Registered number: 10591250

AIR INTERNATIONAL THERMAL (UNITED KINGDOM) LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2020

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note		2020 £		2019 £
Fixed assets					
Tangible assets	4		**13,483**		23,227
Investments	5		**15,521,691**		3,774
			15,535,174		27,001
Current assets					
Debtors: amounts falling due within one year	6	**1,206,351**		3,579,472	
Cash at bank and in hand		**16,475**		18,769	
		1,222,826		3,598,241	
Creditors: amounts falling due within one year	7	**(16,828,152)**		(3,543,510)	
Net current (liabilities)/assets			**(15,605,326)**		54,731
Total assets less current liabilities			**(70,152)**		81,732
Net (liabilities)/assets			**(70,152)**		81,732
Capital and reserves					
Called up share capital			**1,000**		1,000
Profit and loss account			**(71,152)**		80,732
			(70,152)		81,732

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

V Joshi
Director
Date: 10/Aug/2021

The notes on pages 2 to 9 form part of these financial statements.

1. General information

Air International Thermal (United Kingdom) Limited is a private company limited by shares, and incorporated in England and Wales. The address of the registered office is 10 Norwich Street, London, EC4A 1BD.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

2.3 Going concern

The company made a net loss in the year of £151,884 (2019: net loss of £230) and has net liabilities of £70,152 (2019: net assets of £81,732).

The directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their going concern assessment. The directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the financial statements on the basis that the parent company has agreed to provide support for the forseeable future of minimum 12 months from the date of signing these financial statements.

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP and these financial statements are rounded to the nearest £.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Revenue is generated by recharging certain expenses occured during the year with an agreed mark up to its subsidiary.

2. Accounting policies (continued)

2.6 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.7 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	25%	Straight line basis
D&D in progress	-		Not depreciated

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2. Accounting policies (continued)

2.15 Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Employees

The average monthly number of employees, including directors, during the year was 5 (2019 - 5).

4. Tangible fixed assets

	Office equipment £	D&D in progress £	Total £
Cost or valuation			
At 1 January 2020	**38,976**	**5,840**	**44,816**
At 31 December 2020	**38,976**	**5,840**	**44,816**
Depreciation			
At 1 January 2020	**21,589**	**-**	**21,589**
Charge for the year on owned assets	**9,744**	**-**	**9,744**
At 31 December 2020	**31,333**	**-**	**31,333**
Net book value			
At 31 December 2020	**7,643**	**5,840**	**13,483**
At 31 December 2019	17,387	5,840	23,227

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2020	**3,774**
Additions	**15,517,917**
At 31 December 2020	**15,521,691**

5. Fixed asset investments (continued)

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Air International Thermal (Slovakia) s.r.o.	AC Diplomat, Pailsady 29/A, 811 06, Bratislava, Slovakia	Ordinary	99%

6. Debtors

	2020 £	2019 £
Amounts owed by group undertakings	**1,139,670**	3,553,382
Other debtors	**63,528**	12,263
Prepayments and accrued income	**3,153**	13,827
	1,206,351	3,579,472

7. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	**383**	50,668
Corporation tax	**-**	4,892
Other creditors	**638**	968
Accruals and deferred income	**217,428**	90,303
Amounts owed to group undertakings	**16,609,703**	3,396,679
	16,828,152	3,543,510

8. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represent contributions payable by the company to the fund and amounted to £4,984 (2019: £5,479). At the year end, £638 (2019: £968) was outstanding to the fund.

9. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	**3,243**	18,179
Later than 1 year and not later than 5 years	**-**	3,243
	3,243	21,422

10. Related party transactions

The company is a wholly owned subsidiary of Aotecar New Energy Technology Co., Ltd, and as such the company has taken advantage of the exemption permitted by FRS 102 1A section 33 "Related party disclosures" not to provide disclosures of transactions entered into with other wholly owned members of the group. The company and its subsidiary undertakings are included within the consolidated financial statements of Aotecar New Energy Technology Co. Ltd, the ultimate parent undertaking, which are publicly available and can be obtained from 103 Daming Road Qinhuai District, Nanjing, 210022, China.

