Lynk & Co Europe AB
PLANETGATAN 6
417 55 GÖTEBORG

Bolagsverket

2023 -10- 0 3

20231004005O3

# Årsredovisning

för

# Lynk & Co Europe AB

559180-9784

Räkenskapsåret

2022-01-01 - 2022-12-31

## Fastställelseintyg

Undertecknad likvidator för Lynk & Co Europe AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma .

Jag intygar också att innehållet i årsredovisningen, revisionsberättelsen och övriga bifogade handlingar stämmer överens med originalen.

Göteborg 2023-09-26

Conghui An

20231004005O4

Lynk & Co Europe AB
PLANETGATAN 6
417 55 GÖTEBORG

# Årsredovisning

för

# Lynk & Co Europe AB

559180-9784

Räkenskapsåret

2022-01-01 - 2022-12-31

20231004005O5

Styrelsen och verkställande direktören för Lynk & Co Europe AB avger följande årsredovisning för räkenskapsåret 2022-01-01 - 2022-12-31.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i tusentals kronor (Tkr). Uppgifter inom parentes avser föregående år.

# Förvaltningsberättelse

## Verksamhetens art och inriktning

Lynk & Co Europe AB bildades 2018-11-20 och har sitt säte i Göteborg, Västra Götalands län. Bolagets verksamhet skall vara att genom dotterbolag, marknadsföra och sälja personbilar och delar därtill samt annan därmed förenlig verksamhet.

Vidare skall bolaget direkt eller indirekt äga och förvalta aktier eller andelar i andra företag samt därmed förenlig verksamhet.

Företaget är ett helägt dotterföretag till Lynk&Co Hong Kong International Co, Ltd org no 69914086-000-09-18-8 med säte i Hong Kong.

Företagets översta moderföretag som upprättar koncernredovisning är Lynk & Co Investment Co., Ltd. org.nr 330200400096181.

## Väsentliga händelser under räkenskapsåret

Under 2022 har koncernen utvecklat gruppens industriella och kommersiella infrastruktur i Europa. Den första lanseringen av begagnatbilar skedde under våren 2022 och där efter har processutveckling av interna flöden utvecklats för att kunna möte kundernas efterfråga.

Under året har Lynk & Co Europe AB erhållit aktieägartillskott från Lynk & Co Hong Kong International Co. om 15 MEUR samt lämnat aktieägartillskott till Lynk & Co International AB om 15MEUR.

Under juni 2022 har Lynk & Co Europe AB erhållit en utfästelse, för att säkerställa framtida finansieringsbehov, som är giltig under 12 månader, i form av eventualförpliktelse, från ägarna. Bolaget har i sin tur lämnat motsvarande utfästelse till bolagets dotterbolag Lynk & Co International AB.

## Väsentliga händelser efter räkenskapsårets slut

Kriget i Ukraina påverkade koncernen genom stigande kostnader för råvaror, energi och frakt. Detta har haft en betydande effekt under kvartal 1 2023 och effekten förväntas fortgå under kommande kvartal.

Under februari 2023 har Lynk & Co Europe AB erhållit en utfästelse, för att säkerställa framtida finansieringsbehov, som är giltig under 12 månader, i form av eventualförpliktelse, från ägarna. Bolaget har i sin tur lämnat motsvarande utfästelse till bolagets dotterbolag Lynk & Co International AB.

## Förväntad framtida utveckling samt väsentliga risker och osäkerhetsfaktorer

Under 2023 kommer koncernen att i huvudsak fokusera på tre områden; att vidare bygga upp varumärket i Europa, att säkerställa effektiva och skalbara processer samt att lansera ett starkt erbjudande och försäljningskanal för begagnade bilar. Detta syftar till att på kort sikt öka försäljningen av nya bilar och på lång sikt säkra verksamhetens lönsamhet.

20231004005306

Med en växande försäljning av prenumerationstjänst hos bolagets dotterbolag ökar riskerna kopplade till finansieringen av verksamheten och begagnataffären blir en nyckelfaktor för att hantera dessa. Ändrad penningpolitik från centralbanker med syfte att motverka inflationen innebär en konkret risk för negativa konsekvenser på ekonomier och jobbmarknader. En direkt effekt är minskad efterfrågan av konsumtion varför risk förekommer kopplat till marknaden för begagnatbilar. Om priset faller mer än förväntat kommer detta påverka begagnataffären negativt.

Den vidare etableringen av koncernens fysiska närvaro kommer att fortgå under 2023 där ytterligare försäljningsställen kommer öppnas och antalet serviceställen kommer att dubbleras. Utöver dessa kommer även ett antal leverenshubbar dit kunder kan hämta och lämna sina bilar att etableras i nyckelstäder. Stora mängder resurser kommer även spenderas på att förbättra system och processer.

Samarbete med bolag inom Geely-koncernen är fortsatt det primära valet för standardiserade tjänster medan tredjepartsleverantörer kommer kontrakteras för mer specialiserade tjänster.

Som ett helägt dotterbolag är företagets risk begränsad, om än beroende, av regelbundna kapitaltillskott.

Koncernen är genom sin verksamhet exponerad för olika typer av finansiella risker såsom valutarisker, ränterisker, kreditrisker, råvaruprisrisker, finansieringsrisker samt likviditetsrisker. Valutarisken är hänförlig till: förväntade framtida kassaflöden från försäljning och inköp i utländska valutor (transaktionsrisk) samt förändringar i värdet på tillgångar och skulder i utländsk valuta
(omräkningsrisk).

Den osäkra makromiljön ser ut att fortsätta under 2023. Detta till följd av hög inflation, stigande räntor, råvaruprisvolatilitet och pågående geopolitisk kris. Osäkerheterna i det ekonomiska marknaderna är höga. Riskerna för potentiell påverkan på efterfrågan med högre räntenivå och lägre konsumentförtroendet har ökat.

Kriget i Ukraina fortsätter att ha en negativ inverkan på Europa. Kriget har lett till ökande kostnadsökningar av råvaror, energi, frakter och inflationstryck i den globala ekonomin. En upptrappning av krigets varaktighet och omfattning skulle kunna innebära ännu fler risker. Det rådande omvärldsläget tros fortsatt bidra till störningar i de globala leverenskedjorna under 2023. Bolaget följer utvecklingen och anpassar verksamheten samt aktiviteterna utifrån detta.

Ökade råmaterialskostnader och fraktkostnader utgör en risk då möjligheten att realisera dessa fullt som en prisutveckling i Europa är svårt vilket riskerar lönsamheten. Dock ger koncernens transfer pricing-modell en minskad risk i dotterbolaget Lynk & Co International och en möjlighet att genom Geely-koncernen hantera risken mellan de olika globala verksamheterna.

20231004005O7

| **Flerårsöversikt** (Tkr) | **2022** | **2021** | **2020** | **2018/19** |
|---|---|---|---|---|
| Resultat efter finansiella poster | 26 | -55 | -19 | -97 |
| Antal anställda | 0 | 0 | 0 | 0 |
| Balansomslutning | 1 916 737 | 2 339 775 | 521 564 | 284 583 |
| Soliditet (%) | 91 | 68 | 42 | 36 |

För definitioner av nyckeltal, se Redovisnings- och värderingsprinciper.

## Förändringar i eget kapital (Tkr)

| | **Aktie-kapital** | **Aktieägar-tillskott** | **Balanserat resultat** | **Årets resultat** | **Totalt** |
|---|---|---|---|---|---|
| Belopp vid årets ingång | 100 000 | 1 483 762 | -115 | -55 | **1 583 592** |
| Balanseras i ny räkning | | | -55 | 55 | **0** |
| Erhållna aktieägartillskott | | 166 740 | | | **166 740** |
| Årets resultat | | | | -335 | **-335** |
| **Belopp vid årets utgång** | **100 000** | **1 650 502** | **-170** | **-335** | **1 749 997** |

## Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

| | |
|---|---|
| Aktieägartillskott | 1 650 501 600 |
| ansamlad förlust | -169 886 |
| årets förlust | -335 172 |
| | **1 649 996 542** |
| | |
| disponeras så att | |
| i ny räkning överföres | 1 649 996 542 |
| | **1 649 996 542** |

20231004005508

# Resultaträkning
Tkr

| | Not | 2022-01-01 -2022-12-31 | 2021-01-01 -2021-12-31 |
|---|---|---|---|
| **Rörelsens kostnader** | 2 | | |
| Övriga externa kostnader | | -361 | -53 |
| | | -361 | -53 |
| **Rörelseresultat** | 3 | -361 | -53 |
| **Resultat från finansiella poster** | | | |
| Övriga ränteintäkter och liknande resultatposter | 4 | 27 | 0 |
| Räntekostnader och liknande resultatposter | 5 | -1 | -2 |
| | | 26 | -2 |
| **Resultat efter finansiella poster** | | -335 | -55 |
| **Resultat före skatt** | | -335 | -55 |
| **Årets resultat** | | -335 | -55 |

20231004005009

# Balansräkning
Tkr

| | Not | 2022-12-31 | 2021-12-31 |
|---|---|---|---|
| **TILLGÅNGAR** | | | |
| **Anläggningstillgångar** | | | |
| *Finansiella anläggningstillgångar* | | | |
| Andelar i koncernföretag | 6, 7 | 1 745 502 | 1 578 762 |
| | | **1 745 502** | **1 578 762** |
| **Summa anläggningstillgångar** | | **1 745 502** | **1 578 762** |
| **Omsättningstillgångar** | | | |
| *Kortfristiga fordringar* | | | |
| Fordringar hos koncernföretag | | 166 744 | 756 184 |
| Övriga fordringar | | 316 | 11 |
| | | **167 060** | **756 195** |
| *Kassa och bank* | | 4 175 | 4 819 |
| **Summa omsättningstillgångar** | | **171 235** | **761 014** |
| **SUMMA TILLGÅNGAR** | | **1 916 737** | **2 339 776** |

20231004005110

# Balansräkning
Tkr

| | Not | 2022-12-31 | 2021-12-31 |
|---|---|---|---|
| **EGET KAPITAL OCH SKULDER** | | | |
| **Eget kapital** | | | |
| ***Bundet eget kapital*** | | | |
| Aktiekapital | 8 | 100 000 | 100 000 |
| | | **100 000** | **100 000** |
| ***Fritt eget kapital*** | | | |
| Erhållna aktieägartillskott | | 1 650 502 | 1 483 762 |
| Balanserad vinst eller förlust | | -170 | -115 |
| Årets resultat | | -335 | -55 |
| | | **1 649 997** | **1 483 592** |
| **Summa eget kapital** | | **1 749 997** | **1 583 592** |
| **Kortfristiga skulder** | | | |
| Skulder till koncernföretag | | 166 740 | 756 184 |
| **Summa kortfristiga skulder** | | **166 740** | **756 184** |
| **SUMMA EGET KAPITAL OCH SKULDER** | | **1 916 737** | **2 339 776** |

20231004005111

# Noter
Tkr

## Allmänna upplysningar
Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Redovisningsprinciperna är oförändrade jämfört med föregående år.

### Andelar i dotterföretag
Andelar I dotterföretag värderas till anskaffningsvärde eventuellt minskat med nedskrivningar. Utdelningar från dotterföretag redovisas som intäkt. Eventuella kapitaltillskott och koncernbidrag läggs till anskaffningsvärdet när de lämnas

### Koncernbidrag
Samtliga lämnade och erhållna koncernbidrag redovisas som bokslutsdispositioner

## Balansräkningen

### Fordringar och skulder I utländsk valuta
Monetära poster i utländsk valuta räknas om till balansdagens kurs och de valutakursdifferenser som uppkommer redovisas i resultaträkningen. Valutakursvinster och -förluster avseende rörelserelaterade fordringar och skulder i utländsk valuta redovisas i posterna *Övriga rörelseintäkter* och *Övriga rörelsekostnader*. Övriga valutakursvinster och -förluster redovisas under rubriken *Resultat från finansiella poster*.
Icke-monetära poster omräknas inte på balansdagen och värderas till anskaffningsvärde omräknat till transaktionsdagens kurs.

### Nedskrivning av finansiell anläggningstillgång
Per varje balansdag bedömer företaget om det finns indikationer på nedskrivningsbehov. Bedömningen görs individuellt post för post.
För finansiella anläggningstillgångar som värderas till upplupet anskaffningsvärde görs nedskrivning av redovisat värde till nuvärdet av den bästa uppskattningen av framtida kassaflöden diskonterat med tillgångens ursprungliga effektivränta eller aktuell ränta på balansdagen för tillgångar med rörlig förräntning.
För finansiella anläggningstillgångar som inte värderas till upplupet anskaffningsvärde görs nedskrivning av redovisat värde till det högsta av verkligt värde med avdrag för försäljningskostnader och nuvärdet av det bästa uppskattningen av de framtida kassaflöden som tillgången förväntas ge.
Per varje balansdag bedöms om en tidigare nedskrivning ska återföras helt eller delvis till följd av att de skäl som låg till grund för nedskrivningen har förändrats.

### Inkomstskatter
Inkomstskatt utgörs av aktuell skatt och uppskjuten skatt. Inkomstskatt redovisas i resultaträkningen utom då en underliggande transaktionen redovisas i eget kapital varvid även tillhörande skatteeffekt redovisas i eget kapital.
Aktuella skattefordringar och skatteskulder respektive uppskjutna skattefordringar och skatteskulder kvittas i de fall det finns en legal kvittningsrätt.

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**Aktuell skatt**
Aktuell skatt är skattekostnaden för innevarande räkenskapsår som avser årets skattepliktiga *resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats.* Aktuell skatt värderas till det sannolika beloppet enligt de skattesatser och skatteregler som gäller på balansdagen och nuvärdesberäknas inte.

**Likvida medel**
Likvida medel består av kassamedel och disponibla tillgodohavanden hos banker och andra kreditinstitut och andra kortfristiga, likvida placeringar som lätt kan omvandlas till känt belopp och som är utsatta för obetydlig risk för värdefluktuationer. Sådana placeringar har en löptid på maximalt tre månader.

**Eget kapital**
Eget kapital i företaget består av följande poster:
Aktiekapital som representerar det nominella värdet för emitterade och registrerade aktier.
Balanserad vinst/Ansamlad förlust och Årets resultat, dvs. alla balanserade vinster/förluster och aktierelaterade ersättningar för innevarande och tidigare perioder samt förvärv av egna aktier.
Här ingår också reserver för finansiella tillgångar tillgängliga för försäljning och kassaflödessäkringar som innehåller vinster och förluster relaterade till dessa typer av finansiella instrument.

Transaktioner med företagets ägare, såsom aktieägartillskott och utdelningar, redovisas separat i eget kapital. Utdelningar som ska betalas ingår i posten Övriga skulder när utdelningarna har godkänts på en bolagsstämma före balansdagen.

## Uppskattningar och bedömningar

**Osäkerhet I uppskattningen**
Nedan följer information om uppskattningar och antaganden som har den mest betydande effekten på redovisning och värdering av tillgångar, skulder, intäkter och kostnader. Utfallet av dessa kan avvika väsentligt.

**Nedskrivningar**
För att bedöma nedskrivningsbehovet beräknas återvinningsvärdet för varje tillgång eller kassagenererande enhet baserat på förväntat framtida kassaflöde och med användning av en lämplig ränta för att kunna diskontera kassaflödet. Osäkerhet ligger I antaganden om framtida kassaflöde och fastställande av en lämplig diskonteringsränta.

## Nyckeltalsdefinitioner
Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Antal anställda
Medelantal anställda under räkenskapsåret.

Balansomslutning
Företagets samlade tillgångar.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

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## Not 2 Medelantalet anställda

Bolaget har inte haft några anställda under 2021 eller 2022.

## Not 3 Inköp och försäljning mellan koncernföretag

Under året har inga koncerninterna inköp eller försäljningar ägt rum.

| | | |
|---|---|---|
| Andel av årets totala inköp som skett från andra företag i koncernen | 0,00 % | 0,00 % |
| Andel av årets totala försäljningar som skett till andra företag i koncernen | 0,00 % | 0,00 % |

## Not 4 Övriga ränteintäkter och liknande resultatposter

| | 2022-01-01 -2022-12-31 | 2021-01-01 -2021-12-31 |
|---|---|---|
| Ränteintäkter från bank | 27 | 0 |
| | **27** | **0** |

## Not 5 Räntekostnader och liknande resultatposter

| | 2022-01-01 -2022-12-31 | 2021-01-01 -2021-12-31 |
|---|---|---|
| Räntekostnader till övriga företag | -1 | -2 |
| | **-1** | **-2** |

## Not 6 Andelar i koncernföretag

| | 2022-12-31 | 2021-12-31 |
|---|---|---|
| Ingående anskaffningsvärden | 1 578 762 | 396 680 |
| Lämnade aktieägartillskott | 166 740 | 1 182 082 |
| **Utgående ackumulerade anskaffningsvärden** | **1 745 502** | **1 578 762** |
| **Utgående redovisat värde** | **1 745 502** | **1 578 762** |

## Not 7 Specifikation andelar i koncernföretag

| Namn | Rösträtts-andel |
|---|---|
| Lynk & Co International AB | 100% |

| | Org.nr | Säte | Eget kapital |
|---|---|---|---|
| Lynk & Co International AB | 559151-8161 | Göteborg | 46 437 |

20231004005114

## Not 8 Antal aktier och kvotvärde

Aktiekapitalet i företaget består enbart av till fullo betalda stamaktier med ett kvotvärde om 1 tkr.

Alla aktier har lika rätt till utdelning och återbetalning av insatt kapital samt motsvarar en röst på företagets bolagsstämma.

| Namn | Antal aktier | Kvot-värde |
|---|---|---|
| A-aktier | 100 000 | 1 000 |
| | **100 000** | |

## Not 9 Ställda säkerheter

Inga ställda säkerheter

## Not 10 Eventualförpliktelser

I juni 2022 har Lynk & CO Europe AB erhållit en utfästelse för att säkerställa framtida finansieringsbehov, som är giltig under räkenskapsåret, i form av eventualförpliktelse, från ägarna. Bolaget har i sin tur lämnat motsvarande utfästelse till bolagets dotterbolag i Lynk & CO International AB.

## Not 11 Uppgifter om moderföretag

Företaget är ett helägt dotterföretag till Lynk&Co Hong Kong International Co., Ltd. Org.nr. 69914086-000-09-18-8 med säte i Hong Kong.

Företagets översta moderföretag som upprättar koncernredovisning är Lynk & Co Investment Co., Ltd. org.nr. 330200400096181 med säte i Kina, Ningbo.

Företaget upprättar enligt 7 kap. 2 § ÅRL inte någon koncernredovisning.

20231004005I5

## Not 12 Väsentliga händelser efter räkenskapsårets slut

Kriget i Ukraina påverkade bolaget genom stigande kostnader för råvaror, energi och frakt. Detta har haft en betydande effekt för koncernen under kvartal 1 2023 och effekten förväntas fortgå under kommande kvartal.

Under februari 2023 har Lynk & Co Europe AB erhållit en utfästelse, för att säkerställa framtida finansieringsbehov, som är giltig under 12 månader, i form av eventualförpliktelse, från ägarna. Bolaget har i sin tur lämnat motsvarande utfästelse till bolagets dotterbolag Lynk & Co International AB.

Under juni 2023 har bolaget erhållit kapitaltillskott från Lynk & Co Investment Co., Ltd. om 70 MEUR.

Göteborg , 2023-09-13

Mr Conghui An
Ordförande / Verkställande direktör

Mr Shichuan Hu
Styrelseledamot

Mr Donghui Li
Styrelseledamot

Mr Le Ma
Styrelseledamot

Vår revisionsberättelse har lämnats 2023-09-26
Grant Thornton Sweden AB

Joachim Linder
Auktoriserad revisor

20231004005516

# Revisionsberättelse

Till bolagsstämman i Lynk & Co Europe AB

Org.nr. 559180 - 9784

## Rapport om årsredovisningen

### Uttalanden

Vi har utfört en revision av årsredovisningen för Lynk & Co Europe AB för år 2022.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Lynk & Co Europe ABs finansiella ställning per den 31 december 2022 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

### Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Lynk & Co Europe AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

### Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

### Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste

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också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

## Rapport om andra krav enligt lagar och andra författningar

### Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för Lynk & Co Europe AB för år 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

### Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Lynk & Co Europe AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

### Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

### Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet.

Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

### Anmärkningar

Årsredovisningen har inte upprättats i sådan tid att det varit möjligt att, enligt aktiebolagslagen 7 kap 10 §, hålla bolagsstämma inom sex månader efter räkenskapsårets utgång.

Vid flera tillfällen under räkenskapsåret har mervärdesskatt inte redovisats i rätt tid. Styrelsen har därmed inte fullgjort sina skyldigheter enligt aktiebolagslagen. Dröjsmålen har berott på bristande rutiner. Dessa brister och försummelserna har inte medfört någon skada för bolaget.

Under året har bolaget ej uppfyllt bosättningskravet för styrelsen i enlighet med reglerna i aktiebolagslagens 8 kap 9§. Vid avlämnande av denna förelagda årsredovisning har en styrelse registrerats i enlighet med gällande regelverk så har detta inte medfört någon skada för bolaget.

Göteborg den 26 september 2023,
Grant Thornton Sweden AB

Joachim Linder
Auktoriserad revisor

2023100400518

# LYNK & CO INVESTMENT Co., Ltd.

# FOR THE YEAR ENDED 31 DECEMBER 2022
# FINANCIAL STATEMENTS AND AUDITORS' REPORT

The auditors' report and the accompanying financial statements are English translations of the Chinese auditors' report and statutory financial statements prepared under accounting principles generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails

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# AUDITORS' REPORT

GTCNSZ(2023)NO. 310B013446

**To the Board of Directors of LYNK & CO Investment Co., Ltd.:**

**Opinion**

We have audited the consolidated financial statements of LYNK & CO Investment Co., Ltd. and its subsidiaries (the " Group "), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the requirements of the Accounting Standards for Business Enterprises.

**Basis for Opinion**

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements Section of our report. We are independent of the Group in accordance with the Code of Ethics for Chinese Certified Public Accountant (Ethics Code) together with the ethical requirements that are relevant to our audit of the financial statements, and we fulfilled our other ethical responsibilities in accordance with these requirements and the Ethics Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management of the Group is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Accounting Standards for Business Enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 China Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with China Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 the Group's internal control.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(4) Conclude on the appropriateness of 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 Group'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 the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, further events or conditions may cause the Group 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.

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

Grant Thornton Zhitong Certified Public Accountants LLP

Certified Public Accountant Gu Genhua

Certified Public Accountant Li Yuanyuan

Address: Shanghai, China

20 April 2023

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# BALANCE SHEET

[English Translation for Reference Only]

Company: LYNK & CO Investment Co., Ltd. Currency: RMB

| Items | Note | 2022.12.31 | | 2021.12.31 | |
|---|---|---|---|---|---|
| | | Consolidated | The Company | Consolidated | The Company |
| CURRENT ASSETS: | | | | | |
| Cash and cash equivalents | V.1 | 2,894,041,645.87 | 2,206,175,019.25 | 1,710,731,906.69 | 277,211,734.95 |
| Financial assets held for trading | | | | 30,851,213.26 | |
| Notes receivable | | | | | |
| Accounts receivable | V.2 | 1,068,374,678.92 | | 373,457,277.72 | |
| Receivables Financing | V.3 | 2,359,715,996.92 | | 4,945,669,355.92 | |
| Prepayments | V.4 | 453,901,007.90 | 150.00 | 310,585,087.27 | 59,385.04 |
| Other receivables | V.5 | 1,027,537,600.09 | 5,200,574,958.20 | 617,474,224.37 | 5,899,987,013.03 |
| Including: Interest receivable | | | | | |
| Dividend receivable | | | | | |
| Inventories | V.6 | 8,673,524,847.74 | | 3,159,112,736.06 | |
| Contract assets | | | | | |
| Assets classified as held for sale | | | | | |
| Non-current assets due within one year | | | | | |
| Other current assets | V.7 | 294,175,029.23 | 2,472,755.71 | 261,844,789.03 | 368,734.73 |
| **TOTAL CURRENT ASSETS** | | **16,771,270,806.67** | **7,409,222,883.16** | **11,409,726,590.32** | **6,177,626,867.75** |
| NON-CURRENT ASSETS: | | | | | |
| Available-for-sale financial assets | | | | | |
| Held-to-maturity investments | | | | | |
| Long-term receivables | | | | | |
| Long-term equity investments | XIII.3 | | 5,742,368,720.56 | | 5,516,454,383.05 |
| Other equity instruments investment | | | | | |
| Other non-current financial assets | | | | | |
| Investment property | | | | | |
| Fixed assets | V.8 | 8,310,246,594.84 | 1,032,114.06 | 8,968,295,876.34 | 1,042,340.72 |
| Construction in progress | V.9 | 587,018,140.38 | | 125,743,445.90 | |
| Productive biological assets | | | | | |
| Oil and gas assets | | | | | |
| Right-of-use assets | V.10 | 426,590,264.99 | | 198,418,406.79 | |
| Intangible assets | V.11 | 5,904,974,219.04 | | 6,668,001,254.92 | |
| Development costs | V.12 | 2,053,833,028.77 | | 733,876,639.51 | |
| Goodwill | | | | | |
| Long-term deferred expenses | | 1,367,033.39 | | 781,999.62 | |
| Deferred tax assets | V.13 | 930,627,137.92 | 72,296,541.60 | 729,177,757.59 | 31,246,232.34 |
| Other non-current assets | V.14 | 215,061,799.32 | | 218,405,648.70 | |
| **TOTAL NON-CURRENT ASSETS** | | **18,429,718,218.65** | **5,815,697,376.22** | **17,642,701,029.37** | **5,548,742,956.11** |
| **TOTAL ASSETS** | | **35,200,989,025.32** | **13,224,920,259.38** | **29,052,427,619.69** | **11,726,369,823.86** |

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# BALANCE SHEET (CONTINUED)

[English Translation for Reference Only]

Company: LYNK & CO Investment Co., Ltd. Currency: RMB

| Items | Note | 2022.12.31 | | 2021.12.31 | |
|---|---|---|---|---|---|
| | | Consolidated | The Company | Consolidated | The Company |
| CURRENT LIABILITIES: | | | | | |
| Short-term loans | V.15 | 1,770,205,243.38 | | | |
| Financial liabilities at fair value through profit or loss | V.16 | 55,752,573.44 | | | |
| Notes payable | V.17 | 400,000,000.00 | | | |
| Accounts payable | V.18 | 12,698,799,062.37 | 1,248,346.00 | 10,918,825,492.16 | 101,544.00 |
| Advance from customers | | | | | |
| Contract liabilities | V.19 | 796,672,601.63 | | 973,625,335.27 | |
| Salaries and employee benefits payable | V.20 | 219,647,784.58 | 8,341,476.76 | 217,952,113.67 | 8,209,427.01 |
| Taxes and other fees payable | V.21 | 495,973,532.89 | 253,093.49 | 285,455,989.57 | 263,974.96 |
| Other payables | V.22 | 5,451,117,750.94 | 4,802,248,558.57 | 3,659,175,389.91 | 2,989,809,551.47 |
| Including: Interest payable | | | | | |
| Dividend payable | | | | | |
| Liabilities classified as held for sale | | | | | |
| Non-current liabilities due within one year | V.23 | 188,385,383.55 | 101,071,354.14 | 152,696,972.24 | 101,211,909.72 |
| Other current liabilities | V.24 | 342,980,834.75 | | 166,151,826.42 | |
| TOTAL CURRENT LIABILITIES | | **22,419,534,767.53** | **4,913,162,828.96** | **16,373,883,119.24** | **3,099,596,407.16** |
| NON-CURRENT LIABILITIES: | | | | | |
| Long-term loans | V.25 | 1,650,425,520.96 | 750,000,000.00 | 1,350,725,694.49 | 850,000,000.00 |
| Bonds payable | | | | | |
| Lease liabilities | V.26 | 338,435,367.43 | | 145,434,996.93 | |
| Long-term payables | | | | | |
| Provisions | V.27 | 265,182,621.52 | | 425,191,001.58 | |
| Deferred income | V.28 | 1,653,469,195.03 | | 1,860,811,714.15 | |
| Deferred tax liabilities | | | | | |
| Other non-current liabilities | V.29 | 962,960,990.55 | | 806,401,392.42 | |
| TOTAL NON-CURRENT LIABILITIES | | **4,870,473,695.49** | **750,000,000.00** | **4,588,564,799.57** | |
| **TOTAL LIABILITIES** | | **27,290,008,463.02** | **5,663,162,828.96** | **20,962,447,918.81** | **3,949,596,407.16** |
| Paid-in capital | V.30 | 7,500,000,000.00 | 7,500,000,000.00 | 7,500,000,000.00 | 7,500,000,000.00 |
| Capital reserves | V.31 | 134,047,330.53 | 238,763,073.18 | 273,571,182.17 | 329,766,322.83 |
| Less: Treasury stocks | | | | | |
| Other comprehensive income | V.32 | -24,975,133.21 | | -33,606,732.32 | |
| Specific reserves | | | | | |
| Surplus reserves | V.33 | 266,646.66 | 266,646.66 | 266,646.66 | 266,646.66 |
| Retained earnings ("-" for accumulated losses) | V.34 | 301,641,718.32 | -177,272,289.42 | 349,748,604.37 | -53,259,552.79 |
| TOTAL EQUITY ATTRIBUTABLE TO OWNERS' (OR SHAREHOLDERS') OF THE PARENT | | 7,910,980,562.30 | | 8,089,979,700.88 | |
| *Minority interests* | | | | | |
| **TOTAL OWNERS' EQUITY** | | **7,910,980,562.30** | **7,561,757,430.42** | **8,089,979,700.88** | **7,776,773,416.70** |
| **TOTAL LIABILITIES AND OWNERS' EQUITY** | | **35,200,989,025.32** | **13,224,920,259.38** | **29,052,427,619.69** | **11,726,369,823.86** |

**Legal representative: Gan Jiayue** **Person in charge of accounting function: Gong Fangbo** **Person in charge of accounting department: Gong Fangbo**

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# INCOME STATEMENT

[English Translation for Reference Only]

Company: LYNK & CO Investment Co., Ltd. Currency: RMB

| Items | Note | 2022 | | 2021 | |
|---|---|---|---|---|---|
| | | Consolidated | The Company | Consolidated | The Company |
| **Revenue from operations** | V.35 | **29,762,738,197.10** | **3,580,590.26** | **30,408,737,061.67** | **1,815,234.63** |
| Less: Operating costs | V.35 | 24,721,757,148.14 | 3,341,361.21 | 25,446,046,475.79 | |
| Tax and surcharges | V.36 | 105,780,957.30 | 96,657.02 | 99,278,055.21 | 8,618.31 |
| Selling expenses | V.37 | 2,375,794,322.50 | | 1,930,881,211.14 | |
| General and administrative expenses | V.38 | 931,085,877.47 | 180,339,541.17 | 667,702,180.97 | 48,586,693.41 |
| Research and development costs | V.39 | 2,663,395,451.75 | | 2,063,368,564.37 | |
| Finance expenses | V.40 | -108,290,249.89 | -14,820,414.29 | 196,264,789.74 | 24,356,950.12 |
| Including: Interest expenses | | 120,544,219.21 | 37,785,381.94 | 144,059,610.42 | 41,530,555.58 |
| Interest income | | 44,950,146.66 | 33,826,057.06 | 44,957,296.37 | 41,383,530.20 |
| Add: Other income | V.41 | 1,024,819,022.19 | 231,450.26 | 923,630,319.43 | 235,737.97 |
| Investment income ("-" for losses) | V.42 | 13,730,086.74 | | 680,100.00 | 1,857,123,435.20 |
| Including: Share of profits in associates and joint ventures | | | | | |
| Gains from the changes in fair value ("-" for losses) | V.43 | -55,752,573.44 | | 30,851,213.26 | |
| Credit impairment loss ("-" for losses) | V.44 | -25,672,419.22 | | -313,817.23 | |
| Asset impairment loss ("-" for losses) | | -18,728.00 | | | |
| Asset disposal income ("-" for losses) | | -1,357,610.45 | 101,215.69 | -623,526.50 | 10,329.60 |
| **PROFIT FROM OPERATIONS ("-" FOR LOSSES)** | | **48,962,467.65** | **-165,043,888.90** | **959,420,073.41** | **1,786,232,475.56** |
| Add: Non-operating income | | 9,957,898.80 | 2,410.88 | 8,463,500.90 | 30,967.00 |
| Less: Non-operating expenses | V.45 | 23,797,956.91 | 21,567.87 | 8,525,390.50 | 7,491.13 |
| **PROFIT BEFORE TAX ("-" FOR LOSSES)** | | **35,122,409.54** | **-165,063,045.89** | **959,358,183.81** | **1,786,255,951.43** |
| Less: Income tax expenses | V.46 | 83,229,295.59 | -41,050,309.26 | 240,145,050.70 | -17,607,930.98 |
| **NET PROFIT FOR THE YEAR ("-" FOR LOSSES)** | | **-48,106,886.05** | **-124,012,736.63** | **719,213,133.11** | **1,803,863,882.41** |
| **Classification by business continuity** | | | | | |
| Including: Continuous operating of net profit ("-" for losses) | | | | | |
| Terminus operating of net profit ("-" for losses) | | | | | |
| **Classification by ownership** | | | | | |
| Including: Net profit attributable to owners' of the parent ("-" for losses) | | -48,106,886.05 | | 719,213,133.11 | |
| Net profit attributable to minority interests ("-" for losses) | | | | | |
| **OTHER COMPREHENSIVE INCOME** | | 8,631,599.11 | | -21,868,773.79 | |
| Net after-tax other comprehensive income attributable to owners of the parent | | 8,631,599.11 | | -21,868,773.79 | |
| I. Other comprehensive income can not be reclassified into profit or loss | | | | | |
| II. Other comprehensive income can be reclassified into profit or loss | | 8,631,599.11 | | -21,868,773.79 | |
| 1. Difference in the translation of foreign currency financial statements | | -13,490,771.82 | | 18,893,663.32 | |
| 2. Fair value changes of financial assets measured by fair value and included its change into profit or loss | | 22,122,370.93 | | -40,762,437.11 | |
| Net after-tax other comprehensive income attributable to minority interests | | | | | |
| **TOTAL COMPREHENSIVE INCOME** | | **-39,475,286.94** | **-124,012,736.63** | **697,344,359.32** | **1,803,863,882.41** |
| Total comprehensive income attributable to owners of the parent | | -39,475,286.94 | | 697,344,359.32 | |
| Total comprehensive income attributable to minority interests | | | | | |

**Legal representative: Gan Jiayue Person in charge of accounting function: Gong Fangbo Person in charge of accounting department: Gong Fangbo**

20231004000326

# CASH FLOWS STATEMENT

[English Translation for Reference Only]

Company: LYNK & CO Investment Co., Ltd. Currency: RMB

| Items | Note | 2022 | | 2021 | |
|---|---|---|---|---|---|
| | | Consolidated | The Company | Consolidated | The Company |
| **Cash Flows from Operating Activities:** | | | | | |
| Cash received from sales of goods or rendering of services | | 9,011,624,919.69 | | 17,182,809,979.19 | 1,979,582.06 |
| Refunds of taxes | | 1,017,381,261.87 | | 219,279,526.80 | |
| Other cash received relating to operating activities | | 1,746,225,314.46 | 24,850,189.81 | 864,047,876.21 | 48,906,349.43 |
| **Sub-total of cash inflows from operating activities** | | **11,775,231,496.02** | **24,850,189.81** | **18,266,137,382.20** | **50,885,931.49** |
| Cash paid for goods and services | | 5,039,097,491.09 | | 7,018,156,180.53 | |
| Cash paid to and on behalf of employees | | 1,276,290,936.36 | 40,008,383.39 | 1,042,986,417.96 | 46,850,034.56 |
| Tax payments | | 930,828,477.23 | 43,552.88 | 1,104,504,546.36 | 443,199.81 |
| Other cash paid relating to operating activities | | 2,195,950,989.41 | 15,677,423.43 | 1,483,276,319.34 | 5,244,906.84 |
| **Sub-total of cash outflows from operating activities** | | **9,442,167,894.09** | **55,729,359.70** | **10,648,923,464.19** | **52,538,141.21** |
| **Net Cash Flows from Operating Activities** | | **2,333,063,601.93** | **-30,879,169.89** | **7,617,213,918.01** | **-1,652,209.72** |
| **Cash Flows from Investing Activities:** | | | | | |
| Cash received from disposal of investments | | | | | |
| Cash received from return on investments | | | | | 1,857,123,435.20 |
| Cash received from disposal of fixed assets, intangible assets and other long-term assets | | 6,098,493.85 | | 5,822,616.65 | 403,726.97 |
| Cash received from disposal of subsidiaries or other operating business divisions | | | | | |
| Other cash receipts relating to investing activities | | 44,581,300.00 | 724,324,988.34 | 816,003,642.84 | 1,935,627,716.84 |
| **Sub-total of cash inflows from investing activities** | | **50,679,793.85** | **724,324,988.34** | **821,826,259.49** | **3,793,154,879.01** |
| Cash paid to acquire fixed assets, intangible assets and other long-term assets | | 4,016,816,066.96 | 426,658.51 | 4,762,721,801.39 | 313,610.86 |
| Cash paid to acquire investment | | | 578,415,335.52 | | 660,700,000.00 |
| Other cash payments relating to investing activities | | | | | |
| Other cash paid relating to investing activities | | 600,000,000.00 | | 45,806,661.50 | |
| **Sub-total of cash outflows from investing activities** | | **4,616,816,066.96** | **578,841,994.03** | **4,808,528,462.89** | **661,013,610.86** |
| **Net Cash Flows from Investing Activities** | | **-4,566,136,273.11** | **145,482,994.31** | **-3,986,702,203.40** | **3,132,141,268.15** |
| **Cash Flows from Financing Activities:** | | | | | |
| Cash received from capital contributions | | | | | |
| Including: Cash received from capital contributions by minority shareholders of subsidiaries | | | | | |
| Cash received from borrowings | | 2,664,129,363.68 | | | |
| Cash received from bondings | | | | | |
| Other cash receipts relating to financing activities | | 1,549,982,256.70 | 1,949,602,307.59 | 1,337,118,023.65 | |
| **Sub-total of cash inflows from financing activities** | | **4,214,111,620.38** | **1,949,602,307.59** | **1,337,118,023.65** | |
| Repayments of borrowings | | 600,000,000.00 | 100,000,000.00 | 1,050,000,000.00 | 50,000,000.00 |
| Dividends paid, profit distributed or interest paid | | 87,863,849.34 | 37,925,937.52 | 1,917,313,416.79 | 1,819,002,681.21 |
| Including: Cash payments for dividends or profit to minority shareholders of subsidiaries | | | | | |
| Other cash payments relating to financing activities | | 724,810,700.04 | 640,000,000.00 | 1,098,220,432.08 | 1,149,832,364.37 |
| Including: Cash payment for capital reduction to minority shareholders of subsidiaries | | | | | |
| **Sub-total of cash outflows from financing activities** | | **1,412,674,549.38** | **777,925,937.52** | **4,065,533,848.87** | **3,018,835,045.58** |
| **Net Cash Flows from Financing Activities** | | **2,801,437,071.00** | **1,171,676,370.07** | **-2,728,415,825.22** | **-3,018,835,045.58** |
| **Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents** | | **-4,071,287.85** | **2,683,089.81** | **83,954,331.76** | |
| **Net Increase in Cash and Cash Equivalents** | V.47 | **564,293,111.97** | **1,288,963,284.30** | **986,050,221.15** | **111,654,012.85** |
| Add: Cash and cash equivalents at the beginning of the period | | 1,659,981,217.41 | 277,211,734.95 | 673,930,996.26 | 165,557,722.10 |
| **Cash and cash equivalents at the end of the period** | | **2,224,274,329.38** | **1,566,175,019.25** | **1,659,981,217.41** | **277,211,734.95** |

**Legal representative: Gan Jiayue** **Person in charge of accounting function: Gong Fangbo** **Person in charge of accounting department: Gong Fangbo**

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

[English Translation for Reference Only]

Company: LYNK & CO Investment Co., Ltd.

