in re-classification of financial assets into other comprehensive income	181,671,481.98	-56,891,228.34		-11,824,573.91	-28,742,300.40	-16,324,354.03	152,929,181.58
Changes in cash flow hedge recognized in other comprehensive income	117,630,142.95	-1,965,788,547.00		-373,575,874.00	-1,472,525,137.00	-119,687,536.00	-1,354,894,994.05
Translation differences of financial statements denominated in foreign currency	1,281,087,460.00	-8,026,446,851.50			-7,693,331,028.72	-333,115,822.78	-6,412,243,568.72
Other comprehensive income in total	-395,844,988.32	-5,857,348,148.55		120,748,113.09	-5,562,032,387.21	-416,063,874.43	-5,957,877,375.53

45. Special reserve

Item	December 31, 2020	Addition	Deduction	December 31, 2021
Safety production costs		9,494,018.71	9,490,763.19	3,255.52
Total		9,494,018.71	9,490,763.19	3,255.52

46. Undistributed profits

Item	December 31, 2021	December 31, 2020
Balance at the end of the last year	63,243,730,606.35	54,178,637,449.29
Business combination involving entities under common control	-970,673,914.77	-488,129,832.53
Changes in accounting policy	-138,318,962.14	
Opening balance	62,134,737,729.44	53,690,507,616.76
Add: net profit attributable to the owners of the Company	9,488,385,718.11	8,869,820,237.24
Less: dividend of perpetual bonds	193,795,560.79	165,547,861.00
Less: impact of business combination involving entities under common control	35,000,000.00	21,789,437.42
Less: others		99,933,864.00
Balance at the end of the year	71,394,327,886.76	62,273,056,691.58

47. Revenue and cost of sales

Item	2021		2020	
	Revenue	Cost of sales	Revenue	Cost of sales
Primary operations	347,419,073,989.16	275,131,104,407.21	316,831,802,290.92	256,867,337,869.09
Other operations	12,896,795,425.56	7,140,451,398.83	10,108,258,803.24	6,188,230,782.83
Total	360,315,869,414.72	282,271,555,806.04	326,940,061,094.16	263,055,568,651.92

48. Financial expenses

Item	2021	2020
Interest expenses	4,954,437,566.12	4,453,186,892.22
Less: interest income	2,370,070,114.91	1,666,996,387.34
Bank charges and others	648,380,085.80	447,788,685.79
Foreign exchange gain or loss	-813,605,171.23	72,420,477.15

Total	2,419,142,365.78	3,306,399,667.82
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49. Other income

Item	2021	2020
Government grants	2,450,112,677.01	3,181,900,708.63
Total	2,450,112,677.01	3,181,900,708.63

50. Investment income

Item	2021	2020
Investment income (losses) under equity method	-1,633,831,225.43	1,126,992,711.23
Income from other equity investments	3,106,317,756.15	735,000.00
Income from other non-current financial assets	4,612,800.95	1,778,365.00
Income from disposals of long-term equity investments	273,682,783.69	1,511,286,422.90
Others	88,483,410.41	-12,501,496.22
Total	1,839,265,525.77	2,628,291,002.91

51. Net exposure to hedging income

Item	2021	2020
Net exposure to hedging income	-1,694,858,672.00	-2,392,329,191.00
Total	-1,694,858,672.00	-2,392,329,191.00

52. Gains from changes in fair value

Item	2021	2020
Derivative financial instruments	-204,972,785.00	-489,942,711.00
Other non-current financial assets	-604,668,173.00	1,510,069,348.00
Financial assets through profit and loss	74,856,113.53	-5,466,290.00
Total	-734,784,844.47	1,014,660,347.00

53. Credit impairment losses

Item	2021	2020
Impairment loss for notes receivable	-260,705.71	-210,049.91
Impairment loss for accounts receivable	-443,127,481.72	-13,884,400.26
Impairment loss for prepayments	-943,465.43	
Impairment loss for other receivables	-44,593,994.29	-1,802,329.64

Impairment loss for long-term receivables	-16,958,273.08	-75,419,843.09
Total	-505,883,920.23	-91,316,622.90

54. Asset impairment losses

Item	2021	2020
Impairment loss for inventories	-314,309,909.65	-221,768,796.92
Impairment loss for tangible assets	-93,134,554.61	-29,220,216.38
Impairment loss for intangible assets	-426,243,486.55	-50,170,139.05
Impairment loss for other long-term assets	-43,135,240.65	-345,000.00
Impairment loss for long-term equity investments	-363,168.00	
Total	-877,186,359.46	-301,504,152.35

55. Gains from disposal of assets

Item	2021	2020
Gains from disposal of tangible assets	-746,813,002.88	-699,811,537.62
Gains from disposal of intangible assets	35,620,511.22	89,441,813.85
Total	-711,192,491.66	-610,369,723.77

56. Non-operating income

Item	2021	2020
Gain from debt restructuring		59,690,744.03
Gain from non-current assets write off	10,406,186.33	840,267.86
Gain from penalty, fines, indemnity	53,654,319.49	40,415,752.68
Government grants	3,155,791.86	3,676,824.16
No payment required	89,086,003.64	68,413,735.07
Others	32,195,703.94	33,260,122.83
Total	188,498,005.26	206,297,446.63

57. Non-operating expenses

Item	2021	2020
Losses on non-current assets write off	65,426,517.04	162,327,014.37
Abnormal losses	5,605,526.87	743,150.68

Donations	57,428,067.42	133,369,279.02
Penalty and fines	91,330,669.27	16,880,724.55
Others	16,254,471.45	21,295,296.50
Total	236,045,252.05	334,615,465.12

58. Income tax expenses

Item	2021	2020
Current income tax	4,259,798,961.09	3,589,641,585.20
Deferred taxes	-1,281,335,171.39	-531,639,108.93
Total	2,978,463,789.70	3,058,002,476.27

59. Other comprehensive income

For details, please refer to Note VI.44.

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

Supplementary materials	2021	2020
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	11,522,647,473.16	12,715,046,984.69
Add: Asset impairment losses	877,186,359.46	301,504,152.35
Credit impairment losses	505,883,920.23	91,316,622.90
Depreciation of right-of-use assets	1,174,409,424.20	/
Depreciation of tangible assets	11,543,504,914.45	10,279,493,984.09
Amortization of intangible assets	10,280,323,045.53	9,217,845,642.23
Amortization of long-term prepayments	199,049,943.87	274,619,689.85
Losses from disposal of tangible assets, intangible assets and other long-term assets	711,192,491.66	610,369,723.77
Losses on retirement of tangible assets	55,020,330.71	161,486,746.51
Income on the fair value change	734,784,844.47	-1,014,660,347.00
Financial expenses	4,140,832,394.89	4,540,617,344.99
Income in investment	-1,839,265,525.77	-2,628,291,002.91
Increase in deferred tax assets	-1,811,744,709.79	-953,470,387.63
Increase in deferred tax liabilities	530,409,538.40	421,831,278.70
Increase in inventories	-2,056,075,753.41	-3,689,973,873.38
Increase in operating receivables	-9,199,766,389.39	-16,475,603,105.72
Increase in operating payables	16,612,536,630.70	22,858,842,533.88

Supplementary materials	2021	2020
Others		
Net cash flows from operating activities	43,980,928,933.37	36,710,975,987.32
2. Net changes in cash and cash equivalents:		
Year-end cash balance	104,231,861,317.70	102,192,262,650.51
Less: Opening cash balance	102,192,262,650.51	81,723,073,708.87
Add: Closing balance of cash equivalents	25,030,334,058.69	33,307,958,939.48
Less: Opening balance of cash equivalents	33,307,958,939.48	22,055,140,434.58
Net increase in cash and cash equivalents	-6,238,026,213.60	31,722,007,446.54

(2) Composition of cash and cash equivalents

Item	December 31, 2021	December 31, 2020
I. Cash	104,231,861,317.70	102,192,262,650.51
Including: cash on hand	1,567,047.09	3,906,863.71
Bank deposits on demand	95,929,869,843.95	100,358,883,417.67
Other monetary fund	8,300,424,426.66	1,829,472,369.13
II. Cash equivalents	25,030,334,058.69	33,307,958,939.48
In which: bond investment due within three months		
III. Cash and cash equivalents	129,262,195,376.39	135,500,221,589.99

VII. Changes of consolidation scope

1. Business combination involving entities under common control

(1) Business combination involving entities under common control during the reporting period