11. Controlling party

The immediate parent undertaking is Hong Kong Aotecar Investment Co., Limited, a company registered in Hong Kong. The ultimate parent undertaking is Aotecar New Energy Technology Co. Ltd., a company registered in China.

Aotecar New Energy Technology Co. Ltd. is the parent undertaking of the smallest and the largest group which consolidates the financial information of the company. Copies of the Group's financial statements may be obtained from 103 Daming Road Qinhuai District, Nanjing, 210022, China.

12. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2020 was unqualified.

The audit report was signed by Rajeev Shaunak (FCA) (Senior Statutory Auditor) on behalf of MHA MacIntyre Hudson.

Aotecar New Energy Technology Co.,Ltd.

Baker Tilly China [2021] No.31503

[English translation is for reference only. Should there be any inconsistency between the Chinese and English versions, the Chinese version shall prevail.]

0000202105012888 7663
报告文号：天职业字[2021]31503号

Contents

AUDITOR'S REPORT

(English version for reference only)

Baker Tilly China [2021] No.31503

To the Shareholder of Aotecar New Energy Technology Co.,Ltd.:

1. Opinion

We have audited the accompanying financial statements of Aotecar New Energy Technology Co.,Ltd.(the "Company"), which comprise the consolidated and company's balance sheet as at 31 December 2020, the consolidated and company's income statement and the consolidated and company's cash flow statement for the year then ended.

In our opinion, the financial statements present fairly, in all material respects, the consolidated and company's financial position as at 31 December 2020, and the consolidated and company's results of operations and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises (the "ASBE").

2. Basis of opinion

We conducted our audit in accordance with China Standards on Auditing (the "CSA"). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the CSA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Responsibilities of management and governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the ASBE and for design, implement and maintain 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The governance is responsible for supervising the financial reporting process of company.

4. 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 errors, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered 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 CSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.

- 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 Company's internal control.

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

- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw users' 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, future events or conditions may cause the Company to cease to continue as a going concern.

- 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.
- Obtain sufficient and appropriate audit evidence on financial information of the entities or operating activities of the Company so as to express an audit opinion on the financial statements. We are responsible for guidance, supervision and execution of the group audit, and we assume full responsibility to the audit opinion thereon.

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

Baker Tilly China

Beijing, China

April 28, 2021

Chinese Certified Public Accountant:

Chinese Certified Public Accountant: 230000060309

Chinese Certified Public Accountant: 110101500508

This auditor's report and the accompanying financial statements are English translation of the Chinese auditor's report. In case any inconsistencies between the two reports, the Chinese version shall prevail.

Consolidated Balance sheet

Prepared by: Aotecar New Energy Technology Co.,Ltd　　　　Monetary unit: CNY

Item	December 31,2020	December 31,2019
Current assets:		
Cash and cash equivalents	899,912,252.19	660,722,103.09
△ Settlement reserve		
△ Loans to banks and other financial institutions		
Trading financial assets	672,063.61	30,355,790.91
Derivative financial assets		
Notes receivable	346,895,240.92	
Accounts receivable	1,092,582,962.60	943,394,265.33
Accounts receivable financing	331,166,359.38	683,521,929.61
Prepayments	39,139,204.57	43,472,236.46
△ Premium receivable		
△ Reinsurance accounts receivable		
△ Reinsurance reserve receivable		
Other receivables	59,601,286.84	57,254,358.99
Including: interest receivable		
dividends receivable		
△ Buying back the sale of financial assets		
Inventories	1,090,521,711.49	1,065,665,362.73
Contract assets		
Assets classified as held for sale		
Non-current assets due within one year		505,019.21
Other current assets	89,392,154.22	87,218,904.29
Total current assets	3,949,883,235.82	3,572,109,970.62
Non-current assets:		
△ Loans released and money advanced		
Investments in debt securities		
Other Investments in debt securities		
Long-term receivables		
Long-term equity investment	352,949,326.81	357,856,831.05
Investment in other equity instruments	10,000,000.00	10,000,000.00
Other non-current financial assets		
Investment real estate	26,840,915.61	28,457,706.95
Fixed assets	1,280,096,477.87	1,385,176,366.40
Construction in process	246,683,481.02	222,274,808.75
Bearer biological assets		
Oil and gas assets		
Usufruct assets		
Intangible assets	446,054,106.49	482,632,195.57
Development expenditures	63,757,474.41	177,265,535.60
Goodwill	1,702,542,903.43	1,718,495,751.32
Long-term deferred expenses	5,016,210.18	6,014,590.75
Deferred income tax assets	250,092,837.25	180,420,429.25
Other non-current assets	74,727,717.81	50,973,690.42
Total non-current assets	4,458,761,450.88	4,619,567,906.06
Total assets	8,408,644,686.70	8,191,677,876.68