Currency: RMB

| Items | 2022 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Owners' equity attributable to the parent | | | | | | | Minority interests | Total Owners' Equity |
| | Paid-in capital | Capital reserves | Less: Treasury stocks | Other comprehensive income | Specific reserves | Surplus reserves | Retained earnings | | |
| **1. Balance as at the end of last year** | **7,500,000,000.00** | **273,571,182.17** | | **-33,606,732.32** | | **266,646.66** | **349,748,604.37** | | **8,089,979,700.88** |
| Add: Changes in accounting policies | | | | | | | | | |
| Corrections of errors in prior periods | | | | | | | | | |
| Under the same control enterprise merger | | | | | | | | | |
| Others | | | | | | | | | |
| **2. Balance at the beginning of the year** | **7,500,000,000.00** | **273,571,182.17** | | **-33,606,732.32** | | **266,646.66** | **349,748,604.37** | | **8,089,979,700.88** |
| **3. Movement during the year ("-" for decrease)** | | **-139,523,851.64** | | **8,631,599.11** | | | **-48,106,886.05** | | **-178,999,138.58** |
| 3.1. Total comprehensive income | | | | 8,631,599.11 | | | -48,106,886.05 | | -39,475,286.94 |
| 3.2. Paid-in capital injected by or returned to investors | | -139,523,851.64 | | | | | | | -139,523,851.64 |
| a. Paid-in capital injected by investors | | | | | | | | | |
| b. Share-based payments charged to equity | | | | | | | | | |
| c. Others | | -139,523,851.64 | | | | | | | -139,523,851.64 |
| 3.3. Appropriations of profits | | | | | | | | | |
| a. Appropriations to surplus reserves | | | | | | | | | |
| b. Appropriations to investors | | | | | | | | | |
| c. Others | | | | | | | | | |
| 3.4. Equity transfer among equity accounts ("-" for decrease) | | | | | | | | | |
| a. Capital reserves transferred to paid-in capital | | | | | | | | | |
| b. Surplus reserves transferred to paid-in capital | | | | | | | | | |
| c. Surplus reserves used to offset losses | | | | | | | | | |
| d. Other comprehensive income transferred to retained earnings | | | | | | | | | |
| e. Others | | | | | | | | | |
| 3.5. Specific reserves | | | | | | | | | |
| a. Provision in the current period | | | | | | | | | |
| b. Utilised in the current period ("-" for utilisation) | | | | | | | | | |
| 3.6. Others | | | | | | | | | |
| **4. Balance at the end of the year** | **7,500,000,000.00** | **134,047,330.53** | | **-24,975,133.21** | | **266,646.66** | **301,641,718.32** | | **7,910,980,562.30** |

**Legal representative: Gan Jiayue** **Person in charge of accounting function: Gong Fangbo** **Person in charge of accounting department: Gong Fangbo**

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

[English Translation for Reference Only]

Company: LYNK & CO Investment Co., Ltd.

Currency: RMB

| Items | 2021 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Owners' equity attributable to the parent | | | | | | | Minority interests | Total Owners' Equity |
| | Paid-in capital | Capital reserves | Less: Treasury stocks | Other comprehensive income | Specific reserves | Surplus reserves | Retained earnings | | |
| **1. Balance as at the end of last year** | **7,500,000,000.00** | **73,571,182.17** | | **-11,737,958.53** | | | **1,521,310,360.95** | | **9,083,143,584.59** |
| Add: Changes in accounting policies | | | | | | | | | |
| Corrections of errors in prior periods | | | | | | | | | |
| Under the same control enterprise merger | | 200,000,000.00 | | | | | -113,130,457.68 | | 86,869,542.32 |
| Others | | | | | | | | | |
| **2. Balance at the beginning of the year** | **7,500,000,000.00** | **273,571,182.17** | | **-11,737,958.53** | | | **1,408,179,903.27** | | **9,170,013,126.91** |
| **3. Movement during the year ("-" for decrease)** | | | | **-21,868,773.79** | | **266,646.66** | **-1,058,431,298.90** | | **-1,080,033,426.03** |
| 3.1. Total comprehensive income | | | | -21,868,773.79 | | | 719,213,133.11 | | 697,344,359.32 |
| 3.2. Paid-in capital injected by or returned to investors | | | | | | | | | |
| a. Paid-in capital injected by investors | | | | | | | | | |
| b. Share-based payments charged to equity | | | | | | | | | |
| c. Others | | | | | | | | | |
| 3.3. Appropriations of profits | | | | | | **266,646.66** | **-1,777,644,432.01** | | **-1,777,377,785.35** |
| a. Appropriations to surplus reserves | | | | | | 266,646.66 | -266,646.66 | | |
| b. Appropriations to investors | | | | | | | -1,777,377,785.35 | | -1,777,377,785.35 |
| c. Others | | | | | | | | | |
| 3.4. Equity transfer among equity accounts ("-" for decrease) | | | | | | | | | |
| a. Capital reserves transferred to paid-in capital | | | | | | | | | |
| b. Surplus reserves transferred to paid-in capital | | | | | | | | | |
| c. Surplus reserves used to offset losses | | | | | | | | | |
| d. Other comprehensive income transferred to retained earnings | | | | | | | | | |
| e. Others | | | | | | | | | |
| 3.5. Specific reserves | | | | | | | | | |
| a. Provision in the current period | | | | | | | | | |
| b. Utilised in the current period ("-" for utilisation) | | | | | | | | | |
| 3.6. Others | | | | | | | | | |
| **4. Balance at the end of the year** | **7,500,000,000.00** | **273,571,182.17** | | **-33,606,732.32** | | **266,646.66** | **349,748,604.37** | | **8,089,979,700.88** |

**Legal representative: Gan Jiayue** **Legal representative: Gan Jiayue** **Person in charge of accounting function: Gong Fangbo** **Person in charge of accounting department: Gong Fangbo**

## STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

[English Translation for Reference Only]

Company: LYNK & CO Investment Co., Ltd.

Currency: RMB

| Items | 2022 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Paid-in capital | Capital reserves | Less: Treasury stocks | Other comprehensive income | Specific reserves | Surplus reserves | Retained earnings | Total Owners' Equity |
| **1. Balance as at the end of last year** | **7,500,000,000.00** | **329,766,322.83** | | | | **266,646.66** | **-53,259,552.79** | **7,776,773,416.70** |
| Add: Changes in accounting policies | | | | | | | | |
| Corrections of errors in prior periods | | | | | | | | |
| Others | | | | | | | | |
| **2. Balance at the beginning of the year** | **7,500,000,000.00** | **329,766,322.83** | | | | **266,646.66** | **-53,259,552.79** | **7,776,773,416.70** |
| **3. Movement during the year ("-" for decrease)** | | **-91,003,249.65** | | | | | **-124,012,736.63** | **-215,015,986.28** |
| 3.1. Total comprehensive income | | | | | | | -124,012,736.63 | -124,012,736.63 |
| 3.2. Paid-in capital injected by or returned to investors | | -91,003,249.65 | | | | | | -91,003,249.65 |
| a. Paid-in capital injected by investors | | | | | | | | |
| b. Share-based payments charged to equity | | | | | | | | |
| c. Others | | -91,003,249.65 | | | | | | -91,003,249.65 |
| 3.3. Appropriations of profits | | | | | | | | |
| a. Appropriations to surplus reserves | | | | | | | | |
| b. Appropriations to investors | | | | | | | | |
| c. Others | | | | | | | | |
| 3.4. Equity transfer among equity accounts ("-" for decrease) | | | | | | | | |
| a. Capital reserves transferred to paid-in capital | | | | | | | | |
| b. Surplus reserves transferred to paid-in capital | | | | | | | | |
| c. Surplus reserves used to offset losses | | | | | | | | |
| d. Other comprehensive income transferred to retained earnings | | | | | | | | |
| e. Others | | | | | | | | |
| 3.5. Specific reserves | | | | | | | | |
| a. Provision in the current period | | | | | | | | |
| b. Utilised in the current period ("-" for utilisation) | | | | | | | | |
| 3.6. Others | | | | | | | | |
| **4. Balance at the end of the year** | **7,500,000,000.00** | **238,763,073.18** | | | | **266,646.66** | **-177,272,289.42** | **7,561,757,430.42** |

**Legal representative: Gan Jiayue** **Person in charge of accounting function: Gong Fangbo** **Person in charge of accounting department: Gong Fangbo**

## STATEMENT OF CHANGES IN EQUITY OF THE COMPANY (CONTINUED)

[English Translation for Reference Only]

Company: LYNK & CO Investment Co., Ltd. Currency: RMB

| Items | 2021 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Paid-in capital | Capital reserves | Less: Treasury stocks | Other comprehensive income | Specific reserves | Surplus reserves | Retained earnings | Total Owners' Equity |
| **1. Balance as at the end of last year** | **7,500,000,000.00** | **362,734,024.97** | | | | | **-79,479,003.19** | **7,420,520,996.81** |
| Add: Changes in accounting policies | | | | | | | | |
| Corrections of errors in prior periods | | | | | | | | |
| Others | | | | | | | | |
| **2. Balance at the beginning of the year** | **7,500,000,000.00** | **362,734,024.97** | | | | | **-79,479,003.19** | **7,420,520,996.81** |
| **3. Movement during the year ("-" for decrease)** | | **-32,967,702.14** | | | | **266,646.66** | **26,219,450.40** | **26,219,450.40** |
| 3.1. Total comprehensive income | | | | | | | 1,803,863,882.41 | 1,803,863,882.41 |
| 3.2. Paid-in capital injected by or returned to investors | | -32,967,702.14 | | | | | | -32,967,702.14 |
| a. Paid-in capital injected by investors | | | | | | | | |
| b. Share-based payments charged to equity | | | | | | | | |
| c. Others | | -32,967,702.14 | | | | | | -32,967,702.14 |
| 3.3. Appropriations of profits | | | | | | **266,646.66** | **-1,777,644,432.01** | **-1,777,377,785.35** |
| a. Appropriations to surplus reserves | | | | | | 266,646.66 | -266,646.66 | |
| b. Appropriations to investors | | | | | | | -1,777,377,785.35 | **-1,777,377,785.35** |
| c. Others | | | | | | | | |
| 3.4. Equity transfer among equity accounts ("-" for decrease) | | | | | | | | |
| a. Capital reserves transferred to paid-in capital | | | | | | | | |
| b. Surplus reserves transferred to paid-in capital | | | | | | | | |
| c. Surplus reserves used to offset losses | | | | | | | | |
| d. Other comprehensive income transferred to retained earnings | | | | | | | | |
| e. Others | | | | | | | | |
| 3.5. Specific reserves | | | | | | | | |
| a. Provision in the current period | | | | | | | | |
| b. Utilised in the current period ("-" for utilisation) | | | | | | | | |
| 3.6. Others | | | | | | | | |
| **4. Balance at the end of the year** | **7,500,000,000.00** | **329,766,322.83** | | | | **266,646.66** | **-53,259,552.79** | **7,776,773,416.70** |

**Legal representative: Gan Jiayue** **Pers Legal representative: Gan Jiayue** **Person in charge of accounting function: Gong Fangbo** **Person in charge of accounting department: Gong Fangbo**

20231004000331

## I. COMPANY'S INFORMATION

1. Company profile

LYNK & CO Investment Co., Ltd. ("the Company") is a sino-foreign joint venture limited company jointly funded by Zhejiang Jirun Automobile Co., Ltd., Zhejiang Haoqing Automobile Manufacturing Co., Ltd. and Volvo Automobile (China) Investment Co., Ltd.. The Company was incorporated and approved by the Ningbo Market Authority on 20 October 2017 and obtained the corporate business license with the social credit code of 91330200MA2AF25Y7B.

In September 2021, by resolution of the shareholders' meeting of the company, it was agreed that Zhejiang Haoqing Automobile Manufacturing Co., Ltd. would transfer its 20.00% stake in the company to Zhejiang Geely Holding Group Co., Ltd..

The investment proportion of the investors after the change is as follows:

| Name of Investor | Investment Percentage % |
|---|---|
| Zhejiang Jirun Automobile Co., Ltd. | 50.00 |
| Volvo Automobile (China) Investment Co., Ltd. | 30.00 |
| Zhejiang Geely Holding Group Co., Ltd. | 20.00 |
| **Total** | **100.00** |

As of 31 December 2022, the Company has 9 subsidiaries and 12 sub-subsidiaries.

The business scope of the Company and its subsidiaries is as follows: (1) investment in the fields where foreign investment is allowed by the state according to law; (2) technology development; (3) production of road motor vehicles, automobile parts and accessories; (4) new car sales, auto parts sales; (5) auto industry marketing services.

The consolidated and the Company's financial statements and the notes to financial statements have been approved by the Board of Directors on 20 April 2023.

2. Scope of consolidated financial statements

In this period, the scope of consolidation of the Company includes 9 subsidiaries and 12 sub-subsidiaries, as detailed in Note VII, Disclosure of interest in other entities. The scope of the consolidation of the Company this year increase by one subsidiary, offset by reduction of a subsidiary and further increase by one sub-subsidiary as compared to the previous year, as detailed in Note VI, Change of consolidation scope.

## II. BASIS OF PREPARATION

The financial statements are prepared in accordance with the Accounting Standards for Business Enterprises and corresponding application guidance, interpretations and other related provisions issued by the Ministry of Finance (collectively, " Accounting Standards for Business Enterprises ").

These financial statements are presented on the going concern basis.

The Company and its subsidiaries adopt the accrual basis of accounting. Except for certain financial instruments, the financial statements are prepared under the historical cost convention. In the event that impairment of assets occurs, a provision for impairment is made according to the relevant regulations.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Company and its subsidiaries according to their own production and operation characteristics, determine the expected credit loss of financial assets and revenue recognition policy, where the relevant specific accounting please refer to notes III.8 and notes III.19.

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

The financial statements have been prepared in compliance with the Accounting Standards for Business Enterprises to truly and completely present the consolidated and the Company's financial position as at 31 December 2022 and the consolidated and the Company's operating results and cash flows for the year ended 31 December 2022.

2. Accounting period

The accounting period of the Company and its subsidiaries is from 1 January to 31 December.

3. Recording currency

The Company and domestic subsidiaries determine Renminbi ("RMB") as the functional currency. Offshore subsidiary LYNK & CO Hong Kong International Co., Ltd. determines Hong Kong dollar ("HKD") as its functional currency according to the primary economic environment where it operates. Offshore sub-subsidiaries LYNK&CO International AB, LYNK & CO Europe AB and LYNK & CO Sales Sweden AB determine Swedish krona ("SEK") as their functional currency according to the primary economic environment where they operate. Offshore sub-subsidiaries LYNK & CO Sales Netherlands BV, LYNK & CO Sales Belgium BV, LYNK & CO Sales France SAS, LYNK & CO Sales Germany GmbH, LYNK & CO Sales Italy S.R.L. and LYNK & Co Sales Spain S.L determine Euro ("EUR") as their functional currency according to the primary economic environment where they operate. The financial statements of the Company and its subsidiaries have been prepared in RMB.

4. Accounting treatments for business combinations involving enterprises under common control and business combinations not involving enterprises under common control

(1) Business combinations involving enterprises under common control

For a business combination involving enterprises under common control, the assets acquired and liabilities assumed are measured based on their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date, except for adjustments due to different accounting policies. The difference between the carrying amount of the net assets acquired, and the consideration paid for the combination is adjusted against share premium in the capital reserve, with any excess adjusted against retained earnings.

Business combination involving enterprises under common control through step by step multiple transactions.

In individual financial statements, the share of the net assets of the consolidated party in the book value of the consolidated financial statements of the ultimate controlling party of the net assets of the consolidated party on the consolidation date, calculated by the shareholding ratio on the consolidation date, shall be taken as the initial investment cost of the investment; the difference between the initial investment cost and the sum of the book value of the investment held before the merger plus the book value of the newly consideration paid shall be adjusted for the capital reserve. If the capital reserve is insufficient to be written down, the retained earnings shall be adjusted.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

4. Accounting treatments for business combinations involving enterprises under common control and business combinations not involving enterprises under common control (continued)

(1) Business combinations involving enterprises under common control (continued)

In the consolidated financial statement, the assets and liabilities of the consolidated party shall be measured according to the book value of the consolidated financial statement of the ultimate controlling party on the merger date, except for the adjustment due to different accounting policies; the balance between the book value of the investment held before the merger and the book value of the newly consideration paid and the book value of the net assets obtained during the merger shall be adjusted for capital reserves. If the capital reserves are insufficient to be written down, the retained earnings shall be adjusted. For long-term equity investment held by the merging party prior to acquiring control of the merged party, the relevant profit and loss, other comprehensive income and other changes in owners' equity which have been recognized by the merging party from later of the date on which the original equity was acquired and the date on which the merging party and the merged party are ultimately under the control of the same party to the merging date, shall offset the beginning retained earnings or profits and losses of the current period.

(2) Business combinations involving enterprises not under common control

For business combinations involving enterprises not under common control, the consideration costs include acquisition-date fair value of assets transferred, liabilities incurred or assumed and equity securities issued by the acquirer in exchange for control of the acquiree. At the acquisition date, the acquired assets, liabilities and contingent liabilities of the acquiree are measured at their fair value. The acquiree's identifiable asset, liabilities and contingent liabilities, are recognized at their acquisition-date fair value.

Where the combination cost exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill, and subsequently measured on the basis of its cost less accumulated impairment provisions. Where the combination cost is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized in profit or loss for the current period after reassessment.

Business combination involving enterprises not under common control through step by step multiple transactions.

In individual financial statements, the sum of the book value of the equity investment held by the purchaser before the purchase date and the cost of the newly added investment on the purchase date is taken as the initial investment cost of the investment. If other comprehensive income of equity investment held before the purchase date is recognized by using the equity method, such other comprehensive income will not be treated on the purchase date, and the investment will be treated on the same basis as the direct disposal of relevant assets or liabilities by the invested entity. The owners' equity recognized as a result of changes in owners' equity other than net profit and loss, other comprehensive income and profit distribution of the investee shall be transferred to the current profit and loss during the disposal period at the time of disposal of the investment. If the equity investment held before the purchase date is measured at fair value, the accumulated change in fair value originally recorded in other comprehensive income is transferred to the profit and loss of the current period when it is calculated by the cost method.

In the consolidated financial statement, the consolidated cost is the sum of the consideration paid on the purchase date and the fair value on the purchase date of the equity held by the Purchaser prior to the purchase date. For the equity held by the Purchaser before the purchase date, it shall be re-measured according to the fair value of the equity on the purchase date, and the difference between the fair value and the book value shall be recorded into the current income; The equity held by the Purchaser before the purchase date involves other comprehensive income, and other changes in owners' equity turn into current income on the purchase date, except for other comprehensive income generated by changes in net liabilities or net assets of the re-measured income plan of the investee.

20231004005534

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

4. Accounting treatments for business combinations involving enterprises under common control and business combinations not involving enterprises under common control (continued)

(3) Transaction costs for business combination

The transaction costs for the business combination, including the expenses for audit, legal services, valuation advisory, and other administrative expenses, are recorded in profit or loss for the current period when incurred. The transaction costs of equity or debt securities issued as the considerations of business combination are included in the initial recognition amount of the equity or debt securities.

5. *Consolidated financial statements*

(1) Scope of consolidated financial statements

The scope of consolidated financial statements is based on control. Control exists when the Company and its subsidiaries have power over the investee; exposure, or rights to variable returns from its involvement with the investee and has the ability to affect its returns through its power over the investee. A subsidiary is an entity that is controlled by the Company and its subsidiaries (including enterprise, a portion of an investee as a deemed separate component, and structured entity controlled by the enterprise).

(2) Basis of preparation of consolidated financial statements

The consolidated financial statements are prepared by the Company and its subsidiaries based on the financial statements of the Company and its subsidiaries and other relevant information. When preparing consolidated financial statements, the accounting policies and accounting periods of the subsidiaries should be consistent with those established by the Company and its subsidiaries, and all significant intra-group balances and transactions are eliminated.

Where a subsidiary or business was acquired during the reporting period, through a business combination involving enterprises under common control, the financial statements of the subsidiary or business are included in the consolidated financial statements as if the combination had occurred at the date that the ultimate controlling party first obtained control.

Where a subsidiary or business was acquired during the reporting period, through a business combination involving enterprises not under common control, the identifiable assets and liabilities of the acquired subsidiaries or business are included in the scope of consolidation from the date that control commences.

The portion of a subsidiary's equity that is not attributable to the parent is treated as non-controlling interests and presented separately in the consolidated balance sheet within shareholders' equity. The portion of net profit or loss of subsidiaries for the period attributable to non-controlling interests is presented separately in the consolidated income statement below the "net profit" line item. When the amount of loss for the current period attributable to the non-controlling shareholders of a subsidiary exceeds the non-controlling shareholders' share of the opening owners' equity of the subsidiary, the excess is still allocated against the non-controlling interests.

(3) Changes in non-controlling interests

Where the Company acquires a non-controlling interest from a subsidiary's non-controlling shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the transaction is treated as equity transaction, and the book value of shareholder's equity attributed to the Company and to the non-controlling interest is adjusted to reflect the change in the Company's interest in the subsidiaries. The difference between the proportion interests of the subsidiary's net assets being acquired or disposed and the amount of the consideration paid or received is adjusted to the capital reserve in the consolidated balance sheet, with any excess adjusted to retained earnings.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

5. Consolidated financial statements (continued)

(4) Disposal of subsidiaries

When the Company loses control over a subsidiary because of disposing part of equity investment or other reasons, the remaining part of the equity investment is re-measured at fair value at the date when the control is lost. A gain or loss is recognized in the current period and is calculated by the aggregate of consideration received in disposal and the fair value of remaining part of the equity investment deducting the share of net assets in proportion to previous shareholding percentage in the former subsidiary since acquisition date and the goodwill.

Other comprehensive income related to the former subsidiary is transferred to profit or loss when the control is lost, except for the comprehensive income arising from the movement of net liabilities or assets in the former subsidiary's re-measurement of defined benefit plan.

6. Cash and cash equivalents

Cash comprises cash in hand and deposits that can be readily withdrawn on demand. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

7. Foreign currency transactions and translation of foreign currency financial statements

(1) Foreign currency transactions

Foreign currency transactions are translated to the functional currency of the Company and its subsidiaries at the spot exchange rates on the dates of the transactions.

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences between the spot exchange rate on balance sheet date and the spot exchange rate on initial recognition or on the previous balance sheet date are recognized in profit or loss. Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rate at the date the fair value is determined. The resulting exchange differences are recognized in profit or loss or other comprehensive income according to the nature of non-monetary items.

(2) Translation of foreign currency financial statements

When translating the foreign currency financial statements of overseas subsidiaries, assets and liabilities of foreign operation are translated to Renminbi at the spot exchange rate at the balance sheet date. Equity items, excluding "retained earnings", are translated to Renminbi at the spot exchange rates at the transaction dates.

Income and expenses of foreign operation are translated to Renminbi at the rates determined under a systematic and rational method that approximate the spot exchange rates at the transaction dates.

Cash flow statement of foreign operation is translated to Renminbi at the rates determined under a systematic and rational method that approximate the spot exchange rates at the cash flow occurrence dates. Effect of foreign exchange rate changes on cash and cash equivalents is presented separately as "Effect of foreign exchange rate changes on cash and cash equivalents" in the cash flow statement.

The resulting translation differences are recognized in other comprehensive income in shareholders' equity of balance sheet.

The translation differences accumulated in owner's equity with respect to a foreign operation are transferred to profit or loss in the period when the foreign operation is disposed.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

8. Financial instruments

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

(1) Recognition and derecognition of financial instruments

A financial asset or a financial liability is recognized when the Company and its subsidiaries become a party to the contractual provisions of a financial instrument.

If one of the following criteria is met, a financial asset is derecognized:

① The contractual rights to the cash flows from the financial asset expire;

② The financial asset was transferred, and the transfer qualifies for derecognition in accordance with criteria set out below in "Transfer of Financial Assets".

A financial liability (or part of it) is derecognized when its contractual obligation (or part of it) is discharged or cancelled or expires. If the Company and its subsidiaries (as a debtor) make an agreement with the creditor to replace the current financial liability with assuming a new financial liability, and contractual provisions are different in substance, the current financial liability is derecognized and a new financial liability is recognized.

If the financial assets are traded regularly, the financial assets are recognized and derecognized at the transaction date.

(2) Classification and measurement of financial assets

The Company and its subsidiaries classify financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss at initial recognition on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

**Financial assets measured at amortized cost**

The Company and its subsidiaries classify the financial assets that meet the following conditions and are not designated as measured at fair value through profit or loss as financial assets measured at amortized cost:

· The Company's and its subsidiaries' business model of managing the financial assets is to collect contractual cash flows as the target;

· 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.

After the initial recognition, the effective interest rate method is adopted to measure the amortized cost of such financial assets. Gains or losses arising from financial assets that are measured at amortized cost and are not part of any hedging relationship shall be recorded in the current profit or loss when the recognition is terminated, amortized according to the effective interest method or the impairment is recognized.

**Financial assets measured at fair value through other comprehensive income**

The Company and its subsidiaries classify the financial assets that simultaneously meet the following conditions and are not specified as measured at fair value through profit or loss as financial assets measured at fair value through other comprehensive income:

· The Company's and its subsidiaries' business model of managing the financial asset aims at both collecting the contract cash flow and selling the financial asset.

· 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.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

8. Financial instruments (continued)

(2) Classification and measurement of financial assets (continued)

**Financial assets measured at fair value through other comprehensive income (continued)**

After the initial recognition, this type of financial assets are subsequently measured at fair value. The interest, impairment loss or gain and exchange loss or gain calculated using the effective interest rate method are included in the current profit or loss, while other gains or losses are included in other comprehensive income. When derecognized, the accumulated gains or losses previously recorded in other comprehensive income shall be transferred out from other comprehensive income and recorded in the current profit or loss.

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

In addition to the above financial assets measured at amortized cost and measured at fair value through other comprehensive income, the Company and its subsidiaries classify all other financial assets as financial assets measured at fair value through profit or loss. At the time of initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Company and its subsidiaries irrevocably designate some financial assets that should have been measured at amortized cost or measured at fair value through other comprehensive income as financial assets measured at fair value through profit or loss.

After the initial recognition, this kind of financial asset is subsequently measured at its fair value, and the gains or losses (including interest and dividend income) generated are recorded into the current profit or loss, unless the financial asset is part of the hedging relationship.

The business model of managing financial assets refers to how the Company and its subsidiaries manage financial assets to generate cash flows. The business model determines whether the cash flow from the financial assets under management of the Company and its subsidiaries are derived from the receipt of contractual cash flows, the sale of financial assets or a combination of both. The Company and its subsidiaries determine its business model for managing financial assets on the basis of objective facts and the specific business objectives for the management of financial assets determined by key management personnel.

The Company and its subsidiaries assess the contractual cash flow characteristics of financial assets to determine whether the contractual cash flows generated by the relevant financial assets on specified dates are solely payments of principal and interest on the principal amount outstanding. Principal refers to the fair value of financial assets at initial recognition. Interest includes consideration for the time value of money, the credit risk associated with the amount of principal outstanding over a given period, and other basic lending risks and costs, as well as a profit margin. In addition, the Company and its subsidiaries assess contractual terms that may cause a change in the time distribution or amount of the contractual cash flows of financial assets to determine whether they meet the requirements of the above contractual cash flow characteristics

Only when the Company and its subsidiaries change the business model of managing financial assets, all affected related financial assets shall be reclassified on the first day of the first reporting period after the change of the business model, otherwise the financial assets shall not be reclassified after the initial recognition.

Financial assets are measured at fair value at the time of initial recognition. For financial assets measured at fair value through profit or loss, relevant transaction costs are directly recorded into current profit or loss; for other classes of financial assets, the relevant transaction costs are included in the initial recognition amount. For accounts receivable arising from the sale of products or provision of services, which do not contain or do not take into account the material financing component, the Company and its subsidiaries are entitled to collect the consideration amount as expected as the initial recognition amount.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

8. Financial instruments (continued)

(3) Classification and measurement of financial liabilities

At the time of initial recognition, the financial liabilities of the Company and its subsidiaries are classified as: financial liabilities measured at fair value through current profit or loss, and financial liabilities measured at amortized cost. For financial liabilities that are not classified as measured at fair value through profit or loss, relevant transaction costs are included in their initial recognized amounts.

**Financial liabilities measured at fair value through profit or loss**

Financial liabilities measured at fair value through profit or loss include trading financial liabilities and financial liabilities designated at the time of initial recognition as measured at fair value through profit or loss. For such financial liabilities, the subsequent measurement shall be made according to the fair value, and the gains or losses caused by changes in the fair value as well as the dividends and interest expenses related to such financial liabilities shall be recorded into current profit or loss.

**Financial liabilities measured at amortized cost**

For other financial liabilities, the effective interest rate method shall be adopted, and the subsequent measurement shall be made at the amortized cost, and the gains or losses arising from derecognition or amortization shall be recorded into current profit or loss.

For other financial liabilities, the effective interest rate method shall be used and the subsequent measurement shall be made at the amortized cost, and the gains or losses arising from derecognition or amortization shall be recorded into the current profit or loss.

**The distinction between financial liabilities and equity instruments**

Financial liabilities refer to liabilities that meet one of the following conditions:

① A contractual obligation to deliver cash or other financial assets to other parties.

② A contractual obligation to exchange financial assets or financial liabilities with another party under potentially adverse conditions.

③ Non-derivative instrument contracts that will be settled with or available to the firm's own equity instruments in the future, under which the firm will deliver a variable number of its own equity instruments.

④ A derivative contract in which the firm's own equity instruments are to be settled or used in the future, except for a derivative contract in which a fixed number of its own equity instruments are to be exchanged for a fixed amount of cash or other financial assets.

An equity instrument is a contract that certifies ownership of the remaining interest in an enterprise's assets after all liabilities have been deducted.

If the Company and its subsidiaries cannot unconditionally avoid fulfilling a contractual obligation by delivering cash or other financial assets, such contractual obligation meets the definition of a financial liability.

If a financial instrument is to be settled with or available to the Company's and its subsidiaries' own equity instrument, consideration needs to be given to whether the Company's and its subsidiaries' own equity instrument used to settle the instrument is to be used as a substitute for cash or other financial assets or to give the holder of the instrument the remaining interest in the Issuer's assets after deduction of all liabilities. If the former, the instrument is a financial liability of the Company and its subsidiaries; if it is the latter, the instrument is an equity instrument of the Company and its subsidiaries

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

8. Financial instruments (continued)

(4) Fair value of financial instruments

For the determination of fair value of financial assets and financial liabilities, see Note III.9.

(5) Impairment of financial assets

On the basis of expected credit losses, the Company and its subsidiaries conduct impairment accounting treatment for the following items and confirms the loss provision:

- Financial assets measured at amortized cost;
- Receivables and creditor's rights investments measured at fair value and accounted for in other comprehensive income;
- Contract assets as defined in the Accounting Standards for Business Enterprises No. 14 - Revenue;
- Lease receivables;

**Measurement of expected credit losses**

The term "expected credit loss" refers to the weighted average of the credit loss of a financial instrument weighted by the risk of default. Credit loss refers to the difference between all contractual cash flows receivable under the contract and all cash flows expected to be collected by the Company and its subsidiaries discounted at the original effective interest rate, that is, the present value of all cash shortages.

The Company and its subsidiaries calculate the probabilistic weighted amount of the present value of the difference between the cash flows receivable under the Contract and the cash flows expected to be received and recognizes the expected credit loss, taking into account reasonable and evidential information concerning past events, current conditions and expectation of future economic conditions, and weighting the risk of default.

The Company and its subsidiaries measure the expected credit losses of financial instruments at different stages. If the credit risk of the financial instrument has not increased significantly since the initial recognition, the Company and its subsidiaries shall measure the loss provision in accordance with the expected credit loss in the next 12 months in the first stage; if the credit risk of a financial instrument has increased significantly since the initial recognition but no credit impairment has occurred, it is in the second stage, and the Company and its subsidiaries measures the loss provision according to the expected credit loss of the entire life period of the instrument; If credit impairment has occurred to a financial instrument since its initial recognition, it is in the third stage, and the Company and its subsidiaries shall measure the loss provision according to the expected credit loss of the entire life period of the instrument.

For financial instruments with low credit risk at the balance sheet date, the Company and its subsidiaries assume that the credit risk has not increased significantly since the initial recognition, and measures the loss provision in accordance with the expected credit loss for the next 12 months.

The term "expected credit loss over the entire expected life of a financial instrument" refers to the expected credit loss resulting from all possible events of default during the entire expected life of a financial instrument. The expected credit loss within the next 12 months refers to the expected credit loss caused by the default event of the financial instrument that may occur within 12 months after the date of the balance sheet (or the expected duration of the financial instrument if the expected duration of the financial instrument is less than 12 months) and is part of the expected credit loss over the entire maturity period.

When measuring expected credit losses, the Company and its subsidiaries shall take into account the longest contract period (including the option to renew the contract) for which the enterprise is exposed to credit risk.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

8. Financial instruments (continued)

(5) Impairment of financial assets (continued)

*The Company and its subsidiaries calculate interest income on the basis of the book balance before impairment provisions and the effective interest rate for financial instruments in stage I and stage II and with lower credit risk. For financial instruments in the third stage, the interest income is calculated on the basis of the amortized cost of the book balance less the impairment provision and the effective interest rate.*

For notes receivable, accounts receivable and contract assets, regardless of whether there is a material financing component, the Company and its subsidiaries always measure its loss provision in accordance with the amount equivalent to the expected credit loss within the whole duration period.

When a single financial asset cannot assess the information of expected credit loss at a reasonable cost, the Company and its subsidiaries divides the notes receivable and accounts receivable into portfolios according to the credit risk characteristics, calculates the expected credit loss on the basis of the portfolios, and determines the portfolios based on the following:

A. Notes receivable

· Notes receivable portfolio 1: Banker's acceptance

· Notes receivable portfolio 2: Commercial acceptance bills

B. Accounts receivable

· Receivable portfolio 1: Receivable from subsidiaries within the scope of consolidation of the ultimate holding company ("receivable from related parties under common control")

· Receivable portfolio 2: Receivable from other customers

C. Contract assets

· Contract Portfolio 1: Product sales

· Contract Portfolio 2: Service revenue

For the notes receivable and contract assets divided into portfolios, the Company and its subsidiaries calculate the expected credit loss through default risk exposure and the expected credit loss rate over the entire duration by referring to the historical credit loss experience, combining the current situation and the forecast of the future economic situation.

For the receivables divided into portfolios, the Company and its subsidiaries refer to the historical credit loss experience and combines the current situation with the forecast of the future economic situation to compile a comparison table between the age of receivables and the expected credit loss rate of the entire duration period to calculate the expected credit loss.

**Other receivables**

The Company and its subsidiaries divide other receivables into several portfolios according to the credit risk characteristics, and calculates the expected credit loss on the basis of the portfolio. The basis for determining the portfolio is as follows:

· Other receivables Portfolio 1: Receivable from related parties under common control

· Other receivables Portfolio 2: Deposit receivable and margin receivable

· Other receivables Portfolio 3: Other receivables

For other receivables divided into portfolios, the Company and its subsidiaries calculate the expected credit loss by default risk exposure and the expected credit loss rate over the next 12 months or the entire duration.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

8. Financial instruments (continued)

(5) Impairment of financial assets (continued)

**An assessment of a significant increase in credit risk**

By comparing the risk of default of financial instruments on the balance sheet date with the risk of default on the initial recognition date, the Company and its subsidiaries determine the relative change of default risk within the expected duration of financial instruments, so as to evaluate whether the credit risk of financial instruments has significantly increased since the initial recognition.

In determining whether credit risk has increased significantly since the initial recognition, the Company and its subsidiaries consider reasonable and informed information, including forward-looking information that can be obtained without unnecessary additional cost or effort. Information considered by the Company and its subsidiaries includes:

- The debtor fails to pay the principal and interest as due under the contract;
- A material deterioration, if any, of the external or internal credit rating of the financial instrument that has occurred or is expected;
- A serious deterioration of the debtor's business results occurred or is expected;
- A change in the existing or anticipated technological, market, economic or legal environment which will have a material adverse effect on the debtor's ability to repay the Company and its subsidiaries.

According to the nature of financial instruments, the Company and its subsidiaries evaluate whether credit risk increases significantly on the basis of individual financial instruments or a combination of financial instruments. When assessing on the basis of a portfolio of financial instruments, the Company and its subsidiaries may classify financial instruments based on common credit risk characteristics, such as overdue information and credit risk rating.

**A financial asset whose credit has been impaired**

On the balance sheet date, the Company and its subsidiaries evaluate whether credit impairment has occurred in financial assets measured at amortized cost and debt investments measured at fair value and whose changes are included in other comprehensive income. When one or more events which have an adverse effect on the expected future cash flow of a financial asset occur, the financial asset becomes a financial asset with credit impairment. Evidence of credit impairment of financial assets includes the following observable information:

- Major financial difficulties occur to the issuer or the debtor;
- A breach of contract by the debtor, such as a default or late payment of interest or principal;
- The Company and its subsidiaries, for economic or contractual considerations relating to the debtor's financial difficulties, gives concessions that the debtor would not have made under any other circumstances;
- The debtor is likely to go bankrupt or undergo other financial restructuring;
- The financial difficulties of the issuer or debtor result in the disappearance of an active market for the financial asset.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

8. Financial instruments (continued)

(5) Impairment of financial assets (continued)

**Presentation of expected credit loss provisions**

In order to reflect the change of the credit risk of financial instruments since the initial recognition, the Company and its subsidiaries re-measure the expected credit loss on each balance sheet date, and the increase or rollback amount of the loss provision thus formed shall be recorded into the current profit and loss as an impairment loss or profit. For a financial asset measured at amortized cost, the loss provision shall offset the carrying value of the financial asset as stated in the balance sheet; For the debt investment measured at fair value and its changes included in other comprehensive income, the Company and its subsidiaries recognize its loss provision in other comprehensive income and does not deduct the book value of the financial asset.