Name of the acquiree	Proportion of equity obtained in business combination	Determination basis of the transaction constitutes a business combination under common control	Merger date	Determination basis of merger date	Income of the acquiree from the beginning of the current period to the merger date	Net profit of the acquiree from the beginning of the current period to the merger date	Income of the acquiree for the previous period	Net profit of the acquiree for the previous period
Fengsheng Automotive Technology Group Co., Ltd.	100%	the acquiree and acquirer are controlled by the same controlling party	2021/8/31	Actual control	709,277,854.41	-121,641,626.70	870,808,414.42	-499,549,444.50
Zhejiang Jicheng Yunchuang Technology Co., Ltd.	100%	the acquiree and acquirer are controlled by the same controlling party	2021/1/1	Actual control			2,243,300.36	-4,674,100.58
Zhejiang Jizhi New Energy Automobile Technology Co., Ltd.	100%	the acquiree and acquirer are controlled by the same controlling party	2021/10/31	Actual control	64,493,037.56	-6,992,915.27	611,347,679.13	65,192,322.95
Qizheng New Energy Vehicle (Jinan) Co., Ltd.	100%	the acquiree and acquirer are controlled by the same controlling party	2021/10/31	Actual control	29,686,875.02	-13,621,135.68		-60,723.78

Qizheng New Energy Vehicle (Zibo) Co., Ltd.	100%	the acquiree and acquirer are controlled by the same controlling party	2021/10/31	Actual control	4,292,349.16	-320,746.17	-3,097,692.37
Yiyi Internet Technology Co., Ltd.	61%	the acquiree and acquirer are controlled by the same controlling party	2021/11/30	Actual control	883,917.96	-70,071,591.82	-10,817,346.47
Chengdu Jiqiao Technology Co., Ltd.	100%	the acquiree and acquirer are controlled by the same controlling party	2021/5/31	Actual control		-3,158,483.18	-302,451.35

(2) cost of combination

Item	Fengsheng Automotive Technology Group Co., Ltd.	Zhejiang Jicheng Yunchuang Technology Co., Ltd.	Zhejiang Jizhi New Energy Automobile Technology Co., Ltd.	Qizheng New Energy Vehicle (Jinan) Co., Ltd.	Qizheng New Energy Vehicle (Zibo) Co., Ltd.	Yiyi Internet Technology Co., Ltd.	Chengdu Jiqiao Technology Co., Ltd.
Cash							213,302,700.00
Other payables	2,088,000,000.00	12,000,000.00	67,000,000.00	50,000,000.00	50,000,000.00	78,205,000.00	

(3) The assets and liabilities for the acquiree

The book value of the acquiree's assets and liabilities on the merger date and the balance sheet date of the previous accounting period is as follows:

Item	Fengsheng Automotive Technology Group Co., Ltd.		Zhejiang Jicheng Yunchuang Technology Co., Ltd.		Zhejiang Jizhi New Energy Automobile Technology Co., Ltd.	
	Merger date	December 31, 2021	Merger date	December 31, 2021	Merger date	December 31, 2021
Current assets	4,493,098,395.92	3,862,579,990.15	9,449,434.73	9,449,434.73	1,253,186,910.85	1,252,601,890.08
Non-current assets	747,688,930.46	2,183,773,931.29	2,082,679.59	2,082,679.59	404,800,708.25	169,694,225.69
In which: investment in joint ventures & associates		15,796,799.70				
Property, plant and equipment	248,856,560.67	718,681,167.82	99,014.84	99,014.84	19,298,345.97	7,660,973.98
Construction in progress	8,721,420.83	9,261,431.78			1,632,743.35	9,761,519.66
Intangible assets	329,425,272.79	354,443,638.72	277,686.31	277,686.31	4,279,243.12	3,770,194.35
Development expenditure	153,615,870.43	132,172,488.94	1,705,978.44	1,705,978.44	379,590,375.81	148,501,537.70
Goodwill		943,330,597.75				
Long-term deferred expenses	7,069,805.74	10,087,806.58				
Current liabilities	3,900,979,556.89	4,624,864,648.57	2,130,244.19	2,130,244.19	1,585,651,056.70	1,308,375,839.10
Non-current liabilities		56,369,014.74				
In which: deferred income		34,539,917.39				
Long-term payables		21,829,097.35				
Net assets	1,339,807,769.49	1,365,120,258.13	9,401,870.13	9,401,870.13	72,336,562.40	113,920,276.67
Net assets acquired through merger	1,339,807,769.49		9,401,870.13		72,336,562.40	
Cost of combination	2,088,000,000.00		12,000,000.00		67,000,000.00	
Consolidation difference (included in equity)	-748,192,230.51		-2,598,129.87		5,336,562.40	

(Continued)

Item	Qizheng New Energy Vehicle (Jinan) Co., Ltd.		Qizheng New Energy Vehicle (Zibo) Co., Ltd.		Yiyi Internet Technology Co., Ltd.		Chengdu Jiqiao Technology Co., Ltd.	
	Merger date	December 31, 2021	Merger date	December 31, 2021	Merger date	December 31, 2021	Merger date	December 31, 2021
Current assets	1,851,457,748.06	2,052,101,060.56	345,581,360.46	254,800,771.52	196,211,555.74	2,708,195.30	17,616,242.98	17,612,149.54
Non-current assets	339,857,035.45		2,505,015.29	270,190.19	119,721,731.18	11,646,915.01	193,108,522.44	195,690,550.46

In which: other equity investment						1,153,846.00	1,153,846.00	
Property, plant and equipment	577,529.49			127,580.57		97,473,976.54	1,110,450.34	193,108,522.44
Construction in progress	37,888,091.10			2,367,897.79		16,049,370.48	4,224,156.63	195,690,550.46
Intangible assets	272,405,683.33					1,321,452.81	1,558,160.35	
Development expenditure	28,985,731.53			9,536.93		3,600,301.69	3,600,301.69	
Long-term deferred expenses						122,783.66		
Current liabilities	89,687,942.97	2,161,784.34		1,504,814.29	8,168,654.08	276,846,921.56	18,952,253.13	302,451.35
Non-current liabilities	2,065,308,700.00	2,000,000,000.00		300,000,000.00	200,000,000.00			
In which: deferred income	2,065,308,700.00	2,000,000,000.00		300,000,000.00	200,000,000.00			
Net assets	36,318,140.54	49,939,276.22		46,581,561.46	46,902,307.63	39,086,365.36	-4,597,142.82	213,000,248.65
Net assets acquired through merger	36,318,140.54			46,581,561.46		23,842,682.87		209,841,765.47
Cost of combination	50,000,000.00			50,000,000.00		78,205,000.00		213,302,700.00
Consolidation difference (included in equity)	-13,681,859.46			-3,418,438.54		-54,362,317.13		-3,460,934.53

2. Disposal of subsidiaries

Increased investment in subsidiaries by other investors, 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
Wuhan Lotus Technology Co., Ltd.	See note for details	See note for details	See note for details	See note for details	The Industrial and commercial change procedures have been completed.	See note for details	See note for details	See note for details	See note for details	See note for details

Note: Due to the investment increase of other investors in the subsidiary Wuhan Lotus Technology Co., Ltd., the shareholding ratio of the Company decreased from

60% to 22.22%, resulting in the loss of control, but the Company can still exert significant influence on it, and the industrial and commercial change registration was completed on September 24, 2021. In December 2021, the Company no longer held direct shares of it through equity restructuring, and the shareholding ratio of the group was changed to 25.1%.