Legal Representative: Zhang Yongming　Director of Accountancy: Zhu Guang　Director of Accounting Department: Yao Jian

Consolidated Balance Sheet(continue)

Prepared by: Aotecar New Energy Technology Co.,Ltd Monetary unit: CNY

Item	December 31,2020	December 31,2019
Current liabilities:		
Short-term loan	682,590,154.39	431,490,007.19
△ Loans from the Central Bank		
△ Loans from other banks		
Trading financial liabilities		
Derivative financial liabilities		
Notes payable	714,632,804.24	702,933,322.15
Accounts payable	1,082,286,301.96	919,133,239.91
Receipts in advance		19,364,871.80
Contract liabilities	35,688,405.15	
△ Financial assets sold for repurchase		
△ Deposit taking and interbank deposit		
△ Funds for agency securities trading		
△ Funds for underwriting securities trading		
Employee benefits payable	118,742,394.73	95,079,244.38
Tax and surcharges payable	32,563,319.00	68,253,050.74
Other payables	183,691,504.28	213,390,055.62
Including: interest payable	1,131,769.28	759,456.98
dividends payable		
△ Service charge and commission payable		
△ Reinsurance accounts payable		
Liabilities classified as held for sale		
Non-current liabilities due within one year	89,998,136.95	191,933,470.05
Other current liabilities	224,306,162.07	42,000,000.00
Total current liabilities	3,164,499,182.77	2,683,577,261.84
Non-current liabilities:		
△ Reserve for insurance contracts		
Long-term loans	89,164,223.50	15,505,398.57
Bonds payable		
Including: preferred stock		
perpetual bond		
Lease liabilities		
Long-term payables	35,810,930.22	10,377,027.18
Long-term employee benefits payable	2,378,387.65	2,198,648.38
Estimated liabilities	79,359,171.64	92,681,087.29
Deferred revenues	35,491,543.95	33,188,436.14
Deferred income tax liabilities	33,750,592.19	54,242,781.05
Other non-current liabilities		
Total non-current liabilities	275,954,849.15	208,193,378.61
Total liabilities	3,440,454,031.92	2,891,770,640.45
Shareholders' equity		
Stock	3,131,359,417.00	3,131,359,417.00
Other equity instruments		
Including: preferred stocks		
perpetual bond		
Capital Reserve	896,766,226.93	896,766,226.93
Less: treasury stock		
Other comprehensive incomes	22,152,386.70	43,575,859.36
Special reserve		
Surplus reserve	59,188,848.72	59,188,848.72
△ General risk reserve		
Undistributed profit	852,802,808.70	1,161,510,850.16
Shareholders' equity attributable to owners of the Company as the parent	4,962,269,688.05	5,292,401,202.17
Non-controlling interests	5,920,966.73	7,506,034.06
Shareholders' equity	4,968,190,654.78	5,299,907,236.23
Total liabilities and shareholders' equity	8,408,644,686.70	8,191,677,876.68

Legal Representative: Zhang Yongming Director of Accountancy: Zhu Guang Director of Accounting Department: Yao Jian