**Write-offs**

If the Company and its subsidiaries no longer reasonably expect that the contractual cash flow of a financial asset can be recovered in whole or in part, the carrying balance of the financial asset shall be directly written down. Such write-downs constitute termination recognition of the relevant financial assets. This usually occurs when the Company and its subsidiaries determine that the debtor does not have assets or sources of income that generate sufficient cash flow to repay the amount to be written down. However, in accordance with the Company's and its subsidiaries' procedures for recovering amounts due, the financial assets that have been written down may still be affected by the execution activities.

If a financial asset that has been written down is recovered later, it shall be carried back as an impairment loss and recorded in the profit and loss of the current period.

(6) Transfer of financial assets

Transfer of financial assets is the transfer or delivery of financial assets to another party (the transferee) other than the issuer of financial assets.

A financial asset is derecognized if the Company and its subsidiaries transfer substantially all the risks and rewards of ownership of the financial asset to the transferee. A financial asset is not derecognized if the Company and its subsidiaries retain substantially all the risks and rewards of ownership of the financial asset to the transferee.

The Company and its subsidiaries neither transfer nor retain substantially all the risks and rewards of ownership of the financial asset, and the accounting treatment is shown as following: if the Company and its subsidiaries have forgone control over the financial asset, the financial assets is derecognized, and new assets and liabilities are recognized. If the Company and its subsidiaries retain control over the financial asset, the financial asset is recognized to the extent of its continuing involvement in the transferred financial asset, and an associated liability is recognized.

(7) Offset of financial assets and financial liabilities

When the Company and its subsidiaries have the legal right to set off the recognized financial asset and financial liability, and is currently able to enforce such legal right, and the Company and its subsidiaries plan to settle the financial asset on a net basis or simultaneously realize the financial asset and pay off the financial liability, the financial asset and financial liability shall be shown in the balance sheet with the offset amount. Otherwise, financial assets and financial liabilities shall be separately presented in the balance sheet and shall not be set off against each other.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Fair value measurement

*Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction* between market participants at the measurement date.

The Company and its subsidiaries measure related assets or liabilities at fair value assuming the assets or liabilities are exchanged in an orderly transaction in the principal market; in the absence of a principal market, assuming the assets or liabilities are exchanged in an orderly transaction in the most advantageous market. *Principal market (or the most advantageous market) is the market that the Company and its subsidiaries can* normally enter into a transaction on measurement date. The Company and its subsidiaries adopt the presumptions that would be used by market participants in achieving the maximized economic value of the assets or liabilities.

For financial assets or financial liabilities with active markets, the Company and its subsidiaries use the quoted prices in active markets as their fair value. Otherwise, the Company and its subsidiaries use valuation technique to determine their fair value.

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

*The Company and its subsidiaries use valuation techniques that are appropriate in the circumstances and for* which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs, and using unobservable inputs only if the observable inputs aren't available or impractical.

Fair value level for assets and liabilities measured or disclosed at fair value in the financial statements are determined according to the significant lowest level input to the entire measurement: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company and its subsidiaries can access at the measurement date; Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly; Level 3 inputs are unobservable inputs for the assets or liabilities.

At each of the the balance sheet date, the Company and its subsidiaries revalue assets and liabilities being measured at fair value continuously in the financial statements to determine whether to change the levels of fair value measurement.

10. Inventories

(1) Classification

Inventories include raw materials, materials in transit, work in progress, semi-finished goods, goods in transit and finished goods.

(2) Measurement method of cost of inventories

Inventories are initially measured at cost. Raw materials, work in progress, semi-finished goods and finished goods are calculated using weighted average method.

(3) Basis for determining the net realizable value and method for provision for obsolete inventories

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. The net realizable value is measured based on the verified evidences and considerations for the purpose of holding inventories and the effect of post balance sheet events.

Any excess of the cost over the net realizable value of inventories is recognized as a provision for obsolete inventories, and is recognized in profit or loss. The Company and its subsidiaries usually recognize provision for decline in value of inventories by a single inventory item. If the factors caused the value of inventory previously written-down have disappeared, the provision for decline in value of inventories previously made is reversed.

(4) Inventory count system

The Company and its subsidiaries maintain a perpetual inventory system.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries and equity investments in joint ventures and associates. An associate is an enterprise over which the Company and its subsidiaries have significant influence.

(1) Determination of initial investment cost

The initial cost of a long-term equity investment acquired through a business combination involving enterprises under common control is the Company's and its subsidiaries' share of the carrying amount of the subsidiary's equity in the consolidated financial statements of the ultimate controlling party at the combination date. For a long-term equity investment obtained through a business combination not involving enterprises under common control, the initial cost is the combination cost.

A long-term equity investment acquired other than through a business combination: A long-term equity investment acquired other than through a business combination is initially recognized at the amount of cash paid if the Company and its subsidiaries acquire the investment by cash, or at the fair value of the equity securities issued if an investment is acquired by issuing equity securities.

(2) Subsequent measurement and recognition of profit or loss

Long-term equity investments in subsidiaries are accounted for using the cost method. An investment in a joint venture or an associate is accounted for using the equity method for subsequent measurement.

For a long-term equity investment which is accounted for using the cost method, Except for cash dividends or profit distributions declared but not yet distributed that have been included in the price or consideration paid in obtaining the investments, the Company and its subsidiaries recognize share of the cash dividends or profit distributions declared by the investee as investment income for the current period.

For a long-term equity investment which is accounted for using the equity method, where the initial cost of a long-term equity investment exceeds the Company's and its subsidiaries' interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognized at cost. Where the initial investment cost is less than the Company's and its subsidiaries' interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognized at the investor's share of the fair value of the investee's identifiable net assets, and the difference is recognized in profit or loss.

Under the equity method, the Company and its subsidiaries recognize share of the investee's profit or loss and other comprehensive income as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by the amount attributable to the Company and its subsidiaries. Changes in the Company's and its subsidiaries' share of the investee's owners' equity, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution (referred to as "other changes in owners' equity"), is recognized directly in the Company's and its subsidiaries' equity, and the carrying amount of the investment is adjusted accordingly. In calculating its share of the investee's net profits or losses, other comprehensive income and other changes in owners' equity, the Company and its subsidiaries recognize investment income and other comprehensive income after making appropriate adjustments to align the accounting policies or accounting periods with those of the Company and its subsidiaries based on the fair value of the investee's identifiable net assets at the date of acquisition.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Long-term equity investments (continued)

(2) Subsequent measurement and recognition of profit or loss (continued)

When the Company and its subsidiaries become capable of exercising joint control or significant influence (but not control) over an investee due to additional investment or other reasons, the Company and its subsidiaries use the fair value of the previously-held equity investment, together with additional investment cost, as the initial investment cost under the equity method. The difference between the fair value and carrying amount of the previously-held equity investment, and the accumulated changes in fair value included in other comprehensive income, shall be transferred to profit or loss for the current period upon commencement of the equity method.

When the Company and its subsidiaries can no longer exercise joint control of or significant influence over an investee due to partial disposal of the equity investment or other reasons, the remaining equity investment shall be accounting for using Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, and the difference between the fair value and the carrying amount of the remaining equity investment shall be charged to profit or loss for the current period at the date of the loss of joint control or significant influence. Any other comprehensive income previously recognized under the equity method shall be accounted for on the same basis as would have been required if the Company and its subsidiaries had directly disposed of the related assets or liabilities for the current period upon discontinuation of the equity method. Other movement of owner's equity related to original equity investment is transferred to profit or loss for the current period.

When the Company and its subsidiaries can no longer exercise control over an investee due to partial disposal of the equity investment or other reasons, and the remaining equity after disposal can exercise joint control of or significant influence over an investee, the remaining equity is adjusted as using equity method from acquisition. When the remaining equity can no longer exercise joint control of or significant influence over an investee, the remaining equity investment shall be accounted for using Accounting Standard for Business Enterprises No. 22-Recognition and Measurement of Financial Instruments, and the difference between the fair value and the carrying amount of the remaining equity investment shall be charged to profit or loss for the current period at the date of loss of control.

When the Company and its subsidiaries can no longer exercise control over an investee due to new capital injection by other investors, and the Company and its subsidiaries can exercise joint control of or significant influence over an investee, the Company and its subsidiaries recognize share of the investee's new added net assets using new shareholding percentage. The difference between its new share of the investee's new added net assets and its decreased shareholding percentage of the original investment is recognized in profit or loss. And the Company and its subsidiaries adjust to the equity method using the new shareholding percentage as if it uses the equity method since it obtains the investment.

Unrealized profits and losses resulting from transactions between the Company and its subsidiaries and their associates or joint ventures are eliminated to the extent of the Company's and its subsidiaries' interest in the associates or joint ventures. Unrealized losses resulting from transactions between the Company and its subsidiaries and their associates or joint ventures are eliminated in the same way as unrealized gains but only to the extent that there is no impairment.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Long-term equity investments (continued)

(3) *Criteria for determining the existence of joint control or significant influence over an investee*

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. When assessing whether the Company and its subsidiaries can exercise joint control over an investee, the Company and its subsidiaries first consider whether no single participant party is in a position to control the investee's related activities unilaterally, and then consider whether strategic decisions relating to the investee's related activities require the unanimous consent of all participant parties that sharing of control. All the parties, or a group of the parties, control the arrangement collectively when they must act together to direct the relevant activities. When more than one combination of the parties can control an arrangement collectively, joint control does not exist. A party that holds only protective rights does not have joint control of the arrangement.

Significant influence is the power to participate in the financial and operating policy decisions of an investee but does not have control or joint control over those policies. When determining whether the Company and its subsidiaries can exercise significant influence over an investee, the effect of potential voting rights (for example, warrants, share options and convertible bonds) held by the Company and its subsidiaries or other parties that are currently exercisable or convertible shall be considered.

When the Company and its subsidiaries, directly or indirectly through subsidiaries, own 20% of the investee (including 20%) or more but less than 50% of the voting shares, it has significant influence over the investee unless there is clear evidence to show that in this case the Company and its subsidiaries cannot participate in the production and business decisions of the investee, and cannot form a significant influence. When the Company and its subsidiaries own less than 20% of the voting shares, generally it does not have significant influence over the investee, unless there is clear evidence to show that in this case the Company and its subsidiaries can participate in the production and business decisions of the investee so as to form a significant influence.

(4) Method of impairment testing and impairment provision

For investments in subsidiaries, associates and joint ventures, refer to Note III.16 for the Company's and its subsidiaries' method of asset impairment.

12. Fixed assets

(1) Recognition of fixed assets

Fixed assets represent the tangible assets held by the Company and its subsidiaries for use in production of goods, use in supply of services, rental or for administrative purposes with useful lives over one accounting year.

Fixed assets are only recognized when its related economic benefits are likely to flow to the Company and its subsidiaries and the cost can be reliably measured.

Fixed asset are initially measured at cost.

After the initial recognition, fixed assets are subsequently recognized when its related economic benefits are likely to flow to the Company and its subsidiaries and the cost can be reliably measured. The daily repair cost that does not meet the definition of subsequent capitalization of fixed assets shall be recorded into the current profit and loss or the cost of related assets according to the beneficiary when it occurs. For those parts that have been replaced, the recognition of their book value is terminated.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Fixed assets (continued)

(2) Depreciation of fixed assets

The cost of a fixed asset is depreciated using the straight-line method when they reach their intended usable state, unless the fixed asset is classified as held for sale. Without considering impairment provision, the estimated useful lives, residual value rates and depreciation rates of each class of fixed assets are as follows:

| Category of fixed assets | Estimated useful life | Residual Value % | Annual rate of depreciation % |
|---|---|---|---|
| Plant and buildings | 30 years | 5.00-10.00 | 3.00-3.17 |
| Machinery and equipment | 5-10 years | 5.00-10.00 | 9.50-18.00 |
| Mould and checking fixtures | 5-7 years | 5.00-10.00 | 12.86-18.00 |
| Office facilities and others | 3-5 years | 5.00-10.00 | 18.00-31.67 |
| Motor vehicles | 3-10 years | 5.00-10.00 | 9.00-20.00 |

For impaired fixed assets, cumulative amount of impairment provision is deducted in determining the depreciation rate.

(3) For the impairment of the fixed assets, please refer to Note III.16.

(4) Useful lives, estimated residual values and depreciation methods are reviewed at least at each year-end.

The Company and its subsidiaries adjust the useful lives of fixed assets if their expected useful lives are different with the original estimates and are adjusted based on the estimated net residual values if they are different from the original estimates.

(5) Disposal of fixed assets

When a fixed asset is disposed of or cannot be expected to generate economic benefits through use or disposal, the fixed asset shall be terminated for recognition. The gains from the disposal of fixed assets sold, transferred, scrapped or destroyed, shall be recorded in the current profits and losses after deducting their book value and related taxes and fees.

13. Construction in progress

Construction in progress is recognized based on the actual construction cost, including all expenditures incurred for construction Items, capitalized borrowing costs and any other costs directly attributable to bringing the asset to working condition for its intended use.

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

For the impairment of construction in progress, please refer to Note III. 16.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. Intangible assets

Intangible assets include land use rights, software, patent rights, etc.

Intangible assets are stated at actual cost upon acquisition and the useful economic lives are determined at the point of acquisition. When the useful life is finite, amortization method shall reflect the pattern in which the asset's economic benefits are expected to be realized. If the pattern cannot be determined reliably, the straight-line method shall be used. An intangible asset with an indefinite useful life shall not be amortized.

Amortization method for intangible assets with finite useful lives is as follows:

| Categories | Useful life (years) | Amortization methods |
|---|---|---|
| Land use rights | 50 years | Straight-line method |
| Software | 3-10 years | Straight-line method |
| Patent rights | Benefit period | Straight-line method |

The Company and its subsidiaries shall review the useful life and amortization method of an intangible asset with a finite useful life at least at each year end. Changes of useful life and amortization method shall be accounted for as a change in accounting estimate.

An intangible asset shall be derecognized in profit or loss when it is not expected to generate future economic benefits.

For the impairment of intangible assets, please refer to Note III.16.

15. Research and development expenditure

Expenditure on an internal research and development ("R&D") Item is classified into expenditure incurred during the research phase and expenditure incurred during the development phase.

Expenditure during the research phase is expensed when incurred.

Expenditure during the development phase is capitalized if the product or process is technically and commercially feasible; the Company and its subsidiaries intend to complete the development; the intangible asset can generate economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there is usage for the intangible asset; there is sufficient support in terms of technology, financial resources and other resources in order to complete the development and use or sell the intangible asset; and development costs can be measured reliably. Other development expenditure is recognized as an expense in the period in which it is incurred.

Research and development Items of the Company and its subsidiaries will enter into the development phase when they meet the above conditions, technical and economic feasibility research is finished and necessary approval of the Item is obtained.

Capitalized expenditure on the development phase is presented as "development costs" in the balance sheet, and is transferred to intangible assets when the Item is completed to its intended use.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

16. Impairment of assets

The impairment of long-term equity investments in subsidiaries, fixed assets, right-of-use assets, intangible assets, Research and development expenditure, etc. (excluding inventories, deferred tax assets and financial assets) is determined as follows:

At each balance sheet date, the Company and its subsidiaries determine whether there is any indication of impairment. If any indication exists, the recoverable amount of the asset is estimated. In addition, the Company and its subsidiaries estimate the recoverable amounts of goodwill, intangible assets with indefinite useful lives and intangible assets not ready for use at each year-end, irrespective of whether there is any indication of impairment.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its present value of expected future cash flows. The recoverable amount is estimated for each individual asset. If it is not possible to estimate the recoverable amount of each individual asset, the Company and its subsidiaries determine the recoverable amount for the asset group to which the asset belongs. An asset group is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups.

An impairment loss is recognized in profit or loss when the recoverable amount of an asset is less than its carrying amount. A provision for impairment of the asset is recognized accordingly.

Once an impairment loss is recognized, it is not reversed in a subsequent period.

17. Employee benefits

(1) Scope of employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Company and its subsidiaries in exchange for service rendered by employees or for the termination of employment relationship. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits provided to the Company's and its subsidiaries' spouse, children, dependents, family members of deceased employees or other beneficiaries are also part of the employee benefits.

According to liquidity, employee benefits are presented as "employee benefits payable" and "long-term employee benefits payable" on the balance sheet.

(2) Short-term employee benefits

In the current period, the Company and its subsidiaries have accrued for the actual wages, bonuses, medical insurance for employees based on standard rate, work injury insurance and maternity insurance and other social insurance and housing fund incurred and these are recognized as liabilities and corresponding costs in the profit or loss.

(3) Post-employment benefits

Post-employment benefit plan includes defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans under which an enterprise pays fixed contributions into a separate fund and will have no future obligations to pay the contributions. Defined benefit plans are post-employment benefit plans other than defined contribution plans. The Company and its subsidiaries have only defined contribution plan in place.

Defined contribution plans include primary endowment insurance, unemployment insurance, etc.

The Company and its subsidiaries shall recognize, in the accounting period in which an employee provides service, the contribution payable to a defined contribution plan as a liability, with a corresponding charge to the profit or loss for the current period or the cost of a relevant asset.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

17. Employee benefits (continued)

(4) Termination benefits

The Company and its subsidiaries provide for termination benefits to the employees and shall recognize an employee benefits liability for termination benefits, with a corresponding charge to the profit or loss for the current period, at the earlier of the following dates: When the Company and its subsidiaries cannot unilaterally withdraw the offer of the termination benefits because of an employment termination plan or a redundancy proposal; or when the Company and its subsidiaries recognize the costs or expenses relating to a restructuring that involves the payment of the termination benefits.

(5) Other long-term employee benefits

Other long-term employee benefits provided by the Company and its subsidiaries to the employees satisfied the conditions for classifying as a defined contribution plan; those benefits shall be accounted for in accordance with the above requirements relating to defined contribution plan.

18. Provisions

A provision is recognized for an obligation related to a contingency if all the following conditions are satisfied:

(1) The Company and its subsidiaries have a present obligation;

(2) It is probable that an outflow of economic benefits will be required to settle the obligation;

(3) The amount of the obligation can be estimated reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows. The Company and its subsidiaries review the carrying amount of a provision at the balance sheet date and adjusts the carrying amount to the current best estimate.

If all or part of the expenditure necessary for settling the provision is expected to be compensated by a third party, the amount of compensation is separately recognized as an asset when it is basically certain to be received. The recognized compensation amount shall not exceed the carrying amount of the provision.

19. Revenue

(1) General principles

The Company and its subsidiaries have fulfilled its contractual obligation to recognize revenue when the customer acquires control of the relevant goods or services.

If the contract contains two or more performance obligations, the Company and its subsidiaries shall, on the commencement date of the contract, allocate the transaction price to each single performance obligation according to the relative proportion of the individual selling price of the commodity or service committed by each single performance obligation, and measure the income according to the transaction price allocated to each single performance obligation.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

19. Revenue (continued)

(1) General principles (continued)

If one of the following conditions is satisfied, the Company and its subsidiaries shall perform its obligations within a certain period of time; otherwise, it belongs to the performance obligation at a certain point:

① The Client obtains and consumes the economic benefits brought by the Company's and its subsidiaries' performance at the same time of the Company's and its subsidiaries' performance.

② The customer can control the goods under construction during the performance of the Company and its subsidiaries.

③ The commodities produced by the Company and its subsidiaries during the performance of the Contract have irreplaceable purposes, and the Company and its subsidiaries have the right to collect payment for the accumulated part of the performance completed so far during the whole period of the Contract.

For the performance obligations performed within a certain period of time, the Company and its subsidiaries shall recognize the income in accordance with the performance progress within that period. If the performance progress cannot be reasonably determined and the Company and its subsidiaries are expected to be compensated for the costs already incurred, the revenue shall be recognized according to the amount of the costs already incurred until the performance progress can be reasonably determined.

For performance obligations performed at a certain point, the Company and its subsidiaries recognize revenue at the point when the customer acquires control of the relevant goods or services. In determining whether a customer has acquired control of goods or services, the Company and its subsidiaries will take into account the following indications:

① The Company and its subsidiaries have a current right to receive payment for the goods or services, that is, the Customer has a current obligation to pay for the goods.

② The Company and its subsidiaries have transferred the legal ownership of the commodity to the customer, that is, the customer has the legal ownership of the commodity.

③ The Company and its subsidiaries have transferred the goods in kind to the customer, that is, the customer has physical possession of the goods.

④ The Company and its subsidiaries have transferred the main risks and rewards on the ownership of the commodity to the customer, that is, the customer has acquired the main risks and rewards on the ownership of the commodity.

⑤ The customer has accepted the goods or services.

⑥ Other indications that the customer has acquired control of the product.

The Company's and its subsidiaries' right to receive consideration for goods or services transferred to a customer (and this right depends on other factors other than the passage of time) is a contract asset which is subject to impairment on the basis of expected credit losses (see Note III, 8 (5)).The Company's and its subsidiaries' right, unconditional (depending only on the passage of time) to collect consideration from customers is shown as a receivable. The Company's and its subsidiaries' obligation to transfer goods or services to customers for which it has received or receivable consideration is a contractual liability.

The contract assets and contract liabilities under the same contract shall be presented on a net basis. If the net amount is the debit balance, it shall be presented under the item of "Contract Assets" or "Other Non-current Assets" according to its liquidity; if the net amount is a credit balance, it shall be shown under the item "Contract Liabilities" or "Other Non-current Liabilities" according to its liquidity.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

19. Revenue (continued)

(2) Specific methods

The specific methods of the Company's and its subsidiaries' revenue recognition are as follows:

Vehicle and auto parts sales

When the vehicle and auto parts issued and the customer has accepted the goods, and the relevant controls of the goods has been transferred to the customer, the Company and its subsidiaries recognized the relevant revenue accordingly..

For sales of vehicles and auto parts with sales return terms, revenue recognition is limited to the amount of the total recognized revenue that is unlikely to be materially reversed. The Company and its subsidiaries recognize the liabilities at the expected amount of the refunds and at the book value at the time of the transfer of the goods, the balance is recognized as an asset after recovery of the expected cost of the commodity, including the impairment of the value of the returned goods.

Three guarantees service without the statutory warranty period, life-long free data flow service and life-long free road-side service

The Company and its subsidiaries recognize revenue in the course of providing services. If the contract contains two or more performance obligations, the Company and its subsidiaries shall allocate the transaction price among the services in proportion to the respective selling prices of the individual services at the commencement of the contract. The price of each service is based on the price of each service sold separately by the Company and its subsidiaries.

20. Contract costs

Contract costs include incremental costs incurred to obtain the contract and contract performance costs.

Incremental costs incurred to obtain a contract are costs (such as sales commissions, etc.) that the Company and its subsidiaries would not have incurred without the contract. If the cost is expected to be recovered, the Company and its subsidiaries will recognize it as an asset as the contract acquisition cost. Other expenses incurred by the Company and its subsidiaries for the acquisition of contracts, other than the incremental costs expected to be recovered, are recorded into the profit and loss of the current period when incurred.

If the cost incurred for the performance of the contract does not fall within the scope of accounting standards for inventories and other enterprises and meets the following conditions at the same time, the Company and its subsidiaries will recognize it as an asset as the contract performance cost:

① The costs are directly related to a current or prospective contract and include direct labor, direct materials, overhead (or similar), costs that are expressly borne by the customer and other costs incurred solely in connection with the contract;

② This cost increases the Company's and its subsidiaries' future resources for fulfilling its performance obligations;

③ The cost is expected to be recovered.

Assets with contract acquisition cost recognition and assets with contract performance cost recognition (hereinafter referred to as "assets related to contract cost") shall be amortized on the same basis as income recognition of goods or services related to such assets. If the amortization period does not exceed one year, it will be recorded in the current profit and loss at the time of occurrence.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

20. Contract costs (continued)

When the book value of the assets related to the contract cost is higher than the difference between the following two items, the Company and its subsidiaries shall make provision for impairment of the excess part and recognize it as impairment loss of the assets:

① the remaining consideration that the Company and its subsidiaries is expected to obtain as a result of the transfer of the goods or services related to the asset;

② Estimate the costs to be incurred for the transfer of the relevant goods or services.

The contract performance cost recognized as an asset shall be shown in the "Inventory" item with an amortization period of no more than one year or one normal operating cycle at the time of initial recognition, while the amortization period exceeding one year or one normal operating cycle at the time of initial recognition shall be shown in the item of "Other Non-current Assets".

The contract acquisition cost recognized as an asset shall be shown in the item of "Other Current Assets" with an amortization period of less than one year or one normal operating cycle at the time of initial recognition, and shall be shown in the item of "Other Non-current Assets" with an amortization period of more than one year or one normal operating cycle at the time of initial recognition.

21. Government grants

A government grant is recognized when there is reasonable assurance that the grant will be received and that the Company and its subsidiaries will comply with the conditions attaching to the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value. If fair value cannot be reliably determined, it is measured at a nominal amount of RMB 1.

Government grants related to assets are grants whose primary condition is that the Company and its subsidiaries qualifying for them should purchase, construct or otherwise acquire long-term assets. Government grants related to income are grants other than those related to assets.

For government grants with unspecified purpose, the amount of grants used to form a long-term asset is regarded as government grants related to an asset, the remaining amount of grants is regarded as government grants related to income. If it is not possible to distinguish, the amount of grants is treated as government grants related to income.

A government grant related to an asset is recognized as deferred income and amortized to profit or loss over the useful life of the related asset on a reasonable and systematic manner. A grant that compensates the Company and its subsidiaries for expenses or losses already incurred is recognized in profit or loss. A grant that compensates the Company and its subsidiaries for expenses or losses to be incurred in the future is recognized as deferred income, and included in profit or loss in the periods in which the expenses or losses are recognized. The Company and its subsidiaries apply a consistent approach to same or similar government grant transactions.

A grant related to ordinary activities is recognized as other income or offset against related expenses based on the economic substance. A grant not related to ordinary activities is recognized as non-operating income.

When a recognized government grant is reversed, if there is balance of relevant deferred income, it is offset against the carrying amount of relevant deferred income. Any excess of the reversal to the carrying amount of deferred income is recognized in profit or loss for the current period. For other circumstances, reversal is directly recognized in profit or loss for the current period.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

22. Deferred tax assets and deferred tax liabilities

Income tax comprises of current tax and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to transactions or items recognized directly in equity and goodwill arising from a business combination.

Deferred tax assets and deferred tax liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

All the taxable temporary differences are recognized as deferred tax liabilities except for those incurred in the following transactions:

(1) Initial recognition of goodwill, or assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit (or deductible loss);

(2) Taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, and the Company and its subsidiaries are able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Company and its subsidiaries recognize a deferred tax asset for deductible temporary differences, deductible losses and tax credits carried forward to subsequent periods, to the extent that it is probable that future taxable profits will be available against which deductible temporary differences, deductible losses and tax credits can be utilized, except for those incurred in the following transactions:

(1) A transaction that is not a business combination and that affects neither accounting profit nor taxable profit (or deductible loss);

(2) Deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, the corresponding deferred tax asset is recognized when both of the following conditions are satisfied: it is probable that the temporary difference will reverse in the foreseeable future; and it is probable that taxable profits will be available in the future against which the temporary difference can be utilized.

At the balance sheet date, deferred tax is measured based on the tax consequences that would follow from the expected manner of recovery or settlement of the carrying amount of the assets and liabilities, using tax rates enacted at the reporting date that are expected to be applied in the period when the asset is recovered or the liability is settled.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date, and is reduced to the extent that it is no longer probable that the related tax benefits will be utilized. Such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

23. Leases

(1) Identification of leases

On the commencement date of the contract, the Company and its subsidiaries, as lessee or lessor, assesses whether the customer under the contract is entitled to receive almost all the economic benefits arising from the use of the identified assets during the use period and to direct the use of the identified assets during the use period. The Company and its subsidiaries consider the contract to be a lease or an inclusive lease if one of the parties to the contract relinquishes control over the use of one or more identified assets for a certain period of time in exchange for consideration.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Leases (continued)

(2) The Company and its subsidiaries act as the lessee

On the commencement date of the lease, the Company and its subsidiaries recognize the Right-of-use assets and lease liabilities for all leases, except for simplified short-term leases and leases of low value assets.

For the accounting policy of the Right-of-use assets, see Note III.24.

Lease liabilities are initially measured at the present value of the outstanding lease payments at the commencement date of the lease at the embedded interest rate or incremental borrowing rate on the lease. The rental payment amount includes: fixed payment amount and substantial fixed payment amount. If there is lease incentive amount, the relevant amount of lease incentive amount will be deducted. Variable lease payments depending on an index or ratio; The exercise price of the Option provided that the Lessee is reasonably certain that the Option will be exercised; The amount to be paid to exercise the option to terminate the lease if the lease term reflects that the lessee will exercise the option to terminate the lease; And the amount expected to be payable based on the residual value of the security provided by the Lessee. The interest expense of the lease liability in each period of the lease term shall be calculated in accordance with the fixed periodic interest rate and recorded into the profit and loss of the current period. The variable lease payment not included in the measurement of lease liabilities shall be recorded into the current profit and loss when actually incurred.

**Short term lease**

Short-term tenancy is a tenancy for a period of not more than 12 months at the commencement date of the tenancy, except for tenancies that include a purchase option.

The Company and its subsidiaries will record the lease payment amount of short-term lease into the cost of relevant assets or current profit and loss in each period of the lease term according to the straight-line method.

**Low value asset leasing**

Leasing of low-value assets refers to the leasing of a single leased asset whose value is less than RMB 40,000 when it is a brand-new asset.

The Company and its subsidiaries will include the lease payment of the low-value asset lease into the cost of the relevant asset or current profit and loss in each period of the lease term according to the straight-line method.

For low-value asset leases, the Company and its subsidiaries choose to adopt the above simplified treatment method according to the specific situation of each lease.

(3) The Company and its subsidiaries act as the lessor

When the Company and its subsidiaries act as the lessee, the leases that substantially transfer all the risks and rewards related to the ownership of the assets are recognized as financial leases, and other leases other than financial leases are recognized as operating leases.

**Operating lease**

For the rent in the operating lease, the Company and its subsidiaries shall recognize the profits and losses of the current period in accordance with the straight-line method during each period of the lease term. The initial direct expenses incurred in connection with the operating lease shall be capitalized, allocated on the same basis as the recognition of rental income during the lease term and recorded into the current profit and loss in installments. The variable lease payments obtained in connection with the operating lease and not included in the lease receipts shall be recorded into the current profit and loss when actually incurred.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Right-of-use assets (continued)

(1) Conditions for the confirmation of the right-of-use assets

Right-of-use assets refer to the Company's and its subsidiaries' right to use the leased assets during the lease term as the lessee.

On the beginning date of the lease period, the right-of-use assets shall be initially measured at cost. The cost includes: the initial measurement amount of the lease liability; For the amount of lease payment paid on or before the commencement date of the lease term, if there is a lease incentive, the relevant amount of lease incentive already enjoyed will be deducted; Initial direct expenses incurred by the Company and its subsidiaries as the lessee; The costs which the Company and its subsidiaries, as the lessee, expects to incur in dismantling and removing the Leased Assets, restoring the premises on which the Leased Assets are located or restoring the Leased Assets to the state agreed in the Lease Terms. The Company and its subsidiaries, as the lessee, shall confirm and measure the costs of demolition and restoration in accordance with the Accounting Standards for Business Enterprises No. 13 - Contingencies. Subsequent adjustments are made for any re-measurement of lease liabilities.

(2) Depreciation method of the right-of-use assets

The Company and its subsidiaries use the straight line method of depreciation. Where the Company and its subsidiaries, as the lessee, can reasonably determine that it obtains the ownership of the leased assets upon expiration of the lease term, depreciation shall be accrued over the remaining service life of the leased assets. Where it is impossible to reasonably determine that the ownership of the leased asset can be acquired at the expiration of the lease term, depreciation shall be accrued in the shorter period between the lease term and the remaining useful life of the leased asset.

(3) See Note III.16 for the impairment test method of the right-of-use assets and the provision for impairment.

25. Significant accounting judgments and estimates

The Company and its subsidiaries conduct an ongoing evaluation of the significant accounting estimates and key assumptions used in the light of historical experience and other factors, including reasonable expectations of future events. Important accounting estimates and key assumptions that are likely to result in the risk of a material adjustment in the carrying value of assets and liabilities during the next fiscal year are set out below:

Classification of financial assets

The Company's and its subsidiaries' major judgments in determining the classification of financial assets include the analysis of business models and contractual cash flow characteristics.

The Company and its subsidiaries determine the business model for the management of financial assets at the level of its financial portfolio, taking into account factors such as the way in which the performance of financial assets is evaluated and reported to key managers, the risks affecting the performance of financial assets and their management methods, and the way in which managers of related businesses are remunerated.

When evaluating whether the contractual cash flow of financial assets is consistent with the basic lending arrangement, the Company and its subsidiaries have the following main judgments: whether the time distribution or amount of the principal in the duration period may change due to reasons such as prepayment; Does interest include only the time value of money, credit risk, other fundamental borrowing risks, and consideration for costs and profits? For example, does the prepayment amount only reflect the outstanding principal and interest based on the outstanding principal and reasonable compensation for early termination of the contract?

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

25. Significant accounting judgments and estimates (continued)

Measurement of expected credit losses in accounts receivable

The Company and its subsidiaries calculate the expected credit loss of accounts receivable through the default risk exposure of accounts receivable and the expected credit loss rate, and determines the expected credit loss rate based on the default probability and the default loss rate. In determining the expected credit loss rate, the Company and its subsidiaries use data such as internal historical credit loss experience, and adjusts the historical data in combination with the current situation and forward-looking information. When considering forward-looking information, the indicators used by the Company and its subsidiaries include the risk of an economic downturn, changes in the external market environment, the technological environment and customer conditions. The Company and its subsidiaries regularly monitor and review assumptions relating to the calculation of expected credit losses.

The development of spending

In determining the amount to be capitalized, management must make assumptions about the expected future cash generation of the asset, the discount rate to be used, and the expected period of benefit.

Deferred tax assets

Deferred tax assets should be recognized for all unutilized tax losses to the extent that there is likely to be sufficient taxable profit to offset the loss. This requires management to use a great deal of judgment to estimate when and how much future taxable profits will occur, in combination with tax planning strategies, to determine the amount of deferred tax assets that should be recognized.

26. Changes in significant accounting policies and accounting estimates

(1) *Significant changes in accounting policies*

① Interpretation of Accounting Standards for Business Enterprises No. 15

The Company and its subsidiaries have implemented the provisions of Interpretation No. 15 concerning the accounting treatment of the external sale of products or by-products before the fixed assets reaching the pre-intended usable state or during the research and development process since 1 January 2022 and made retrospective adjustments.

Interpretation No. 15 states that the "Unavoidable cost of performing contractual obligations" in a loss-making contract should reflect the minimum net cost of exiting the contract, which is the lower of the cost of performing the contract and the compensation or penalty for failure to perform the contract. The cost of performing the contract includes the incremental cost of performing the contract and the apportionment amount of other costs directly related to the performance of the contract. The incremental costs of performing the contract include direct labor, direct materials, and other costs directly related to performing the contract, include the depreciation of assets of performing the contract.

The Company and its subsidiaries have implemented the provisions of interpretation No. 15, "Judgment on loss-making contracts" since 1 January 2022.

The adoption of interpretation No. 15 has not had a material impact on the Company's and its subsidiaries' financial position, operating results and related party disclosure.

② During this period, the Company and its subsidiaries have no other significant changes in accounting policies.

(2) Significant changes in accounting estimates

During this period, the Company and its subsidiaries have no other significant changes in accounting estimates.

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## IV. TAXATION

1. Main types of taxes and corresponding tax rates

| Tax type | Tax basis | Tax rate% |
|---|---|---|
| Value added tax (VAT) | Taxable income (The taxable income shall be calculated by multiplying the taxable sales by the applicable tax rate and deduct the input tax allowed to be deducted in the current period.) | 6.00, 13.00, 19.00, 20.00, 21.00, 22.00, 25.00 |
| City maintenance and construction tax | The amount of turnover tax actually paid | 5.00, 7.00 |
| Corporate income tax | Taxable profits | 15.00, 25.00, 16.50, 20.60, 24.00, 26.50, 30.00 |

The sub-subsidiaries LYNK&CO International AB and LYNK & CO Sales Sweden AB are subject to VAT of 25.00% of taxable income in accordance with the relevant laws of the countries where they are located.

The sub-subsidiary LYNK & CO Sales Italy S.R.L. is subject to VAT of 22.00% of taxable income in accordance with the relevant laws of the country where it is located.

The sub-subsidiaries LYNK & CO Sales Belgium BV, LYNK & CO Sales Netherlands BV and LYNK & Co Sales Spain S.L are subject to VAT of 21.00% of taxable income in accordance with the relevant laws of the countries where they are located.

The sub-subsidiary LYNK & CO Sales France SAS is subject to VAT of 20.00% of taxable income in accordance with the relevant laws of the country where it is located.

The sub-subsidiary LYNK & CO Sales Germany GmbH is subject to VAT of 19.00% of taxable income in accordance with the relevant laws of the country where it is located.

2. Tax incentives and approval documents

The subsidiary Kaiyue Auto Parts Manufacturing (Zhangjiakou) Co., Ltd. obtained the High-tech Enterprise Certificate with certificate code of GR202113001506 (validity: 3 years), which was approved by the Science and Technology Agency of Hebei Province, the Department of Finance of Hebei province and the State Taxation Administration Tax Bureau of Hebei province on October 27,2021. In this period, it is subject to the corporate income tax rate of 15.00% for "High-tech enterprises".

The subsidiary Yuyao LYNK & CO Auto Parts Co., Ltd. obtained the High-tech Enterprise Certificate with certificate code of GR202133101062 (validity: 3 years), which was approved by the Science and Technology Agency of Ningbo, the Department of Finance of Ningbo and the State Taxation Administration Tax Bureau of Ningbo on December 10 2021. In this period, it is subject to the corporate income tax rate of 15.00% for "High-tech enterprises".

The subsidiary Chengdu LYNK & CO Automobile Co., Ltd. will be subject to the income tax rate of 15.00% from 1 January, 2021 to 31 December 2030, according to the "Notice announced by Ministry of Finance, the State Taxation Administration and National Development and Reform Commission about the extension of the western development enterprise income tax policy" (Ministry of Finance Notice 2020 No. 23).

The subsidiary Sichuan LYNK & CO Automobile Manufacturing Co., Ltd. will be subject to the income tax rate of 15.00% from 1 January, 2021 to 31 December 2030, according to the "Notice announced by Ministry of Finance, the State Taxation Administration and National Development and Reform Commission about the extension of the western development enterprise income tax policy" (Ministry of Finance Notice 2020 No. 23).

Other domestic entities are subject to the income tax rate of 25%.

The subsidiary LYNK & CO Hong Kong International Co., Ltd. is subject to the income tax rate of 16.50% in accordance with the relevant laws of the region where it is located.

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## IV. TAXATION (CONTINUED)

The sub-subsidiaries LYNK & CO Europe AB, LYNK&CO International AB and LYNK & CO Sales Sweden AB are subject to the income tax rate of 20.60% in accordance with the relevant laws of the countries where they are located.

The sub-subsidiaries LYNK & CO Sales Belgium BV, LYNK & CO Sales Netherlands BV, LYNK & Co Customer Engagement Operation B.V., and LYNK & Co Sales Spain S.L are subject to the income tax rate of 25.00% in accordance with the relevant laws of the countries where they are located.