3. Other reasons for changes of consolidation scope

New entities included in 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	Zhejiang HaoWu Network Technology Co., Ltd.	1,000	100	Newly established
Subsidiary	Sichuan Yinglun New Energy Vehicle Technology Co., Ltd.	4,3367.486	100	Newly established
Subsidiary	Hangzhou Langge Technology Co., Ltd.	10,000	100	Newly established
Subsidiary	Zhejiang Geely Industrial Investment Holding Co., Ltd.	10,000	100	Newly established
Subsidiary	Shanghai Jinli Jipin Business Management Co., Ltd.	3,000	100	Newly established
Subsidiary	Genius & Guru Investment Group Co., Ltd.	50,100	100	Newly established
Subsidiary	Hainan Geely Investment Holding Co., Ltd.	10,000	100	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	

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
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.	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 2)	Hangzhou	Hangzhou	R&D and Service	100.00		Found
Easybao 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

Subsidiary name	Principal place of business	Registration place	Business nature	Shareholding ratio (%)		Acquisition method
				Directly	Indirectly	
Zhejiang Genius & Guru Investment Co., Ltd.	Hangzhou	Hangzhou	Investment	100.00		Found
Geely Automobile Group Co., Ltd.	Ningbo	Ningbo	Management	100.00		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
Zhejiang HaoWu Network Technology Co., Ltd.	Hangzhou	Hangzhou	Technology	100.00		Found
Sichuan Yinglun New Energy Vehicle Technology Co., Ltd.	Yibin	Yibin	R&D	100.00		Found
Hangzhou Langge Technology Co., Ltd.	Hangzhou	Hangzhou	Technology	100.00		Found
Hangzhou Geely Automobile Research and Development Co., Ltd. (Note 3)	Hangzhou	Hangzhou	Technology	100.00		Found
Zhejiang Geely Industrial Investment Holding Co., Ltd.	Ningbo	Ningbo	Service	100.00		Found
Shanghai Jinli Jipin Business Management Co., Ltd.	Shanghai	Shanghai	Marketing	100.00		Found
Genius & Guru Investment Group Co., Ltd.	Beijing	Beijing	Investment	100.00		Found

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

Note 2: 1) Zichuan Zibo Financial Holding Co., Ltd. and Commercial Vehicle Group signed property right transaction contract, transferred all its 100% equity of Shandong Tangjun Ouling Automobile Manufacturing Co., Ltd. to Commercial Vehicle Group on December 23, 2020. On January 14, 2021, the above equity transfer

registration has been completed in the market supervision and administration department, and Shandong Tangjun Ouling Automobile Manufacturing Co., Ltd. was incorporated into the consolidation scope of Commercial Vehicle Group.

2) In March 2021, Commercial Vehicle Group and Hanma Technology signed the share subscription agreement, and the total subscription price of shares was RMB 589,473,997.06. After the subscription, the shareholding ratio of Hanma Technology held by Commercial Vehicle Group changed from 15.2375% to 28.01%.

Note 3: The Company acquired 100% equity of Hangzhou Geely Automobile Research and Development Co., Ltd. from Zhejiang Geely Automobile Technology Co., Ltd. (a sub-subsidiary of the Company), and Hangzhou Geely Automobile Research and Development Co., Ltd. became from a sub-subsidiary to a subsidiary.

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	M MYR 2001	Yes
	Size-up Investment Co., Ltd.	Investment	BVI	MUSD 0.05	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
	Castle Automobile International Limited	Investment	Hong Kong	MHKD 56	Yes
	Geely Investment Holding Ltd.	Investment	BVI	USD 1000	Yes
	Geely Robotics Limited	Investment	BVI	USD 1000	Yes
	Geely Symphony Finance Limited	Investment	BVI	MUSD 0.05	Yes
	Lotus Technology International Investment Limited	Investment	BVI	USD 1000	Yes
Zhejiang Geely Automobile Co., Ltd.	Jinan Ruhoo Automobile Parts Co., Ltd.	Manufacture	Jinan	1,000	Yes

Subsidiary name	Consolidated scope of the subsidiary	Business nature	Registered place	Registered capital (ten thousand yuan)	Whether control or not
	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
	Zhejiang Xingzhi Financing Guarantee Co., Ltd.	Financing Assurance	Hangzhou	10,000	Yes
	Zhejiang Geely Automobile Manufacturing Co., Ltd.	Manufacture	Hangzhou	50,000	Yes
Zhejiang Haoqing Automobile Manufacture Co., Ltd.	Hefei Geely New Energy Automobile Sales Co., Ltd.	Marketing	Hefei	1,000	Yes
Proper Glory Holding Inc.	Geely Automobile Holdings Ltd.	Investment	Cayman Islands	MHKD 246.72	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
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.	Farizon Commercial Vehicle Technology Co., Ltd.	Technology	Hangzhou	100,000	Yes
	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	Manufacture	Zibo	10,000	Yes

Subsidiary name	Consolidated scope of the subsidiary	Business nature	Registered place	Registered capital (ten thousand yuan)	Whether control or not
	Commercial Vehicle Co., Ltd.				
	Huzhou Xingzhi Automobile Co., Ltd.	Manufacture	Huzhou	1,000	Yes
	Ma 'anshan Geely New Energy				
	Commercial Vehicle Development Co., Ltd.	Manufacture	Ma 'anshan	1,000	Yes
	Shandong Tangjun Ouling Automobile Manufacture Co., Ltd.	Manufacture	Zibo	5,302	Yes
	Hanna Technology Group Co., Ltd.(600375.SH)	R&D/ Production/ Marketing	Ma 'anshan	65,431	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 Wotu Travel Agency Co., Ltd.	Service	Hangzhou	1,000	Yes
Zhejiang Genius & Guru Investment Co., Ltd.	Chongqing Genius & Guru Information Technology Consulting Co., Ltd.	Service	Chongqing	100	Yes
	Beijing Genius & Guru Information Consulting Co., Ltd.	Service	Beijing	100	Yes
	Shanghai Genius & Guru Financial Technology Co., Ltd.	Service	Shanghai	5,000	Yes
	Shanghai Jili Financial Consulting Co., Ltd.	Service	Shanghai	5,000	Yes
	Beijing Wisdom Puhua Commercial	Factoring	Beijing	10,000	Yes

Subsidiary name	Consolidated scope of the subsidiary	Business nature	Registered place	Registered capital (ten thousand yuan)	Whether control or not
Geely Automobile Group Co., Ltd	Factoring Co., Ltd.	financing			
	Zhejiang Jichuang Industrial Development Co., Ltd.	Production	Ningbo	30,000	Yes
	Wuhan Geely Auto Parts Co., Ltd.	Production	Wuhan	10,000	Yes
	Hangzhou Jike Intelligent Information Technology Co., Ltd.	Service	Hangzhou	1,000	Yes
	Shanghai Global Trading Corporation	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
	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	Jinzhong	15,000	Yes
	Zhejiang Haohan Energy Technology Co., Ltd.	Technology	Hangzhou	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
	Zhejiang Hyperlink Technology Development Co., Ltd.	Service	Ningbo	2,000	Yes
	Zhejiang Geely Qizheng Automobile Technology Co., Ltd.	Manufacture	Hangzhou	20,000	Yes

Subsidiary name	Consolidated scope of the subsidiary	Business nature	Registered place	Registered capital (ten thousand yuan)	Whether control or not
	Fengsheng Automotive Technology Group Co., Ltd.	Manufacture	Hangzhou	240,400	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
	Hangzhou Yineng Battery Management Technology Co., Ltd.	Service	Hangzhou	1,000	Yes
Sichuan Yinglun New Energy Vehicle Technology Co., Ltd.	Yibin Yinglun New Energy Vehicle Technology Co., Ltd.	Technology	Yibin	40,000	Yes
	Zhejiang London Taxi Co., Ltd.	Manufacture	Yiwu	32,000	Yes
Zhejiang Geely Industrial Investment Holding Co., Ltd.	Zhejiang Aurora Bay Power Equipment Co., Ltd.	Technology	Ningbo	307,000	Yes
	Chengdu Jisu New Energy Vehicle Co., Ltd.	Manufacture	Chengdu	10,000	Yes
Genius & Guru Investment Group Co., Ltd.	Beijing Genius & Guru Tongping Digital Technology Co., Ltd.	Technology	Beijing	100,100	Yes

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

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)	Value Century Group Limited	Investment	BVI	USD 1	Yes
	Centurion Industries Limited	Investment	BVI	USD 2	Yes
	Geely Auto International Limited	Investment	Hong Kong	MHKD 235,29412	Yes

Sub-subsidiaries	Consolidated scope of sub-subsidiary	Business nature	Registered place	Registered capital (ten thousand yuan)	Whether control or not
Beijing Geely Wanyuan International Investment Co., Ltd.	Luckview Group Limited	Investment	BVI	10,200	Yes
	Linkstate Overseas Limited	Investment	BVI	USD 1	Yes
	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

Subsidiary name	Shareholding percentage (%)	Whether control or not	Reason of not being consolidated
Zhejiang Wisdom Puhua Leasing Co., Ltd.	See Note 1	No	Note 1
Ningbo Beilun District Xinlei Geely Kindergarten	100.00	No	Note 2
Genius Auto Finance Co., Ltd.	80.00	No	Note 3
Ningbo Yisheng Enterprise Management Partnership (Limited Partnership)	70.00	No	Note 4
Shandong Geely Xinwangda Power Battery Co., Ltd.	70.00	No	Note 5

Note 1: Zhejiang Wisdom Puhua Leasing Co., Ltd. (hereinafter referred to as: Wisdom Puhua), funded by Zhejiang Genius & Guru Investment Co., Ltd., Zhejiang Geely Automobile Co., Ltd., BNP PARIBAS PERSONAL FINANCE and Geely International (Hong Kong) Limited in August 2013, and the shareholding ratio is 52%, 18%, 20% and 10% respectively. According to the articles of association, major business decisions and other decisions of Wisdom Puhua need the consent from BNP PARIBAS PERSONAL FINANCE, therefore, Wisdom Puhua is jointly controlled by the Group and BNP PARIBAS PERSONAL FINANCE.