Consolidated Income Statement

Prepared by: Aotecar New Energy Technology Co.,Ltd　　Year 2020　　Monetary unit: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Total operating revenue	3,726,893,595.05	3,210,648,346.53
Including: operating revenue	3,726,893,595.05	3,210,648,346.53
△ Interest revenue		
△ Earned premium		
△ Handling charges and commission revenue		
II. Total operating cost	3,867,527,942.05	3,278,132,535.90
Including: operating cost	3,210,563,299.56	2,668,018,668.94
△ Interest expenditures		
△ Handling charges and commission expenses		
△ Surrender value		
△ Net amount of compensation expenses		
△ Net amount of reserves for insurance contract		
△ Policy dividend expenditures		
△ Reinsurance expenses		
Tax and surcharges	20,747,832.07	24,241,001.42
Selling expenses	124,659,538.30	147,683,323.44
Administrative expenses	321,020,336.13	295,922,441.47
Research and development expense	173,662,871.53	109,843,568.52
Financial expenses	16,874,064.46	32,423,532.11
Including: interest expense	32,231,981.67	27,316,804.67
intererst income	21,685,765.13	10,745,076.72
Plus: Other income	24,816,587.44	12,619,602.25
Investment income ("-" for loss)	6,466,527.93	21,494,168.30
Including: Income from investment into associated enterprises and joint ventures	10,243,298.19	21,228,628.57
Income from derecognition of financial assets measured at amortized cost ("-" for loss)		
△ Exchange income ("-" for loss)		
Net exposure hedge income ("-" for loss)		
Income from changes in fair value ("-" for loss)	-99,257.04	922,661.06
Credit impairment loss ("-" for loss)	-66,344,858.98	-52,052,719.69
Asset impairment loss ("-" for loss)	-190,912,527.31	-165,667,262.48
Gains from asset disposal ("-" for loss)	-848,940.63	-795,642.20
III. Operating profits ("-" for loss)	-367,556,815.59	-250,963,382.13
Plus: non-operating income	13,159,947.53	328,329,837.88
Less: non-operating expenditures	12,212,199.63	3,268,906.82
IV. Total profits ("-" for total loss)	-366,609,067.69	74,097,548.93
Less: income tax expenses	-68,838,619.61	-27,456,784.98
V. Net profits ("-"for net loss)	-297,770,448.08	101,554,333.91
Including: The net profits realized by combined party prior to the combination		
(I) By operating continuity		
1.Net profit from continuing operations ("-"for net loss)	-297,770,448.08	101,554,333.91
2.Net profit from discontinued operations ("-"for net loss)		
(II) By ownership		
1.Net profit attributable to owners of the Company as the parent ("-"for net loss)	-296,185,380.75	102,031,704.11
2.Net profit attributable to non-controlling interests ("-"for net loss)	-1,585,067.33	-477,370.20
VI. Other comprehensive income, net of tax	-21,423,472.66	13,734,404.33
Attributable to owners of the Company as the parent	-21,423,472.66	13,734,404.33
(I) Items that will not be reclassified to profit or loss		
1.Changes caused by remeasurements on defined benefit schemes		
2.Other comprehensive income that will not be reclassified to profit or loss under the equity method		
3.Changes in the fair value of investments in other equity instruments		
4.Changes in the fair value arising from changes in own credit risk		
(II) Items that will be reclassified to profit or loss	-21,423,472.66	13,734,404.33
1.Other comprehensive income that will be reclassified to profit or loss under the equity method		
2.Changes in the fair value of other debt investments		
3.Other comprehensive income arising from the reclassification of financial assets		
4. Credit impairment allowance for other debt investments		
5.Reserve for cash flow hedges		
6.Differences arising from the translation of foreign currency-denominated financial statements	-21,423,472.66	13,734,404.33
7.Other		
Attributable to non-controlling interests		
VII. Total comprehensive income	-319,193,920.74	115,288,738.24
Attributable to owners of the Company as the parent	-317,608,853.41	115,766,108.44
Attributable to non-controlling interests	-1,585,067.33	-477,370.20
VIII. Earnings per share		
(1) Basic earnings per share	-0.09	0.03
(2) Diluted earnings per share	-0.09	0.03