The sub-subsidiary LYNK & CO Sales France SAS is subject to the income tax rate of 26.50% in accordance with the relevant laws of the country where it is located.

The sub-subsidiary LYNK & CO Sales Italy S.R.L. is subject to the income tax rate of 24.00% in accordance with the relevant laws of the country where it is located.

The sub-subsidiary LYNK & CO Sales Germany GmbH is subject to the income tax rate of 30.00% in accordance with the relevant laws of the country where it is located.

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash at bank and in hand

| Item | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Deposits with banks | 2,221,242,307.92 | 1,650,522,961.93 |
| Other monetary funds | 672,799,337.95 | 60,208,944.76 |
| **Total** | **2,894,041,645.87** | **1,710,731,906.69** |

The restricted monetary funds are as follows:

| Item | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Other monetary funds-other deposits | 669,762,488.54 | 50,745,875.38 |
| Other monetary funds-deposit on acceptance bill | 4,827.95 | 4,813.90 |
| **Total** | **669,767,316.49** | **50,750,689.28** |

Note: ① Restricted monetary funds-other deposits, of which RMB 640,000,000.00 is the deposit of the Company's loan pledged to the bank. RMB 29,762,488.54 is a bank deposit for clearing transitional account issued by the Company's subsidiary, LYNK & CO Automobile Sales Co., Ltd. RMB 4,827.95 is a bank deposit on acceptance bill issued by the Company's subsidiary, LYNK & CO Automobile Sales Co., Ltd..

② At the end of year 2022, the Company and its subsidiaries have no balance of cash or other monetary funds that are restricted because being pledged as security, guaranteed or blocked frozen or overseas balances that have restriction on remittance back to the home country.

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Accounts receivable

(1) Disclosure by Ageing

| Ageing | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Within 1 year | 1,078,396,298.87 | 376,343,368.53 |
| 1 to 2 years | 162,809.83 | 146,400.00 |
| **Subtotal** | **1,078,559,108.70** | **376,489,768.53** |
| Less: bad debt provision | 10,184,429.78 | 3,032,490.81 |
| **Total** | **1,068,374,678.92** | **373,457,277.72** |

(2) Classified by bad debt provision method

| Type | 2022.12.31 | | | | |
|---|---|---|---|---|---|
| | Book balance | | Bad debt provision | | Book value |
| | Amount | Percentage% | Amount | Expected credit loss rate (%) | |
| Bad debt provisions made on an individual basis | 656,106.42 | 0.06 | 656,106.42 | 100.00 | -- |
| Bad debt provisions made on a combination basis | 1,077,903,002.28 | 99.94 | 9,528,323.36 | | 1,068,374,678.92 |
| Including: | | | | | |
| Amounts due from related parties under common control | 91,023,064.08 | 8.44 | -- | -- | 91,023,064.08 |
| Amounts due from others | 986,879,938.20 | 91.56 | 9,528,323.36 | 0.97 | 977,351,614.84 |
| **Total** | **1,078,559,108.70** | **100.00** | **10,184,429.78** | | **1,068,374,678.92** |

| Type | 2021.12.31 | | | | |
|---|---|---|---|---|---|
| | Book balance | | Bad debt provision | | Book value |
| | Amount | Percentage% | Amount | Expected credit loss rate (%) | |
| Bad debt provisions made on an individual basis | -- | -- | -- | -- | -- |
| Bad debt provisions made on a combination basis | 376,489,768.53 | 100.00 | 3,032,490.81 | | 373,457,277.72 |
| Including: | | | | | |
| Amounts due from related parties under common control | 23,881,246.72 | 6.34 | -- | -- | 23,881,246.72 |
| Amounts due from others | 352,608,521.81 | 93.66 | 3,032,490.81 | 0.86 | 349,576,031.00 |
| **Total** | **376,489,768.53** | **100.00** | **3,032,490.81** | | **373,457,277.72** |

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Accounts receivable (continued)

(2) Classified by bad debt provision method (continued)

Bad debt provisions made on an individual basis:

| Item | 2022.12.31 Book balance | Bad debt provision | Expected credit loss rate (%) | Reason |
|---|---|---|---|---|
| Lianlian Pay Electronic Payment Co., Ltd. | 627,641.26 | 627,641.26 | 100.00 | The recoverable amount is less than book value. |
| Lear Automotive Electronics & Electrical Products (Shanghai) Co., Ltd. | 28,465.16 | 28,465.16 | 100.00 | The recoverable amount is less than book value. |
| **Total** | **656,106.42** | **656,106.42** | | |

Bad debt provisions made on a combination basis:

Combined provision item: Amounts due from related parties under common control

| | 2022.12.31 Accounts receivable | Bad debt provision | Expected credit loss rate (%) |
|---|---|---|---|
| Within 1 year | 91,023,064.08 | -- | -- |

Combined provision item: Amounts due from related parties under common control (continued)

| | 2021.12.31 Accounts receivable | Bad debt provision | Expected credit loss rate (%) |
|---|---|---|---|
| Within 1 year | 23,881,246.72 | -- | -- |

Combined provision item: Amounts due from others

| | 2022.12.31 Accounts receivable | Bad debt provision | Expected credit loss rate (%) |
|---|---|---|---|
| Within 1 year | 986,717,128.37 | 9,528,323.36 | 0.97 |
| 1 to 2 years | 162,809.83 | -- | -- |
| **Total** | **986,879,938.20** | **9,528,323.36** | |

| | 2021.12.31 Accounts receivable | Bad debt provision | Expected credit loss rate (%) |
|---|---|---|---|
| Within 1 year | 352,462,121.81 | 3,032,490.81 | 0.86 |
| 1 to 2 years | 146,400.00 | -- | -- |
| **Total** | **352,608,521.81** | **3,032,490.81** | |

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Accounts receivable (continued)

(3) Additions, recoveries or reversals of provision for the current period

| | Bad debt provision |
|---|---|
| 2022.01.01 | 3,032,490.81 |
| Additions | 10,184,429.78 |
| Recoveries or reversals | 236,176.50 |
| Others | -- |
| Written-off | 2,796,314.31 |
| **2022.12.31** | **10,184,429.78** |

3. Receivables Financing

(1) Classification of receivables financing

| Item | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Banker's acceptance | 2,383,919,905.24 | 4,998,256,366.94 |
| Minus: other comprehensive income - changes in fair value | 24,203,908.32 | 52,587,011.02 |
| **Total** | **2,359,715,996.92** | **4,945,669,355.92** |

Note: The Company and its subsidiaries consider that the credit rating of the banker's acceptance acquired is high and there is no significant credit risk, so the Company and its subsidiaries do not take impairment loss provision.

(2) Endorsed or discounted note receivable which have not yet matured

| Item | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Banker's acceptance | | |
| -Amount terminated at the end of the period (Note) | 15,747,603,827.12 | 24,662,689,623.73 |
| - Amount not terminated at the end of the period | 14,342,390.84 | 46,993,592.49 |
| **Total** | **15,761,946,217.96** | **24,709,683,216.22** |

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Prepayments

| Ageing | 2022.12.31 | | 2021.12.31 | |
|---|---|---|---|---|
| | Amount | Percentage% | Amount | Percentage% |
| Within 1 year | 452,296,710.67 | 99.65 | 308,320,707.68 | 99.27 |
| 1 to 2 years | 1,443,904.78 | 0.32 | 1,959,853.59 | 0.63 |
| 2 to 3 years | 160,392.45 | 0.03 | 304,526.00 | 0.10 |
| **Total** | **453,901,007.90** | **100.00** | **310,585,087.27** | **100.00** |

Note: At the end of the period, the Company and its subsidiaries do not have significant prepayments with ageing over 1 year.

5. Other receivables

| Item | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Interest receivable | -- | -- |
| Dividend receivable | -- | -- |
| Other receivables | 1,027,537,600.09 | 617,474,224.37 |
| **Total** | **1,027,537,600.09** | **617,474,224.37** |

Other receivables

① Disclosure by aging

| Aging | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Within 1 year | 998,557,309.99 | 564,115,675.96 |
| 1 to 2 years | 6,999,421.61 | 21,875,303.66 |
| 2 to 3 years | 17,547,737.25 | 24,894,488.55 |
| More than 3 years | 20,157,297.18 | 6,588,756.20 |
| Subtotal | 1,043,261,766.03 | 617,474,224.37 |
| Less: Bad Debt Provision | 15,724,165.94 | -- |
| **Total** | **1,027,537,600.09** | **617,474,224.37** |

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (continued)

Other receivables (continued)

② Disclosure by Nature

| Item | 2022.12.31 | | | 2021.12.31 | | |
|---|---|---|---|---|---|---|
| | Book balance | Bad debt provision | Book value | Book balance | Bad debt provision | Book value |
| Export tax refund | 426,550,090.08 | -- | 426,550,090.08 | 264,144,059.02 | -- | 264,144,059.02 |
| Service fee | 212,367,928.75 | -- | 212,367,928.75 | 86,449,946.46 | -- | 86,449,946.46 |
| Subsidy | 97,111,459.54 | -- | 97,111,459.54 | 39,960,140.00 | -- | 39,960,140.00 |
| Royalty | 93,000,000.00 | -- | 93,000,000.00 | -- | -- | -- |
| Labor cost | 16,616,312.75 | -- | 16,616,312.75 | -- | -- | -- |
| Deposit | 15,824,765.61 | -- | 15,824,765.61 | 27,588,850.97 | -- | 27,588,850.97 |
| Supplier access fee | 15,271,000.00 | 15,271,000.00 | -- | 15,301,000.00 | -- | 15,301,000.00 |
| Claims of three guarantees | 7,707,491.41 | -- | 7,707,491.41 | 50,101,600.79 | -- | 50,101,600.79 |
| Scrap | 1,874,999.29 | -- | 1,874,999.29 | 4,704,620.26 | -- | 4,704,620.26 |
| Related party transaction | -- | -- | -- | 25,203,067.09 | -- | 25,203,067.09 |
| Others | 156,937,718.60 | 453,165.94 | 156,484,552.66 | 104,020,939.78 | -- | 104,020,939.78 |
| **Total** | **1,043,261,766.03** | **15,724,165.94** | **1,027,537,600.09** | **617,474,224.37** | **--** | **617,474,224.37** |

③ Bad Debt Provision

As at 31 December 2022, bad debt provision at the first stage is as follows:

| Item | Book balance | Expected credit loss rate over the next 12 months (%) | Bad debt provision | Book value |
|---|---|---|---|---|
| Bad debt provisions made on an individual basis | -- | -- | -- | -- |
| Bad debt provisions made on a combination basis | 1,027,537,600.09 | | | 1,027,537,600.09 |
| Amounts due from related parties under common control | 345,801,143.53 | -- | -- | 345,801,143.53 |
| Amounts due from deposit | 15,824,765.61 | -- | -- | 15,824,765.61 |
| Amounts due from others | 665,911,690.95 | -- | -- | 665,911,690.95 |
| **Total** | **1,027,537,600.09** | | **--** | **1,027,537,600.09** |

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (continued)

Other receivables (continued)

③ Bad Debt Provision (continued)

As at 31 December 2022, the Company and its subsidiaries had no other receivables in the second stage.

As at 31 December 2022, bad debt provision at the third stage is as follows:

| Item | Book balance | Expected credit loss rate over the entire duration (%) | Bad debt provision | Book value |
|---|---|---|---|---|
| Bad debt provisions made on an individual basis | 15,724,165.94 | 100.00 | 15,724,165.94 | -- |
| Including: | | | | |
| UPUN Electric (Pinghu) Group Co., Ltd. | 5,300,000.00 | 100.00 | 5,300,000.00 | -- |
| Hitachi Astemo Brake Systems (Suzhou) Ltd. | 3,180,000.00 | 100.00 | 3,180,000.00 | -- |
| Yirunbang Technologies (Hebei) Co., Ltd | 2,438,000.00 | 100.00 | 2,438,000.00 | -- |
| Chengdu Shuangsheng Auto Parts Co., Ltd. | 1,166,000.00 | 100.00 | 1,166,000.00 | -- |
| Beijing Tenglong Tianyuan Aate Ruber and Plastic Co.,Ltd. | 1,060,000.00 | 100.00 | 1,060,000.00 | -- |
| Vibracoustic (Wuxi) Shock Absorber Co., Ltd. | 1,060,000.00 | 100.00 | 1,060,000.00 | -- |
| Shandong Meichen Industry Group Co., Ltd. | 1,007,000.00 | 100.00 | 1,007,000.00 | -- |
| Other suppliers/customers | 513,165.94 | 100.00 | 513,165.94 | -- |
| **Total** | **15,724,165.94** | | **15,724,165.94** | **--** |

As at 31 December 2021, bad debt provision at the first stage is as follows:

| Item | Book balance | Expected credit loss rate over the next 12 months (%) | Bad debt provision | Book value |
|---|---|---|---|---|
| Bad debt provisions made on an individual basis | -- | -- | -- | -- |
| Bad debt provisions made on a combination basis | 617,474,224.37 | | -- | 617,474,224.37 |
| Amounts due from related parties under common control | 169,864,755.86 | -- | -- | 169,864,755.86 |
| Amounts due from deposit | 27,588,850.97 | -- | -- | 27,588,850.97 |
| Amounts due from others | 420,020,617.54 | -- | -- | 420,020,617.54 |
| **Total** | **617,474,224.37** | | **--** | **617,474,224.37** |

As at 31 December 2021, the Company and its subsidiaries had no other receivables in the second and third stage.

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (continued)

Other receivables (continued)

④ Bad debt provisions in the current period

| | Bad debt provision |
|---|---|
| 2022.01.01 | -- |
| Additions | 15,724,165.94 |
| Recoveries or reversals | -- |
| Others | -- |
| Written-off | -- |
| **2022.12.31** | **15,724,165.94** |

6. Inventory

(1) *Inventory classification*

| Item | 2022.12.31 | | | 2021.12.31 | | |
|---|---|---|---|---|---|---|
| | Book balance | Provision for price decline | The book value | Book balance | Provision for price decline | The book value |
| Raw materials | 730,466,946.75 | -- | 730,466,946.75 | 545,700,650.46 | -- | 545,700,650.46 |
| In the product | 55,394,373.04 | -- | 55,394,373.04 | 75,710,581.74 | -- | 75,710,581.74 |
| Finished goods | 7,885,867,935.95 | 18,728.00 | 7,885,849,207.95 | 2,509,096,599.45 | -- | 2,509,096,599.45 |
| Materials in transit | 1,814,320.00 | -- | 1,814,320.00 | 28,030,930.44 | -- | 28,030,930.44 |
| Goods in transit | -- | -- | -- | 573,973.97 | -- | 573,973.97 |
| **Total** | **8,673,543,575.74** | **18,728.00** | **8,673,524,847.74** | **3,159,112,736.06** | **--** | **3,159,112,736.06** |

(2) Provision for inventories

| Item | 2022.01.01 | Additions during the year | | Decrease during the year | | 2022.12.31 |
|---|---|---|---|---|---|---|
| | | Provision | Others | Reversal or resell | Others | |
| Finished goods | -- | 18,728.00 | -- | -- | -- | 18,728.00 |

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other current assets

| Item | 2022.12.31 | 2021.12.31 |
|---|---|---|
| VAT recoverables | 202,050,915.10 | 229,759,819.03 |
| Advance income tax | 83,564,085.31 | 32,022,038.24 |
| Other | 8,560,028.82 | 62,931.76 |
| **Total** | **294,175,029.23** | **261,844,789.03** |

8. Fixed assets

| Item | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Fixed assets | 8,310,235,444.54 | 8,968,292,268.55 |
| Fixed assets to be disposed of | 11,150.30 | 3,607.79 |
| **Total** | **8,310,246,594.84** | **8,968,295,876.34** |

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Fixed assets (continued)

(1) Fixed assets

| Item | 2022.01.01 | Additions during the year | Decrease during the year | 2022.12.31 |
|---|---|---|---|---|
| **I. Cost** | **10,723,479,212.24** | **280,719,817.07** | **57,245,243.53** | **10,946,953,785.78** |
| Plant and buildings | 3,351,126,917.09 | 29,415,750.09 | 14,104,980.41 | 3,366,437,686.77 |
| Machinery and equipment | 5,910,272,466.96 | 81,858,296.03 | 35,353,418.33 | 5,956,777,344.66 |
| Mould and checking fixtures | 1,124,575,610.30 | 45,309,339.42 | -- | 1,169,884,949.72 |
| Office facilities and others | 251,791,018.27 | 106,056,928.49 | 3,262,021.49 | 354,585,925.27 |
| Motor vehicles | 85,713,199.62 | 18,079,503.04 | 4,524,823.30 | 99,267,879.36 |
| **II. Accumulated depreciation** | **1,755,186,943.69** | **898,386,732.16** | **16,855,334.61** | **2,636,718,341.24** |
| Plant and buildings | 231,304,200.00 | 104,617,266.48 | 982,779.42 | 334,938,687.06 |
| Machinery and equipment | 1,156,890,057.87 | 571,081,393.74 | 13,395,274.45 | 1,714,576,177.16 |
| Mould and checking fixtures | 280,240,483.75 | 167,724,108.66 | -- | 447,964,592.41 |
| Office facilities and others | 69,861,538.85 | 44,887,634.32 | 1,655,130.40 | 113,094,042.77 |
| Motor vehicles | 16,890,663.22 | 10,076,328.96 | 822,150.34 | 26,144,841.84 |
| **III.Net Book Value** | **8,968,292,268.55** | | | **8,310,235,444.54** |
| Plant and buildings | 3,119,822,717.09 | | | 3,031,498,999.71 |
| Machinery and equipment | 4,753,382,409.09 | | | 4,242,201,167.50 |
| Mould and checking fixtures | 844,335,126.55 | | | 721,920,357.31 |
| Office facilities and others | 181,929,479.42 | | | 241,491,882.50 |
| Motor vehicles | 68,822,536.40 | | | 73,123,037.52 |
| **IV. Provision for impairment** | -- | -- | -- | -- |
| Plant and buildings | -- | -- | -- | -- |
| Machinery and equipment | -- | -- | -- | -- |
| Mould and checking fixtures | -- | -- | -- | -- |
| Office facilities and others | -- | -- | -- | -- |
| Motor vehicles | -- | -- | -- | -- |
| **V. Carrying amount** | **8,968,292,268.55** | | | **8,310,235,444.54** |
| Plant and buildings | 3,119,822,717.09 | | | 3,031,498,999.71 |
| Machinery and equipment | 4,753,382,409.09 | | | 4,242,201,167.50 |
| Mould and checking fixtures | 844,335,126.55 | | | 721,920,357.31 |
| Office facilities and others | 181,929,479.42 | | | 241,491,882.50 |
| Motor vehicles | 68,822,536.40 | | | 73,123,037.52 |

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Fixed assets (continued)

(1) Fixed assets (continued)

Note:

① Depreciation in this period is RMB 898,386,732.16, which is recognized in profit or loss.

② As at 31 December 2022, the Company and its subsidiaries do not have fixed assets used for mortgage or guarantee.

③ At the end of this period, the Company and its subsidiaries inspected the fixed assets, there is no evidence of impairment, therefore, no provision is made for impairment of fixed assets.

(2) Fixed assets pending certificates of ownership

| Item | Carrying amount | Reason why certificates of ownership are pending |
|---|---|---|
| Real Estate Certificate | 135,120,617.57 | As at 31 December 2022, the subsidiary Kaiyue Auto Parts Manufacturing (Zhangjiakou) Co., Ltd. has submitted the documents relating to the issue of the certificate to the relevant departments, however, the relevant departments did not issue the property rights certificate. |
| Real Estate Certificate | 879,686,144.44 | As at 31 December 2022, the subsidiary Sichuan LYNK & CO Automobile Manufacturing Co., Ltd. is in the process of special acceptance and settlement, not yet ready for processing. |

(3) Fixed assets to be disposed of

| Item | 2022.12.31 | 2021.12.31 | Reason for disposal |
|---|---|---|---|
| Office facilities | 11,150.30 | 3,607.79 | Scrap to be disposed of |

9. Construction in progress

| Item | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Construction in progress | 587,018,140.38 | 125,743,445.90 |

(1) Construction in progress

| Item | 2022.12.31 | | | 2021.12.31 | | |
|---|---|---|---|---|---|---|
| | Book value | Provision for impairment | Carrying amount | Book value | Provision for impairment | Carrying amount |
| Project | 335,645,656.35 | -- | 335,645,656.35 | 36,704,125.10 | -- | 36,704,125.10 |
| Equipment | 251,372,484.03 | -- | 251,372,484.03 | 89,039,320.80 | -- | 89,039,320.80 |
| **Total** | **587,018,140.38** | **--** | **587,018,140.38** | **125,743,445.90** | **--** | **125,743,445.90** |

(2) Provision for impairment of construction in progress

At the end of this period, the Company and its subsidiaries inspected the construction in progress, there is no evidence of impairment, and therefore, no provision is made for impairment of construction in progress.

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Right-of-use assets

| Item | Plant and buildings | Machinery and equipment | Motor vehicles | Total |
|---|---|---|---|---|
| **I. Original book value** | | | | |
| 1. 2022.01.01 | 246,677,526.78 | 1,199,695.94 | -- | 247,877,222.72 |
| 2. Amount increased during the current period | 315,800,403.90 | -- | 353,532.18 | 316,153,936.08 |
| 3. Amount decreased during the current period | 13,582,087.46 | -- | -- | 13,582,087.46 |
| 4. 2022.12.31 | 548,895,843.22 | 1,199,695.94 | 353,532.18 | 550,449,071.34 |
| **II. Accumulative depreciation** | | | | |
| 1.2022.01.01 | 49,346,844.32 | 111,971.61 | -- | 49,458,815.93 |
| 2. Amount increased during the current period | 87,657,551.96 | 191,951.34 | 132,574.58 | 87,982,077.88 |
| 3. Amount decreased during the current period | 13,582,087.46 | -- | -- | 13,582,087.46 |
| 4. 2022.12.31 | 123,422,308.82 | 303,922.95 | 132,574.58 | 123,858,806.35 |
| **III. Impairment Provisions** | | | | |
| 1.2022.01.01 | -- | -- | -- | -- |
| 2. Amount increased during the current period | -- | -- | -- | -- |
| 3. Amount decreased during the current period | -- | -- | -- | -- |
| 4. 2022.12.31 | -- | -- | -- | -- |
| **IV. Book value** | | | | |
| 1. Book value of 2022.12.31 | 425,473,534.40 | 895,772.99 | 220,957.60 | 426,590,264.99 |
| 2. Book value of 2022.01.01 | 197,330,682.46 | 1,087,724.33 | -- | 198,418,406.79 |

Note:

① Depreciation in this period is RMB 87,982,077.88, which is recognized in profit or loss.

② At the end of this period, the Company and its subsidiaries inspected the right-of-use assets, there is no evidence of impairment, therefore, no provision is made for impairment of right-of-use assets.

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Intangible assets

| Item | 2022.01.01 | Additions during the year | Decrease during the year | 2022.12.31 |
|---|---|---|---|---|
| **I. Cost** | **11,494,115,935.04** | **1,738,833,786.65** | **10,446,561.37** | **13,222,503,160.32** |
| Land use right | 519,832,615.10 | -- | -- | 519,832,615.10 |
| Software | 418,772,335.51 | 133,783,583.34 | 5,569,822.65 | 546,986,096.20 |
| Patent rights | 10,555,510,984.43 | 1,605,050,203.31 | 4,876,738.72 | 12,155,684,449.02 |
| **II. Accumulative amortization** | **4,826,114,680.12** | **2,491,900,618.35** | **486,357.19** | **7,317,528,941.28** |
| Land use right | 44,821,525.13 | 10,441,323.96 | -- | 55,262,849.09 |
| Software | 217,636,306.82 | 121,373,883.75 | 287,929.25 | 338,722,261.32 |
| Patent rights | 4,563,656,848.17 | 2,360,085,410.64 | 198,427.94 | 6,923,543,830.87 |
| **III.Net Book Value** | **6,668,001,254.92** | | | **5,904,974,219.04** |
| Land use right | 475,011,089.97 | | | 464,569,766.01 |
| Software | 201,136,028.69 | | | 208,263,834.88 |
| Patent rights | 5,991,854,136.26 | | | 5,232,140,618.15 |
| **IV. Provision for impairment** | -- | -- | -- | -- |
| Land use right | -- | -- | -- | -- |
| Software | -- | -- | -- | -- |
| Patent rights | -- | -- | -- | -- |
| **V. Carrying amount** | **6,668,001,254.92** | | | **5,904,974,219.04** |
| Land use right | 475,011,089.97 | | | 464,569,766.01 |
| Software | 201,136,028.69 | | | 208,263,834.88 |
| Patent rights | 5,991,854,136.26 | | | 5,232,140,618.15 |

Note:

① Amortization in this period is RMB 2,491,900,618.35, which is recognized in profit or loss.

② At the end of this period, the Company and its subsidiaries inspected the intangible assets, there is no evidence of impairment, therefore, no provision is made for impairment of intangible assets.

20231004005772

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Development costs

| Item | 2022.01.01 | Additions during the year | | Decrease during the year | | 2022.12.31 |
|---|---|---|---|---|---|---|
| | | Internal development | Others | Recognized as intangible assets | Recognized in profit or loss | |
| Expenditure in research phase | -- | 64,996,269.13 | 102,850,200.65 | -- | 167,846,469.78 | -- |
| Expenditure in development phase | 733,876,639.51 | 69,458,721.78 | 2,846,469,224.66 | 1,586,177,718.98 | 9,793,838.20 | 2,053,833,028.77 |
| -Vehicle technology development | 692,755,739.72 | 69,458,721.78 | 2,767,397,899.52 | 1,502,971,443.47 | 8,324,893.32 | 2,018,316,024.23 |
| -Others | 41,120,899.79 | -- | 79,071,325.14 | 83,206,275.51 | 1,468,944.88 | 35,517,004.54 |
| **Total** | **733,876,639.51** | **134,454,990.91** | **2,949,319,425.31** | **1,586,177,718.98** | **177,640,307.98** | **2,053,833,028.77** |

Development costs (continued)

| Item | Capitalization starting point | Capitalization starting point | Development progress |
|---|---|---|---|
| Vehicle technology development | When the project report was examined and approved | The Company and its subsidiaries separately record the expenditure in research and development phase. When the condition of capitalization is met, it will be recorded into the cost of development activities. | Technology development phase |

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets and deferred tax liabilities that are not offset

| Item | 2022.12.31 Deductible/Taxable Temporary Differences | 2022.12.31 Deferred tax assets/liabilities | 2021.12.31 Deductible/Taxable Temporary Differences | 2021.12.31 Deferred tax assets/liabilities |
|---|---|---|---|---|
| **Deferred tax assets:** | | | | |
| Difference of amortization between tax standard and accounting standard | 2,834,065,494.61 | 595,740,732.93 | 2,353,940,016.39 | 471,902,368.17 |
| Deficit deductible | 877,147,452.78 | 202,172,227.66 | 334,764,683.34 | 73,166,615.61 |
| Provisions | 283,525,871.52 | 51,379,250.28 | 425,191,001.58 | 65,435,416.28 |
| Deferred revenue | 219,508,503.93 | 36,651,732.82 | 322,900,400.20 | 55,585,587.36 |
| Accrued expenses | 108,445,275.57 | 27,111,318.89 | 101,108,566.16 | 25,224,686.62 |
| Difference of depreciation between tax standard and accounting standard | 71,204,983.61 | 10,680,747.54 | -- | -- |
| Changes in the fair value of trading financial liabilities | 55,752,546.00 | 13,938,136.50 | -- | -- |
| Changes in the fair value of receivables financing | 24,203,908.32 | 5,563,842.14 | 52,587,011.02 | 11,824,573.91 |
| Credit impairment loss | 833,187.26 | 208,296.82 | 236,176.50 | 59,044.13 |
| Unrealized profit from insider trading | -- | -- | 134,769,075.31 | 33,692,268.83 |
| Others | 1,480,109.41 | 370,027.35 | -- | -- |
| **Subtotal** | **4,476,167,333.01** | **943,816,312.93** | **3,725,496,930.50** | **736,890,560.91** |
| **Deferred tax liabilities:** | | | | |
| Unrealized profit from insider trading | 52,756,700.04 | 13,189,175.01 | -- | -- |
| Changes in the fair value of trading financial assets | -- | -- | 30,851,213.26 | 7,712,803.32 |
| **Subtotal** | **52,756,700.04** | **13,189,175.01** | **30,851,213.26** | **7,712,803.32** |

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Deferred tax assets and deferred tax liabilities (continued)

(2) Deferred tax assets or deferred tax liabilities disclosed as net amount after offsetting

| | 2022.12.31 | | 2021.12.31 | |
|---|---|---|---|---|
| Item | Amount of offsetting | Deferred tax assets or liabilities after offsetting | Amount of offsetting | Deferred tax assets or liabilities after offsetting |
| Deferred tax assets | 13,189,175.01 | 930,627,137.92 | 7,712,803.32 | 729,177,757.59 |
| Deferred tax liabilities | 13,189,175.01 | -- | 7,712,803.32 | -- |

(3) Details of unrecognized deferred tax assets

| Item | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Deductible tax losses | 1,296,384,073.59 | 559,480,073.12 |
| Deductible temporary differences | 679,662,710.31 | 28,137,171.00 |

14. Other non-current assets

| Item | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Performance cost of stream service | 208,691,856.19 | 190,343,175.37 |
| Advance payment for engineering equipment | 6,369,943.13 | 28,062,473.33 |
| **Total** | **215,061,799.32** | **218,405,648.70** |

Note: The performance cost of stream service which was recognized as other non-current assets in this year is performance cost of stream service that has paid to suppliers and will be recognized into cost in the following years.

15. Short-term loans

| Item | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Unsecured loans | 800,000,000.00 | -- |
| Pledge loans | 580,836,344.48 | -- |
| Guaranteed loans | 383,293,019.20 | -- |
| Accrued interest | 6,075,879.70 | -- |
| **Total** | **1,770,205,243.38** | **--** |

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Short-term loans (continued)

Note:

① RMB 800,000,000.00 of unsecured loans are as follows: The subsidiary Yuyao LYNK & CO Auto Parts Co., Ltd. borrowed RMB 300,000,000.00 from Bank of Communications Ningbo Hangzhou Bay Branch with an annual interest rate of 3.5%, the term of the loan is from 24 May 2022 to 24 May 2023. The subsidiary Sichuan LYNK & CO Automobile Manufacturing Co., Ltd. signed an entrustment loan contract with Zhejiang Geely Automobile Co., Ltd., the principal of the loan is RMB 500,000,000.00 with an annual interest rate of 3.7%, and the term of the loan is from 26 July 2022 to 25 March 2023.

② RMB 580,836,344.48 of pledge loan is as follow: The sub-subsidiary LYNK & CO International Co., Ltd. borrowed EUR 78,800,000.00 (RMB 580,836,344.48 as at 31 December 2022) from Bank of China Stockholm Branch with an annual interest rate of 3-month EURIBOR added 0.7%, the term of the loan is from 30 November 2022 to 30 November 2023. The property used to be pledged is RMB 640,000,000.00 of deposit pledged by the Company in Bank of China Zhejiang branch.

③ RMB 383,293,019.20 of guaranteed loan is as follow: The sub-subsidiary LYNK & CO International Co., Ltd. borrowed EUR 52,000,000.00 (RMB 383,293,019.20 as at 31 December 2022) from Bank of Communications Ningbo Hangzhou Bay Branch with an annual interest rate of 1.2%, the term of the loan is from 26 April 2022 to 27 February 2023.

④ As at 31 December 2022, accrued interest is RMB 6,075,879.70.

16. Trading financial liabilities

| Item | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Foreign exchange forward contracts | 55,752,573.44 | -- |

17. Notes payable

| Item | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Commercial acceptance bill | 400,000,000.00 | -- |

Note: Notes payable at the end of this year is commercial acceptance bill which is the subsidiary LYNK & CO Automobile Sales Co., Ltd. issued to Zhejiang Geely Automobile Co., Ltd., the bill will due on 27 December 2023.

18. Accounts Payable

| Item | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Payment for goods | 12,438,270,960.28 | 10,677,631,970.07 |
| Freight charges | 253,053,940.88 | 223,352,686.03 |
| Others | 7,474,161.21 | 17,840,836.06 |
| **Total** | **12,698,799,062.37** | **10,918,825,492.16** |

Note: At the end of the period, the Company and its subsidiaries do not have significant accounts payable with ageing over 1 year.

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Contract Liabilities

| Item | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Payment for goods | 796,672,601.63 | 973,625,335.27 |

20. Employee benefits payable

| Item | 2022.01.01 | Accrued during the year | Decreased during the year | 2022.12.31 |
|---|---|---|---|---|
| Short-term employee benefits | 215,919,074.61 | 1,230,549,365.93 | 1,227,992,246.90 | 218,476,193.64 |
| Post-employment benefits-defined contribution plans | 2,033,039.06 | 50,439,917.88 | 51,301,366.00 | 1,171,590.94 |
| Termination benefits | -- | 1,606,485.00 | 1,606,485.00 | -- |
| **Total** | **217,952,113.67** | **1,282,595,768.81** | **1,280,900,097.90** | **219,647,784.58** |

(1)Short-term employee benefits

| Item | | 2022.01.01 | Accrued during the year | Decreased during the year | 2022.12.31 |
|---|---|---|---|---|---|
| Salaries, bonus, allowances | | 208,889,982.88 | 1,105,927,285.75 | 1,103,731,475.92 | 211,085,792.71 |
| Staff welfare | | -- | 27,690,974.69 | 26,453,174.69 | 1,237,800.00 |
| Social insurances | | 1,685,737.25 | 46,293,247.56 | 45,797,615.17 | 2,181,369.64 |
| Including: | 1. Medical insurance | 1,480,331.27 | 35,794,497.50 | 35,739,029.36 | 1,535,799.41 |
| | 2. Work-related injury insurance | 40,659.08 | 9,521,634.61 | 8,933,704.31 | 628,589.38 |
| | 3. Maternity insurance | 164,746.90 | 977,115.45 | 1,124,881.50 | 16,980.85 |
| Housing Fund | | 2,271,640.10 | 35,342,258.90 | 36,086,280.46 | 1,527,618.54 |
| Labor union fees, staff and workers' education fee | | 3,071,714.38 | 15,295,599.03 | 15,923,700.66 | 2,443,612.75 |
| **Total** | | **215,919,074.61** | **1,230,549,365.93** | **1,227,992,246.90** | **218,476,193.64** |

(2) Defined contribution plans

| Item | | 2022.01.01 | Accrued during the year | Decreased during the year | 2022.12.31 |
|---|---|---|---|---|---|
| Post-employment benefits | | | | | |
| Including: | 1.Basic pension | 1,964,943.33 | 48,341,758.15 | 49,199,123.81 | 1,107,577.67 |
| | 2.Unemployment | 68,095.73 | 2,098,159.73 | 2,102,242.19 | 64,013.27 |
| **Total** | | **2,033,039.06** | **50,439,917.88** | **51,301,366.00** | **1,171,590.94** |

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Employee benefits payable (continued)

(3) Termination benefits

| Item | 2022.01.01 | Accrued during the year | Decreased during the year | 2022.12.31 |
|---|---|---|---|---|
| Compensation for the dissolution of labor relations | -- | 1,606,485.00 | 1,606,485.00 | -- |

21. Taxes payable

| Item | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Corporate income tax | 168,971,551.78 | 180,234,540.11 |
| VAT | 281,771,384.15 | 73,938,770.41 |
| Stamp duty | 13,672,982.08 | 5,640,285.46 |
| Individual income tax | 11,820,478.76 | 8,424,381.74 |
| Property tax | 9,598,354.24 | 9,630,751.55 |
| Land use tax | 6,978,514.23 | 6,978,514.20 |
| Urban maintenance and construction tax | 1,155,203.41 | 191,414.76 |
| Education surcharge | 206,268.49 | 191,414.77 |
| Others | 1,798,795.75 | 225,916.57 |
| **Total** | **495,973,532.89** | **285,455,989.57** |

22. Other payables

| Item | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Interests payable | -- | -- |
| Dividends payable | -- | -- |
| Other payables | 5,451,117,750.94 | 3,659,175,389.91 |
| **Total** | **5,451,117,750.94** | **3,659,175,389.91** |

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Other payables (continued)

Other payables

| Item | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Related party transaction | 2,653,145,961.31 | 1,345,067,580.91 |
| R&D cost | 728,175,361.50 | 488,770,015.34 |
| Publicity fee | 549,268,675.69 | 391,317,173.83 |
| Engineering equipment cost | 352,873,185.14 | 600,660,064.13 |
| Accrued expenses | 301,687,920.37 | 222,618,207.35 |
| Deposit | 275,676,688.74 | 228,795,192.73 |
| Service fee | 199,253,379.79 | 132,173,801.15 |
| Equity transfer | 139,523,851.64 | -- |
| Royalties | 92,114,686.28 | 34,780,803.75 |
| First Insurance Service fee | 82,410,814.94 | 100,584,016.95 |
| Vehicle deposit | 29,982,554.02 | -- |
| Claims | 10,142,224.56 | 50,310,862.23 |
| Travel expenses | 2,270,559.36 | 2,753,635.74 |
| Storage service charge | 1,271,170.25 | 17,944,123.07 |
| Others | 33,320,717.35 | 43,399,912.73 |
| **Total** | **5,451,117,750.94** | **3,659,175,389.91** |

Note: At the end of the period, the Company and its subsidiaries do not have significant other payables with ageing over 1 year.

23. Non-current liabilities due within one year

| Item | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Long-term borrowings due within one year | 101,071,354.14 | 101,211,909.72 |
| Lease liabilities due within one year | 87,314,029.41 | 51,485,062.52 |
| **Total** | **188,385,383.55** | **152,696,972.24** |

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Other current liabilities

| Item | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Volvo Zhangjiakou V216 project | 233,490,770.15 | -- |
| Tax to be exported | 95,147,673.76 | 119,158,233.93 |
| Endorsed note receivable that has not been terminated | 14,342,390.84 | 46,993,592.49 |
| **Total** | **342,980,834.75** | **166,151,826.42** |

Note: Volvo Zhangjiakou V216 project is a production line built by the subsidiary Kaiyue Auto Parts Manufacturing (Zhangjiakou) Co., Ltd.. The production line will be delivered when it meet the expected condition to be used, and the construction costs settled with Volvo are included in other current liabilities during the period.

25. Long-term loans

| Item | 2022.12.31 | Interest rates | 2021.12.31 | Interest rates |
|---|---|---|---|---|
| Unsecured loans | 1,751,496,875.10 | 3.500%、4.1250%、4.2750% | 1,451,937,604.21 | 4.2750% |
| Less: long-term loans due within one year | 101,071,354.14 | 4.1250%、4.2750% | 101,211,909.72 | 4.2750% |
| **Total** | **1,650,425,520.96** | | **1,350,725,694.49** | |

Note: At the end of this period, the long-term loan is RMB 1,900,000,000.00 borrowed from Bank of Communications Ningbo Hangzhou Bay Branch. Including:

① RMB 300,000,000.00 is borrowed by the subsidiary Yuyao LYNK & CO Auto Parts Co,. Ltd. with an annual interest rate of 3.500%, the term of the loan is from 20 July 2022 to 20 July 2025.