Note 2: Ningbo Beilun District Xinlei Geely Kindergarten 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 in August 2015, and the shareholding ratio is 80% and 20% respectively. The company is a joint venture company and engages in auto finance business in China. According to the joint venture agreement, the joint venture company is controlled by both investors and the company has no control right over it.

Note 4: Ningbo Yisheng Enterprise Management Partnership (Limited Partnership) is funded by general partner Ningbo Jikong Enterprise Management Co., Ltd. and two limited partners Geely Group (Ningbo) Co., Ltd. and Zhejiang Geely Holding Group Co., Ltd., the shareholding ratio is 0.1%, 29.9% and 70% respectively. Now, all partners jointly entrust Ningbo Jikong Enterprise Management Co., Ltd. as the executive partner to carry out the partnership affairs, and other partners would no longer carry out the partnership affairs. The Group has no control right over it.

Note 5: Shandong Geely Xinwangda Power Battery Co., Ltd., funded by the Group and Sunvoda Electric Vehicle Battery Co., Ltd. in September 2021, and the shareholding ratio is 70% and 30% respectively. According to the articles of association, major business decisions of Shandong Geely Xinwangda Power Battery Co., Ltd. must be approved by shareholders representing more than 80% of the voting rights, therefore Shandong Geely Xinwangda Power Battery Co., Ltd. is jointly controlled by both investors.

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 AISIN AW 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, 2021/2021			
	Volvofinans Bank AB.	Polestar Automotive Holding Ltd.	Genius Auto Finance Co., Ltd.	Zhejiang Geely AISIN AW Automatic Transmission Co., Ltd.
Current assets	4,384,758,935.00	10,826,235,669.00	52,663,545,609.73	353,812,311.95
Non-current assets	27,189,109,320.00	9,549,878,326.00	1,811,372,165.72	1,405,626,512.00
Total assets	31,573,868,255.00	20,376,113,995.00	54,474,917,775.45	1,759,438,823.95
Current liabilities	1,769,544,499.00	18,796,008,837.00	30,683,712,668.73	159,280,025.87
Non-current liabilities	26,391,721,015.00	927,934,002.00	17,253,877,707.95	1,003,565,956.49
Total liabilities	28,161,265,514.00	19,723,942,839.00	47,937,590,376.68	1,162,845,982.36
Net assets	3,412,602,741.00	652,171,156.00	6,537,327,398.77	596,592,841.59
Share of net assets calculated based on the proportion of ownership interest	1,706,301,371.00	322,824,722.00	5,229,861,919.10	238,637,136.64
Adjustments				
- Goodwill	263,362,611.07			
- Increase of capital by joint venture shareholders		-101,897,953.00		
- Translation difference		-158,149,059.76		
- Internal transaction offset		11,810,708.00		
Carrying value of investments in equity of joint ventures	1,969,663,982.07	74,588,417.24	5,229,861,919.10	238,637,136.64
Fair value of investments in equity of joint ventures in public markets				
Revenue	3,647,665,466.00	8,279,588,122.00	2,412,693,207.47	142,829.60
Net profit and total comprehensive income	292,434,838.00	-6,186,472,562.00	1,063,139,191.29	-117,577,736.37
Dividends from joint venture in the current year	80,604,229.71			

(Continued)

Item	December 31, 2020/2020			
	Volvofinans Bank AB.	Polestar Automotive Holding Ltd.	Genius Auto Finance Co., Ltd.	Zhejiang Geely AISIN AW 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
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		
- Others	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				

(3) Important financial information of the significant associates

Item	Mando (Ningbo) Automotive Parts Co., Ltd.	
	December 31, 2021/2021	December 31, 2020/2020
Current assets	1,685,421,480.97	2,161,007,875.16
Non-current assets	257,527,931.66	308,143,008.33
Total assets	1,942,949,412.63	2,469,150,883.49
Current liabilities	1,174,651,417.24	1,736,332,468.56
Non-current liabilities	6,766,061.38	6,087,920.00
Total liabilities	1,181,417,478.62	1,742,420,388.56
Net assets	761,531,934.01	726,730,494.93
Share of net assets calculated based on the proportion of ownership interest	266,536,176.89	254,355,673.21
Adjustments		
- Goodwill		
- Unrealized profit arising from internal transactions		
- Others		
Carrying value of investments in equity of associates	266,536,176.89	254,355,673.21
Fair value invested in the associates' equity in public markets		
Revenue	1,659,389,670.73	2,091,339,492.56
Net profit	25,909,822.15	47,554,694.48
Discontinued operating profit or loss		
Other comprehensive income		
Total comprehensive income	25,909,822.15	47,554,694.48
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	82.23	82.23
Ningbo Yima Enterprise Management Partnership (Limited Partnership)	Investor	9.71	9.71
Li Xingxing	Investor	8.06	8.06

The ultimate controller of the Group is Li Shufu.

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
VCFS Germany GmbH	Joint venture
VH Systems AB	Joint venture
Volvo Car Financial Services UK Ltd.	Joint venture
Volvo Trademark Holding AB	Joint venture
Volvofinans Bank AB	Joint venture
World of Volvo AB	Joint venture
Jika Intelligent Robot Co., Ltd.	Joint venture
Genius Auto Finance Co., Ltd.	Joint venture
Zhejiang Geely AISIN AW Automatic Transmission Co., Ltd.	Joint venture
smart Automobile Co., Ltd.	Joint venture
Polestar Automotive Holding Limited Group	Joint venture
Shandong Geely Xinwangda Power Battery 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
Jidu Automobile 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
Zhejiang Xitumeng Digital Technology Co., Ltd.	Associates

4. Other related parties

Name of other related parties	Relationship with the Group
Geely Group Limited	The same ultimate controller
Anhui Jifeng Vehicle Recycling Co., Ltd.	The same ultimate controller
Chengdu Geely CaoCao Technology Co., Ltd.	The same ultimate controller
Dongguan CaoCao Technology Co., Ltd.	The same ultimate controller

Foshan CaoCao Keliyuan Car Rental Co., Ltd.	The same ultimate controller
Fuzhou CaoCao Network Technology Co., Ltd.	The same ultimate controller
Guangzhou Zuozhongyou Electric Vehicle Service Co., Ltd.	The same ultimate controller
Haikou Geely CaoCao Technology Co., Ltd.	The same ultimate controller
Hangzhou Geely Global Technology Co., Ltd.	The same ultimate controller
Hangzhou Jixing Technology Co., Ltd.	The same ultimate controller
Hangzhou Thunbu Technology Co., Ltd.	The same ultimate controller
Hangzhou Easybao Technology Co., Ltd.	The same ultimate controller
Hangzhou CaoCao Technology Co., Ltd.	The same ultimate controller
Hangzhou Zhongyue Travel Technology Co., Ltd.	The same ultimate controller
Hefei Geely CaoCao 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
ECARX (Hubei) Technology Co., Ltd.	The same ultimate controller
Geely Group Company Limited	The same ultimate controller
Jinan Geely Automobile Parts Co., Ltd.	The same ultimate controller
Ji'nan Geely Automobile Co., Ltd.	The same ultimate controller
Mitai Investment Development Group Co., Ltd.	The same ultimate controller
Ningbo Fuhong Automobile Sales Co., Ltd.	The same ultimate controller
Xiamen Geely CaoCao Technology Co., Ltd.	The same ultimate controller
Shanxi Geely CaoCao Technology Co., Ltd.	The same ultimate controller
Shanghai Xiedong Technology Co., Ltd.	The same ultimate controller
Sichuan Aossai Technology Co., Ltd.	The same ultimate controller
Taizhou XingKong Zhilian Technology Co., Ltd.	The same ultimate controller
Tianjin Geely CaoCao Technology Co., Ltd.	The same ultimate controller
Wuhan Geely CaoCao Technology Co., Ltd.	The same ultimate controller
Changsha CaoCao Network Technology Co., Ltd.	The same ultimate controller
Zhejiang Jili Transmission Co., Ltd.	The same ultimate controller
Zhejiang GKO Aluminium Co., Ltd.	The same ultimate controller
Zhejiang Qianjiang Motorcycle Co., Ltd.	The same ultimate controller
ZheJiang XuanFu Automatic Transmission Co., Ltd.	The same ultimate controller
Zhejiang Zuozhongyou Electric Vehicle Service Co., Ltd.	The same ultimate controller
Chongqing Geely CaoCao Technology Co., Ltd.	The same ultimate controller
Chongqing Lifan Passenger Vehicle Co., Ltd.	The same ultimate controller
Zuozhongyou Electric Vehicle Service (Shanghai) Co., Ltd.	The same ultimate controller
Zuozhongyou Electric Vehicle Service (Tianjin) Co., Ltd.	The same ultimate controller
Hangzhou Baxiba Coffee Culture Co., Ltd.	The same ultimate controller