Legal Representative: Zhang Yongming　　Director of Accountancy: Zhu Guang　　Director of Accounting Department: Yao Jian

Consolidated Cash Flow Statement

Prepared by: Aotecar New Energy Technology Co.,Ltd | Year 2020 | Monetary unit: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Cash flow generated from operating activities:		
Cash received from sales of goods or rendering of services	3,750,769,082.56	3,855,179,215.82
△ Net increase in customer's deposits and interbank		
△ Net increase in loans from the Central Bank		
△ Net increase in loans from other financial institutions		
△ Cash received from receiving premium of original		
△ Net cash received from reinsurance business		
△ Net increase from policyholders' deposits and deposits of investment		
△ Cash received from interests, handling charges and commissions		
△ Net increase in loans from other banks		
△ Net increase in repurchase operating capital		
△Net cash received from acting sales of securities		
Receipts of tax refunds	12,930,768.67	42,863,449.82
Other cash received related to operating activities	95,330,547.91	35,182,677.22
Sub-total of cash inflows from operating activities	3,859,030,399.14	3,933,225,342.86
Cash paid to purchase commodities and receive labor services	2,432,743,675.98	2,700,987,521.64
△ Net increase in loans and advances to customers		
△ Net increase in balances with the Central Bank and other banks		
△ Cash paid for compensation under original insurance contract		
△ Net increase in lending funds		
△ Cash paid for interests, handling charges and commissions		
△ Cash paid for policy dividend		
Cash paid to and on behalf of employees	571,485,200.43	509,361,903.47
Payments of taxes and surcharges	219,909,724.76	188,722,860.38
Other cash paid related to operating activities	351,710,169.15	393,287,169.38
Subtotal of cash outflows	3,575,848,770.32	3,792,359,454.87
Net cash flows from operating activities	283,181,628.82	140,865,887.99
II. Cash flows from investing activities:		
Cash received from disposal of investments	332,877,464.58	376,000,000.00
Cash received from returns on investments	15,000,000.00	15,000,000.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	13,152,786.93	7,534,913.00
Net cash received from disposal of subsidiaries and other business units		169,171,900.00
Other received cash related to investing activities	916,855.45	832,409.88
Subtotal of cash inflows from investing activities	361,947,106.96	568,539,222.88
Cash paid to acquire fixed assets, intangible assets and other long-term assets	218,468,208.27	297,417,620.60
Cash paid to acquire investments	312,541,673.67	564,690,000.00
△ Net increase of pledge loans		
Net cash paid for acquisitions of subsidiaries and other business units	-	
Other cash paid related to investing activities		
Sub-total of cash outflows from investing activities	531,009,881.94	862,107,620.60
Net cash flows from investing activities	-169,062,774.98	-293,568,397.72
III. Cash flows from financing activities:		
Cash received from investments		
Including: cash received for subsidiaries' absorbing minority shareholder investment		
Cash received from loans	884,830,912.23	389,772,024.13
Other received cash related to financing activities	336,283,750.00	137,000,000.00
Subtotal of cash inflows from financing activities	1,221,114,662.23	526,772,024.13
Cash paid for debt repayment	699,511,428.00	378,620,279.69
Cash for distributing dividends and profits or paying interest	43,823,682.24	29,159,972.89
Including: dividends and profits paid to minority shareholders by subsidiary		
Other paid cashes related to financing activities	537,850,790.00	95,697,500.00
Subtotal of cash outflows from financing activities	1,281,185,900.24	503,477,752.58
Net cash flows from financing activities	-60,071,238.01	23,294,271.55
IV. Effect of fluctuations in exchange rate on cash and cash equivalents	11,205,538.31	2,141,864.08
V. Net increase in cash and cash equivalents	65,253,154.14	-127,266,374.10
Plus: Balance of cash and cash equivalents at the beginning of the period	175,234,513.44	302,500,887.54
VI. Balance of cash and cash equivalents at the end of the period	240,487,667.58	175,234,513.44