② RMB 600,000,000.00 is borrowed by the subsidiary LYNK & CO Automobile Sales Co,. Ltd. with an annual interest rate of 3.500%, the term of the loan is from 28 December 2022 to 28 December 2025.

③ RMB 1,000,000,000.00 is borrowed by the Company, the term of the loan is from 30 March 2020 to 20 February 2026. Since 30 March 2020, the borrowing rate was reduced to 4.125%. According to the contract, the Company repay the principal of the long-term loan regularly. As at 31 December 2022, the balance of the principal of the long-term loan is RMB 850,000,000.00, including RMB 100,000,000.00 which will be repaid in 2023.

④ As at 31 December 2022, accrued interest is RMB 1,496,875.10.

26. Lease liabilities

| Item | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Building rentals | 425,749,396.84 | 196,920,059.45 |
| Including: Unrecognized financing costs | 15,694,051.01 | 29,972,037.20 |
| Minus: lease liabilities due within one year | 87,314,029.41 | 51,485,062.52 |
| **Total** | **338,435,367.43** | **145,434,996.93** |

Note: The interest expense of leasing liabilities accrued in 2022 is RMB 8,997,613.32, which is included in the financial expense - interest expense.

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. Provisions

| Item | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Product quality assurance (Note) | 238,993,628.60 | 400,272,341.15 |
| CO coin | 26,188,992.92 | 24,918,660.43 |
| **Total** | **265,182,621.52** | **425,191,001.58** |

Note: Product quality assurance is the expected cost in legal warranty period.

28. Deferred income

| Item | 2022.01.01 | Additions during the year | Reductions during the year | 2022.12.31 | Reason for deferral |
|---|---|---|---|---|---|
| Government grant | 1,860,811,714.15 | -- | 207,342,519.12 | 1,653,469,195.03 | Government grant related to assets |

Note: The above-mentioned government grant is subsidy for construction of the Company and its subsidiaries, and are initially recognized as assets and subsequently depreciated or amortized based on the expected useful life of the assets to the profit of loss in the current period.

29. Other non-current liabilities

| Item | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Product quality assurance | 343,094,812.37 | 322,900,400.20 |
| Data stream service | 258,996,915.03 | 264,154,858.74 |
| Road rescue service | 250,826,936.00 | 219,346,133.48 |
| Product extended warranty service | 78,429,071.47 | -- |
| Charging post service | 31,613,255.68 | -- |
| **Total** | **962,960,990.55** | **806,401,392.42** |

Note: Other non-current liabilities are deferred revenue based on individual performance obligations identified by contract and will recognize as revenue during the provision of services.

30. Share capital

| Name | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Zhejiang Jirun Automobile Co., Ltd. | 3,750,000,000.00 | 3,750,000,000.00 |
| Volvo Automobile (China) Investment Co., Ltd. | 2,250,000,000.00 | 2,250,000,000.00 |
| Zhejiang Geely Holding Group Co., Ltd. | 1,500,000,000.00 | 1,500,000,000.00 |
| **Total** | **7,500,000,000.00** | **7,500,000,000.00** |

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Capital reserve

| Item | 2022.01.01 | Additions during the year | Reductions during the year | 2022.12.31 |
|---|---|---|---|---|
| Share premium- influence of business combinations under common control | 273,571,182.17 | -- | 139,523,851.64 | 134,047,330.53 |

Note: During the period,, the Company acquired Sichuan LYNK & CO Automobile Manufacturing Co., Ltd. (hereinafter as "The Acquiree"), the share capital of the Acquiree before consolidation was RMB 200,000,000.00, as a result, capital reserve in 2021 increased retroactively by RMB 200.000.000.00 due to the business combinations under common control. On the date of the consolidation, the price of business combinations under common control was RMB 139,523,851.64, thus offsetting the capital reserve RMB 139,523,851.64 during this period.

32. Other comprehensive income

| Item | 2022.01.01 | Current amount | | | | | 2022.12.31 |
|---|---|---|---|---|---|---|---|
| | | The current income tax before the amount | Minus: early entry into other comprehensive income into the current period of profit and loss | Minus: income tax expense | After-tax attributable to parent company | After tax, it belongs to minority shareholders | |
| I. Other comprehensive income that cannot be reclassified into profits and losses. | -- | -- | -- | -- | -- | -- | -- |
| II. Other comprehensive income which is reclassified into profit and loss | -33,606,732.32 | 14,892,330.88 | -- | 6,260,731.77 | 8,631,599.11 | - | -24,975,133.21 |
| Including: Difference in translation of foreign currency financial statements | 7,155,704.79 | -13,490,771.82 | -- | -- | -13,490,771.82 | -- | -6,335,067.03 |
| Fair value changes of financial assets that are measured at fair value and whose changes are included in other comprehensive income | -40,762,437.11 | 28,383,102.70 | -- | 6,260,731.77 | 22,122,370.93 | -- | -18,640,066.18 |
| Total other comprehensive income | -33,606,732.32 | 14,892,330.88 | -- | 6,260,731.77 | 8,631,599.11 | -- | -24,975,133.21 |

33. Surplus reserve

| Item | 2022.01.01 | Additions during the year | Reductions during the year | 2022.12.31 |
|---|---|---|---|---|
| Statutory surplus | 266,646.66 | -- | -- | 266,646.66 |

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. Retained earnings

| Item | 2022 | 2021 |
|---|---|---|
| Retained earnings as at 2021.12.31 (before adjustment) | 349,748,604.37 | 1,521,,310,360.95 |
| Total adjustments for business combinations under common control | -- | -113,130,457.68 |
| Retained earnings as at 2022.01.01 (after adjustment) | 349,748,604.37 | 1,408,179,903.27 |
| Add: Net profits for the year attributable to shareholders of the Company | -48,106,886.05 | 719,213,133.11 |
| Less: Appropriation for statutory surplus reserve | -- | 266,646.66 |
| Cash dividends | -- | 1,777,377,785.35 |
| **Retained earnings as at 2022.12.31** | **301,641,718.32** | **349,748,604.37** |
| Including: appropriation to surplus reserves made by the Company's subsidiaries attributable to the Company | -- | 188,332,337.09 |

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Operating revenue and operating costs

| Item | 2022 | 2021 |
|---|---|---|
| Revenue from main business | | |
| -Vehicle sales | 26,987,825,314.66 | 28,606,784,344.55 |
| -Auto parts sales | 1,318,101,488.05 | 1,043,328,280.48 |
| -Subscription vehicle sales | 454,518,648.84 | 49,140,353.77 |
| -Vehicle processing service | 255,764,376.59 | 231,902,390.02 |
| -Data stream service | 67,522,816.53 | 55,025,606.27 |
| -Charging post service | 30,679,217.17 | -- |
| -Road rescue service | 28,908,449.01 | 21,508,965.71 |
| -Others | 7,800,911.92 | 1,202,868.30 |
| Subtotal | 29,151,121,222.77 | 30,008,892,809.10 |
| Revenue from other business | | |
| -Service | 277,807,062.50 | 60,731,351.34 |
| -Claims | 130,112,735.03 | 84,448,204.83 |
| -Royalties | 87,735,849.02 | -- |
| -Scrap sales | 80,260,853.64 | 99,375,126.70 |
| -Storage service | 19,068,863.84 | 15,700,942.60 |
| -Utilities | 6,629,960.73 | 7,982,526.63 |
| -Boutique sales | 549,680.16 | 15,421,609.50 |
| -Others | 29,451,969.41 | 116,184,490.97 |
| Subtotal | 631,616,974.33 | 399,844,252.57 |
| **Total** | **29,782,738,197.10** | **30,408,737,061.67** |

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Operating revenue and operating costs (continued)

| Item | 2022 | 2021 |
|---|---|---|
| Cost from main business | | |
| -Vehicle sales | 23,184,314,055.82 | 24,450,776,421.87 |
| -Auto parts sales | 556,793,711.86 | 381,759,469.25 |
| -Subscription vehicle sales | 121,698,783.38 | -- |
| -Vehicle processing service | 228,409,250.89 | 151,559,190.03 |
| -Data stream service | 66,380,922.54 | 59,968,759.28 |
| -Charging post service | 27,240,009.45 | -- |
| -Road rescue service | 10,646,900.27 | -332,400.88 |
| -Others | 4,757,430.20 | 46,410,112.95 |
| Subtotal | 24,200,241,064.41 | 25,090,141,552.50 |
| Cost from other business | | |
| -Service | 273,273,204.24 | 18,092,096.95 |
| -Claims | 131,852,301.54 | 81,066,938.26 |
| -Scrap sales | 75,967,836.86 | 93,228,914.09 |
| -Storage service | 15,025,343.06 | 15,685,797.28 |
| -Utilities | 5,654,518.53 | 7,371,012.72 |
| -Boutique sales | 312,943.00 | 12,003,016.40 |
| -Others | 19,429,936.50 | 128,457,147.59 |
| Subtotal | 521,516,083.73 | 355,904,923.29 |
| **Total** | **24,721,757,148.14** | **25,446,046,475.79** |

Note: See Note III.19 for details of the performance obligations of the Company and its subsidiaries.

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. Taxes and surcharges

| Item | 2022 | 2021 |
|---|---|---|
| Stamp duty | 36,618,592.47 | 27,030,072.39 |
| Property tax | 27,842,535.00 | 27,660,583.25 |
| Urban maintenance and construction tax | 14,424,983.40 | 15,673,684.11 |
| Education surcharge | 13,489,927.77 | 15,512,971.63 |
| Land use tax | 13,388,588.86 | 13,388,588.83 |
| Vehicle and vessel use tax | 16,329.80 | 12,155.00 |
| **Total** | **105,780,957.30** | **99,278,055.21** |

37. Selling expenses

| Item | 2022 | 2021 |
|---|---|---|
| Advertising and publicity costs | 1,289,463,300.31 | 933,508,503.74 |
| Salaries and wages | 348,858,457.34 | 265,523,121.58 |
| Product quality assurance | 164,183,000.68 | 396,970,432.18 |
| Insurance costs | 104,485,776.63 | 12,316,293.71 |
| Depreciation and amortization | 94,685,889.20 | 58,776,357.21 |
| Intermediary service expenses | 85,033,370.93 | 126,470,954.69 |
| Royalties | 61,974,483.37 | -- |
| Cross-brand service expenses | 55,462,096.65 | -- |
| Travel expenses | 30,972,282.72 | 34,003,589.82 |
| Venue use expenses | 26,109,467.22 | 20,491,878.20 |
| Material consumption | 23,914,938.06 | 37,765,022.85 |
| Training expenses | 6,298,830.24 | 3,898,895.83 |
| Others | 84,352,429.15 | 41,156,161.33 |
| **Total** | **2,375,794,322.50** | **1,930,881,211.14** |

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Administrative expenses

| Item | 2022 | 2021 |
|---|---|---|
| Salaries and wages | 341,451,709.59 | 284,687,552.20 |
| Service expenses | 209,002,473.89 | 88,233,758.81 |
| Depreciation and amortization | 170,635,254.27 | 132,342,961.33 |
| Labor expenses | 112,974,510.30 | 108,839,348.34 |
| Travel expenses | 14,835,377.32 | 9,831,774.77 |
| Low-value consumables | 6,894,654.05 | 6,372,809.42 |
| Sewage greening expenses | 4,733,627.20 | 2,284,535.15 |
| Rental expenses | 2,604,924.42 | 4,343,967.25 |
| Repair expenses | 1,847,557.73 | 3,598,326.35 |
| Royalties | 420,835.05 | -- |
| Others | 65,684,953.65 | 27,167,147.35 |
| **Total** | **931,085,877.47** | **667,702,180.97** |

39. Research and development expenses

| Item | 2022 | 2021 |
|---|---|---|
| Depreciation and amortization | 2,364,813,735.61 | 1,746,726,621.50 |
| Royalties | 132,709,152.21 | 214,382,345.33 |
| Outsourcing R&D | 92,235,234.70 | 14,231,400.26 |
| Salaries and wages | 44,644,634.19 | 66,547,718.61 |
| Intermediary service expenses | 20,430,668.27 | 18,527,299.90 |
| Material consumption | 5,076,261.51 | 1,369,893.58 |
| Others | 3,485,765.26 | 1,583,285.19 |
| **Total** | **2,663,395,451.75** | **2,063,368,564.37** |

40. Financial expenses

| Item | 2022 | 2021 |
|---|---|---|
| The interest payments | 120,544,219.21 | 144,059,610.42 |
| Minus: Interest income | 44,950,146.66 | 44,957,296.37 |
| Exchange gains and losses | -192,156,655.25 | 92,900,079.58 |
| Commission charges and others | 8,272,332.81 | 4,262,396.11 |
| **Total** | **-108,290,249.89** | **196,264,789.74** |

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Other income

| Subsidies | 2022 | 2021 | Related to assets/revenue |
|---|---|---|---|
| Enterprise development fund (Note ①) | 736,273,761.76 | 550,300,000.00 | Related to revenue |
| Amortization of subsidies related to assets (Note ②) | 207,342,519.12 | 206,419,805.28 | Related to assets |
| Contribution reward subsidies | 56,460,060.28 | 56,350,000.00 | Related to revenue |
| Tax rebate | 21,386,396.13 | -- | Related to revenue |
| Export subsidies | -- | 100,000,000.00 | Related to revenue |
| Commission of individual income tax rebate | 381,281.30 | 570,100.94 | Related to revenue |
| Others | 2,975,003.60 | 9,990,413.21 | Related to revenue |
| **Total** | **1,024,819,022.19** | **923,630,319.43** | |

Note ①: Enterprise development funds respectively are RMB 500,000,000.00 received by Geely Yaou (Ningbo Meishan Free Trade Zone) Technology Co., Ltd., RMB 162,074,900.00 received by LYNK & CO Automobile Sales Co., Ltd., RMB 50,000,000.00 received by LYNK & CO International Sales (Yuyao) Co., Ltd., RMB 19,543,573.59 received by Yuyao LYNK & CO Auto Parts Co., Ltd., RMB 4,150,000.00 received by Sichuan LYNK & CO Automobile Manufacturing Co., Ltd. and RMB 505,288.17 received by Chengdu LYNK & CO Automobile Co., Ltd..

Note ②: Amortization of subsidies related to assets is amortization of deferred income transferred into other income, see Note III.28.

In addition to the above-mentioned, all the government subsidies are related to revenue to compensate for the past related expenses and are included in the profit and loss.

42. Investment income

| Item | 2022 | 2021 |
|---|---|---|
| Foreign exchange forward delivery income | 13,730,086.74 | 680,100.00 |

43. Income from changes in fair value

| Item | 2022 | 2021 |
|---|---|---|
| Fair value changes of trading financial assets (loss marked with "-") | -55,752,573.44 | 30,851,213.26 |

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Credit impairment loss

| Item | 2022 | 2021 |
|---|---|---|
| Other receivables bad debt loss(loss marked with "-") | - 15,724,165.94 | -150,000.00 |
| Accounts receivable bad debt loss(loss marked with "-") | - 9,948,253.28 | -163,817.23 |
| **Total** | **-25,672,419.22** | **-313,817.23** |

45. Non-operating expenses

| Item | 2022 | 2021 |
|---|---|---|
| Net loss on scrap of fixed assets | 20,016,790.02 | 6,511,588.43 |
| Other | 3,781,166.89 | 2,013,802.07 |
| **Total** | **23,797,956.91** | **8,525,390.50** |

46. Income tax expenses

(1) Income tax expense details

| Item | 2022 | 2021 |
|---|---|---|
| Current income tax calculated according to the tax law and relevant provisions | 295,801,342.92 | 386,655,678.17 |
| Adjustment of income tax in previous years | -4,861,935.23 | 17,152,733.25 |
| Deferred tax expense | -207,710,112.10 | -163,663,360.72 |
| **Total** | **83,229,295.59** | **240,145,050.70** |

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Income tax expenses (continued)

(2) The relationship between income tax expense and total profit is listed as follows:

| Item | 2022 | 2021 |
|---|---|---|
| Profit total | 35,122,409.54 | 959,358,183.81 |
| Income tax expense at statutory rate (gross profit *25%) | 8,780,602.39 | 239,839,545.95 |
| Impact of different tax rates applied to certain subsidiaries | 20,021,605.20 | -130,417,290.51 |
| Tax-free income | -30,766,403.78 | -29,730,607.33 |
| Non-deductible costs, expenses and losses | 24,991,460.45 | 30,100,724.02 |
| Tax impact of development fee plus deduction | -137,198,742.25 | -76,236,553.75 |
| Adjustment of income tax in previous years | -4,861,935.23 | 17,152,733.26 |
| Tax effects of deductible losses and deductible temporary differences are not recognized | 174,182,583.72 | 147,076,982.11 |
| Adjustment of deferred tax expense in previous years | 15,478,479.10 | -3,197,813.95 |
| Impact to deferred tax expense from tax rate change | -88,807,931.51 | 45,494,760.76 |
| Others | 101,409,577.50 | 62,570.14 |
| **Income tax expense** | **83,229,295.59** | **240,145,050.70** |

Note: Others are mainly non-deductible losses of LYNK &CO Automobile Technology Co., Ltd. from the beginning of this period to the date of combination.

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. Supplementary information to the statement of cash flows

(1) Supplementary information of the cash flow statement

| Additional information | 2022 Consolidated amount | 2022 Amount of the Company | 2021 Consolidated amount | 2021 Amount of the Company |
|---|---|---|---|---|
| **1. Adjust net profit to cash flow from operating activities:** | | | | |
| Net profit | -48,106,886.05 | -124,012,736.63 | 719,213,133.11 | 1,803,863,882.41 |
| Credit impairment loss | 25,672,419.22 | -- | 313,817.23 | -- |
| Impairment loss on assets | 18,728.00 | -- | -- | -- |
| Depreciation of fixed assets and right-of-use assets | 986,368,810.04 | 321,258.14 | 847,151,703.32 | 342,683.30 |
| Amortization of intangible assets | 2,491,900,618.35 | -- | 1,857,184,501.78 | -- |
| Loss on disposal of fixed assets, intangible assets and other long-term assets | 21,374,400.47 | -79,647.82 | 7,419,380.22 | -2,843.47 |
| Amortization of long-term prepaid expenses | 679,793.42 | -- | 11,908.64 | -- |
| Financial expenses (revenue marked with "-") | 70,629,181.88 | 9,234,009.22 | 236,959,690.00 | 65,707,355.58 |
| Gains on investment (loss marked with "-") | -13,730,086.74 | -- | -680,100.00 | -1,857,123,435.20 |
| Loss from changes in fair value (loss marked with "-") | 55,752,573.44 | -- | -30,851,213.26 | -- |
| Changes in deferred income | -207,342,519.12 | -- | -206,419,805.28 | -- |
| Deferred tax assets decreased (marked with "-" for increase) | -207,710,112.10 | -41,050,309.26 | -163,125,820.24 | -17,607,930.98 |
| Decrease in stock (marked with "-" for increase) | -5,514,430,839.66 | -- | -1,689,661,137.29 | -- |
| Decrease of operating receivable items (marked with "-" for increase) | 1,284,807,741.37 | -5,664,187.19 | 3,701,531,542.02 | 6,834,900.61 |
| Increase in operational payable items (marked with "-" for decrease) | 3,387,179,779.41 | 130,372,443.65 | 2,338,166,317.76 | -3,666,821.97 |
| Net cash flow from operating activities | 2,333,063,601.93 | -30,879,169.89 | 7,617,213,918.01 | -1,652,209.72 |
| **2. Net changes in cash and cash equivalents:** | | | | |
| Ending balance of cash | 2,224,274,329.38 | 1,566,175,019.25 | 1,659,981,217.41 | 277,211,734.95 |
| Minus: Opening balance of cash | 1,659,981,217.41 | 277,211,734.95 | 673,930,996.26 | 165,557,722.10 |
| Addition of cash and cash equivalents | 564,293,111.97 | 1,288,963,284.30 | 986,050,221.15 | 111,654,012.85 |

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. Supplementary information to the statement of cash flows (continued)

(2) Composition of cash and cash equivalents

| Item | 2022 Consolidated amount | 2022 Amount of the Company | 2021 Consolidated amount | 2021 Amount of the Company |
|---|---|---|---|---|
| I. Cash | 2,224,274,329.38 | 1,566,175,019.25 | 1,659,981,217.41 | 277,211,734.95 |
| Including: Bank deposits available for payment at any time | 2,221,242,307.92 | 1,566,175,019.25 | 1,650,522,961.93 | 277,211,734.95 |
| Other monetary funds readily available for payment | 3,032,021.46 | -- | 9,458,255.48 | -- |
| II. Closing cash and cash equivalents balance | 2,224,274,329.38 | 1,566,175,019.25 | 1,659,981,217.41 | 277,211,734.95 |

48. Foreign currency monetary items

(1) Foreign currency monetary items

| Item | Ending Foreign Currency Balance | Discount rate | Balance converted into RMB at the end |
|---|---|---|---|
| Monetary fund | | | |
| Including: Swedish krona | 7,612,694.22 | 0.6631 | 5,047,977.54 |
| The euro | 55,794,767.15 | 7.3711 | 411,268,808.12 |
| US dollar | 26,205,376.66 | 6.8949 | 180,683,439.73 |
| Hong Kong dollar | 513,823.05 | 0.8845 | 454,476.49 |
| Accounts receivable | | | |
| Including: Swedish krona | 140,442,247.29 | 0.6631 | 93,127,254.18 |
| The euro | 105,321,988.82 | 7.3711 | 776,338,911.79 |
| US dollar | 1,667,975.48 | 6.8949 | 11,500,524.14 |
| Other receivables | | | |
| Including: Swedish krona | 638,548,608.70 | 0.6631 | 423,421,582.43 |
| The euro | 4,441,893.86 | 7.3711 | 32,741,643.83 |
| Short-term loans | | | |
| Including: The euro | 131,510,282.27 | 7.3711 | 969,364,868.21 |
| Accounts payable | | | |
| Including: Swedish krona | 265,736,093.69 | 0.6631 | 176,209,603.72 |
| The euro | 9,528,981.74 | 7.3711 | 70,239,077.34 |
| Other payables | | | |
| Including: Swedish krona | 148,080,572.02 | 0.6631 | 98,192,227.31 |
| The euro | 25,713,879.10 | 7.3711 | 189,539,574.25 |
| Hong Kong dollar | 20,000.00 | 0.8845 | 17,690.00 |

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Foreign currency monetary items (continued)

(2) Overseas business entities

The subsidiary LYNK & CO Hong Kong International Co., Ltd. is an investment company located in Hong Kong. The principal place of business is Hong Kong, and Hong Kong dollar is used as recording currency.

The sub-subsidiary LYNK & CO Europe AB is a sales company located in Sweden. The principal place of business is Sweden, and Swedish krona is used as recording currency.

The sub-subsidiary LYNK&CO International AB is a sales company located in Sweden. The principal place of business is Sweden, and Swedish krona is used as recording currency.

The sub-subsidiary LYNK & CO Sales Sweden AB is a sales company located in Sweden. The principal place of business is Sweden, and Swedish krona is used as recording currency.

The sub-subsidiary LYNK & CO Sales Netherlands BV is a sales company located in Netherlands. The principal place of business is Netherlands, and the euro is used as recording currency.

The sub-subsidiary LYNK & CO Customer Engagement Operation B.V. is a sales company located in Netherlands. The principal place of business is Netherlands, and the euro is used as recording currency.

The sub-subsidiary LYNK & CO Sales Belgium BV is a sales company located in Belgium. The principal place of business is Belgium, and the euro is used as recording currency.

The sub-subsidiary LYNK & CO Sales France SAS is a sales company located in France. The principal place of business is France, and the euro is used as recording currency.

The sub-subsidiary LYNK & CO Sales Germany GmbH is a sales company located in Germany. The principal place of business is Germany, and the euro is used as recording currency.

The sub-subsidiary LYNK & CO Sales Italy S.R.L. is a sales company located in Italy. The v is Italy, and the euro is used as recording currency.

The sub-subsidiary LYNK & CO Sales Spain S.L is a sales company located in Italy. The principal place of business is Spain, and the euro is used as recording currency.

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## VI. CHANGE OF CONSOLIDATION SCOPE

1. Business combinations involving enterprises under common control

(1) Business combinations involving enterprises under common control during the period

| Acquiree | Proportion of equity interests acquired in business combination | Basis for business combination under common control | Combination date | Basis for determination of combination date | Income from the beginning of the year to the combination date | Net profit from the beginning of the year to the combination date | Acquiree's income for year 2021 | Acquiree's net profit for year 2021 |
|---|---|---|---|---|---|---|---|---|
| Sichuan LYNK & CO Automobile Manufacturing Co., Ltd. | 100% | Both sides of the combination are controlled by the same company | 2022.12.31 | Obtain actual control | 681,000,000.85 | -55,430,154.49 | 756,819,793.78 | 18,634,176.98 |

Note: Sichuan LYNK & CO Automobile Manufacturing Co., Ltd. was formerly known as Sichuan Lingji Automobile Manufacturing Co., Ltd.. The Company acquired 100% stake in Sichuan LYNK & CO Automobile Manufacturing Co., Ltd. from the related party Zhejiang Geely Automobile Manufacturing Co., Ltd. at the combination consideration of RMB 139,523,851.64 in December 2022. Since both parties are under the ultimate control of Zhejiang Geely Holding Group Co., Ltd. before and after the combination and the control is not temporary, the above-mentioned combination belongs to business combinations involving enterprises under common control. The Company took the net book assets of the acquiree at the delivery date as the initial investment cost of the long-term equity investment.

(2) Combination cost

| Item | Sichuan LYNK & CO Automobile Manufacturing Co., Ltd. |
|---|---|
| Cash | 139,523,851.64 |

Note: As at the end of this period, the combination consideration of RMB 139,523,851.64 has not been paid and is included in other payables.

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## VI. CHANGE OF CONSOLIDATION SCOPE (CONTINUED)

1. Business combinations involving enterprises under common control (continued)

(3) Assets and liabilities of the merged party

The carrying values of the assets and liabilities of Sichuan LYNK & CO Automobile Manufacturing Co., Ltd. at the merger date and the balance sheet date of the previous accounting period are as follows:

| Item | Sichuan LYNK & CO Automobile Manufacturing Co., Ltd. | |
|---|---|---|
| | Combining date | 2021.12.31 |
| Current assets | 2,656,700,467.21 | 1,330,892,371.20 |
| Non-current assets | 3,345,194,617.22 | 3,505,066,047.57 |
| Current liabilities | 5,751,405,038.03 | 4,020,392,893.89 |
| Non-current liabilities | 201,969,444.41 | 710,061,806 |
| Net assets | 48,520,601.99 | 105,503,719.30 |
| Net assets obtained by merger | 48,520,601.99 | |
| The combination costs | 139,523,851.64 | |
| Consolidated difference (equity) | -91,003,249.65 | |

2. Newly set-up sub-subsidiaries

In May 2022, the subsidiary LYNK & CO Sales Co., Ltd. invested and set up a wholly-owned subsidiary, Hangzhou LYNK & CO New Energy Automobile Sales Service Co., Ltd., and as at 31 December 2022, LYNK & CO Sales Co., Ltd. has fully paid in capital contribution.

3. Others

By resolution of shareholders, in November 2022, the subsidiary Yuyao LYNK & CO Auto Parts Co., Ltd. absorbed and merged LYNK & CO Automotive Technology (Yuyao) Co., Ltd., which was originally the subsidiary of the Company, for free. After the merger, LYNK & CO Automotive Technology (Yuyao) Co., Ltd. no longer exists. Before the merger, the scope of the consolidation has not changed because of this matter.

## VII. INTEREST IN OTHER ENTITIES

Interests in subsidiaries

| Name | Principal place of business | Registration place | Business nature | Shareholding% Direct | Shareholding% Indirect | Acquisition method |
|---|---|---|---|---|---|---|
| Subsidiaries: | | | | | | |
| Kaiyue Auto Parts Manufacturing (Zhangjiakou) Co., Ltd. | Zhangjiakou Hebei | Zhangjiakou Hebei | Auto parts R&D, manufacturing and processing | 100.00 | – | Combination under common control |
| Yuyao LYNK & CO Auto Parts Co., Ltd. | Yuyao Zhejiang | Yuyao Zhejiang | Auto parts R&D, manufacturing and processing | 100.00 | – | Combination under common control |
| LYNK & CO Automobile Sales Co., Ltd. | Hangzhou Zhejiang | Hangzhou Zhejiang | Vehicle and auto parts sales | 100.00 | – | Combination under common control |
| Sichuan LYNK & CO Automobile Manufacturing Co., Ltd. | Chengdu Sichuan | Chengdu Sichuan | Auto parts R&D, manufacturing and processing | 100.00 | – | Combination under common control |
| Chengdu LYNK & CO Automobile Co., Ltd. | Chengdu Sichuan | Chengdu Sichuan | Vehicle and auto parts sales | 100.00 | – | Set up |
| LYNK & CO Automobile (Zhangjiakou) Co., Ltd. | Zhangjiakou Hebei | Zhangjiakou Hebei | Vehicle and auto parts sales | 100.00 | – | Set up |
| LYNK & CO International Sales (Yuyao) Co., Ltd. | Yuyao Zhejiang | Yuyao Zhejiang | Vehicle and auto parts sales | 100.00 | – | Set up |
| Geely Yaou (Ningbo Meishan Free Trade Zone) Technology Co., Ltd. | Ningbo Zhejiang | Ningbo Zhejiang | Vehicle and auto parts sales | 100.00 | – | Set up |
| LYNK & CO Hong Kong International Co., Ltd. | Hong Kong China | Hong Kong China | Investment | 100.00 | – | Set up |
| Sub-subsidiaries: | | | | | | |
| Ningbo LYNK & CO Automobile Culture Co., Ltd. | Ningbo Zhejiang | Ningbo Zhejiang | Cultural exchange services | – | 100.00 | Set up |
| Hangzhou LYNK & CO New Energy Automobile Sales Service Co., Ltd. | Hangzhou Zhejiang | Hangzhou Zhejiang | New Energy Vehicle Sales | – | 100.00 | Set up |
| LYNK & CO Europe AB | Sweden | Sweden | Vehicle and auto parts sales | – | 100.00 | Set up |
| LYNK&CO International AB | Sweden | Sweden | Vehicle and auto parts sales | – | 100.00 | Set up |
| LYNK & CO Sales Sweden AB | Sweden | Sweden | Vehicle and auto parts sales | – | 100.00 | Set up |
| LYNK & CO Sales Netherlands BV | Netherlands | Netherlands | Vehicle and auto parts sales | – | 100.00 | Set up |
| LYNK & CO Customer Engagement Operation B.V. | Netherlands | Netherlands | Vehicle and auto parts sales | – | 100.00 | Set up |
| LYNK & CO Sales Belgium BV | Belgium | Belgium | Vehicle and auto parts sales | – | 100.00 | Set up |
| LYNK & CO Sales France SAS | France | France | Vehicle and auto parts sales | – | 100.00 | Set up |
| LYNK & CO Sales Germany GmbH | Germany | Germany | Vehicle and auto parts sales | – | 100.00 | Set up |
| LYNK & CO Sales Italy S.R.L. | Italy | Italy | Vehicle and auto parts sales | – | 100.00 | Set up |
| LYNK & CO Sales Spain S.L | Spain | Spain | Vehicle and auto parts sales | – | 100.00 | Set up |

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## VIII. FAIR VALUE

The level in which fair value measurement is categorized is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement. The levels are defined as follows:

Level 1 inputs: unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities.

Level 2 inputs: inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities.

Level 3 inputs: inputs that are unobservable for underlying assets or liabilities.

(1) Items and amounts measured at fair value

As at 31 December 2022, the assets and liabilities measured at fair value are listed as follows according to the above three levels:

| Item | The first level of fair value measurement | The second level of fair value measurement | The third level of fair value measurement | Total |
|---|---|---|---|---|
| **I. Recurring fair value measurement** | | | | |
| (1) Receivables financing | -- | 2,359,715,996.92 | -- | 2,359,715,996.92 |
| (2) Trading financial liabilities | -- | 55,752,573.44 | -- | 55,752,573.44 |
| **Total** | **--** | **2,303,963,423.48** | **--** | **2,303,963,423.48** |

As at December 31 2021, the assets and liabilities measured at fair value are listed as follows according to the above three levels:

| Item | The first level of fair value measurement | The second level of fair value measurement | The third level of fair value measurement | Total |
|---|---|---|---|---|
| **I. Recurring fair value measurement** | | | | |
| (1) Receivables financing | -- | 4,945,669,355.92 | -- | 4,945,669,355.92 |
| (2) Trading financial liabilities | -- | 30,851,213.26 | -- | 30,851,213.26 |
| **Total** | **--** | **4,976,520,569.18** | **--** | **4,976,520,569.18** |

(2) Items and amounts that are not measured at fair value but disclose their fair value

The financial assets and financial liabilities of the Company and its subsidiaries measured at amortized cost mainly include monetary funds, accounts receivable, other receivables, accounts payable, other payables, short-term borrowings, long-term borrowings, non-current liabilities due within one year, lease liabilities, etc.

The carrying value of the above-mentioned financial assets and financial liabilities which are not measured at fair value varies very little from fair value.

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## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Information about the parent of the Company

| Name | Registration place | Business nature | Registered capital | Shareholding percentage % | Percentage of voting rights % |
|---|---|---|---|---|---|
| Zhejiang Jirun Automobile Co., Ltd. | Zhejiang China | Vehicle manufacturing | USD 79,000.00 | 50.00 | 50.00 |
| Volvo Automobile (China) Investment Co., Ltd. | Shanghai China | Investment Holding | USD 3,200.00 | 30.00 | 30.00 |
| Zhejiang Geely Holding Group Co., Ltd. | Zhejiang China | Investment Holding | RMB 103,000.00 | 20.00 | 20.00 |

The ultimate controlling party of the Company is Zhejiang Geely Holding Group Co., Ltd..

2. Information about the subsidiaries of the Company

For information about the subsidiaries of the Company, refer to Note VII.