Geely Group (Ningbo) Co., Ltd.	The same ultimate controller
Jixing International Technology Co., Ltd.	The same ultimate controller
Mitime Motor Racing Cars Sports Co., Ltd.	The same ultimate controller
Mitime SpeedPark Management(Ningbo) Co., Ltd.	The same ultimate controller
Ningbo Migtai Investment Co., Ltd.	The same ultimate controller
Xi'an Liancheng Intelligent Technology Co., Ltd.	The same ultimate controller
Zhejiang Juli Medical Supplies Co., Ltd.	The same ultimate controller
Zhejiang GKO Industry Co., Ltd.	The same ultimate controller
Zhejiang Gko New Materials Co., Ltd.	The same ultimate controller
Zhejiang Qianjiang Lithium Battery Technology Co., Ltd.	The same ultimate controller
Zhejiang Qianjiang New Energy Technology Co., Ltd.	The same ultimate controller
Zhejiang Ruike Resource Recycling Co., Ltd.	The same ultimate controller
Lifan Industry (Group) Co., Ltd.	The same ultimate controller
Perusahaan Otomobil Nasional Sdn. Bhd.	Controlled by associates
Proton Parts Centre Sdn. Bhd.	Controlled by associates
Shanghai Jidu Automobile Co., Ltd.	Controlled by associates
Time Geely (Sichuan) Power Battery Co., Ltd.	Controlled by associates
Wuhan Lotus Technology Co., Ltd.	Controlled by associates
Wuhan Lotus Cars Sales Limited	Controlled by associates
Wuhan Lotus Cars Co., Ltd.	Controlled by associates
Zhejiang Limin Industrial Group Co., Ltd.	Joint stock company
Xiaolinggou Travel Technology Co., Ltd.	Joint stock company which is controlled by ultimate controller
Shanghai Inspection (Zhejiang) Motor Vehicle Testing Technology Co., Ltd.	Associate which is controlled by ultimate controller
Zhidou Electric Vehicle Co., Ltd.	Associate which is controlled by ultimate controller
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

5. Related-party transactions (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	2021	2020
Mando (Ningbo) Automotive Parts Co., Ltd.	Purchase of goods	147,545.60	182,009.56
Volvofinans Bank AB	Purchase of goods	115,461.40	111,274.55

Related party	Related party transaction	2021	2020
Zhejiang Limin Industrial Group Co., Ltd.	Purchase of goods	65,030.91	27.87
Polestar Automotive Holding Limited Group	Purchase of goods	46,973.94	90,223.62
ECARX (Hubei) Technology Co., Ltd.	Purchase of goods	26,029.87	145,760.97
VH Systems AB	Purchase of goods	12,138.26	14,036.38
ZheJiang XuanFu Automatic Transmission Co., Ltd.	Purchase of goods	10,700.34	37.92
Ji'nan Geely Automobile Co., Ltd.	Purchase of goods	9,000.73	
Ningbo Fuhong Automobile Sales Co., Ltd.	Purchase of goods	4,044.68	15,070.59
Xi'an Liancheng Intelligent Technology Co., Ltd.	Purchase of goods	3,328.22	
Zhejiang Hengyuan New Energy Technology Co., Ltd.	Purchase of goods	2,433.87	1,437.68
Trio Bilservice AB	Purchase of goods	802.85	827.71
Volvo Trademark Holding AB	Purchase of goods	786.93	814.79
VCFS Germany GmbH	Purchase of goods	624.26	648.47
Göteborgs Tekniska College AB	Purchase of goods	618.40	558.93
Zhejiang GKO Industry Co., Ltd.	Purchase of goods	573.33	364.89
Zhejiang Zuozhongyou Electric Vehicle Service Co., Ltd.	Purchase of goods	166.37	
Jinan Geely Automobile Parts Co., Ltd.	Purchase of goods	121.94	
Leiebilservice AS	Purchase of goods	85.94	85.31
ECARX (Hubei) Technology Co., Ltd.	Purchase of services	3,975.10	25,953.29
Zhejiang Hengyuan New Energy Technology Co., Ltd.	Technical development services		19,212.46
Anhui Huirong Energy Co., Ltd.	Purchase of other goods	64.18	44.96
Zhejiang Juli Medical Supplies Co., Ltd.	Purchase of other goods	4.82	115.29
Hangzhou Baxiba Coffee Culture Co., Ltd.	Purchase of other goods	2.06	
Ji'nan Geely Automobile Co., Ltd.	Purchase of services	572.41	
Jinan Geely Automobile Parts Co., Ltd.	Purchase of services	269.54	
Mitime Speed Park Management (Ningbo) Co., Ltd.	Purchase of services	128.78	
Hangzhou Easybao Technology Co., Ltd.	Purchase of services	94.60	
Chongqing Lifan Passenger Vehicle Co., Ltd.	Purchase of services	32.69	
Hangzhou Thunbu Technology Co., Ltd.	Information technology services	77.94	

Related party	Related party transaction	2021	2020
Genius Auto Finance Co., Ltd.	Purchase of services	3,133.66	1,824.73

2) Sale of goods/rendering services

Related party	Related party transaction	2021	2020
Polestar Automotive Holding Limited Group	Sales of goods	1,125,436.47	692,257.52
Closed Joint Stock Company BELGEE	Sales of goods	310,139.15	97,668.65
Volvofinans Bank AB	Sales of goods	95,076.78	83,132.15
Ningbo Fuhong Automobile Sales Co., Ltd.	Sales of goods	73,718.51	57,916.20
Chongqing Lifan Passenger Vehicle Co., Ltd.	Sales of goods	41,880.89	
smart Automobile Co., Ltd.	Sales of goods	35,101.49	
VH Systems AB	Sales of goods	12,608.47	12,718.84
Hangzhou CaoCao Technology Co., Ltd.	Sales of goods	2,078.51	30,616.70
Proton Parts Centre Sdn. Bhd.	Sales of goods		3,270.23
Ji'nan Geely Automobile Co., Ltd.	Sales of goods	6,478.81	
ECARX (Hubei) Technology Co., Ltd.	Sales of goods	3,316.31	314.57
Zuozhongyou Electric Vehicle Service (Shanghai) Co., Ltd.	Sales of goods	1,445.45	
Hangzhou Zhongyue Travel Technology Co., Ltd.	Sales of goods	1,381.02	
World of Volvo AB	Sales of goods	753.37	
VCFS Germany GmbH	Sales of goods	747.64	607.06
Guangzhou Zuozhongyou Electric Vehicle Service Co., Ltd.	Sales of goods	602.37	
Wuhan Lotus Cars Co., Ltd.	Sales of goods	562.48	
Geely Group Limited	Sales of goods		490.96
Geely Financials Denmark A/S	Sales of goods		418.09
Anhui Jifeng Vehicle Recycling Co., Ltd.	Sales of goods	342.90	
Lifan Industry (Group) Co., Ltd.	Sales of goods	320.44	
Volvo Car Financial Services UK Ltd.	Sales of goods	302.92	
Shandong Geely Xinwangda Power Battery Co., Ltd.	Sales of goods	297.65	
Zhejiang Geely AISIN AW Automatic Transmission Co., Ltd.	Sales of goods	280.00	
Zhejiang Limin Industrial Group Co., Ltd.	Sales of goods	251.29	
Zuozhongyou Electric Vehicle Service (Tianjin) Co., Ltd.	Sales of goods	173.33	
Jidu Automobile Co., Ltd.	Sales of goods	171.20	
Time Geely (Sichuan) Power Battery Co., Ltd.	Sales of goods	150.94	-