Legal Representative: Zhang Yongming Director of Accountancy: Zhu Guang Director of Accounting Department: Yao Jian

Consolidated Statement of Changes in Shareholders' equity

Prepared by: Aotecar New Energy Technology Co.,Ltd | Year 2020 | Monetary unit: CNY

Item	Current amount														
	Shareholders' equity attributable to owners of the Company as the parent													Non-controlling interests	Total shareholders' equity
	Stock	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive incomes	Special reserve	Surplus reserve	Δ General risk reserve	Undistributed profits	Others	Total		
		Preferred stock	Perpetual bond	Others											
I. Balance at the end of previous year	3,131,359,417.00				896,766,226.93		43,575,859.36		59,188,848.72		1,161,510,850.16		5,292,401,202.17	7,506,034.06	5,299,907,236.23
Plus: changes in accounting policies															
Prior error correction															
Business combination under the same control															
Others															
II. Balance at the beginning of current year	3,131,359,417.00				896,766,226.93		43,575,859.36		59,188,848.72		1,161,510,850.16		5,292,401,202.17	7,506,034.06	5,299,907,236.23
III. Current year increase/decrease (decrease to be listed with "-")							-21,423,472.66				-308,708,041.46		-330,131,514.12	-1,585,067.33	-331,716,581.45
(I) Total comprehensive income							-21,423,472.66				-296,185,380.75		-317,608,853.41	-1,585,067.33	-319,193,920.74
(II) Shareholders' contributions and withdrawal in capital															
1. Common stock contribution from shareholders															
2.Capital contribution from other equity instruments holders															
3. Share-based payment recognised in shareholders' equity															
4. Others															
(3) Profit distribution											-12,522,660.71	-	-12,522,660.71		-12,522,660.71
1. Provision for surplus reserve															
2. Provision for general risk preparation															
3. Distribution to shareholders											-12,522,660.71		-12,522,660.71		-12,522,660.71
4. Others															
(IV) Transfers within shareholders' equity															
1. Capital surplus converted to share capital															
2. Surplus reserve converted to share capital															
3. Surplus reserves to recover loss															
4. Changes arising from re-measurement of net liabilities or net assets of defined benefit plan															
5. Other comprehensive income carried forward to retained earnings															
6. Others															
(V) Withdraw and use of special reserve															
1. Withdraw in current year															
2. Use in current year															
(VI) Others															
IV. Ending balance of current year	3,131,359,417.00				896,766,226.93		22,152,386.70		59,188,848.72		852,802,808.70		4,962,269,688.05	5,920,966.73	4,968,190,654.78

Legal Representative: Zhang Yongming | Director of Accountancy: Zhu Guang | Director of Accounting Department: Yao Jian

Consolidated Statement of Changes in Shareholders' equity (continue)