3. Information on other related parties

| Name | Related party relationship |
|---|---|
| Baoji Geely Engine Co., Ltd | Controlled by the ultimate controlling party |
| Baoji Geely Auto Parts Co., Ltd. | Controlled by the ultimate controlling party |
| Beijing Geely Institute | Controlled by the ultimate controlling party |
| Beijing Lingjisheng Auto Sales Service Co., Ltd. | Controlled by the ultimate controlling party |
| Beijing Wisdom Puhua Commercial Factoring Co., Ltd | Controlled by the ultimate controlling party |
| Chengdu Gaoyuan Automobile Industry Co., Ltd. | Controlled by the ultimate controlling party |
| Chengdu Geely Logistics Service Co., Ltd. | Controlled by the ultimate controlling party |
| Chengdu Geely Automobile Manufacturing Co., Ltd. | Controlled by the ultimate controlling party |
| Chengdu Jiqiao Technology Co., Ltd. | Controlled by the ultimate controlling party |
| Dongying Lingji Xiaohua Auto Sales Service Co., Ltd. | Controlled by the ultimate controlling party |
| Fengsheng Automobile Technology Group Co., Ltd. | Controlled by the ultimate controlling party |
| Guangyu Mingdao Digital Technology Co., Ltd. | Controlled by the ultimate controlling party |
| Guizhou Geely Engine Co., Ltd. | Controlled by the ultimate controlling party |
| Guizhou Geely Engine Co., Ltd. | Controlled by the ultimate controlling party |
| Harbin Lingjixing Automobile Sales Service Co., Ltd. | Controlled by the ultimate controlling party |
| Harbin Lingjixing Automobile Sales Service Co., Ltd. | Controlled by the ultimate controlling party |
| Hangzhou Fuzhaolangfeng Technology Co., Ltd. | Controlled by the ultimate controlling party |
| Hangzhou Gangli Hotel Management Co., Ltd. | Controlled by the ultimate controlling party |
| Hangzhou Geely Automobile Digital Technology Co., Ltd. | Controlled by the ultimate controlling party |
| Hangzhou Geely Automobile Co., Ltd. | Controlled by the ultimate controlling party |

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## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

3. Information on other related parties (continued)

| Name | Related party relationship |
|---|---|
| Hangzhou Geely New Energy Auto Sales Co., Ltd. | Controlled by the ultimate controlling party |
| Hangzhou Geely Yiyun Technology Co., Ltd. | Controlled by the ultimate controlling party |
| Hangzhou Jiqiao Automobile Technology Co., Ltd. | Controlled by the ultimate controlling party |
| Hangzhou Shanbu Technology Co., Ltd. | Controlled by the ultimate controlling party |
| Hangzhou Xingfu Qianwanjia Health Service Management Co., Ltd. | Controlled by the ultimate controlling party |
| Hangzhou Xuanyu Human Resources Co., Ltd. | Controlled by the ultimate controlling party |
| Hangzhou Yibao Technology Co., Ltd. | Controlled by the ultimate controlling party |
| Hangzhou youxing Technology Co., Ltd. | Controlled by the ultimate controlling party |
| Hubei Yijiatong Technology Co., Ltd. | Controlled by the ultimate controlling party |
| Hunan Geely Auto Parts Co., Ltd. | Controlled by the ultimate controlling party |
| Jica Intelligent Robot Co., Ltd. | Controlled by the ultimate controlling party |
| Geely Automobile Group Co., Ltd. | Controlled by the ultimate controlling party |
| Geely Automobile Holding (Hangzhou) Co., Ltd. | Controlled by the ultimate controlling party |
| Geely Automobile Research Institute (Ningbo) Co., Ltd. | Controlled by the ultimate controlling party |
| Geely Sichuan Commercial Vehicle Co., Ltd. | Controlled by the ultimate controlling party |
| Geely Changxing Automatic Transmission Co., Ltd. | Controlled by the ultimate controlling party |
| Ji Zhi (Hangzhou) Culture Creative Co., Ltd. | Controlled by the ultimate controlling party |
| Zeekr Motor (Ningbo Hangzhou Bay New Zone) Co., Ltd. | Controlled by the ultimate controlling party |
| Jinan Geely Automobile Co., Ltd. | Controlled by the ultimate controlling party |
| Jining Lingji Renzhihe Automotive Sales Service Co., Ltd. | Controlled by the ultimate controlling party |
| Radar new energy vehicle (Zhejiang) Co., Ltd. | Controlled by the ultimate controlling party |
| Linyi Lingji Shunhua Automobile Sales Service Co., Ltd. | Controlled by the ultimate controlling party |
| Lingji Auto Trading Co., Ltd. | Controlled by the ultimate controlling party |
| Lynway Vision Intelligence Technology (Ningbo) Co., Ltd. | Controlled by the ultimate controlling party |
| Lingwu Automotive Technology (Chongqing) Co., Ltd. | Controlled by the ultimate controlling party |
| Mingtai Track management (Ningbo) Co., Ltd. | Controlled by the ultimate controlling party |
| Ningbo Hangzhou Bay Geely Auto Parts Co., Ltd. | Controlled by the ultimate controlling party |
| Ningbo Qianwan New Area Jiyan Logistics Service Co., Ltd. | Controlled by the ultimate controlling party |
| Ningbo Geely Luoyou Engine Parts Co., Ltd. | Controlled by the ultimate controlling party |
| Ningbo Geely Automobile Research and Development Co., Ltd. | Controlled by the ultimate controlling party |

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## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

3. Information on other related parties (continued)

| Name | Related party relationship |
|---|---|
| Ningbo Jirun Auto Parts Co., Ltd. | Controlled by the ultimate controlling party |
| Ningbo Zeekr Intelligent Technology Co., Ltd. | Controlled by the ultimate controlling party |
| Ningbo Meishan Free Trade Zone Geely Property Management Services Co., Ltd. | Controlled by the ultimate controlling party |
| Ningbo Shangzhongxia Automatic Transmission Co., Ltd. | Controlled by the ultimate controlling party |
| Ningbo Vision Auto Parts Co., Ltd. | Controlled by the ultimate controlling party |
| Qizheng New Energy Vehicle (Jinan) Co., Ltd. | Controlled by the ultimate controlling party |
| Qingdao Lingjihua Automobile Sales Service Co., Ltd. | Controlled by the ultimate controlling party |
| Shandong Geely New Energy Commercial Vehicle Co., Ltd. | Controlled by the ultimate controlling party |
| Shanxi Geely Auto Parts Co., Ltd. | Controlled by the ultimate controlling party |
| Shanghai Jijin Mechanical and Electrical Equipment Co., Ltd. | Controlled by the ultimate controlling party |
| Shanghai Meihuan Trade Co., Ltd. | Controlled by the ultimate controlling party |
| Shangrao Lingchuang Automotive Testing Technology Co., Ltd. | Controlled by the ultimate controlling party |
| Shijiazhuang Lingjixing Auto Sales Co., Ltd. | Controlled by the ultimate controlling party |
| Schutzman Chair (Ningbo) Co., Ltd. | Controlled by the ultimate controlling party |
| Taizhou Binhai Geely Engine Co., Ltd. | Controlled by the ultimate controlling party |
| Viridi E-Mobility Technology (Ningbo) Co., Ltd. | Controlled by the ultimate controlling party |
| Viridi E-Mobility Technology (Suzhou) Co., Ltd. | Controlled by the ultimate controlling party |
| Wuhan Geely Auto Parts Co., Ltd. | Controlled by the ultimate controlling party |
| Wuhan Lotus Technology Co., Ltd. | Controlled by the ultimate controlling party |
| Wuhan Lotus Automobile Co., Ltd. | Controlled by the ultimate controlling party |
| Xi'an Geely Automobile Co., Ltd. | Controlled by the ultimate controlling party |
| Xi'an Geely New Energy Auto Sales Co., Ltd. | Controlled by the ultimate controlling party |
| Xi'an Liancheng Intelligent Technology Co., Ltd. | Controlled by the ultimate controlling party |
| Yaou Automotive Manufacturing (Taizhou) Co., Ltd. | Controlled by the ultimate controlling party |
| Yaou New Energy Automobile Manufacturing (Chongqing) Co., Ltd. | Controlled by the ultimate controlling party |
| Yijiatong (Hubei) Technology Co., Ltd. | Controlled by the ultimate controlling party |
| Yiwu Geely Powertrain Co., Ltd. | Controlled by the ultimate controlling party |

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## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

3. Information on other related parties (continued)

| Name | Related party relationship |
|---|---|
| Yiwu Geely Automatic Transmission Co., Ltd. | Controlled by the ultimate controlling party |
| Zhangjiakou Kaishun Enterprise Management Service Co., Ltd. | Controlled by the ultimate controlling party |
| Zhangjiakou Volvo Automotive Engine Manufacturing Co., Ltd. | Controlled by the ultimate controlling party |
| Changsha Geely Auto Parts Co., Ltd. | Controlled by the ultimate controlling party |
| Changxing Geely Auto Parts Co., Ltd. | Controlled by the ultimate controlling party |
| Zhejiang Fulin Guorun Auto Parts Co., Ltd. | Controlled by the ultimate controlling party |
| Zhejiang Haoqing Automobile Manufacturing Co., Ltd. | Controlled by the ultimate controlling party |
| Zhejiang Haohan Energy Technology Co., Ltd. | Controlled by the ultimate controlling party |
| Zhejiang Haowu Network Technology Co., Ltd. (Note 1) | Controlled by the ultimate controlling party |
| Zhejiang Hengyuan New Energy Technology Co., Ltd. | Controlled by the ultimate controlling party |
| Zhejiang Jichuang Industry Development Co., Ltd. (Note 2) | Controlled by the ultimate controlling party |
| Zhejiang Geely Aixin Automatic Transmission Co., Ltd. | Controlled by the ultimate controlling party |
| Zhejiang Geely Education Technology Co., Ltd. | Controlled by the ultimate controlling party |
| Zhejiang Geely Holding Group Auto Sales Co., Ltd. | Controlled by the ultimate controlling party |
| Zhejiang Geely Automobile International Trade Co., Ltd. | Controlled by the ultimate controlling party |
| Zhejiang Geely Auto Parts Purchasing Co., Ltd. | Controlled by the ultimate controlling party |
| Zhejiang Geely Automobile Sales Co., Ltd. | Controlled by the ultimate controlling party |
| Zhejiang Geely Automobile Co., Ltd. | Controlled by the ultimate controlling party |
| Zhejiang Geely Automobile Manufacturing Co., Ltd. | Controlled by the ultimate controlling party |
| Zhejiang Geely Business Service Co., Ltd. | Controlled by the ultimate controlling party |
| Zhejiang Jili Business Service Co., Ltd. | Controlled by the ultimate controlling party |
| Zhejiang Jiling Technology Co., Ltd. | Controlled by the ultimate controlling party |
| Zhejiang Jirun Chunxiao Auto Parts Co., Ltd. (Note 3) | Controlled by the ultimate controlling party |
| Zhejiang Jirun Meishan Auto Parts Co., Ltd. | Controlled by the ultimate controlling party |
| Zhejiang Jisu Supply Chain Management Co., Ltd. | Controlled by the ultimate controlling party |
| Zhejiang Jisu Logistics Co., Ltd. | Controlled by the ultimate controlling party |
| Zhejiang Jizhi New Energy Automotive Technology Co., Ltd. | Controlled by the ultimate controlling party |
| Zhejiang Zeekr Intelligent Technology Co., Ltd. | Controlled by the ultimate controlling party |

Note 1: Used name was Zhejiang Linke Haowu Network Technology Co., Ltd.;

Note 2: Used name was Zhejiang Jichuang Auto Parts Co., Ltd.;

Note 3: Zhejiang Jirun Chunxiao Auto Parts Co., Ltd. has been absorbed and merged by Zhejiang Jirun Auto Co., Ltd. in this period.

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## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

3. Information on other related parties (continued)

| Name | Related party relationship |
|---|---|
| Zhejiang Limin Industrial Group Co., Ltd. | Controlled by the ultimate controlling party |
| Zhejiang Liankong Technology Co., Ltd. | Controlled by the ultimate controlling party |
| Zhejiang Xuanfu Technology Co., Ltd. | Controlled by the ultimate controlling party |
| Zhejiang Yili Auto Parts Co., Ltd. | Controlled by the ultimate controlling party |
| Zhejiang Yizhen Automobile Sales Co., Ltd. (Note 4) | Controlled by the ultimate controlling party |
| Zhejiang Yuancheng Zhitong Technology Co., Ltd. | Controlled by the ultimate controlling party |
| Zhejiang Vision Auto Parts Co., Ltd. | Controlled by the ultimate controlling party |
| Zhejiang Wisdom Puhua Financing Leasing Co., Ltd. | Controlled by the ultimate controlling party |
| Volvo Personvagnar AB | Controlled by the ultimate controlling party |
| Volvo Car Corporation | Controlled by the ultimate controlling party |
| Volvo Car AB | Controlled by the ultimate controlling party |
| Lotus Advance Techologies Sdn. Bhd. | Controlled by the ultimate controlling party |
| Geely Group Motorsports International AB | Controlled by the ultimate controlling party |
| Geely Innovation Centre3 AB | Controlled by the ultimate controlling party |
| Geely Innovation Centre Management AB | Controlled by the ultimate controlling party |
| Geely Business Center AB | Controlled by the ultimate controlling party |
| China European Vehicle Technology AB | Controlled by the ultimate controlling party |
| Belgium Import Company | Controlled by the ultimate controlling party |
| Ningbo Jining Auto Parts Co., Ltd. | Controlled by the ultimate controller |
| Chongqing Ruilan Automobile Research Institute Co., Ltd. | Controlled by the ultimate controller |
| Chongqing Ruilan Automobile Technology Co., Ltd. | Controlled by the ultimate controller |
| Jizhi Auto Finance Co., Ltd. | Joint venture of the ultimate holding party |
| Mando (Ningbo) Automotive Parts Co.,Ltd. | Associate of shareholders |

Note 4: Used name was Zhejiang Yinglun Automobile Sales Co., Ltd..

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## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Transactions with related parties

(1) Sales to related parties

A. Vehicle sales to related parties

Consolidated:

| Related party | Nature of transaction | 2022 Amount (RMB 10,000) | 2021 Amount (RMB 10,000) |
|---|---|---|---|
| Linyi Lingji Shunhua Automobile Sales Service Co., Ltd. | Vehicle and auto parts sales | 11,411.47 | 12,007.35 |
| Harbin Lingjixing Automobile Sales Service Co., Ltd. | Vehicle and auto parts sales | 10,391.69 | 13,898.08 |
| Geely Automobile Research Institute (Ningbo) Co., Ltd. | Vehicle and auto parts sales | 10,176.59 | 3,585.96 |
| Beijing Lingjisheng Auto Sales Service Co., Ltd. | Vehicle and auto parts sales | 8,112.45 | 4,777.19 |
| Jining Lingji Renzhihe Automotive Sales Service Co., Ltd. | Vehicle and auto parts sales | 7,577.04 | 10,348.03 |
| Dongying Lingji Xiaohua Auto Sales Service Co., Ltd. | Vehicle and auto parts sales | 6,161.25 | 7,681.69 |
| Shijiazhuang Lingjixing Auto Sales Co., Ltd. | Vehicle and auto parts sales | 3,880.59 | -- |
| Lingwu Automotive Technology (Chongqing) Co., Ltd. | Vehicle and auto parts sales | 3,108.82 | -- |
| Zeekr Motor (Ningbo Hangzhou Bay New Zone) Co., Ltd. | Vehicle and auto parts sales | 2,491.22 | -- |
| Shanghai Meihuan Trade Co., Ltd. | Vehicle and auto parts sales | 2,270.20 | 202.02 |
| Qingdao Lingjihua Automobile Sales Service Co., Ltd. | Vehicle and auto parts sales | 1,797.25 | -- |
| Zhejiang Jirun Automobile Co., Ltd. | Vehicle and auto parts sales | 1,103.61 | 1,749.21 |
| Zhejiang Haowu Network Technology Co., Ltd. | Vehicle and auto parts sales | 996.04 | 112.24 |
| Ningbo Jirun Auto Parts Co., Ltd. | Vehicle and auto parts sales | 840.80 | -- |
| Volvo Car AB | Vehicle and auto parts sales | 827.36 | -- |
| Zhejiang Geely Holding Group Auto Sales Co., Ltd. | Vehicle and auto parts sales | 735.21 | 1,852.70 |
| Zhejiang Geely Holding Group Co., Ltd. | Vehicle and auto parts sales | 483.60 | 88.12 |
| Shanxi Geely Auto Parts Co., Ltd. | Vehicle and auto parts sales | 451.06 | 14.33 |
| Ningbo Vision Auto Parts Co., Ltd. | Vehicle and auto parts sales | 403.61 | -- |
| Zhejiang Jirun Meishan Auto Parts Co., Ltd. | Vehicle and auto parts sales | 244.69 | 90.30 |
| Ningbo Geely Luoyou Engine Parts Co., Ltd. | Vehicle and auto parts sales | 231.93 | 76.05 |
| Zhejiang Haoqing Automobile Manufacturing Co., Ltd. | Vehicle and auto parts sales | 110.04 | -- |
| Fengsheng Automobile Technology Group Co., Ltd. | Vehicle and auto parts sales | 77.07 | 0.12 |
| Guizhou Geely Engine Co., Ltd. | Vehicle and auto parts sales | 70.61 | 0.08 |
| Chengdu Geely Automobile Manufacturing Co., Ltd. | Vehicle and auto parts sales | 58.38 | 227,894.21 |
| Ningbo Geely Automobile Research and Development Co., Ltd. | Vehicle and auto parts sales | 50.77 | -1.77 |
| Zhejiang Xuanfu Technology Co., Ltd. | Vehicle and auto parts sales | 34.11 | -- |

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## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Transactions with related parties (continued)

(1) Sales to related parties (continued)

A. Vehicle sales to related parties (continued)

Consolidated (continued):

| Related party | Nature of transaction | 2022 Amount (RMB 10,000) | 2021 Amount (RMB 10,000) |
|---|---|---|---|
| Baoji Geely Auto Parts Co., Ltd. | Vehicle and auto parts sales | 32.26 | 0.19 |
| Radar new energy vehicle (Zhejiang) Co., Ltd. | Vehicle and auto parts sales | 30.61 | -- |
| Zhejiang Jizhi New Energy Automotive Technology Co., Ltd. | Vehicle and auto parts sales | 28.98 | 0.54 |
| Geely Automobile Group Co., Ltd. | Vehicle and auto parts sales | 28.71 | -- |
| Zhejiang Jisu Logistics Co., Ltd. | Vehicle and auto parts sales | 28.33 | 31.45 |
| Zhejiang Wisdom Puhua Financing Leasing Co., Ltd. | Vehicle and auto parts sales | 28.28 | -- |
| Shanghai Geely Zhaoyuan International Investment Co.,Ltd | Vehicle and auto parts sales | 27.80 | -- |
| Zhejiang Vision Auto Parts Co., Ltd. | Vehicle and auto parts sales | 26.32 | -- |
| Hunan Geely Auto Parts Co., Ltd. | Vehicle and auto parts sales | 25.08 | -- |
| Yaou New Energy Automobile Manufacturing (Chongqing) Co., Ltd. | Vehicle and auto parts sales | 24.83 | -- |
| Zeekr Automobile (Shanghai) Co., Ltd. | Vehicle and auto parts sales | 23.42 | 15.03 |
| Guangyu Mingdao Digital Technology Co., Ltd. | Vehicle and auto parts sales | 22.26 | -- |
| Chongqing Ruilan Automobile Research Institute Co., Ltd. | Vehicle and auto parts sales | 15.28 | -- |
| Xi'an Geely Automobile Co., Ltd. | Vehicle and auto parts sales | 11.92 | -- |
| Ningbo Jining Auto Parts Co., Ltd. | Vehicle and auto parts sales | 10.25 | 10.71 |
| Zhejiang Geely Automobile Sales Co., Ltd. | Vehicle and auto parts sales | 8.59 | 778.80 |
| Changxing Geely Auto Parts Co., Ltd. | Vehicle and auto parts sales | 4.02 | -- |
| Chengdu Gaoyuan Automobile Industry Co., Ltd. | Vehicle and auto parts sales | 2.60 | -- |
| Geely Sichuan Commercial Vehicle Co., Ltd. | Vehicle and auto parts sales | 2.46 | 3.39 |
| Geely Group Motorsports International AB | Vehicle and auto parts sales | 2.27 | 20.30 |
| Zhejiang Luhu Automobile Co., Ltd. | Vehicle and auto parts sales | 1.62 | -- |
| Hangzhou Geely Automobile Co., Ltd. | Vehicle and auto parts sales | 1.48 | 48.81 |
| Chongqing Ruilan Automobile Technology Co., Ltd. | Vehicle and auto parts sales | 1.19 | -- |
| Qizheng New Energy Vehicle (Jinan) Co., Ltd. | Vehicle and auto parts sales | 0.81 | -- |
| Wuhan Lotus Automobile Co., Ltd. | Vehicle and auto parts sales | 0.14 | -- |
| Yiwu Geely Powertrain Co., Ltd. | Vehicle and auto parts sales | 0.14 | -- |
| Wuhan Geely Auto Parts Co., Ltd. | Vehicle and auto parts sales | 0.02 | -- |

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## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Transactions with related parties (continued)

(1) Sales to related parties (continued)

A. Vehicle sales to related parties (continued)

Consolidated (continued):

| Related party | Nature of transaction | 2022 Amount (RMB 10,000) | 2021 Amount (RMB 10,000) |
|---|---|---|---|
| Shanghai Meihuan Trade Co., Ltd. | Vehicle and auto parts sales | -- | 158.97 |
| Changsha Geely Auto Parts Co., Ltd. | Vehicle and auto parts sales | -- | 13.27 |
| Baoji Geely Engine Co.,Ltd | Vehicle and auto parts sales | -- | 10.92 |
| Ningbo Hangzhou Bay Geely Auto Parts Co., Ltd. | Vehicle and auto parts sales | -- | 7.15 |
| Schutzman Chair (Ningbo) Co., Ltd. | Vehicle and auto parts sales | -- | 5.15 |
| Ningbo Shangzhongxia Automatic Transmission Co., Ltd. | Vehicle and auto parts sales | -- | 0.21 |
| Zhejiang Fulin Guorun Auto Parts Co., Ltd. | Vehicle and auto parts sales | -- | 0.15 |
| Ningbo Hangzhou Bay Geely Auto Parts Co., Ltd. | Vehicle and auto parts sales | -- | 0.15 |
| Zhejiang Geely Automobile Co., Ltd. | Vehicle and auto parts sales | -26.21 | 26.75 |
| **Total** | | **74,460.92** | **285,507.85** |

The Company:

The Company does not have goods sales to related parties in this period.

B. Other sales

Consolidated:

| Related party | Nature of transaction | 2022 Amount (RMB 10,000) | 2021 Amount (RMB 10,000) |
|---|---|---|---|
| Chengdu Geely Automobile Manufacturing Co., Ltd. | Other sales | 25,576.44 | 232.68 |
| Zhejiang Geely Holding Group Co., Ltd. | Other sales | 14,630.21 | 5,692.48 |
| Ningbo Geely Automobile Research and Development Co., Ltd. | Other sales | 8,826.93 | 2,285.82 |
| Zhejiang Zeekr Intelligent Technology Co., Ltd. | Other sales | 3,713.14 | -- |
| Zeekr Motor (Ningbo Hangzhou Bay New Zone) Co., Ltd. | Other sales | 1,386.44 | 1,803.80 |
| Lotus Advance Techologies Sdn. Bhd. | Other sales | 905.84 | -- |
| China European Vehicle Technology AB | Other sales | 352.30 | 591.90 |
| Ningbo Qianwan New Area Jiyan Logistics Service Co., Ltd. | Other sales | 329.42 | 167.79 |
| Volvo Car AB | Other sales | 262.84 | -- |
| Lynway Vision Intelligence Technology (Ningbo) Co., Ltd. | Other sales | 201.06 | 9.13 |
| Hangzhou Geely Automobile Co., Ltd. | Other sales | 174.28 | 1.16 |
| Belgium Import Company | Other sales | 171.23 | 273.81 |

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## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Transactions with related parties (continued)

(1) Sales to related parties (continued)

B. Other sales (continued)

Consolidated (continued):

| Related party | Nature of transaction | 2022 Amount (RMB 10,000) | 2021 Amount (RMB 10,000) |
|---|---|---|---|
| Jizhi Auto Finance Co., Ltd. | Other sales | 171.07 | 92.06 |
| Geely Automobile Research Institute (Ningbo) Co., Ltd. | Other sales | 165.62 | 3.43 |
| Geely Innovation Centre Management AB | Other sales | 130.19 | -- |
| Zhangjiakou Kaishun Enterprise Management Service Co., Ltd. | Other sales | 54.14 | 82.71 |
| Mingtai Track management (Ningbo) Co., Ltd. | Other sales | 37.22 | -- |
| Zhejiang Luhu Automobile Co., Ltd. | Other sales | 21.52 | -- |
| Guizhou Geely Engine Co., Ltd. | Other sales | 18.82 | 0.37 |
| Ningbo Jirun Auto Parts Co., Ltd. | Other sales | 17.78 | 0.82 |
| Zhejiang Jiling Technology Co., Ltd. | Other sales | 16.20 | -- |
| Zhejiang Haowu Network Technology Co., Ltd. | Other sales | 13.21 | -- |
| Chengdu Geely Logistics Service Co., Ltd. | Other sales | 6.91 | 12.23 |
| Changxing Geely Auto Parts Co., Ltd. | Other sales | 2.76 | -- |
| Guangyu Mingdao Digital Technology Co., Ltd. | Other sales | 2.75 | 3,301.89 |
| Harbin Lingjixing Automobile Sales Service Co., Ltd. | Other sales | 1.98 | 1.98 |
| Ningbo Hangzhou Bay Geely Auto Parts Co., Ltd. | Other sales | 0.81 | 74.61 |
| Hangzhou Xuanyu Human Resources Co., Ltd. | Other sales | 0.78 | 0.19 |
| Shanxi Geely Auto Parts Co., Ltd. | Other sales | 0.62 | -- |
| Ningbo Vision Auto Parts Co., Ltd. | Other sales | 0.59 | -- |
| Xi'an Geely Automobile Co., Ltd. | Other sales | 0.28 | 14.69 |
| Lingwu Automotive Technology (Chongqing) Co., Ltd. | Other sales | 0.18 | -- |
| Geely Automobile Group Co., Ltd. | Other sales | 0.16 | -- |
| Lingji Auto Trading Co., Ltd. | Other sales | 0.07 | -- |
| Shandong Geely New Energy Commercial Vehicle Co., Ltd. | Other sales | 0.05 | 0.01 |
| Beijing Geely Institute | Other sales | -- | 98.11 |
| Baoji Geely Auto Parts Co., Ltd. | Other sales | -- | 5.09 |
| Daqing Volvo Car Manufacturing Co.,Ltd. | Other sales | -- | 3.59 |
| Zhejiang Jirun Chunxiao Auto Parts Co., Ltd. | Other sales | -- | 0.89 |
| Zhejiang Geely Education Technology Co., Ltd. | Other sales | -- | 0.15 |
| Schutzman Chair (Ningbo) Co., Ltd. | Other sales | -- | 0.14 |

20231004005O6

## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Transactions with related parties (continued)

(1) Sales to related parties (continued)

B. Other sales (continued)

Consolidated (continued):

| Related party | Nature of transaction | 2022 Amount (RMB 10,000) | 2021 Amount (RMB 10,000) |
|---|---|---|---|
| Zhejiang Jisu Logistics Co., Ltd. | Other sales | -- | 0.12 |
| Zhejiang Jirun Meishan Auto Parts Co., Ltd. | Other sales | -- | -18.59 |
| **Total** | | **57,193.84** | **14,733.06** |

The Company:

| Related party | Nature of transaction | 2022 Amount(RMB 10,000) | 2021 Amount (RMB 10,000) |
|---|---|---|---|
| Yuyao LYNK & CO Auto Parts Co.,Ltd. | Providing quality service | 358.06 | 102.70 |
| Ningbo Hangzhou Bay Geely Auto Parts Co., Ltd. | Providing quality service | -- | 64.65 |
| Kaiyue Auto Parts Manufacturing (Zhangjiakou) Co., Ltd. | Providing quality service | -- | 31.20 |
| Chengdu LYNK & CO Automobile Co., Ltd. | Providing quality service | -- | 27.74 |
| Zhejiang Jirun Meishan Auto Parts Co., Ltd. | Providing quality service | -- | -18.95 |
| LYNK & CO Automobile Technology (Yuyao) Co., Ltd. | Providing quality service | -- | -25.82 |
| **Total** | | **358.06** | **181.52** |

(2) Purchases from related parties

A. Vehicle purchases from related parties

Consolidated:

| Related party | Nature of transaction | 2022 Amount(RMB 10,000) | 2021 Amount (RMB 10,000) |
|---|---|---|---|
| Zhejiang Jirun Meishan Auto Parts Co., Ltd. | Vehicle purchase | 469,301.84 | 76,797.70 |
| Zhejiang Geely Automobile Co., Ltd. | Vehicle purchase | 125,760.26 | 122,923.40 |
| Lingwu Automotive Technology (Chongqing) Co., Ltd. | Vehicle purchase | 3,000.22 | -- |
| Zhejiang Haoqing Automobile Manufacturing Co., Ltd. | Vehicle purchase | 85.08 | 823.49 |
| Zhejiang Geely Automobile International Trade Co., Ltd. | Vehicle purchase | 8.85 | -- |
| Geely Automobile Research Institute (Ningbo) Co., Ltd. | Vehicle purchase | -- | 176.99 |
| Ningbo Geely Automobile Research and Development Co., Ltd. | Vehicle purchase | -- | -111.25 |
| **Total** | | **598,156.25** | **200,610.33** |

The Company:

The Company does not have vehicle purchases from related parties in this period.

20231004006607

## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Transactions with related parties (continued)

(2) Purchases from related parties

B. Auto parts purchases from related parties

Consolidated:

| Related party | Nature of transaction | 2022 Amount (RMB 10,000) | 2021 Amount (RMB 10,000) |
|---|---|---|---|
| Viridi E-Mobility Technology (Ningbo) Co., Ltd. | Auto parts purchase | 177,120.19 | 54,029.32 |
| Ningbo Shangzhongxia Automatic Transmission Co., Ltd. | Auto parts purchase | 108,139.70 | 125,016.00 |
| Taizhou Binhai Geely Engine Co., Ltd. | Auto parts purchase | 64,423.11 | 117,549.96 |
| Baoji Geely Engine Co.,Ltd | Auto parts purchase | 50,200.47 | 66,460.90 |
| Geely Changxing Automatic Transmission Co., Ltd. | Auto parts purchase | 45,512.75 | -- |
| Yiwu Geely Powertrain Co., Ltd. | Auto parts purchase | 43,772.08 | 15,027.45 |
| Yijiatong (Hubei) Technology Co., Ltd. | Auto parts purchase | 38,898.01 | -- |
| Ningbo Geely Luoyou Engine Parts Co., Ltd. | Auto parts purchase | 38,515.06 | 25,982.51 |
| Yiwu Geely Automatic Transmission Co., Ltd. | Auto parts purchase | 22,884.74 | -- |
| Zhejiang Xuanfu Technology Co., Ltd. | Auto parts purchase | 22,152.92 | 9,240.70 |
| Zhejiang Geely Auto Parts Purchasing Co., Ltd. | Auto parts purchase | 21,247.12 | 107,246.04 |
| Guizhou Geely Engine Co., Ltd. | Auto parts purchase | 20,658.70 | 17,074.56 |
| Ningbo Hangzhou Bay Geely Auto Parts Co., Ltd. | Auto parts purchase | 14,157.19 | 496.10 |
| Zhejiang Geely Aixin Automatic Transmission Co., Ltd. | Auto parts purchase | 13,548.28 | -- |
| Lynway Vision Intelligence Technology (Ningbo) Co., Ltd. | Auto parts purchase | 12,344.89 | 1,693.48 |
| Mando(Ningbo)Automotive Parts Co.,Ltd. | Auto parts purchase | 10,113.45 | 11,621.16 |
| Ningbo Jining Auto Parts Co., Ltd. | Auto parts purchase | 6,440.92 | 5,737.47 |
| Jica Intelligent Robot Co., Ltd. | Auto parts purchase | 6,284.02 | -- |
| Hubei Yijiatong Technology Co., Ltd. | Auto parts purchase | 4,235.02 | 17,808.97 |
| Schutzman Chair (Ningbo) Co., Ltd. | Auto parts purchase | 3,342.68 | 3,606.18 |
| Zhejiang Vision Auto Parts Co., Ltd. | Auto parts purchase | 2,646.62 | 4,623.70 |
| Shanxi Geely Auto Parts Co., Ltd. | Auto parts purchase | 2,306.97 | 958.09 |
| Zhejiang Jirun Meishan Auto Parts Co., Ltd. | Auto parts purchase | 1,588.87 | 196.84 |
| Zhejiang Haohan Energy Technology Co., Ltd. | Auto parts purchase | 1,558.55 | -- |
| Harbin Lingjixing Automobile Sales Service Co., Ltd. | Auto parts purchase | 871.34 | 306.71 |
| Ningbo Vision Auto Parts Co., Ltd. | Auto parts purchase | 641.62 | 3.32 |
| Geely Automobile Research Institute (Ningbo) Co., Ltd. | Auto parts purchase | 564.57 | 553.17 |
| Shanghai Meihuan Trade Co., Ltd. | Auto parts purchase | 465.58 | -- |
| Zhejiang Haowu Network Technology Co., Ltd. | Auto parts purchase | 235.41 | 235.19 |

2023100400608

## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Transactions with related parties (continued)

(2) Purchases from related parties (continued)

B. Auto parts purchases from related parties (continued)

Consolidated (continued):

| Related party | Nature of transaction | 2022 Amount (RMB 10,000) | 2021 Amount (RMB 10,000) |
|---|---|---|---|
| Volvo Car AB | Auto parts purchase | 230.03 | -- |
| Chengdu Geely Automobile Manufacturing Co., Ltd. | Auto parts purchase | 194.61 | 1,950.12 |
| Ningbo Jirun Auto Parts Co., Ltd. | Auto parts purchase | 123.37 | 22.41 |
| Zhejiang Jisu Logistics Co., Ltd. | Auto parts purchase | 118.06 | -- |
| Zhejiang Jirun Chunxiao Auto Parts Co., Ltd. | Auto parts purchase | 107.87 | 589.04 |
| Zhejiang Jisu Supply Chain Management Co., Ltd. | Auto parts purchase | 107.78 | -- |
| Guizhou Geely Engine Co., Ltd. | Auto parts purchase | 78.13 | -- |
| Xi'an Geely Automobile Co., Ltd. | Auto parts purchase | 45.11 | -- |
| Zhejiang Hengyuan New Energy Technology Co., Ltd. | Auto parts purchase | 28.00 | 56.85 |
| Hunan Geely Auto Parts Co., Ltd. | Auto parts purchase | 22.39 | 4.20 |
| Ningbo Geely Automobile Research and Development Co., Ltd. | Auto parts purchase | 11.98 | -0.07 |
| Zhejiang Luhu Automobile Co., Ltd. | Auto parts purchase | 8.21 | 24.23 |
| Hangzhou Fuzhaolangfeng Technology Co., Ltd. | Auto parts purchase | 5.63 | 62.70 |
| Zhejiang Haoqing Automobile Manufacturing Co., Ltd. | Auto parts purchase | 4.06 | 57.22 |
| Changxing Geely Auto Parts Co., Ltd. | Auto parts purchase | 3.28 | -- |
| Baoji Geely Auto Parts Co., Ltd. | Auto parts purchase | 2.23 | 0.55 |
| Xi'an Liancheng Intelligent Technology Co., Ltd. | Auto parts purchase | 1.89 | -- |
| Zhejiang Jirun Automobile Co., Ltd. | Auto parts purchase | 1.42 | 1.42 |
| Hangzhou Geely Automobile Co., Ltd. | Auto parts purchase | 0.90 | 21.83 |
| Zhejiang Fulin Guorun Auto Parts Co., Ltd. | Auto parts purchase | 0.41 | -- |
| Yaou Automotive Manufacturing (Taizhou) Co., Ltd. | Auto parts purchase | -73.74 | 903.46 |
| Zhejiang Geely Automobile Co., Ltd. | Auto parts purchase | -- | 432.52 |
| Zhangjiakou Volvo Automotive Engine Manufacturing Co., Ltd. | Auto parts purchase | -- | 12.32 |
| Hangzhou Xuanyu Human Resources Co., Ltd. | Auto parts purchase | -- | 12.13 |
| Zhejiang Geely Automobile Sales Co., Ltd. | Auto parts purchase | -- | 0.88 |
| Zhejiang Limin Industrial Group Co., Ltd. | Auto parts purchase | -- | -55.44 |
| ***Total*** | | **735,892.45** | **589,564.19** |

The Company:

The Company does not have auto parts purchases from related parties in this period.

20231004006509

## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Transactions with related parties (continued)

(3) Other transactions with related parties

A. Purchase of intangible asset and R&D

Consolidated:

| Related party | Nature of transaction | 2022 Amount (RMB 10,000) | 2021 Amount (RMB 10,000) |
|---|---|---|---|
| Geely Automobile Research Institute (Ningbo) Co., Ltd. | Purchase of intangible asset and R&D | 206,617.95 | 110,730.54 |
| Ningbo Geely Automobile Research and Development Co., Ltd. | Purchase of intangible asset and R&D | 84,178.56 | 248,983.34 |
| Guangyu Mingdao Digital Technology Co., Ltd. | Purchase of intangible asset and R&D | 7,813.85 | -- |
| Zhejiang Jirun Meishan Auto Parts Co., Ltd. | Purchase of intangible asset and R&D | 3,552.08 | 12,002.18 |
| Zhejiang Geely Holding Group Auto Sales Co., Ltd. | Purchase of intangible asset and R&D | 2,531.53 | 714.40 |
| Zhejiang Jirun Automobile Co., Ltd. | Purchase of intangible asset and R&D | 2,315.42 | 959.49 |
| Hangzhou Geely Automobile Digital Technology Co., Ltd. | Purchase of intangible asset and R&D | 251.53 | -- |
| Zhejiang Haohan Energy Technology Co., Ltd. | Purchase of intangible asset and R&D | 210.92 | -- |
| Shangrao Lingchuang Automotive Testing Technology Co., Ltd. | Purchase of intangible asset and R&D | 181.78 | -- |
| Zhejiang Geely Business Service Co., Ltd. | Purchase of intangible asset and R&D | 73.92 | -- |
| Zhejiang Jisu Logistics Co., Ltd. | Purchase of intangible asset and R&D | 22.28 | -- |
| Lingji Auto Trading Co., Ltd. | Purchase of intangible asset and R&D | 13.82 | -- |
| Hunan Geely Auto Parts Co., Ltd. | Purchase of intangible asset and R&D | 6.62 | -- |
| Ningbo Hangzhou Bay Geely Auto Parts Co., Ltd. | Purchase of intangible asset and R&D | 3.60 | -- |
| Yiwu Geely Powertrain Co., Ltd. | Purchase of intangible asset and R&D | 0.44 | -- |
| Zhejiang Haoqing Automobile Manufacturing Co., Ltd. | Purchase of intangible asset and R&D | -- | 29,975.00 |
| Geely Automobile Group Co., Ltd. | Purchase of intangible asset and R&D | -- | 18.55 |
| Hangzhou Geely Yiyun Technology Co., Ltd. | Purchase of intangible asset and R&D | -- | -56.60 |
| **Total** | | **307,774.30** | **403,326.90** |

The Company:

The Company does not have purchase of intangible asset and R&D from related parties in this period.

20231004006319

## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Transactions with related parties (continued)

(3) Other transactions with related parties (continued)

B. Purchase of fixed assets and construction in progress

Consolidated:

| Related party | Nature of transaction | 2022 Amount (RMB 10,000) | 2021 Amount (RMB 10,000) |
|---|---|---|---|
| Geely Automobile Group Co., Ltd. | Purchase of fixed assets and construction in progress | 1,952.59 | 1,066.75 |
| Chengdu Gaoyuan Automobile Industry Co., Ltd. | Purchase of fixed assets and construction in progress | 288.85 | 3,880.53 |
| Ningbo Vision Auto Parts Co., Ltd. | Purchase of fixed assets and construction in progress | 161.73 | -- |
| Geely Sichuan Commercial Vehicle Co., Ltd. | Purchase of fixed assets and construction in progress | 154.87 | -- |
| Chengdu Geely Automobile Manufacturing Co., Ltd. | Purchase of fixed assets and construction in progress | 66.86 | -- |
| Zhejiang Geely Holding Group Auto Sales Co., Ltd. | Purchase of fixed assets and construction in progress | 55.81 | 4.65 |
| Ningbo Jining Auto Parts Co., Ltd. | Purchase of fixed assets and construction in progress | 27.74 | 45.88 |
| Ningbo Jirun Auto Parts Co., Ltd. | Purchase of fixed assets and construction in progress | 18.63 | -- |
| Shanghai Jicining Mechanical and Electrical Equipment Co., Ltd. | Purchase of fixed assets and construction in progress | 17.44 | 450.74 |
| Hangzhou Geely Automobile Co., Ltd. | Purchase of fixed assets and construction in progress | 9.51 | -- |
| Zhejiang Jisu Logistics Co., Ltd. | Purchase of fixed assets and construction in progress | 8.72 | -- |
| Jinan Geely Automobile Co., Ltd. | Purchase of fixed assets and construction in progress | 8.13 | 165.92 |
| Shanghai Meihuan Trade Co., Ltd. | Purchase of fixed assets and construction in progress | 6.25 | 2.73 |
| Zhejiang Jirun Automobile Co., Ltd. | Purchase of fixed assets and construction in progress | 5.37 | 85.98 |
| Geely Automobile Holding (Shanghai) Co., Ltd. | Purchase of fixed assets and construction in progress | 3.92 | -- |
| Zhejiang Geely Holding Group Co., Ltd. | Purchase of fixed assets and construction in progress | 3.13 | 0.65 |
| Hangzhou Geely Yiyun Technology Co., Ltd. | Purchase of fixed assets and construction in progress | 2.17 | -- |

20231004005111

## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Transactions with related parties (continued)

(3) Other transactions with related parties (continued)

B. Purchase of fixed assets and construction in progress (continued)

Consolidated (continued):

| Related party | Nature of transaction | 2021 Amount (RMB 10,000) | 2021 Amount (RMB 10,000) |
|---|---|---|---|
| Hangzhou Xuanyu Human Resources Co., Ltd. | Purchase of fixed assets and construction in progress | 1.43 | 0.55 |
| Baoji Geely Auto Parts Co., Ltd. | Purchase of fixed assets and construction in progress | 0.74 | -- |
| Yaou New Energy Automobile Manufacturing (Chongqing) Co., Ltd. | Purchase of fixed assets and construction in progress | 0.55 | -- |
| Chongqing Ruilan Automobile Technology Co., Ltd. | Purchase of fixed assets and construction in progress | 0.39 | -- |
| Hunan Geely Auto Parts Co., Ltd. | Purchase of fixed assets and construction in progress | 0.33 | 0.20 |
| Zhejiang Fulin Guorun Auto Parts Co., Ltd. | Purchase of fixed assets and construction in progress | 0.32 | -- |
| Zhejiang Jirun Meishan Auto Parts Co., Ltd. | Purchase of fixed assets and construction in progress | 0.29 | 170.79 |
| Zhejiang Geely Automobile Sales Co., Ltd. | Purchase of fixed assets and construction in progress | 0.26 | 0.36 |
| Zhejiang Geely Business Service Co., Ltd. | Purchase of fixed assets and construction in progress | 0.16 | -- |
| Zhejiang Geely Automobile International Trade Co., Ltd. | Purchase of fixed assets and construction in progress | 0.14 | -- |
| Zhejiang Geely Education Technology Co., Ltd. | Purchase of fixed assets and construction in progress | 0.10 | -- |
| Shanghai Jijin Mechanical and Electrical Equipment Co., Ltd. | Purchase of fixed assets and construction in progress | -- | 10,891.60 |
| Zhejiang Geely Automobile Co., Ltd. | Purchase of fixed assets and construction in progress | -- | 9,805.04 |
| Yaou Automotive Manufacturing (Taizhou) Co., Ltd. | Purchase of fixed assets and construction in progress | -- | 26.18 |
| Zhejiang Jirun Chunxiao Auto Parts Co., Ltd. | Purchase of fixed assets and construction in progress | -- | 18.88 |
| Geely Automobile Research Institute (Ningbo) Co., Ltd. | Purchase of fixed assets and construction in progress | -- | 6.34 |
| Zhejiang Geely Auto Parts Purchasing Co., Ltd. | Purchase of fixed assets and construction in progress | -- | 4.40 |

20231004006512

## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Transactions with related parties (continued)

(3) Other transactions with related parties (continued)

B. Purchase of fixed assets and construction in progress (continued)

Consolidated (continued):

| Related party | Nature of transaction | 2022 Amount (RMB 10,000) | 2021 Amount (RMB 10,000) |
|---|---|---|---|
| Hubei Yechi New Energy Technology Co., Ltd. | Purchase of fixed assets and construction in progress | -- | 3.05 |
| Zhejiang Haowu Network Technology Co., Ltd. | Purchase of fixed assets and construction in progress | -- | 0.97 |
| Harbin Lingjixing Automobile Sales Service Co., Ltd. | Purchase of fixed assets and construction in progress | -- | 0.59 |
| Viridi E-Mobility Technology (Ningbo) Co., Ltd. | Purchase of fixed assets and construction in progress | -- | 0.24 |
| Wuhan Lotus Technology Co., Ltd. | Purchase of fixed assets and construction in progress | -- | 0.21 |
| Viridi E-Mobility Technology (Suzhou) Co., Ltd. | Purchase of fixed assets and construction in progress | -- | 0.17 |
| Xi'an Jirun Automobile Manufacturing Co., Ltd. | Purchase of fixed assets and construction in progress | -- | 0.10 |
| Ningbo Hangzhou Bay Geely Auto Parts Co., Ltd. | Purchase of fixed assets and construction in progress | -- | -5.20 |
| Zhejiang Haoqing Automobile Manufacturing Co., Ltd. | Purchase of fixed assets and construction in progress | -- | -967.03 |
| **Total** | | **2,796.43** | **25,661.27** |

The Company:

| Related party | Nature of transaction | 2022 Amount (RMB 10,000) | 2021 Amount (RMB 10,000) |
|---|---|---|---|
| LYNK & CO Automobile Sales Co., Ltd. | Purchase of fixed assets | 26.10 | -- |
| Hangzhou Geely Yiyun Technology Co., Ltd. | Purchase of fixed assets | 2.15 | -- |
| Yuyao LYNK & CO Auto Parts Co.,Ltd. | Purchase of fixed assets | 0.34 | -- |
| Hunan Geely Auto Parts Co., Ltd. | Purchase of fixed assets | 0.33 | -- |
| Zhejiang Geely Holding Group Co., Ltd. | Purchase of fixed assets | 0.08 | -- |
| Geely Automobile Research Institute (Ningbo) Co., Ltd. | Purchase of fixed assets | -- | 6.34 |
| Hangzhou Xuanyu Human Resources Co., Ltd. | Purchase of fixed assets | -- | 0.55 |
| Zhejiang Geely Holding Group Auto Sales Co., Ltd. | Purchase of fixed assets | -- | 0.19 |
| Viridi E-Mobility Technology (Suzhou) Co., Ltd. | Purchase of fixed assets | -- | 0.17 |
| Xi'an Jirun Automobile Manufacturing Co., Ltd. | Purchase of fixed assets | -- | 0.10 |
| **Total** | | **29.00** | **7.35** |

20231004006113

## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Transactions with related parties (continued)

(3) Other transactions with related parties (continued)

C. Royalties

Consolidated:

| Related party | Nature of transaction | 2022 Amount(RMB 10,000) | 2021 Amount (RMB 10,000) |
|---|---|---|---|
| Zhejiang Liankong Technology Co., Ltd. | Royalties | 13,270.91 | 21,392.07 |
| Ningbo Geely Automobile Research and Development Co., Ltd. | Royalties | -- | 7.72 |
| **Total** | | **13,270.91** | **21,399.79** |

The Company:

The Company does not have royalty expenses with related parties in this period.