Shandong Hengyuan New Energy Technology Co., Ltd.	Sales of goods	124.92	
Jinan Geely Automobile Parts Co., Ltd.	Sales of goods	88.15	
Shanghai Xiedong Technology Co., Ltd.	Sales of goods	67.09	
Wuhan Lotus Technology Co., Ltd.	Sales of goods	64.94	
Mando (Ningbo) Automotive Parts Co., Ltd.	Sales of goods	44.15	
Göteborgs Tekniska College AB	Sales of goods	3.32	249.06
Proton Holdings Berhad	Sales of goods	1.93	205,825.90
smart Automobile Co., Ltd.	Service income	1,507.07	1,659.95
Hubei Yichi New Energy Technology Co., Ltd.	Service income		1,185.58
Wuhan Lotus Technology Co., Ltd.	Service income	739.12	
Hangzhou CaoCao Technology Co., Ltd.	Service income	485.32	196.57
Geely Group Company Limited	Service income	424.67	1,559.50
ECARX (Hubei) Technology Co., Ltd.	Service income	367.86	135.45
Genius Auto Finance Co., Ltd.	Service income	4,882.74	336.65
Zhejiang Qianjiang Motorcycle Co., Ltd.	Service income	72.78	252.07
Wuhan Lotus Cars Co., Ltd.	Service income	217.78	
Wuhan Lotus Cars Sales Limited	Service income	132.08	
Sichuan Aosci Technology Co., Ltd.	Service income	119.63	
Taizhou XingKong Zhilian Technology Co., Ltd.	Service income	113.46	
Lifan Industry (Group) Co., Ltd.	Service income	105.71	
Hubei Geely Terrafugia Co., Ltd.	Service income	96.03	106.84
Zhejiang Hengyuan New Energy Technology Co., Ltd.	Service income	49.79	75.79
Mitai Investment Development Group Co., Ltd.	Service income	32.87	186.88
Hangzhou Thunbu Technology Co., Ltd.	Service income	13.10	
Hangzhou Geely Global Technology Co., Ltd.	Service income	8.04	137.57
Hangzhou Jixing Technology Co., Ltd.	Service income	7.55	236.94
Zhejiang GKO Aluminium Co., Ltd.	Service income		0.66
Proton Holdings Berhad	Technical service income		21,085.98
Wuhan Lotus Cars Co., Ltd.	Technical service income	357,064.35	
Hubei Geely Terrafugia Co., Ltd.	Technical service income	62,590.50	37,712.13
Perusahaan Otomobil Nasional Sdn. Bhd.	Technical service income	72,024.63	
smart Automobile Co., Ltd.	Technical service income	30,620.26	
ZheJiang XuanFu Automatic Transmission Co., Ltd.	Technical service income	2,532.65	

Shanghai Jidu Automobile Co., Ltd.	Technical service income	2,497.90	
ECARX (Hubei) Technology Co., Ltd.	Technical service income		612.26
Hangzhou CaoCao Technology Co., Ltd.	Interest income	3,180.65	3,337.74
China Railway Gecent Technology Co., Ltd.	Interest income	297.32	323.07
Zhejiang Xitumeng Digital Technology Co., Ltd.	Interest income	3.52	
Zhejiang Hengyuan New Energy Technology Co., Ltd.	Interest income		293.76
Wuhan Geely CaoCao Technology Co., Ltd.	Financing lease interest income		478.53
Chongqing Geely CaoCao Technology Co., Ltd.	Financing lease interest income		216.70
Tianjin Geely CaoCao Technology Co., Ltd.	Financing lease interest income		194.36
Zhejiang Zuozhongyou Electric Vehicle Service Co., Ltd.	Financing lease interest income		181.40
Dongguan CaoCao Technology Co., Ltd.	Financing lease interest income		176.80
Chengdu Geely CaoCao Technology Co., Ltd.	Financing lease interest income		103.28
Changsha CaoCao Network Technology Co., Ltd.	Financing lease interest income		50.32
Foshan CaoCao Keliyuan Car Rental Co., Ltd.	Financing lease interest income	91.93	
Fuzhou CaoCao Network Technology Co., Ltd.	Financing lease interest income	76.18	119.90
Hefei Geely CaoCao Technology Co., Ltd.	Financing lease interest income	65.85	101.60
Chengdu Quality Xingxiang Technology Co., Ltd.	Financing lease interest income	55.34	28.57
Xiamen Geely CaoCao Technology Co., Ltd.	Financing lease interest income	42.05	
Haikou Geely CaoCao Technology Co., Ltd.	Financing lease interest income	41.43	
Xiaolinggou Travel Technology Co., Ltd.	Financing lease interest income	23.92	
Shanxi Geely CaoCao Technology Co., Ltd.	Financing lease interest income	20.86	
Mando (Ningbo) Automotive Parts Co., Ltd.	Quality assurance claim income	2,157.30	

ECARX (Hubei) Technology Co., Ltd.	Quality assurance claim income	1,782.12	487.69
Zhejiang Jili Transmission Co., Ltd.	Quality assurance claim income	593.97	
Hangzhou Easybao Technology Co., Ltd.	Quality assurance claim income	353.53	
Ji'nan Geely Automobile Co., Ltd.	Quality assurance claim income	125.92	
Zhejiang Hengyuan New Energy Technology Co., Ltd.	Quality assurance claim income	13.47	32.39
smart Automobile Co., Ltd.	Intellectual property service income	48.22	20.59
Hangzhou CaoCao Technology Co., Ltd.	Rental income	89.53	228.29
Hubei Geely Terrafugia Co., Ltd.	Rental and water & electricity incomes		64.17
Weixing Technology Co., Ltd.	Rental income		27.78
Genius Auto Finance Co., Ltd.	Interest income	28,158.10	18,174.62
Mando (Ningbo) Automotive Parts Co., Ltd.	Freight revenue		505.13

6. Receivables and payables from related party

(1) Receivables

Item	December 31, 2021		December 31, 2020	
	Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivable:				
Polestar Automotive Holding Limited Group	11,055,595,033.68		7,724,060,662.50	
Closed Joint Stock Company BELGEE	1,747,786,286.91		1,022,425,086.15	
Volvofinans Bank AB	552,559,825.00		384,156,926.00	
Perusahaan Otomobil Nasional Sdn. Bhd.	136,576,234.51			
Hangzhou CaoCao Technology Co., Ltd.	56,400,528.38		152,146,577.59	
VH Systems AB	24,682,015.00		29,246,513.00	
Hangzhou Zhongyue Travel Technology Co., Ltd.	9,581,743.92			
Proton Parts Centre Sdn. Bhd.	5,857,832.85		4,419,987.36	
smart Automobile Co., Ltd.	5,186,297.56			
ECARX (Hubei) Technology Co., Ltd.	3,049,359.98		15,513,298.23	
Wuhan Lotus Technology Co., Ltd.	3,016,440.71			
Zuozhongyou Electric Vehicle Service	1,958,670.00			