Prepared by: Aotecar New Energy Technology Co.,Ltd Year 2020 Monetary unit: CNY

Item	Amount of previous period														
	Shareholders' equity attributable to owners of the Company as the parent													Non-controlling interests	Total shareholders' equity
	Stock	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive incomes	Special reserve	Surplus reserve	Δ General risk reserve	Undistributed profits	Others	Total		
		referred stock	Perpetual bond	Others											
I. Balance at the end of previous year	3,131,359,417.00				896,766,226.93		29,841,455.03		31,524,637.49		1,087,143,357.28		5,176,635,093.73	7,983,404.26	5,184,618,497.99
Plus: changes in accounting policies															
Prior error correction															
Business combination under the same control															
Others															
II. Balance at the beginning of current year	3,131,359,417.00				896,766,226.93		29,841,455.03		31,524,637.49		1,087,143,357.28		5,176,635,093.73	7,983,404.26	5,184,618,497.99
III. Current year increase/decrease (decrease to be listed with "-")							13,734,404.33		27,664,211.23		74,367,492.88		115,766,108.44	-477,370.20	115,288,738.24
(I) Total comprehensive income							13,734,404.33				102,031,704.11		115,766,108.44	-477,370.20	115,288,738.24
(II) Shareholders' contributions and withdrawal in capital															
1. Common stock contribution from shareholders															
2.Capital contribution from other equity instruments holders															
3. Share-based payment recognised in shareholders' equity															
4. Others															
(3) Profit distribution									27,664,211.23		-27,664,211.23				
1. Provision for surplus reserve									27,664,211.23		-27,664,211.23				
2. Provision for general risk preparation															
3. Distribution to shareholders															
4. Others															
(IV) Transfers within shareholders' equity															
1. Capital surplus converted to share capital															
2. Surplus reserve converted to share capital															
3. Surplus reserves to recover loss															
4. Changes arising from re-measurement of net liabilities or net assets of defined benefit plan															
5. Other comprehensive income carried forward to retained earnings															
6. Others															
(V) Withdraw and use of special reserve															
1. Withdraw in current year															
2. Use in current year															
(VI) Others															
IV. Ending balance of current year	3,131,359,417.00				896,766,226.93		43,575,859.36		59,188,848.72		1,161,510,850.16		5,292,401,202.17	7,506,034.06	5,299,907,236.23

Legal Representative: Zhang Yongning Director of Accountancy: Zhu Guang Director of Accounting Department: Yao Jian

Balance Sheet

Prepared by: Aotecar New Energy Technology Co.,Ltd Monetary unit: CNY

Item	December 31,2020	December 31,2019
Current assets:		
Cash and cash equivalents	661,718.57	16,241,404.53
△ Settlement reserve		
△ Loans to banks and other financial institutions		
Trading financial assets		
Derivative financial assets		
Notes receivable		
Accounts receivable		6,814,734.78
Accounts receivable financing		
Prepayments	350,799.33	
△ Premium receivable		
△ Reinsurance accounts receivable		
△ Reinsurance reserve receivable		
Other receivables	424,681,817.27	425,991,223.92
Including: interest receivable		
dividends receivable		
△ Buying back the sale of financial assets		
Inventories		
Contract assets		
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	6,314,859.29	5,034,314.49
Total current assets	432,009,194.46	454,081,677.72
Non-current assets:		
△ Loans released and money advanced		
Investments in debt securities		
Other Investments in debt securities		
Long-term receivables		
Long-term equity investment	3,698,470,505.00	3,698,470,505.00
Investment in other equity instruments	10,000,000.00	10,000,000.00
Other non-current financial assets		
Investment real estate	64,698,681.43	22,244,780.78
Fixed assets	16,353,846.63	66,205,603.99
Construction in process		
Bearer biological assets		
Oil and gas assets		
Usufruct assets		
Intangible assets	8,547,452.17	13,856,573.81
Development expenditures		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	14,395,256.80	12,928,198.73
Other non-current assets	7,697,806.80	32,400.00
Total non-current assets	3,820,163,548.83	3,823,738,062.31
Total assets	4,252,172,743.29	4,277,819,740.03

Legal Representative: Zhang Yongming Director of Accountancy: Zhu Guang Director of Accounting Department: Yao Jian

Balance Sheet (continue)

Prepared by: Aotecar New Energy Technology Co.,Ltd Monetary unit: CNY

Item	December 31,2020	December 31,2019
Current liabilities:		
Short-term loan		
△ Loans from the Central Bank		
△ Loans from other banks		
Trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable		
Receipts in advance		
Contract liabilities		
△ Financial assets sold for repurchase		
△ Deposit taking and interbank deposit		
△ Funds for agency securities trading		
△ Funds for underwriting securities trading		
Employee benefits payable	964,561.19	344,497.39
Tax and surcharges payable	1,700,615.31	917,288.77
Other payables	30,985,287.38	40,328,748.41
Including: interest payable		
dividends payable		
△ Service charge and commission payable		
△ Reinsurance accounts payable		
Liabilities classified as held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	33,650,463.88	41,590,534.57
Non-current liabilities:		
△ Reserve for insurance contracts		
Long-term loans		
Bonds payable		
Including: preferred stock		
perpetual bond		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
Estimated liabilities		
Deferred revenues		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	33,650,463.88	41,590,534.57
Shareholders' equity		
Stock	3,131,359,417.00	3,131,359,417.00
Other equity instruments		
Including: preferred stocks		
perpetual bond		
Capital Reserve	961,447,636.40	961,447,636.40
Less: treasury stock		
Other comprehensive incomes		
Special reserve		
Surplus reserve	59,188,848.72	59,188,848.72
△ General risk reserve		
Undistributed profit	66,526,377.29	84,233,303.34
Shareholders' equity	4,218,522,279.41	4,236,229,205.46
Total liabilities and shareholders' equity	4,252,172,743.29	4,277,819,740.03