D. Freight and storage expenses

Consolidated:

| Related party | Nature of transaction | 2022 Amount (RMB 10,000) | 2021 Amount (RMB 10,000) |
|---|---|---|---|
| Zhejiang Jisu Logistics Co., Ltd. | Freight and storage expenses | 56,514.16 | 62,057.13 |
| Zhejiang Jisu Supply Chain Management Co., Ltd. | Freight and storage expenses | 32,707.02 | -- |
| Zhejiang Geely Automobile Sales Co., Ltd. | Freight and storage expenses | 47.53 | 864.44 |
| **Total** | | **89,268.71** | **62,921.57** |

The Company:

The Company does not have freight and storage expenses with related parties in this period.

E. Purchase of data stream

Consolidated:

| Related party | Nature of transaction | 2022 Amount (RMB 10,000) | 2021 Amount (RMB 10,000) |
|---|---|---|---|
| Zhejiang Jichuang Industry Development Co., Ltd. | Purchase of data stream | 7,404.59 | 7,874.38 |

The Company:

The Company does not have purchase of data stream with related parties in this period.

20231004080314

## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Transactions with related parties (continued)

(3) Other transactions with related parties (continued)

F. Disposal of fixed assets and construction in progress

Consolidated:

| Related party | Nature of transaction | 2022 Amount (RMB 10,000) | 2021 Amount (RMB 10,000) |
|---|---|---|---|
| Zhejiang Jirun Automobile Co., Ltd. | Disposal of fixed assets and construction in progress | 770.98 | -- |
| Zhejiang Geely Holding Group Auto Sales Co., Ltd. | Disposal of fixed assets | 176.75 | 3.76 |
| Zhejiang Geely Automobile Co., Ltd. | Disposal of fixed assets | 174.95 | 35.58 |
| Geely Automobile Research Institute (Ningbo) Co., Ltd. | Disposal of fixed assets | 71.82 | 2.98 |
| Ningbo Jirun Auto Parts Co., Ltd. | Disposal of fixed assets | 71.08 | 0.90 |
| Zhejiang Geely Automobile International Trade Co., Ltd. | Disposal of fixed assets | 7.92 | -- |
| Yaou New Energy Automobile Manufacturing (Chongqing) Co., Ltd. | Disposal of fixed assets | 5.85 | 0.15 |
| Zhejiang Jisu Logistics Co., Ltd. | Disposal of fixed assets | 4.27 | -- |
| Ningbo Zeekr Intelligent Technology Co., Ltd. | Disposal of fixed assets | 1.76 | 11.90 |
| Zhejiang Jirun Meishan Auto Parts Co., Ltd. | Disposal of fixed assets | 1.19 | 0.88 |
| Zhejiang Geely Holding Group Co., Ltd. | Disposal of fixed assets | 0.88 | 1.07 |
| Zhejiang Geely Education Technology Co., Ltd. | Disposal of fixed assets | 0.40 | -- |
| Lingji Auto Trading Co., Ltd. | Disposal of fixed assets | 0.35 | -- |
| Lingwu Automotive Technology (Chongqing) Co., Ltd. | Disposal of fixed assets | 0.29 | -- |
| Hangzhou Geely Automobile Co., Ltd. | Disposal of fixed assets | 0.28 | -- |
| Geely Automobile Group Co., Ltd. | Disposal of fixed assets | 0.27 | 0.19 |
| Zhejiang Geely Automobile Sales Co., Ltd. | Disposal of fixed assets | 0.23 | -- |
| Zhejiang Geometry Automobile Sales Co., Ltd. | Disposal of fixed assets | 0.19 | -- |
| Radar new energy vehicle (Zhejiang) Co., Ltd. | Disposal of fixed assets | 0.15 | -- |
| Xi'an Geely Automobile Co., Ltd. | Disposal of fixed assets | 0.15 | -- |
| Shandong Geely New Energy Commercial Vehicle Co., Ltd. | Disposal of fixed assets | 0.09 | 28.82 |
| Shanghai Jicining Mechanical and Electrical Equipment Co., Ltd. | Disposal of fixed assets | -- | 450.74 |
| Zhejiang Jirun Automobile Co., Ltd. | Disposal of fixed assets | -- | 155.36 |
| Zhejiang Jizhi Automobile Sales Service Co., Ltd. | Disposal of fixed assets | -- | 23.88 |
| Zhejiang Geely Automobile Co., Ltd. | Disposal of fixed assets | -- | 16.50 |
| Zhejiang Vision Auto Parts Co., Ltd. | Disposal of fixed assets | -- | 14.80 |
| Zhejiang Haohan Energy Technology Co., Ltd. | Disposal of fixed assets | -- | 8.12 |

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## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Transactions with related parties (continued)

(3) Other transactions with related parties (continued)

F. Disposal of fixed assets and construction in progress (continued)

Consolidated (continued):

| Related party | Nature of transaction | 2022 Amount (RMB 10,000) | 2021 Amount (RMB 10,000) |
|---|---|---|---|
| Changxing Geely Auto Parts Co., Ltd. | Disposal of fixed assets | -- | 5.74 |
| Ningbo Hangzhou Bay Geely Auto Parts Co., Ltd. | Disposal of fixed assets | -- | 2.14 |
| Guangyu Mingdao Digital Technology Co., Ltd. | Disposal of fixed assets | -- | 2.14 |
| Zeekr Motor (Ningbo Hangzhou Bay New Zone) Co., Ltd. | Disposal of fixed assets and construction in progress | -- | 0.64 |
| Ningbo Geely Automobile Research and Development Co., Ltd. | Disposal of fixed assets | -- | 0.50 |
| Zhejiang Jirun Chunxiao Auto Parts Co., Ltd. | Disposal of fixed assets | -- | 0.45 |
| Fengsheng Automobile Technology Group Co., Ltd. | Disposal of fixed assets | -- | 0.44 |
| Xi'an Jirun Automobile Manufacturing Co., Ltd. | Disposal of fixed assets | -- | 0.35 |
| Radar new energy vehicle (Zhejiang) Co., Ltd. | Disposal of fixed assets | -- | 0.33 |
| Qizheng New Energy Vehicle (Jinan) Co., Ltd. | Disposal of fixed assets | -- | 0.26 |
| Wuhan Lotus Technology Co., Ltd. | Disposal of fixed assets | -- | 0.20 |
| Zhejiang Jili Business Service Co., Ltd. | Disposal of fixed assets | -- | 0.18 |
| Zhejiang Wisdom Puhua Financing Leasing Co., Ltd. | Disposal of fixed assets | -- | 0.15 |
| Ningbo Geely Luoyou Engine Parts Co., Ltd. | Disposal of fixed assets | -- | 0.06 |
| Zhejiang Jichuang Industry Development Co., Ltd. | Disposal of fixed assets | -- | 0.03 |
| **Total** | | **1,289.85** | **769.24** |

The Company:

| Related party | Nature of transaction | 2022 Amount (RMB 10,000) | 2021 Amount (RMB 10,000) |
|---|---|---|---|
| Ningbo Zeekr Intelligent Technology Co., Ltd. | Disposal of fixed assets | 0.34 | 1.33 |
| Geely Yaou (Ningbo Meishan Free Trade Zone) Technology Co., Ltd. | Disposal of fixed assets | 0.23 | -- |
| Zhejiang Jirun Automobile Co., Ltd. | Disposal of fixed assets | -- | 35.84 |
| Geely Automobile Research Institute (Ningbo) Co., Ltd. | Disposal of fixed assets | -- | 2.98 |
| Ningbo Geely Automobile Research and Development Co., Ltd. | Disposal of fixed assets | -- | 0.22 |
| **Total** | | **0.57** | **40.37** |

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## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Transactions with related parties (continued)

(3) Other transactions with related parties (continued)

G. Revenue from three guarantees claims

Consolidated:

| Related party | Nature of transaction | 2022 Amount (RMB 10,000) | 2021 Amount (RMB 10,000) |
|---|---|---|---|
| Zhejiang Geely Automobile Co., Ltd. | Revenue from three guarantees claims | 13,846.47 | 13,689.10 |
| Zhejiang Haoqing Automobile Manufacturing Co., Ltd. | Revenue from three guarantees claims | 6,827.23 | 4,253.06 |
| Zhejiang Jirun Meishan Auto Parts Co., Ltd. | Revenue from three guarantees claims | 831.37 | -- |
| Baoji Geely Engine Co.,Ltd | Revenue from three guarantees claims | 382.76 | 0.06 |
| Yijiatong (Hubei) Technology Co., Ltd. | Revenue from three guarantees claims | 380.64 | -- |
| Taizhou Binhai Geely Engine Co., Ltd. | Revenue from three guarantees claims | 291.40 | 251.80 |
| Ningbo Shangzhongxia Automatic Transmission Co., Ltd. | Revenue from three guarantees claims | 238.44 | 122.43 |
| Viridi E-Mobility Technology (Ningbo) Co., Ltd. | Revenue from three guarantees claims | 121.83 | 84.39 |
| Yiwu Geely Powertrain Co., Ltd. | Revenue from three guarantees claims | 108.21 | 0.56 |
| Hubei Yijiatong Technology Co., Ltd. | Revenue from three guarantees claims | 94.31 | 1,782.12 |
| Zhejiang Xuanfu Technology Co., Ltd. | Revenue from three guarantees claims | 47.30 | -- |
| Yiwu Geely Automatic Transmission Co., Ltd. | Revenue from three guarantees claims | 30.87 | -- |
| Zhejiang Geely Auto Parts Purchasing Co., Ltd. | Revenue from three guarantees claims | 30.14 | 28.38 |
| Zhejiang Hengyuan New Energy Technology Co., Ltd. | Revenue from three guarantees claims | 18.56 | 5.04 |
| Zhejiang Jisu Supply Chain Management Co., Ltd. | Revenue from three guarantees claims | 16.54 | -- |
| Zhejiang Jisu Logistics Co., Ltd. | Revenue from three guarantees claims | 16.50 | 2.41 |
| Guizhou Geely Engine Co., Ltd. | Revenue from three guarantees claims | 6.69 | -- |
| Lynway Vision Intelligence Technology (Ningbo) Co., Ltd. | Revenue from three guarantees claims | 3.58 | -- |
| Zhejiang Haowu Network Technology Co., Ltd. | Revenue from three guarantees claims | 0.57 | -- |
| Zhejiang Zeekr Intelligent Technology Co., Ltd. | Revenue from three guarantees claims | 0.32 | -- |
| Lingwu Automotive Technology (Chongqing) Co., Ltd. | Revenue from three guarantees claims | 0.29 | -- |
| Ningbo Jining Auto Parts Co., Ltd. | Revenue from three guarantees claims | 0.08 | -- |

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## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Transactions with related parties (continued)

(3) Other transactions with related parties (continued)

*G. Revenue from three guarantees claims (continued)*

Consolidated (continued):

| Related party | Nature of transaction | 2022 Amount (RMB 10,000) | 2021 Amount (RMB 10,000) |
|---|---|---|---|
| Schutzman Chair (Ningbo) Co., Ltd. | Revenue from three guarantees claims | 0.06 | 0.64 |
| Hangzhou Fuzhaolangfeng Technology Co., Ltd. | Revenue from three guarantees claims | 0.04 | -- |
| Yaou Automotive Manufacturing (Taizhou) Co., Ltd. | Revenue from three guarantees claims | -- | 437.07 |
| Ningbo Geely Automobile Research and Development Co., Ltd. | Revenue from three guarantees claims | -- | 0.09 |
| Zhangjiakou Volvo Automotive Engine Manufacturing Co., Ltd. | Revenue from three guarantees claims | -- | -0.33 |
| **Total** | | **23,294.20** | **20,656.82** |

The Company:

The Company does not have revenue from three guarantees claims with related parties in this period.

H. Cost of three guarantees claims

Consolidated:

| Related party | Nature of transaction | 2022 Amount (RMB 10,000) | 2021 Amount (RMB 10,000) |
|---|---|---|---|
| Zhejiang Geely Automobile Co., Ltd. | Cost of three guarantees claims | 13,869.24 | 13,558.41 |
| Zhejiang Haoqing Automobile Manufacturing Co., Ltd. | Cost of three guarantees claims | 5,192.17 | 3,955.09 |
| Chengdu Geely Automobile Manufacturing Co., Ltd. | Cost of three guarantees claims | 1,330.29 | -- |
| Harbin Lingjixing Automobile Sales Service Co., Ltd. | Cost of three guarantees claims | 132.79 | 111.02 |
| Linyi Lingji Shunhua Automobile Sales Service Co., Ltd. | Cost of three guarantees claims | 107.72 | 122.37 |
| Jining Lingji Renzhihe Automotive Sales Service Co., Ltd. | Cost of three guarantees claims | 84.82 | 87.59 |
| Dongying Lingji Xiaohua Auto Sales Service Co., Ltd. | Cost of three guarantees claims | 84.70 | 78.51 |
| Beijing Lingjisheng Auto Sales Service Co., Ltd. | Cost of three guarantees claims | 31.13 | 2.72 |
| Shijiazhuang Lingjixing Auto Sales Co., Ltd. | Cost of three guarantees claims | 29.90 | -- |
| Qingdao Lingjihua Automobile Sales Service Co., Ltd. | Cost of three guarantees claims | 0.32 | -- |
| **Total** | | **20,863.08** | **17,915.71** |

The Company:

The Company does not have cost of three guarantees claims with related parties in this period.

20231009400618

## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Transactions with related parties (continued)

(3) Other transactions with related parties (continued)

I. Other expenses

Consolidated:

| Related party | Nature of transaction | 2022 Amount (RMB 10,000) | 2021 Amount (RMB 10,000) |
|---|---|---|---|
| Zhejiang Haowu Network Technology Co., Ltd. | Other expenses | 8,863.71 | 2,833.91 |
| Geely Automobile Group Co., Ltd. | Other expenses | 8,854.91 | 733.12 |
| Zhejiang Zeekr Intelligent Technology Co., Ltd. | Other expenses | 6,197.45 | -- |
| Geely Automobile Holding (Hangzhou) Co., Ltd. | Other expenses | 6,053.24 | -- |
| Ji Zhi (Hangzhou) Culture Creative Co., Ltd. | Other expenses | 5,636.88 | 2,949.80 |
| Zhejiang Geely Holding Group Auto Sales Co., Ltd. | Other expenses | 5,546.21 | 4,729.91 |
| Zhejiang Vision Auto Parts Co., Ltd. | Other expenses | 4,006.19 | 2,779.97 |
| Volvo Car AB | Other expenses | 3,982.88 | -- |
| Zhejiang Jirun Automobile Co., Ltd. | Other expenses | 3,580.07 | 4,795.73 |
| Zhejiang Jirun Meishan Auto Parts Co., Ltd. | Other expenses | 1,667.68 | 1,193.02 |
| Zhejiang Geely Business Service Co., Ltd. | Other expenses | 1,424.36 | 1,013.98 |
| Geely Innovation Centre3 AB | Other expenses | 1,284.46 | -- |
| Hangzhou Geely Automobile Digital Technology Co., Ltd. | Other expenses | 609.09 | -- |
| China European Vehicle Technology AB | Other expenses | 422.64 | -- |
| Hangzhou Jiqiao Automobile Technology Co., Ltd. | Other expenses | 344.46 | 273.48 |
| Hangzhou Xuanyu Human Resources Co., Ltd. | Other expenses | 336.17 | 426.95 |
| Zhejiang Geely Auto Parts Purchasing Co., Ltd. | Other expenses | 335.72 | 305.80 |
| Hangzhou Yibao Technology Co., Ltd. | Other expenses | 321.79 | -- |
| Jinan Geely Automobile Co., Ltd. | Other expenses | 269.86 | 206.42 |
| Chengdu Geely Logistics Service Co., Ltd. | Other expenses | 198.00 | 198.00 |
| Zhejiang Geely Holding Group Co., Ltd. | Other expenses | 152.70 | 1,162.99 |
| Beijing Lingjisheng Auto Sales Service Co., Ltd. | Other expenses | 141.08 | 11.73 |
| Guangyu Mingdao Digital Technology Co., Ltd. | Other expenses | 120.45 | -- |

20231004006619

## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Transactions with related parties (continued)

(3) Other transactions with related parties (continued)

I. Other expenses (continued)

Consolidated (continued):

| Related party | Nature of transaction | 2022 Amount (RMB 10,000) | 2021 Amount (RMB 10,000) |
|---|---|---|---|
| Harbin Lingjixing Automobile Sales Service Co., Ltd. | Other expenses | 114.09 | 340.29 |
| Shanghai Meihuan Trade Co., Ltd. | Other expenses | 103.55 | 107.96 |
| Chengdu Gaoyuan Automobile Industry Co., Ltd. | Other expenses | 89.99 | -- |
| Ningbo Qianwan New Area Jiyan Logistics Service Co., Ltd. | Other expenses | 79.60 | 113.49 |
| Beijing Geely Institute | Other expenses | 66.56 | -- |
| Shanghai Meihuan Trade Co., Ltd. | Other expenses | 54.26 | 272.45 |
| Linyi Lingji Shunhua Automobile Sales Service Co., Ltd. | Other expenses | 53.62 | 145.16 |
| Dongying Lingji Xiaohua Auto Sales Service Co., Ltd. | Other expenses | 47.94 | 80.33 |
| Jining Lingji Renzhihe Automotive Sales Service Co., Ltd. | Other expenses | 43.29 | 213.38 |
| Mingtai Track management (Ningbo) Co., Ltd. | Other expenses | 29.69 | 128.78 |
| Lingwu Automotive Technology (Chongqing) Co., Ltd. | Other expenses | 21.69 | -- |
| Shangrao Lingchuang Automotive Testing Technology Co., Ltd. | Other expenses | 17.22 | -- |
| Ningbo Geely Automobile Research and Development Co., Ltd. | Other expenses | 12.54 | 250.11 |
| Zhejiang Geely Education Technology Co., Ltd. | Other expenses | 9.48 | 5.34 |
| Shijiazhuang Lingjixing Auto Sales Co., Ltd. | Other expenses | 8.09 | -- |
| Zhejiang Limin Industrial Group Co., Ltd. | Other expenses | 7.58 | -- |
| Qizheng New Energy Vehicle (Jinan) Co., Ltd. | Other expenses | 6.88 | -- |
| Zhejiang Wisdom Puhua Financing Leasing Co., Ltd. | Other expenses | 6.57 | -- |
| Zhejiang Jichuang Industry Development Co., Ltd. | Other expenses | 5.99 | -- |
| Ningbo Meishan Free Trade Zone Geely Property Management Services Co., Ltd. | Other expenses | 5.79 | 3.50 |
| Zhejiang Jisu Logistics Co., Ltd. | Other expenses | 5.54 | 263.96 |
| Hangzhou Xingfu Qianwanjia Health Service Management Co., Ltd. | Other expenses | 1.40 | -- |
| Hangzhou Geely Yiyun Technology Co., Ltd. | Other expenses | 0.75 | -- |
| Hangzhou Gangli Hotel Management Co., Ltd. | Other expenses | 0.42 | 11.52 |

20231004006720

## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Transactions with related parties (continued)

(3) Other transactions with related parties (continued)

I. Other expenses (continued)

Consolidated (continued):

| Related party | Nature of transaction | 2022 Amount (RMB 10,000) | 2021 Amount (RMB 10,000) |
|---|---|---|---|
| Chengdu Geely Automobile Manufacturing Co., Ltd. | Other expenses | 0.02 | -- |
| Geely Automobile Research Institute (Ningbo) Co., Ltd. | Other expenses | -- | 455.83 |
| Viridi E-Mobility Technology (Ningbo) Co., Ltd. | Other expenses | -- | 7.63 |
| Yiwu Geely Powertrain Co., Ltd. | Other expenses | -- | 0.22 |
| Hangzhou youxing Technology Co., Ltd. | Other expenses | -- | 0.20 |
| Taizhou Binhai Geely Engine Co., Ltd. | Other expenses | -- | 0.14 |
| Hangzhou Geely Automobile Co., Ltd. | Other expenses | -0.14 | -- |
| Schutzman Chair (Ningbo) Co., Ltd. | Other expenses | -- | -0.14 |
| **Total** | | **61,142.41** | **26,014.96** |

The Company:

| Related party | Nature of transaction | 2022 Amount (RMB 10,000) | 2021 Amount (RMB 10,000) |
|---|---|---|---|
| LYNK & CO International AB | Service expenses | 7,119.01 | 36.76 |
| Geely Automobile Holding (Hangzhou) Co., Ltd. | Group cost sharing | 5,570.27 | -- |
| Hangzhou Geely Automobile Digital Technology Co., Ltd. | Group cost sharing | 385.76 | -- |
| Zhejiang Jirun Automobile Co., Ltd. | Service expenses | 114.67 | -- |
| Zhejiang Geely Business Service Co., Ltd. | Travel expenses | 111.84 | 47.51 |
| Hangzhou Xuanyu Human Resources Co., Ltd. | Other expenses | 30.93 | 68.53 |
| LYNK & CO International Sales (Yuyao) Co., Ltd. | Other expenses | 21.34 | -- |
| Zhejiang Geely Holding Group Co., Ltd. | Group cost sharing/ Service expenses | 18.25 | 21.56 |
| Ningbo Qianwan New Area Jiyan Logistics Service Co., Ltd. | Other expenses | 16.27 | 7.57 |
| Ningbo Geely Automobile Research and Development Co., Ltd. | Rental expenses | 12.54 | 16.37 |
| Yuyao LYNK & CO Auto Parts Co.,Ltd. | Other expenses | 9.75 | 3.96 |
| Ningbo Ningbo Meishan Free Trade Zone Geely Property Management Services Co., Ltd. | Travel expenses | 2.20 | 1.75 |
| Zhejiang Geely Education Technology Co., Ltd. | Other expenses | 2.02 | 0.20 |
| Hangzhou Xingfu Qianwanjia Health Service Management Co., Ltd. | Other expenses | 1.40 | -- |
| Hangzhou Jiqiao Automobile Technology Co., Ltd. | Other expenses | 0.74 | -- |

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## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Transactions with related parties (continued)

(3) Other transactions with related parties (continued)

I. Other expenses (continued)

The Company (continued):

| Related party | Nature of transaction | 2022 Amount (RMB 10,000) | 2021 Amount (RMB 10,000) |
|---|---|---|---|
| Hangzhou Gangli Hotel Management Co., Ltd. | Other expenses | 0.12 | -- |
| Zhejiang Haowu Network Technology Co., Ltd. | Other expenses | 0.03 | -- |
| Hangzhou youxing Technology Co., Ltd. | Utilities | -- | 3.26 |
| LYNK & CO Automobile Sales Co., Ltd. | Other expenses | -- | -0.68 |
| Zhejiang Geely Auto Parts Purchasing Co., Ltd. | Other expenses | -- | -2.02 |
| **Total** | | **13,417.14** | **204.77** |

5. Receivables from and payables to related parties

Consolidated:

| Item | Related party | 2022.12.31 | 2021.12.31 |
|---|---|---|---|
| Accounts receivable | | | |
| | Chengdu Geely Automobile Manufacturing Co., Ltd. | 29,381,059.21 | -- |
| | Zeekr Motor (Ningbo Hangzhou Bay New Zone) Co., Ltd. | 28,150,708.81 | -- |
| | Geely Automobile Research Institute (Ningbo) Co., Ltd. | 11,987,937.66 | 11,159,991.47 |
| | Lotus Advance Techologies Sdn. Bhd. | 10,559,906.62 | -- |
| | Zhejiang Zeekr Intelligent Technology Co., Ltd. | 2,937,313.24 | -- |
| | Ningbo Jirun Auto Parts Co., Ltd. | 2,842,220.31 | 4,629.05 |
| | Zhejiang Geely Holding Group Auto Sales Co., Ltd. | 1,069,225.75 | 5,045,153.00 |
| | China European Vehicle Technology AB | 850,014.63 | -- |
| | Zhejiang Jirun Automobile Co., Ltd. | 657,256.42 | 3,016,331.73 |
| | Lingwu Automotive Technology (Chongqing) Co., Ltd. | 563,720.00 | -- |
| | Zhejiang Jirun Meishan Auto Parts Co., Ltd. | 376,188.17 | 655,134.02 |
| | Zhejiang Xuanfu Technology Co., Ltd. | 345,881.00 | -- |
| | Zhejiang Vision Auto Parts Co., Ltd. | 297,405.00 | -- |
| | Baoji Geely Auto Parts Co., Ltd. | 200,010.68 | 2,165.99 |
| | Chongqing Ruilan Automobile Research Institute Co., Ltd. | 172,582.57 | -- |

20231004006322

## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Receivables from and payables to related parties (continued)

Consolidated (continued):

| Item | Related party | 2022.12.31 | 2021.12.31 |
|---|---|---|---|
| Accounts receivable | | | |
| | Geely Group Motorsports International AB | 150,322.17 | 124,644.91 |
| | Zhejiang Haowu Network Technology Co., Ltd. | 148,343.00 | -- |
| | Ningbo Jining Auto Parts Co., Ltd. | 115,853.91 | -- |
| | Zhejiang Haoqing Automobile Manufacturing Co., Ltd. | 80,638.73 | -- |
| | Yaou Automotive Manufacturing (Taizhou) Co., Ltd. | 51,510.46 | -- |
| | Ningbo Geely Automobile Research and Development Co., Ltd. | 51,084.34 | 295,681.35 |
| | Ningbo Hangzhou Bay Geely Auto Parts Co., Ltd. | 9,172.98 | 3,281.52 |
| | Zhejiang Yizhen Automobile Sales Co., Ltd. | 8,814.72 | -- |
| | Ningbo Geely Luoyou Engine Parts Co., Ltd. | 7,415.63 | -- |
| | Zhejiang Geely Holding Group Co., Ltd. | 4,569.00 | 759,100.00 |
| | Lingwu Automotive Technology (Chongqing) Co., Ltd. | 2,343.74 | -- |
| | Wuhan Lotus Automobile Co., Ltd. | 1,565.33 | -- |
| | Beijing Geely Institute | -- | 1,040,000.00 |
| | Hangzhou Geely Automobile Co., Ltd. | -- | 551,537.18 |
| | Jizhi Auto Finance Co., Ltd. | -- | 478,802.00 |
| | Zhejiang Geely Automobile Co., Ltd. | -- | 402,060.81 |
| | Xi'an Geely Automobile Co., Ltd. | -- | 164,204.26 |
| | Changsha Geely Auto Parts Co., Ltd. | -- | 149,926.14 |
| | Geely Sichuan Commercial Vehicle Co., Ltd. | -- | 14,200.00 |
| | Zhejiang Geely Automobile Sales Co., Ltd. | -- | 6,603.04 |
| | Zhejiang Jizhi New Energy Automotive Technology Co., Ltd. | -- | 6,420.78 |
| | Fengsheng Automobile Technology Group Co., Ltd. | -- | 1,379.47 |
| | Subtotal | 91,023,064.08 | 23,881,246.72 |

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## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Receivables from and payables to related parties (continued)

Consolidated (continued):

| Item | Related party | 2022.12.31 | 2021.12.31 |
|---|---|---|---|
| Prepayments | | | |
| | Zhejiang Geely Auto Parts Purchasing Co., Ltd. | 343,091,785.81 | -- |
| | Zhejiang Geely Automobile Co., Ltd. | 5,047,337.91 | 136,388.79 |
| | Shanxi Geely Auto Parts Co., Ltd. | 4,580,905.84 | -- |
| | Baoji Geely Engine Co.,Ltd | 2,621,738.14 | -- |
| | Zhejiang Hengyuan New Energy Technology Co., Ltd. | 156,230.37 | -- |
| | Yijiatong (Hubei) Technology Co., Ltd. | 106,834.02 | -- |
| | Zhejiang Xuanfu Technology Co., Ltd. | 75,572.79 | -- |
| | Ningbo Shangzhongxia Automatic Transmission Co., Ltd. | 64,071.11 | -- |
| | Zhejiang Geely Holding Group Auto Sales Co., Ltd. | 8,301.00 | -- |
| | Hangzhou Fuzhaolangfeng Technology Co., Ltd. | 874.29 | -- |
| | Viridi E-Mobility Technology (Ningbo) Co., Ltd. | -- | 211,118,137.72 |
| | Jizhi Auto Finance Co., Ltd. | -- | 529,834.00 |
| | Zhejiang Geely Business Service Co., Ltd. | -- | 415,456.53 |
| | Zhejiang Geely Holding Group Co., Ltd. | -- | 56,838.98 |
| | Guizhou Geely Engine Co., Ltd. | -- | 3,608.68 |
| | Zhejiang Haowu Network Technology Co., Ltd. | -- | 2,025.00 |
| | Subtotal | 355,753,651.28 | 212,262,289.70 |

20231004000624

## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Receivables from and payables to related parties (continued)

Consolidated (continued):

| Item | Related party | 2022.12.31 | 2021.12.31 |
|---|---|---|---|
| *Other receivables* | | | |
| | Zhejiang Geely Holding Group Co., Ltd. | 211,115,217.06 | 56,510,734.36 |
| | Ningbo Geely Automobile Research and Development Co., Ltd. | 93,000,000.00 | 4,483,168.97 |
| | Zeekr Motor (Ningbo Hangzhou Bay New Zone) Co., Ltd. | 14,696,377.77 | 620,874.00 |
| | Zhejiang Haoqing Automobile Manufacturing Co., Ltd. | 6,651,286.76 | 44,754,864.83 |
| | Geely Automobile Research Institute (Ningbo) Co., Ltd. | 5,515,343.92 | -- |
| | Zhejiang Geely Automobile Co., Ltd. | 4,778,552.69 | 3,747,518.46 |
| | Zhejiang Jiling Technology Co., Ltd. | 2,084,644.85 | -- |
| | Xi'an Geely New Energy Auto Sales Co., Ltd. | 2,043,350.00 | 2,014,800.00 |
| | Ningbo Hangzhou Bay Geely Auto Parts Co., Ltd. | 1,772,150.45 | -- |
| | Ningbo Qianwan New Area Jiyan Logistics Service Co., Ltd. | 1,615,133.08 | -- |
| | Lotus Advance Techologies Sdn. Bhd. | 1,028,915.69 | 1,304,566.67 |
| | Viridi E-Mobility Technology (Ningbo) Co., Ltd. | 351,062.44 | -- |
| | Guangyu Mingdao Digital Technology Co., Ltd. | 279,627.97 | -- |
| | Hangzhou Geely Automobile Co., Ltd. | 241,739.18 | -- |
| | China European Vehicle Technology AB | 223,795.99 | 25,493,274.17 |
| | Changxing Geely Auto Parts Co., Ltd. | 110,570.43 | 25,467.16 |
| | Shanghai Meihuan Trade Co., Ltd. | 67,745.76 | -- |
| | Guizhou Geely Engine Co., Ltd. | 53,750.71 | 18,760.14 |
| | Shanghai Jijin Mechanical and Electrical Equipment Co., Ltd. | 50,000.00 | -- |
| | Zhejiang Jisu Logistics Co., Ltd. | 48,298.45 | -- |
| | Zhejiang Jirun Automobile Co., Ltd. | 24,320.93 | 1,328,071.34 |
| | Ningbo Zeekr Intelligent Technology Co., Ltd. | 16,062.64 | -- |
| | Yaou Automotive Manufacturing (Taizhou) Co., Ltd. | 14,348.83 | -- |
| | Geely Automobile Holding (Hangzhou) Co., Ltd. | 5,051.70 | -- |
| | Zhejiang Geely Holding Group Auto Sales Co., Ltd. | 4,001.69 | 2,257,599.90 |
| | Chengdu Geely Automobile Manufacturing Co., Ltd. | 3,514.97 | -- |
| | Lingwu Automotive Technology (Chongqing) Co., Ltd. | 3,268.74 | -- |
| | Zhejiang Jili Business Service Co., Ltd. | 2,008.39 | 2,008.39 |

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## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Receivables from and payables to related parties (continued)

Consolidated (continued):

| Item | Related party | 2022.12.31 | 2021.12.31 |
|---|---|---|---|
| Other receivables (continued) | | | |
| | Zhejiang Jirun Meishan Auto Parts Co., Ltd. | 862.44 | 216,183.62 |
| | Zhejiang Geely Business Service Co., Ltd. | 140.00 | 1,118,233.80 |
| | Zhejiang Haowu Network Technology Co., Ltd. | -- | 17,046,199.81 |
| | Hangzhou Geely New Energy Auto Sales Co., Ltd. | -- | 4,492,400.00 |
| | Volvo Personvagnar AB | -- | 2,716,391.28 |
| | Hubei Yijiatong Technology Co., Ltd. | -- | 728,980.79 |
| | Mingtai Track management (Ningbo) Co., Ltd. | -- | 332,657.20 |
| | Shandong Geely New Energy Commercial Vehicle Co., Ltd. | -- | 320,129.59 |
| | Zhejiang Vision Auto Parts Co., Ltd. | -- | 197,650.69 |
| | Chengdu Geely Logistics Service Co., Ltd. | -- | 68,236.14 |
| | Zhangjiakou Kaishun Enterprise Management Service Co., Ltd. | -- | 58,148.91 |
| | Geely Automobile Group Co., Ltd. | -- | 4,317.63 |
| | Zhejiang Yuancheng Zhitong Technology Co., Ltd. | -- | 1,654.35 |
| | Zhejiang Jirun Chunxiao Auto Parts Co., Ltd. | -- | 1,074.31 |
| | Baoji Geely Engine Co.,Ltd | -- | 719.35 |
| | Ji Zhi (Hangzhou) Culture Creative Co., Ltd. | -- | 70.00 |
| | Subtotal | 345,801,143.53 | 169,864,755.86 |

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## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Receivables from and payables to related parties (continued)