Item	December 31, 2021		December 31, 2020	
	Book balance	Bad debt provision	Book balance	Bad debt provision
(Tianjin) Co., Ltd.				
Proton Holdings Berhad	1,026,997.07		185,523,289.88	
Chongqing Lifan Passenger Vehicle Co., Ltd.	996,716.65			
Göteborgs Tekniska College AB	518,559.00		1,548,759.00	
Zhejiang Qianjiang Motorcycle Co., Ltd.	43,254.50			
Hubei Yichi New Energy Technology Co., Ltd.			5,656,229.84	
Hangzhou Jixing Technology Co., Ltd.			5,388,400.57	
Hangzhou Geely Global Technology Co., Ltd.			2,900,606.94	
Genius Auto Finance Co., Ltd.			1,619,208.49	
Zhejiang GKO Aluminium Co., Ltd.			1,494,721.90	
ZheJiang XuanFu Automatic Transmission Co., Ltd.			139,386.00	
Shanghai Xiedong Technology Co., Ltd.			79,575.02	
Prepayments:				
ECARX (Hubei) Technology Co., Ltd.	150,464,661.15		326,875,482.04	
Hangzhou CaoCao Technology Co., Ltd.	22,392,567.45		33,887,800.00	
Closed Joint Stock Company BELGEE	1,428,097.50			
Chengdu Geely CaoCao Technology Co., Ltd.	1,270,000.00		3,730,000.00	
Other receivables:				
Geely Group (Ningbo) Co., Ltd.	969,370,271.46		969,300,000.00	
Hubei Geely Terrafugia Co., Ltd.	612,479,693.84		604,017,476.90	
Ji'nan Geely Automobile Co., Ltd.	606,260,091.25			
Proton Holdings Berhad	434,850,226.23		978,157.77	
Hangzhou CaoCao Technology Co., Ltd.	341,586,480.50		1,836,084,798.68	
Jixing International Technology Co., Ltd.	200,000,000.00		200,000,000.00	
China Railway Gecent Technology Co., Ltd.	95,159,187.51		81,449,550.00	
Mitai Investment Development Group Co., Ltd.	20,286,651.38		21,223,600.27	
smart Automobile Co., Ltd..	17,601,395.11		3,092,994.35	
Wuhan Lotus Technology Co., Ltd.	14,278,057.61			
Wuhan Lotus Cars Co., Ltd.	11,990,089.40			
Hangzhou Thunbu Technology Co., Ltd.	2,495,858.10		5,168,826.33	

Item	December 31, 2021		December 31, 2020	
	Book balance	Bad debt provision	Book balance	Bad debt provision
ECARX (Hubei) Technology Co., Ltd.	1,113,716.17		49,545,469.41	
Mitime Motor Racing Cars Sports Co., Ltd.	340,233.67		850,000.00	
Zhejiang Hengyuan New Energy Technology Co., Ltd.	240,363.83		783,118.90	
Zhejiang Qianjiang Motorcycle Co., Ltd.	173,752.00			
Ningbo Migtai Investment Co., Ltd.	121,000.50		121,000.50	
Hubei Yichi New Energy Technology Co., Ltd.			65,412,195.83	
Geely Financials Denmark A/S			431,612,937.00	
Zhejiang Ruike Resource Recycling Co., Ltd.			161,857,296.05	

(2) Payables

Item	December 31, 2021	December 31, 2020
Accounts payables:		
Ji'nan Geely Automobile Co., Ltd.	609,156,370.29	
ECARX (Hubei) Technology Co., Ltd.	487,395,122.75	483,504,133.27
Mando (Ningbo) Automotive Parts Co., Ltd.	399,288,687.36	782,559,359.44
Zhejiang Limin Industrial Group Co., Ltd.	234,623,034.77	2,971,113.22
Volvofinans Bank AB	61,537,556.00	17,544,870.00
Zhejiang Hengyuan New Energy Technology Co., Ltd.	44,117,886.85	79,837,508.46
Polestar Automotive Holding Limited Group	118,012,829.04	1,357,597,215.00
Xi'an Liancheng Intelligent Technology Co., Ltd.	24,079,421.30	
VH Systems AB	21,581,171.00	27,442,693.00
ZheJiang XuanFu Automatic Transmission Co., Ltd.	14,010,694.60	
Volvo Trademark Holding AB	3,083,325.00	4,633,483.00
Göteborgs Tekniska College AB	1,737,874.00	1,141,780.00
Zhejiang GKO Industry Co., Ltd.	2,457,506.92	2,382,800.66

Item	December 31, 2021	December 31, 2020
Ningbo Fuhong Automobile Sales Co., Ltd.	732,000.00	100,000.00
Jika Intelligent Robot Co., Ltd.	232,000.00	
VCFS Germany GmbH		1,186,122.00
Trio Bilservice AB		504,526.00
Other payables:		
Wuhan Lotus Cars Co., Ltd.	874,300,500.70	
Hangzhou CaoCao Technology Co., Ltd.	12,096,099.16	10,843,428.37
Jinan Geely Automobile Parts Co., Ltd.	5,167,228.53	
Mitime Motor Racing Cars Sports Co., Ltd.	4,975,224.84	628,020.80
Genius Auto Finance Co., Ltd.	1,174,212.41	2,121,381.99
Proton Holdings Berhad	876,441.27	
Volvofinans Bank AB	641,892.00	
Closed Joint Stock Company BELGEE	540,913.92	
ECARX (Hubei) Technology Co., Ltd.	22,177.00	69,635,991.77
Zhejiang Qianjiang Lithium Battery Technology Co., Ltd.		1,947,921.71
Zhejiang Gko New Materials Co., Ltd.		656,500.00
Zhidou Electric Vehicle Co., Ltd.		255,555.56
Contract liabilities:		
Perusahaan Otomobil Nasional Sdn. Bhd.	203,448,805.40	
smart Automobile Co., Ltd.	199,044,776.01	667,642,928.64
Closed Joint Stock Company BELGEE	9,069,366.25	
Shanghai Inspection (Zhejiang) Motor Vehicle Testing Technology Co., Ltd.	7,168,141.59	
Hangzhou CaoCao Technology Co., Ltd.	4,840,000.00	
Zhejiang Limin Industrial Group Co., Ltd.	1,289,258.17	
Shanghai Jidu Automobile Co., Ltd.	20,131,015.63	
Ningbo Fuhong Automobile Sales Co., Ltd.		29,209,341.00
Zhejiang Qianjiang New Energy Technology Co., Ltd.	35,846.00	
Hubei Geely Terrafugia Co., Ltd.		770,198,604.63

Item	December 31, 2021	December 31, 2020
ZheJiang XuanFu Automatic Transmission Co., Ltd.		1,602,719.70

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

The Company as the guarantor

Warrantee	Guaranteed amount	Guaranteed end date	Whether the guarantee has been fulfilled
Hangzhou CaoCao Technology Co., Ltd.	20,000.00	2022-8-3	NO
Hangzhou CaoCao Technology Co., Ltd.	10,000.00	2023-5-27	NO
Hangzhou CaoCao Technology Co., Ltd.	10,000.00	2023-8-31	NO
Closed Joint Stock Company BELGEE	USD 5,017.14	2025-5-10	NO

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

Capital commitments signed but not confirmed in the financial statements	December 31, 2021
Commitment for acquisition of long-term assets	115,100.52
External investment commitment	23,000.00
Total	138,100.52

Note:

The Company established Zhejiang Genius & Guru 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 at December 31, 2021, the Company has contributed RMB 400 million.

The Company established Shanghai Jinli Jipin Business Management Co., Ltd. with a registered capital of RMB 30 million. The Company subscribes RMB 30 million in cash, accounting for 100% of the registered capital. The due date of capital contribution is December 31, 2031. As at December 31, 2021, no contribution has been generated by the Company.

The Company established Hainan Geely Investment Holding Co., Ltd. with a registered capital of RMB 100 million. The Company subscribes RMB 100 million in cash, accounting for 100% of the registered capital. The due date of capital contribution is December 31, 2051. As at December 31, 2021, no contribution has been generated by the Company.

(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, 2021	December 31, 2020
1st year subsequent to the balance sheet date	/	93,301.07
2nd year-5th year subsequent to the balance sheet date	/	239,587.63
Subsequent years	/	141,618.23
Total	/	474,506.93

(3) Other significant commitments

1) Hanma Technology 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 at December 31, 2021, the outstanding balance of repurchase guarantee under mortgage loan business is RMB 2,461.4507 million and that under confirmed storage business is RMB 114.156 million.

2) As at December 31, 2021, the total overdue amount of mortgage loans, financial leasing and confirmed storage that funds advanced by Hanma technology is RMB 271.3433 million, and Hanma technology has transferred advanced payments to accounts receivable and recognized bad debt provision.

2. Contingencies

(1) Pending litigations

As at December 31, 2021, Hanma Technology is sued for product liability disputes, the main information is listed as follows:

Plaintiff / Applicant	Defendant / Respondent	Case number	Cause of action	Involved amount (Yuan)	State
Gansu Dongsheng Road and Bridge Engineering Co., Ltd.	Gansu Xingpeng Automobile Sales Co., Ltd.; Anhui Hualing Automobile Co., Ltd.; Hualing Xingma Automobile (Group) Co., Ltd.	[2021]Gan01Minchu633	Product liability disputes	42,466,968.64	The case has been accepted, and the jurisdictional objection is under review,

(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 125.9216 million. Management believes that the risk is immaterial.

(3) Other contingent liabilities

The amount involved in other external contract related to contingent liabilities of Geely Zhaoyuan is RMB 240,218,328 (Year 2020: RMB 656,394,800.00). Management believes there may be existing risks.

(4) External guarantee (Unit: ten thousand yuan)

The Company as the guarantor

Guaranteed party	Guaranteed amount	Guaranteed end date	Whether the guarantee has been fulfilled
Zhongyi Ningbo Eco-garden Holding Co., Ltd.	9,998.95	2024-8-2	NO
Zhongyi Ningbo Eco-garden Holding Co., Ltd.	9,998.95	2024-8-19	NO
Zhongyi Ningbo Eco-garden Holding Co., Ltd.	4,999.47	2024-9-10	NO
Zhongyi Ningbo Eco-garden Holding Co., Ltd.	64,993.16	2024-9-25	NO
Zhongyi Ningbo Eco-garden Holding Co., Ltd.	4,999.47	2024-10-23	NO

XI. Events after the balance sheet date

1. As at the reporting date, the coronavirus is still spreading, which has a certain impact on the 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 financial performance.

2. The directors of Geely Automobile Holdings Co., Ltd. (HK.0175) proposed a dividend of HK\$0.21 per ordinary share to the shareholders on the registered list on May 25, 2022, amounting to approximately RMB 1,699,495,000.

XII. Other significant events

As at December 31, 2021, among the top ten shareholders of Hanma Technology, Shanghai Tumu New Energy Vehicle Technology Co., Ltd. and Shanghai Ronghe Bida Financial Leasing Co., Ltd. held 12,472,818 shares and 3,886,600 shares of Hanma technology respectively, which are frozen.

XIII. Notes to items in finance statements of the Company

1. Other receivables**(1) Items**

Item	December 31, 2021				
	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	10,859,225,421.69	100	2,470,700.61	0.02	10,856,754,721.08
Total	10,859,225,421.69	100	2,470,700.61	0.02	10,856,754,721.08

(Continued)

Item	December 31, 2020				
	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	8,233,265,785.74	100	2,470,700.61	0.03	8,230,795,085.13
Total	8,233,265,785.74	100	2,470,700.61	0.03	8,230,795,085.13

(2) Aging

Aging	December 31, 2021			December 31, 2020		
	Book balance		Bad debt provision	Book balance		Bad debt provision
	Amount	Ratio (%)		Amount	Ratio (%)	
Within 1 year	5,966,642,747.77	54.94		4,893,323,860.42	59.43	
1 to 2 years	2,778,509,308.62	25.59		1,190,437,293.68	14.46	
2 to 3 years	867,739,348.62	7.99		1,537,098,382.92	18.67	
More than 3 years	1,246,334,016.68	11.48	2,470,700.61	612,406,248.72	7.44	2,470,700.61
Total	10,859,225,421.69	100.00	2,470,700.61	8,233,265,785.74	100.00	2,470,700.61

(3) Bad debt provision

Bad debt provision	Phase 1	Phase 2	Phase 3	Total
	Future 12-month expected credit loss	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	
January 1, 2021	2,470,700.61			2,470,700.61
January 1, 2021 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, 2021	2,470,700.61			2,470,700.61

(4) As at December 31, 2021, 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, 2021			December 31, 2020		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiaries	30,207,294,422.83	44,789,998.45	30,162,504,424.38	30,901,503,891.82	44,789,998.45	30,856,713,893.37
Investment in associates and joint ventures	3,551,488,660.25		3,551,488,660.25	3,358,130,179.82		3,358,130,179.82
Total	33,758,783,083.08	44,789,998.45	33,713,993,084.63	34,259,634,071.64	44,789,998.45	34,214,844,073.19

(1) Investments in subsidiaries

Investees	December 31, 2020	Impairment provision on December 31, 2020	Addition	Deduction	December 31, 2021	Impairment provision on December 31, 2021
Proper Glory Holding Inc.	160,377,380.00				160,377,380.00	
Geely International (Hong Kong) Limited	3,967,666,382.00		880,000,000.00		4,847,666,382.00	
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.	3,393,346,043.26				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	December 31, 2020	Impairment provision on December 31, 2020	Addition	Deduction	December 31, 2021	Impairment provision on December 31, 2021
Weirui Electric Vehicles(Suzhou) Co., Ltd.	26,000,000.00				26,000,000.00	
Zhejiang Geely New Energy Commercial Vehicle Co., Ltd.	500,000,000.00				500,000,000.00	
Easybao 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	
Shanghai Geely Zhaoyuan International Investment Co., Ltd.	5,186,570,000.00				5,186,570,000.00	
Zhejiang Genius & Guru Investment Co., Ltd.	400,000,000.00				400,000,000.00	
Geely Automobile Group Co., Ltd	900,000,000.00				900,000,000.00	
Zhejiang Houtong Equity Investment Management Co., Ltd.	20,000,000.00				20,000,000.00	
Geely Automobile Holdings Ltd.	382,310,347.06		172,145,601.11		554,455,948.17	
Zhejiang Liankong Technology Co., Ltd.	50,000,000.00				50,000,000.00	
Wuhan Lotus Technology Co., Ltd.			60,000,000.00	60,000,000.00		
Zhejiang HaoWu Network Technology Co., Ltd.			10,000,000.00		10,000,000.00	
Sichuan Yinglun New Energy Vehicle Technology Co., Ltd.			433,674,860.00		433,674,860.00	
Hangzhou Langge Technology Co., Ltd.			100,000,000.00		100,000,000.00	
Hangzhou Geely Automobile Research and Development Co., Ltd.			65,000,000.00		65,000,000.00	

Investees	December 31, 2020	Impairment provision on December 31, 2020	Addition	Deduction	December 31, 2021	Impairment provision on December 31, 2021
Zhejiang Geely Industrial Investment Holding Co., Ltd.			100,000,000.00		100,000,000.00	
Genius & Guru Investment Group Co., Ltd.			501,000,000.00		501,000,000.00	
Polestar Automotive (Shanghai) Co., Ltd.	4,456,029,930.10			4,456,029,930.10		
Zhangjiakou Volvo Engine Manufacturing Co., Ltd.	604,975,000.00				604,975,000.00	
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	
Lynk&Co Investment Limited			1,500,000,000.00		1,500,000,000.00	
Total	30,901,503,891.82	44,789,998.45	3,821,820,461.11	4,516,029,930.10	30,207,294,422.83	44,789,998.45

(2) Investments in associates and joint ventures

Investees	December 31, 2020	Increase	Decrease	Profit or loss recognized under equity method	Movement				December 31, 2021	Impairment provision on December 31, 2021
					Other comprehensive income adjustment	Other equity changes	Dividend	Impairment provision		
I. Associates										
Zhejiang Yinji Auto Parts Co., Ltd.	23,373,287.07			134,335.94					23,507,623.01	
China Railway Geccent Technology Co., Ltd.	3,334,756,892.75			-65,818,388.68					3,268,938,504.07	
Zhejiang Xitumeng Digital Technology Co., Ltd.		20,000,000.00		-204,940.36					19,795,059.64	

3. Revenue and cost of sales

Item	2021		2020	
	Revenue	Costs of sales	Revenue	Costs of sales
Other operations	919,616,915.48	640,501,472.64	705,334,278.60	516,562,852.93
Total	919,616,915.48	640,501,472.64	705,334,278.60	516,562,852.93

4. Investment income

Item	2021	2020
Investment income (losses) under equity method	-361,984,493.15	-96,235,881.91
Income from disposals of long-term equity investments	40,268,969.08	-1,289,955.25
Income from holding long-term equity investment	7,272,090,756.20	4,335,136.75
Income from holding other non-current financial assets	4,152,000.00	735,000.00
Total	6,954,527,232.13	-92,455,700.41

Zhejiang Geely Holding Group Co., Ltd.
April 28, 2022



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：张恩军
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



证书序号 0011908

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二〇一三年八月六日

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报告附件



姓名: 陈国华
性别: 男
出生日期: 1968-02-22
工作单位: 杭州金通会计师事务所有限公司
身份证号码: 33262268022511

同意声明人: 张兴平
Agree the holder to be transferred to:



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姓名: 朱佳明
Sex: 男
出生日期: 1986-10-25
工作单位: 杭州金瑞会计师事务所有限公司
身份证号: 330103198610251016



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Authorized Institute of CPAs: Zhejiang Provincial Institute of CPAs

发证日期: 2013 年 03 月 28 日
Date of Issuance