Consolidated (continued):

| Item | Related party | 2022.12.31 | 2021.12.31 |
|---|---|---|---|
| Accounts payable | | | |
| | Zhejiang Geely Automobile Co., Ltd. | 3,126,807,033.10 | 12,781,507.25 |
| | Viridi E-Mobility Technology (Ningbo) Co., Ltd. | 526,441,732.79 | 78,497,149.15 |
| | Zhejiang Jirun Meishan Auto Parts Co., Ltd. | 308,615,848.23 | 667,460,837.86 |
| | Geely Changxing Automatic Transmission Co., Ltd. | 169,104,451.83 | 229,690.01 |
| | Zhejiang Jisu Supply Chain Management Co., Ltd. | 163,110,330.31 | -- |
| | Guizhou Geely Engine Co., Ltd. | 86,918,625.98 | -- |
| | Yiwu Geely Powertrain Co., Ltd. | 71,841,944.82 | 13,273,427.96 |
| | Ningbo Shangzhongxia Automatic Transmission Co., Ltd. | 57,294,455.96 | 208,232,075.07 |
| | Ningbo Geely Luoyou Engine Parts Co., Ltd. | 54,240,859.36 | 58,388,178.36 |
| | Lynway Vision Intelligence Technology (Ningbo) Co., Ltd. | 53,930,854.95 | 11,050,023.94 |
| | Taizhou Binhai Geely Engine Co., Ltd. | 53,539,036.63 | 135,261,920.22 |
| | Zhejiang Jisu Logistics Co., Ltd. | 43,809,824.95 | 197,151,571.96 |
| | Jica Intelligent Robot Co., Ltd. | 43,225,714.95 | -- |
| | Ningbo Hangzhou Bay Geely Auto Parts Co., Ltd. | 41,307,700.69 | 3,839,226.66 |
| | Mando(Ningbo)Automotive Parts Co.,Ltd. | 35,206,074.57 | 49,652,834.79 |
| | Yijiatong (Hubei) Technology Co., Ltd. | 34,282,012.72 | -- |
| | Yiwu Geely Automatic Transmission Co., Ltd. | 25,917,492.46 | 2,709,056.35 |
| | Zhejiang Vision Auto Parts Co., Ltd. | 25,728,057.33 | 35,333,057.58 |
| | Baoji Geely Engine Co.,Ltd | 23,466,454.39 | 51,856,199.41 |
| | Zhejiang Xuanfu Technology Co., Ltd. | 18,052,400.00 | 58,655,467.11 |
| | Zhejiang Geely Auto Parts Purchasing Co., Ltd. | 18,040,725.81 | 322,494,347.87 |
| | Schutzman Chair (Ningbo) Co., Ltd. | 16,864,809.21 | 8,126,732.12 |
| | Zhejiang Jichuang Industry Development Co., Ltd. | 15,720,892.56 | 83,468,427.20 |
| | Ningbo Jining Auto Parts Co., Ltd. | 14,343,989.09 | 11,661,290.07 |
| | Harbin Lingjixing Automobile Sales Service Co., Ltd. | 13,826,928.02 | 11,234,397.18 |
| | Beijing Wisdom Puhua Commercial Factoring Co., Ltd | 11,650,000.00 | -- |
| | Zhejiang Geely Aixin Automatic Transmission Co., Ltd. | 9,980,125.31 | -- |
| | Volvo Car AB | 4,799,824.01 | -- |
| | Volvo Car Corporation | 3,487,192.01 | -- |

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## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Receivables from and payables to related parties (continued)

Consolidated (continued):

| Item | Related party | 2022.12.31 | 2021.12.31 |
|---|---|---|---|
| Accounts payable (continued) | | | |
| | China European Vehicle Technology AB | 3,101,235.15 | -- |
| | Jizhi Auto Finance Co., Ltd. | 2,930,486.38 | -- |
| | Zhejiang Jirun Automobile Co., Ltd. | 1,809,551.18 | 8,743,236.20 |
| | Ningbo Vision Auto Parts Co., Ltd. | 1,709,079.50 | 35,287.56 |
| | Geely Automobile Research Institute (Ningbo) Co., Ltd. | 765,815.46 | 12,664,924.97 |
| | Ningbo Jirun Auto Parts Co., Ltd. | 669,570.60 | 9,338.50 |
| | Geely Business Center AB | 552,593.72 | -- |
| | Yaou Automotive Manufacturing (Taizhou) Co., Ltd. | 508,057.49 | 1,652,496.99 |
| | Hangzhou Fuzhaolangfeng Technology Co., Ltd. | 471,418.75 | -- |
| | Zhejiang Haowu Network Technology Co., Ltd. | 346,774.93 | 1,071,840.97 |
| | Shanghai Meihuan Trade Co., Ltd. | 318,410.07 | 2,841,630.44 |
| | Hangzhou Geely Automobile Co., Ltd. | 133,209.94 | -- |
| | Geely Innovation Centre3 AB | 94,673.44 | -- |
| | Zhejiang Haoqing Automobile Manufacturing Co., Ltd. | 83,488.40 | 50,310,394.25 |
| | Xi'an Geely Automobile Co., Ltd. | 81,630.76 | 76,103.81 |
| | Hubei Yijiatong Technology Co., Ltd. | 74,836.30 | 173,973,736.00 |
| | Geely Innovation Centre Management AB | 74,350.09 | -- |
| | Zhejiang Hengyuan New Energy Technology Co., Ltd. | 45,982.40 | 4,899,573.98 |
| | Guizhou Geely Engine Co., Ltd. | 37,335.90 | 37,335.90 |
| | Changxing Geely Auto Parts Co., Ltd. | 33,368.90 | -- |
| | Hunan Geely Auto Parts Co., Ltd. | 26,396.87 | 7,329.62 |
| | Chengdu Geely Automobile Manufacturing Co., Ltd. | 21,193.73 | 30,782.28 |
| | Shanxi Geely Auto Parts Co., Ltd. | 19,494.38 | 2,973,331.71 |
| | Xi'an Liancheng Intelligent Technology Co., Ltd. | 18,920.00 | -- |
| | Zhejiang Yili Auto Parts Co., Ltd. | 10,000.00 | -- |
| | Zhejiang Haohan Energy Technology Co., Ltd. | 9,062.84 | -- |
| | Zhejiang Jirun Chunxiao Auto Parts Co., Ltd. | 6,549.50 | 671,796.18 |
| | Zhejiang Fulin Guorun Auto Parts Co., Ltd. | 1,858.41 | -- |

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## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Receivables from and payables to related parties (continued)

Consolidated (continued):

| Item | Related party | 2022.12.31 | 2021.12.31 |
|---|---|---|---|
| Accounts payable (continued) | | | |
| | Zhejiang Liankong Technology Co., Ltd. | -- | 8,733,159.37 |
| | Ningbo Geely Automobile Research and Development Co., Ltd. | -- | 2,335,858.87 |
| | Geely Automobile Group Co., Ltd. | -- | 615,020.81 |
| | Chengdu Gaoyuan Automobile Industry Co., Ltd. | -- | 591,669.68 |
| | Zhejiang Limin Industrial Group Co., Ltd. | -- | 375,418.50 |
| | Hangzhou Xuanyu Human Resources Co., Ltd. | -- | 240,837.69 |
| | Zhejiang Geely Holding Group Co., Ltd. | -- | 77,358.65 |
| | Subtotal | 5,085,510,737.14 | 2,294,325,881.05 |
| Contract liabilities | | | |
| | Geely Automobile Research Institute (Ningbo) Co., Ltd. | 22,232,510.94 | 1,143,570.38 |
| | Zhejiang Geely Automobile Co., Ltd. | 8,759,176.34 | -- |
| | Shijiazhuang Lingjixing Auto Sales Co., Ltd. | 3,399,738.69 | -- |
| | Jining Lingji Renzhihe Automotive Sales Service Co., Ltd. | 3,086,413.60 | 1,219,424.62 |
| | Shanghai Meihuan Trade Co., Ltd. | 3,037,123.01 | 9,968.14 |
| | Harbin Lingjixing Automobile Sales Service Co., Ltd. | 1,842,855.88 | 3,065,912.68 |
| | Qingdao Lingjihua Automobile Sales Service Co., Ltd. | 1,835,808.09 | -- |
| | Dongying Lingji Xiaohua Auto Sales Service Co., Ltd. | 1,696,040.59 | 724,698.74 |
| | Beijing Lingjisheng Auto Sales Service Co., Ltd. | 1,197,075.67 | 2,431,604.24 |
| | Linyi Lingji Shunhua Automobile Sales Service Co., Ltd. | 1,070,750.99 | 2,733,922.18 |
| | Zhejiang Haowu Network Technology Co., Ltd. | 879,612.51 | -- |
| | Chengdu Geely Automobile Manufacturing Co., Ltd. | -- | 54,385,529.58 |
| | Chengdu Geely Logistics Service Co., Ltd. | -- | 147,148.39 |
| | Subtotal | 49,037,106.31 | 65,861,778.95 |

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## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Receivables from and payables to related parties (continued)

Consolidated (continued):

| Item | Related party | 2022.12.31 | 2021.12.31 |
|---|---|---|---|
| Other payables | | | |
| | Zhejiang Geely Automobile Co., Ltd. | 2,653,813,433.60 | 1,337,898,812.87 |
| | Geely Automobile Research Institute (Ningbo) Co., Ltd. | 585,001,053.00 | 148,954,549.24 |
| | Ningbo Geely Automobile Research and Development Co., Ltd. | 140,743,270.68 | 304,895,969.79 |
| | Zhejiang Geely Automobile Manufacturing Co., Ltd. | 139,523,851.64 | -- |
| | Geely Automobile Group Co., Ltd. | 102,282,045.80 | 19,266,625.39 |
| | Geely Automobile Holding (Hangzhou) Co., Ltd. | 58,177,945.75 | -- |
| | Zhejiang Zeekr Intelligent Technology Co., Ltd. | 49,464,096.40 | -- |
| | Zhejiang Liankong Technology Co., Ltd. | 42,650,589.88 | 34,780,803.75 |
| | China European Vehicle Technology AB | 28,089,876.28 | -- |
| | Zhejiang Geely Holding Group Auto Sales Co., Ltd. | 26,277,356.63 | 57,539,034.20 |
| | Zhejiang Jirun Automobile Co., Ltd. | 23,437,341.86 | 23,205,265.69 |
| | Zhejiang Jirun Meishan Auto Parts Co., Ltd. | 23,341,013.89 | 11,410,425.00 |
| | Zhejiang Haowu Network Technology Co., Ltd. | 13,321,767.87 | -- |
| | Zhejiang Haoqing Automobile Manufacturing Co., Ltd. | 7,763,271.60 | -- |
| | Hangzhou Geely Automobile Digital Technology Co., Ltd. | 5,124,156.12 | -- |
| | Guangyu Mingdao Digital Technology Co., Ltd. | 4,218,040.00 | -- |
| | Ji Zhi (Hangzhou) Culture Creative Co., Ltd. | 3,199,481.66 | 235,140.68 |
| | Volvo Car Corporation | 2,912,359.73 | -- |
| | Zhejiang Haohan Energy Technology Co., Ltd. | 2,401,504.43 | -- |
| | Hangzhou Jiqiao Automobile Technology Co., Ltd. | 2,184,963.20 | 1,502,785.80 |
| | Geely Innovation Centre3 AB | 2,082,269.27 | -- |
| | Zhejiang Jisu Supply Chain Management Co., Ltd. | 1,843,472.14 | -- |
| | Chengdu Gaoyuan Automobile Industry Co., Ltd. | 1,342,242.84 | -- |
| | Shanghai Jijin Mechanical and Electrical Equipment Co., Ltd. | 1,339,570.49 | 65,043,146.90 |
| | Hangzhou Xuanyu Human Resources Co., Ltd. | 620,689.28 | 3,478,802.48 |
| | Zhejiang Geely Holding Group Co., Ltd. | 591,860.36 | 1,075,669.26 |
| | Lingji Auto Trading Co., Ltd. | 500,000.00 | -- |
| | Mingtai Track management (Ningbo) Co., Ltd. | 313,569.84 | -- |

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## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Receivables from and payables to related parties (continued)

*Consolidated (continued):*

| Item | Related party | 2022.12.31 | 2021.12.31 |
|---|---|---|---|
| Other payables (continued) | | | |
| | Zhangjiakou Kaishun Enterprise Management Service Co., Ltd. | 303,854.29 | 145,743.49 |
| | Linyi Lingji Shunhua Automobile Sales Service Co., Ltd. | 300,000.00 | 300,000.00 |
| | Jining Lingji Renzhihe Automotive Sales Service Co., Ltd. | 300,000.00 | 300,000.00 |
| | Harbin Lingjixing Automobile Sales Service Co., Ltd. | 300,000.00 | 300,000.00 |
| | Dongying Lingji Xiaohua Auto Sales Service Co., Ltd. | 300,000.00 | 300,000.00 |
| | Beijing Lingjisheng Auto Sales Service Co., Ltd. | 300,000.00 | -- |
| | Shijiazhuang Lingjixing Auto Sales Co., Ltd. | 300,000.00 | -- |
| | Zhejiang Geely Business Service Co., Ltd. | 280,280.98 | 10,213.95 |
| | Yijiatong (Hubei) Technology Co., Ltd. | 213,231.19 | -- |
| | Chengdu Geely Logistics Service Co., Ltd. | 186,508.66 | 17,826.09 |
| | Ningbo Jirun Auto Parts Co., Ltd. | 140,769.47 | -- |
| | Geely Business Center AB | 121,015.75 | -- |
| | Hangzhou Geely Automobile Co., Ltd. | 106,652.28 | -- |
| | Zhejiang Jichuang Industry Development Co., Ltd. | 59,932.25 | -- |
| | Mando(Ningbo)Automotive Parts Co.,Ltd. | 58,611.12 | 1,027.78 |
| | Chengdu Jiqiao Technology Co., Ltd. | 41,485.00 | 5,893.75 |
| | Hubei Yijiatong Technology Co., Ltd. | 26,036.17 | 22,177.00 |
| | Zhejiang Jisu Logistics Co., Ltd. | 20,184.29 | 1,359,254.18 |
| | Baoji Geely Auto Parts Co., Ltd. | 18,068.76 | -- |
| | Zhejiang Wisdom Puhua Financing Leasing Co., Ltd. | 16,491.16 | -- |
| | Harbin Lingjixing Automobile Sales Service Co., Ltd. | 3,351.64 | -- |
| | Zhejiang Geely Automobile Sales Co., Ltd. | 2,920.25 | 8,633,954.89 |
| | Hangzhou Shanbu Technology Co., Ltd. | -- | 2,423.09 |
| | Ningbo Qianwan New Area Jiyan Logistics Service Co., Ltd. | -- | 1,305,984.29 |
| | Hangzhou Gangli Hotel Management Co., Ltd. | -- | 40.00 |
| | Shanghai Meihuan Trade Co., Ltd. | -- | 949,942.08 |
| | Hangzhou Geely Yiyun Technology Co., Ltd. | -- | 4,014,586.86 |
| | Geely Changxing Automatic Transmission Co., Ltd. | -- | 314,699.98 |
| | Yaou Automotive Manufacturing (Taizhou) Co., Ltd. | -- | 84,407.67 |

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## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Receivables from and payables to related parties (continued)

Consolidated (continued):

| Item | Related party | 2022.12.31 | 2021.12.31 |
|---|---|---|---|
| Other payables (continued) | | | |
| | Shangrao Lingchuang Automotive Testing Technology Co., Ltd. | -- | 78,959.89 |
| | Subtotal | 3,925,960,487.50 | 2,027,434,166.04 |
| Other current liabilities | | | |
| | Zhangjiakou Volvo Automotive Engine Manufacturing Co., Ltd. | 233,490,770.15 | -- |
| | Geely Automobile Research Institute (Ningbo) Co., Ltd. | 2,890,226.42 | 148,664.15 |
| | Zhejiang Geely Automobile Co., Ltd. | 1,138,692.92 | -- |
| | Shijiazhuang Lingjixing Auto Sales Co., Ltd. | 441,966.03 | -- |
| | Jining Lingji Renzhihe Automotive Sales Service Co., Ltd. | 401,233.77 | 158,525.20 |
| | Shanghai Meihuan Trade Co., Ltd. | 394,825.99 | 1,295.86 |
| | Harbin Lingjixing Automobile Sales Service Co., Ltd. | 239,571.26 | 398,568.65 |
| | Qingdao Lingjihua Automobile Sales Service Co., Ltd. | 238,655.05 | -- |
| | Dongying Lingji Xiaohua Auto Sales Service Co., Ltd. | 220,485.28 | 94,210.84 |
| | Beijing Lingjisheng Auto Sales Service Co., Ltd. | 155,619.84 | 316,108.55 |
| | Linyi Lingji Shunhua Automobile Sales Service Co., Ltd. | 139,197.63 | 355,409.88 |
| | Zhejiang Haowu Network Technology Co., Ltd. | 114,349.63 | -- |
| | Chengdu Geely Automobile Manufacturing Co., Ltd. | -- | 7,070,118.85 |
| | Chengdu Geely Logistics Service Co., Ltd. | -- | 19,129.29 |
| | Subtotal | 239,865,593.97 | 8,562,031.27 |
| Other non-current assets | | | |
| | Shanghai Meihuan Trade Co., Ltd. | 7,236.87 | -- |
| | Radar new energy vehicle (Zhejiang) Co., Ltd. | 4,297.50 | -- |
| | Subtotal | 11,534.37 | -- |

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## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Receivables from and payables to related parties (continued)

The Company:

| Item | Related party | 2022.12.31 | 2021.12.31 |
|---|---|---|---|
| Other receivables | | | |
| | LYNK & CO Automobile Sales Co., Ltd. | 4,336,405,801.84 | -- |
| | LYNK & CO International Sales (Yuyao) Co., Ltd. | 780,586,958.03 | 1,783,191,795.78 |
| | LYNK & CO Automobile (Zhangjiakou) Co., Ltd. | 79,599,987.35 | -- |
| | Geely Automobile Research Institute (Ningbo) Co., Ltd. | 3,795,507.52 | -- |
| | Zhejiang Jirun Automobile Co., Ltd. | 24,320.93 | -- |
| | Zhejiang Geely Business Service Co., Ltd. | 140.00 | 135,374.24 |
| | Yuyao LYNK & CO Auto Parts Co.,Ltd. | -- | 1,449,431,344.98 |
| | Chengdu LYNK & CO Automobile Co., Ltd. | -- | 809,050,149.54 |
| | Geely Yaou (Ningbo Meishan Free Trade Zone) Technology Co., Ltd. | -- | 686,033,583.90 |
| | Kaiyue Auto Parts Manufacturing (Zhangjiakou) Co., Ltd. | -- | 592,605,094.36 |
| | LYNK & CO International AB | -- | 579,531,084.09 |
| | Subtotal | 5,200,412,715.67 | 5,899,978,426.89 |
| Other payables | | | |
| | Chengdu LYNK & CO Automobile Co., Ltd. | 1,796,761,685.48 | -- |
| | Kaiyue Auto Parts Manufacturing (Zhangjiakou) Co., Ltd. | 1,432,387,657.62 | -- |
| | Geely Yaou (Ningbo Meishan Free Trade Zone) Technology Co., Ltd. | 959,089,168.01 | -- |
| | Yuyao LYNK & CO Auto Parts Co.,Ltd. | 341,444,847.16 | -- |
| | Zhejiang Geely Automobile Manufacturing Co., Ltd. | 139,523,851.64 | -- |
| | LYNK & CO International AB | 71,190,054.10 | -- |
| | Geely Automobile Holding (Hangzhou) Co., Ltd. | 57,490,129.16 | -- |
| | Ningbo LYNK & CO Automobile Culture Co., Ltd. | 765,722.40 | -- |
| | Hangzhou Geely Automobile Digital Technology Co., Ltd. | 723,691.54 | -- |
| | Zhejiang Geely Holding Group Co., Ltd. | 236,485.19 | 165,443.05 |
| | Hangzhou Xuanyu Human Resources Co., Ltd. | 206,195.13 | 171,065.44 |

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## IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Receivables from and payables to related parties (continued)

The Company (continued):

| Item | Related party | 2022.12.31 | 2021.12.31 |
|---|---|---|---|
| Other payables (continued) | | | |
| | Ningbo Geely Automobile Research and Development Co., Ltd. | 8,962.18 | 1,669.60 |
| | LYNK & CO Automobile Sales Co., Ltd. | -- | 2,312,941,181.79 |
| | LYNK & CO Hong Kong International Co., Ltd. | -- | 405,815,200.00 |
| | LYNK & CO Automobile Technology (Yuyao) Co., Ltd. | -- | 254,096,154.70 |
| | LYNK & CO Automobile (Zhangjiakou) Co., Ltd. | -- | 13,809,436.59 |
| | Shanghai Jijin Mechanical and Electrical Equipment Co., Ltd. | -- | 97,098.40 |
| | Ningbo Qianwan New Area Jiyan Logistics Service Co., Ltd. | -- | 9,332.00 |
| | Hangzhou Gangli Hotel Management Co., Ltd. | -- | 40.00 |
| | Subtotal | 4,799,828,449.61 | 2,987,106,621.57 |
| Accounts payable | | | |
| | Zhejiang Haowu Network Technology Co., Ltd. | 346.00 | -- |

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## X. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

Capital commitments

Consolidated:

| Capital commitments entered into but not recognized in the financial statements | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Construction of long-term assets commitments | 1,118,400,156.38 | 87,810,677.90 |

The Company:

The Company does not have significant commitments.

2. Contingencies

As at 31 December 2022, the Company and its subsidiaries do not have contingency arising from pending litigation and guarantee provided to other entities to be disclosed.

## XI. POST BALANCE SHEET DATE EVENTS

(1) In 2023 January, Zhejiang Jirun Automobile Co., Ltd. transferred its 50% stake in the Company to Ningbo Geely Automobile Industry Co., Ltd..

(2) As at April 20 2023, there is no other events after the balance sheet date which needs to be disclosed.

## XII. OTHER SIGNIFICANT ITEMS

1. Leases

**As lessee**

Supplementary information on rental fees

The Company and its subsidiaries simplify the short-term lease and low-value asset lease, and do not recognize the right-of-use assets and lease liabilities. The short-term lease, low-value asset and variable lease payment that is not included in the measurement of lease liabilities are included in the current expenses as follows:

Consolidated:

| Item | 2022 | 2021 |
|---|---|---|
| Short-term lease | 7,236,816.56 | 2,561,610.16 |

The Company:

The Company does not have short-term lease.

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## XIII. NOTES FOR MAIN ITEMS IN THE PARENT COMPANY'S FINANCIAL STATEMENTS

1. Cash at bank and in hand

| Item | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Deposits with banks | 1,566,175,019.25 | 277,211,734.95 |
| Other monetary funds | 640,000,000.00 | -- |
| **Total** | **2,206,175,019.25** | **277,211,734.95** |

The restricted monetary funds are as follows:

| Item | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Other monetary funds | -- | -- |
| Other deposit | 640,000,000.00 | -- |

Note: ① Restricted currency funds-other deposit is the deposit of the loan pledged to the bank.

② At the end of year 2022, the Company has no balance of cash or other monetary funds that are restricted because being pledged as security, guaranteed or blocked frozen or overseas balances that have restriction on remittance back to the home country.

2. Other receivables

| Item | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Interest receivable | -- | -- |
| Dividend receivable | -- | -- |
| Other receivables | 5,200,574,958.20 | 5,899,987,013.03 |
| **Total** | **5,200,574,958.20** | **5,899,987,013.03** |

Other receivables

① Disclosure by aging

| Aging | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Within 1 year | 5,200,571,084.20 | 5,899,983,279.03 |
| 1 to 2 years | 140.00 | 3,734.00 |
| 2 to 3 years | 3,734.00 | -- |
| Subtotal | 5,200,574,958.20 | 5,899,987,013.03 |
| Less: Bad Debt Provision | -- | -- |
| **Total** | **5,200,574,958.20** | **5,899,987,013.03** |

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## XIII. NOTES FOR MAIN ITEMS IN THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (continued)

② Disclosure by nature

| Item | 2022.12.31 | | | 2021.12.31 | | |
|---|---|---|---|---|---|---|
| | Book balance | Bad debt provision | Book value | Book balance | Bad debt provision | Book value |
| Related party transaction | 5,196,592,747.22 | -- | 5,196,592,747.22 | 5,899,978,426.89 | -- | 5,899,978,426.89 |
| Others | 3,982,210.98 | -- | 3,982,210.98 | 8,586.14 | -- | 8,586.14 |
| **Total** | **5,200,574,958.20** | **--** | **5,200,574,958.20** | **5,899,987,013.03** | **--** | **5,899,987,013.03** |

③ Bad Debt Provision

As at 31 December 2022, bad debt provision at the first stage is as follows:

| Item | Book balance | Expected credit loss rate over the next 12 months (%) | Bad debt provision | Book value |
|---|---|---|---|---|
| Bad debt provisions made on an individual basis | -- | -- | -- | -- |
| Bad debt provisions made on a combination basis | 5,200,574,958.20 | | -- | 5,200,574,958.20 |
| Amounts due from related parties under common control | 5,200,412,715.67 | -- | -- | 5,200,412,715.67 |
| Amounts due from others | 162,242.53 | -- | -- | 162,242.53 |
| **Total** | **5,200,574,958.20** | | **--** | **5,200,574,958.20** |

As at 31 December 2022, the Company had no other receivables in the second and third stage.

As at 31 December 2021, bad debt provision at the first stage is as follows:

| Item | Book balance | Expected credit loss rate over the next 12 months (%) | Bad debt provision | Book value |
|---|---|---|---|---|
| Bad debt provisions made on an individual basis | -- | -- | -- | -- |
| Bad debt provisions made on a combination basis | 5,899,987,013.03 | | -- | 5,899,987,013.03 |
| Amounts due from related parties under common control | 5,899,978,426.89 | -- | -- | 5,899,978,426.89 |
| Amounts due from others | 8,586.14 | -- | -- | 8,586.14 |
| **Total** | **5,899,987,013.03** | | **--** | **5,899,987,013.03** |

As at 31 December 2021, the Company had no other receivables in the second and third stage

④ Additions, recoveries or reversals of provision for the current period

There is no significant additions, recoveries or reversals of bad debt provisions for the current period.

## XIII. NOTES FOR MAIN ITEMS IN THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments

| Investee | 2022.01.01 | Movements during the year | | | | | | | | 2022.12.31 | Balance of provision for impairment as at 2022.12.31 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Increase in capital | Decrease in capital | Investment income recognized under equity method | Other comprehensive income | Other equity movements | Declared distribution of cash dividends or profits | Provision for impairment | Other | | |
| LYNK & CO Automobile Sales Co., Ltd. | 70,114,010.89 | – | – | – | – | – | – | – | – | 70,114,010.89 | – |
| Kaiyue Auto Parts Manufacturing (Zhangjiakou) Co., Ltd. | 1,908,174,315.66 | – | – | – | – | – | – | – | – | 1,908,174,315.66 | – |
| LYNK & CO Hong Kong International Co., Ltd. | 1,050,837,000.00 | 127,393,735.52 | – | – | – | – | – | – | – | 1,178,230,735.52 | – |
| Yuyao LYNK & CO Auto Parts Co.,Ltd. | 2,370,296,758.64 | – | – | – | – | – | – | – | 17,032,297.86 | 2,387,329,056.50 | – |
| Chengdu LYNK & CO Automobile Co., Ltd. | 50,000,000.00 | – | – | – | – | – | – | – | – | 50,000,000.00 | |
| Geely Yaou (Ningbo Meishan Free Trade Zone) Technology Co., Ltd. | 50,000,000.00 | – | – | – | – | – | – | – | – | 50,000,000.00 | |
| LYNK & CO Automobile Technology (Yuyao) Co., Ltd. | 17,032,297.86 | – | – | – | – | – | – | – | -17,032,297.86 | – | – |
| LYNK & CO International Sales (Yuyao) Co., Ltd. | – | 50,000,000.00 | – | – | – | – | – | – | – | 50,000,000.00 | |
| Sichuan LYNK & CO Automobile Manufacturing Co., Ltd. | – | 48,520,601.99 | – | – | – | – | – | – | – | 48,520,601.99 | |
| **Total** | **5,516,454,383.05** | **225,914,337.51** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **5,742,368,720.56** | **–** |

## XIII. NOTES FOR MAIN ITEMS IN THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments (continued)

Note:

(1) On 27 October 2017, the Company obtained 100% shares of LYNK & CO Automobile Sales Co., Ltd. from the group related company Zhejiang Jirun Automobile Co., Ltd. at the combination consideration of RMB 100,000,000.00. Since both parties are ultimately controlled by Zhejiang Geely Holding Group Co., Ltd. before and after the combination and the control is not temporary, the above-mentioned combination is business combination involving enterprises under common control, the Company took the book value of net assets of the investee as the initial investment cost of the long-term equity investment.

(2) On 27 November 2017, the Company obtained 100% shares of Kaiyue Auto Parts Manufacturing (Zhangjiakou) Co., Ltd. from the group related company Zhejiang Geely Automobile Co., Ltd. at the combination consideration of RMB 1,918,866,084.16. Since both parties are ultimately controlled by Zhejiang Geely Holding Group Co., Ltd. before and after the combination and the control is not temporary, the above-mentioned combination is business combination involving enterprises under common control, the Company took the book value of net assets of the investee as the initial investment cost of the long-term equity investment.

(3) On 27 September 2018, the Company set up a wholly-owned subsidiary, LYNK & CO Hong Kong International Co., Ltd., the registered capital is HKD 91,000,000.00. The Company contributed HKD 91,000,000.00 (RMB 80,498,600.00). On October 19, 2021, after the resolution of the board of directors, the Company increased its capital by EUR 128,000,000.00, as at 31 December 2022, the Company has fully paid. In January 2022, after the resolution of the board of directors, the Company increased its capital by SEK 181,679,600.00 (equivalent to RMB 127,393,735.52), as at 31 December 2022, the Company has fully paid.

## XIII. NOTES FOR MAIN ITEMS IN THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments (continued)

(4) On 17 May 2019, the Company obtained 100% shares of Yuyao LYNK & CO Auto Parts Co., Ltd. from the group related company Zhejiang Geely Automobile Co., Ltd. at the combination consideration of RMB 2,007,562,733.67. Since both parties are ultimately controlled by Zhejiang Geely Holding Group Co., Ltd. before and after the combination and the control is not temporary, the above-mentioned combination is business combination involving enterprises under common control, the Company took the book value of net assets of the investee as the initial investment cost of the long-term equity investment.

By resolution of shareholders, in November 2022, the subsidiary Yuyao LYNK & CO Auto Parts Co., Ltd. absorbed and merged LYNK & CO Automotive Technology (Yuyao) Co., Ltd., which was originally the subsidiary of the Company, for free. After the merger, LYNK & CO Automotive Technology (Yuyao) Co., Ltd. no longer exists. The Company's long-term equity investment in LYNK & CO Automotive Technology (Yuyao) Co., Ltd. decreased by RMB 17,032,297.86 and its long-term equity investment in Yuyao LYNK & CO Auto Parts Co., Ltd. correspondingly increased by RMB 17,032,297.86.

(5) On 27 December 2019, after the resolution of the board of directors, the Company set up a new wholly-owned subsidiary, Chengdu LYNK & CO Automobile Co., Ltd., the registered place is Sichuan, China and the registered capital is RMB 50,000,000.00.

(6) On 31 August 2021, after the resolution of the board of directors, the Company set up a new wholly-owned subsidiary, Geely Yaou (Ningbo Meishan Free Trade Zone) Technology Co., Ltd., the registered place is Ningbo, Zhejiang and the registered capital is RMB 50,000,000.00.

(7) On 30 September 2020, after the resolution of the board of directors, the Company set up a new wholly-owned subsidiary, LYNK & CO International Sales (Yuyao) Co., Ltd., the registered place is Yuyao, Zhejiang and the registered capital is RMB 50,000,000.00. The Company has fully paid in March 2022.

(8) In December 2022, the Company obtained 100% shares of Sichuan LYNK & CO Automobile Manufacturing Co., Ltd. from the group related company Zhejiang Geely Automobile Manufacturing Co., Ltd. at the combination consideration of RMB 139,523,851.64. Since both parties are ultimately controlled by Zhejiang Geely Holding Group Co., Ltd. before and after the combination and the control is not temporary, the above-mentioned combination is business combination involving enterprises under common control, the Company took the book value of net assets of the investee as the initial investment cost of the long-term equity investment.

(9) At the end of this period, the Company reviewed the Long-term equity investments, there is no evidence of impairment, and therefore, no provision is made for impairment of Long-term equity investments.

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## XIII. NOTES FOR MAIN ITEMS IN THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities that are not offset

| Item | 2022.12.31 | | 2021.12.31 | |
|---|---|---|---|---|
| | Deductible/Taxable Temporary Differences | Deferred tax assets/liabilities | Deductible/Taxable Temporary Differences | Deferred tax assets/liabilities |
| Deficit deductible | 289,186,166.40 | 72,296,541.60 | 124,984,929.36 | 31,246,232.34 |

5. Employee benefits payable

| Item | 2022.01.01 | Accrued during the year | Decreased during the year | 2022.12.31 |
|---|---|---|---|---|
| Short-term employee benefits | 8,191,252.03 | 39,276,839.32 | 39,206,767.51 | 8,261,323.84 |
| Post-employment benefits-defined contribution plans | 18,174.98 | 781,767.80 | 719,789.86 | 80,152.92 |
| **Total** | **8,209,427.01** | **40,058,607.12** | **39,926,557.37** | **8,341,476.76** |

(1) Short-term employee benefits

| Item | 2022.01.01 | Accrued during the year | Decreased during the year | 2022.12.31 |
|---|---|---|---|---|
| Salaries, bonus, allowances | 8,061,729.00 | 34,863,370.09 | 35,003,662.44 | 7,921,436.65 |
| Staff welfare | -- | 1,399,575.83 | 1,399,575.83 | -- |
| Social insurances | 11,030.33 | 1,337,691.58 | 1,231,640.42 | 117,081.49 |
| Including: 1. Medical insurance | 9,400.85 | 1,302,946.34 | 1,199,649.76 | 112,697.43 |
| 2. Work-related injury insurance | 1,002.76 | 34,745.24 | 31,990.66 | 3,757.34 |
| 3. Maternity insurance | 626.72 | -- | -- | 626.72 |
| Housing Fund | 66,484.02 | 1,557,985.23 | 1,459,342.23 | 165,127.02 |
| Labor union fees, staff and workers' education fee | 52,008.68 | 118,216.59 | 112,546.59 | 57,678.68 |
| **Total** | **8,191,252.03** | **39,276,839.32** | **39,206,767.51** | **8,261,323.84** |

(2) Defined contribution plans

| Item | 2022.01.01 | Accrued during the year | Decreased during the year | 2022.12.31 |
|---|---|---|---|---|
| Post-employment benefits | | | | |
| Including: 1.Basic pension | 17,548.25 | 738,336.26 | 679,801.53 | 76,082.98 |
| 2.Unemployment | 626.73 | 43,431.54 | 39,988.33 | 4,069.94 |
| **Total** | **18,174.98** | **781,767.80** | **719,789.86** | **80,152.92** |

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## XIII. NOTES FOR MAIN ITEMS IN THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

6. Taxes payable

| Item | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Individual income tax | 182,120.32 | 263,946.34 |
| Stamp duty | 70,973.17 | -- |
| Others | -- | 28.62 |
| **Total** | **253,093.49** | **263,974.96** |

7. Other payables

| Item | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Interests payable | -- | -- |
| Dividends payable | -- | -- |
| Other payables | 4,802,248,558.57 | 2,989,809,551.47 |
| **Total** | **4,802,248,558.57** | **2,989,809,551.47** |

Other payables

| Item | 2022.12.31 | 2021.12.31 |
|---|---|---|
| Related party transaction | 4,530,449,080.67 | 2,580,846,773.08 |
| Equity transfer | 139,523,851.64 | 405,815,200.00 |
| Service fee | 129,403,874.80 | -- |
| Other accrued expenses | 1,669,759.62 | 2,531,890.74 |
| Others | 1,201,991.84 | 615,687.65 |
| **Total** | **4,802,248,558.57** | **2,989,809,551.47** |

Note: At the end of the period, the Company does not have significant other payables with ageing over 1 year.

8. Long-term loans

| Item | 2022.12.31 | Interest rates | 2021.12.31 | Interest rates |
|---|---|---|---|---|
| Unsecured loans | 851,071,354.14 | 4.2750%、4.1250% | 951,211,909.72 | 4.2750% |
| Less: long-term loans due within one year | 101,071,354.14 | 4.2750%、4.1250% | 101,211,909.72 | 4.2750% |
| **Total** | **750,000,000.00** | | **850,000,000.00** | |

Note: Long-term loans is RMB 1,000,000,000.00 borrowed by the Company from Bank of Communications Ningbo Hangzhou Bay Branch on 30, March 2020. According to the contract, the Company repay the principal of the long-term loan regularly. As at 31 December 2022, the balance of the principal of the long-term loan is RMB 850,000,000.00, including RMB 100,000,000.00 which will be repaid in 2023. As at 31 December 2022, accrued interest is RMB 1,071,354.14.

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## XIII. NOTES FOR MAIN ITEMS IN THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

9. Capital reserve

| Item | 2022.01.01 | Additions during the year | Reductions during the year | 2022.12.31 |
|---|---|---|---|---|
| Share premium- influence of business combinations under common control | 329,766,322.83 | -- | 91,003,249.65 | 238,763,073.18 |

Note: In December 2022, the Company acquired Sichuan LYNK & CO Automobile Manufacturing Co., Ltd. through business combination involving enterprises under common control. The difference between the combination consideration and the initial investment cost of the long-term equity investment is RMB -91,003,249.65, which is included in the capital reserve, see Note VI.1 for business combination involving enterprises under common control.

10. Retained earnings

| Item | 2022 | 2021 |
|---|---|---|
| Retained earnings as at 2022.01.01 (loss marked with "-") | -53,259,552.79 | -79,479,003.19 |
| Add: Net profits (loss marked with "-") | -124,012,736.63 | 1,803,863,882.41 |
| Less: Appropriation for statutory surplus reserve | -- | 266,646.66 |
| Cash dividends | -- | 1,777,377,785.35 |
| **Retained earnings as at 2022.12.31 (loss marked with "-")** | **-177,272,289.42** | **-53,259,552.79** |

11. Operating revenue and operating costs

| Item | 2022 | 2021 |
|---|---|---|
| Revenue from other business | | |
| -Quality services | 3,580,590.26 | 1,815,234.63 |

Continue:

| Item | 2022 | 2021 |
|---|---|---|
| Cost from other business | | |
| -Quality services | 3,341,361.21 | -- |

12. Administrative expenses

| Item | 2022 | 2021 |
|---|---|---|
| Service expenses | 138,859,247.64 | -- |
| Salaries and wages | 36,717,245.91 | 41,763,088.94 |
| Intermediary service expenses | 1,567,027.08 | 3,310,772.12 |
| Travel expenses | 1,648,984.14 | 1,812,126.26 |
| Others | 1,547,036.40 | 1,700,706.09 |
| **Total** | **180,339,541.17** | **48,586,693.41** |

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## XIII. NOTES FOR MAIN ITEMS IN THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

13. Financial expenses

| Item | 2022 | 2021 |
|---|---|---|
| The interest payments | 37,785,381.94 | 41,530,555.58 |
| Minus: Interest income | 33,826,057.06 | 41,383,530.20 |
| Exchange gains and losses | -19,128,283.22 | 24,176,800.00 |
| Commission charges and others | 348,544.05 | 33,124.74 |
| **Total** | **-14,820,414.29** | **24,356,950.12** |

14. Income tax expenses

(1) Income tax expense details

| Item | 2022 | 2021 |
|---|---|---|
| Deferred tax expense | -41,050,309.26 | -17,607,930.98 |

(2) The relationship between income tax expense and total profit is listed as follows:

| Item | 2022 | 2021 |
|---|---|---|
| Profit total | -165,063,045.89 | 1,786,255,951.43 |
| Income tax expense at statutory rate (gross profit *25%) | -41,265,761.47 | 446,563,987.86 |
| Tax-free income | -- | -464,280,858.80 |
| Non-deductible costs, expenses and losses | 28,234.17 | 46,369.82 |
| Adjustment of deferred tax expense in previous years | 187,218.04 | 62,570.14 |
| **Income tax expense** | **-41,050,309.26** | **-17,607,930.98** |

LYNK & CO Investment Co., Ltd.

20 April 2023