Legal Representative: Zhang Yongming Director of Accountancy: Zhu Guang Director of Accounting Department: Yao Jian

Income Statement

Prepared by: Aotecar New Energy Technology Co.,Ltd　　Year 2020　　Monetary unit: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Total operating revenue	6,738,463.74	7,475,848.93
Including: operating revenue	6,738,463.74	7,475,848.93
△ Interest revenue		
△ Earned premium		
△ Handling charges and commission revenue		
II. Total operating cost	17,241,838.74	54,918,136.34
Including: operating cost	4,526,926.05	8,102,616.65
△ Interest expenditures		
△ Handling charges and commission expenses		
△ Surrender value		
△ Net amount of compensation expenses		
△ Net amount of reserves for insurance contract		
△ Policy dividend expenditures		
△ Reinsurance expenses		
Tax and surcharges	1,395,284.28	1,348,984.56
Selling expenses		
Administrative expenses	11,324,925.70	45,511,642.67
Research and development expense		
Financial expenses	-5,297.29	-45,107.54
Including: interest expense		
intererst income	23,806.78	51,699.58
Plus: Other income	61,635.21	
Investment income ("-" for loss)		
Including: Income from investment into associated enterprises and joint ventures		
Income from derecognition of financial assets measured at amortized cost ("-" for loss)		
△ Exchange income ("-" for loss)		
Net exposure hedge income ("-" for loss)		
Income from changes in fair value ("-" for loss)		
Credit impairment loss ("-" for loss)	-1,820,372.76	4,583,142.11
Asset impairment loss ("-" for loss)		
Gains from asset disposal ("-" for loss)	5,666,643.17	
III. Operating profits ("-" for loss)	-6,595,469.38	-42,859,145.30
Plus: non-operating income		308,825,913.81
Less: non-operating expenditures	55,854.03	
IV. Total profits ("-" for total loss)	-6,651,323.41	265,966,768.51
Less: income tax expenses	-1,467,058.07	-10,675,343.74
V. Net profits ("-"for net loss)	-5,184,265.34	276,642,112.25
1.Net profit from continuing operations ("-"for net loss)	-5,184,265.34	276,642,112.25
2.Net profit from discontinued operations ("-"for net loss)		
VI. Other comprehensive income, net of tax		
(I) Items that will not be reclassified to profit or loss		
1.Changes caused by remeasurements on defined benefit schemes		
2.Other comprehensive income that will not be reclassified to profit or loss under the equity method		
3.Changes in the fair value of investments in other equity instruments		
4.Changes in the fair value arising from changes in own credit risk		
(II) Items that will be reclassified to profit or loss		
1.Other comprehensive income that will be reclassified to profit or loss under the equity method		
2.Changes in the fair value of other debt investments		
3.Other comprehensive income arising from the reclassification of financial assets		
4. Credit impairment allowance for other debt investments		
5.Reserve for cash flow hedges		
6.Differences arising from the translation of foreign currency-denominated financial statements		
7.Other		
VII. Total comprehensive income	-5,184,265.34	276,642,112.25
VIII. Earnings per share		
(1) Basic earnings per share		
(2) Diluted earnings per share		

Legal Representative: Zhang Yongming　　Director of Accountancy: Zhu Guang　　Director of Accounting Department: Yao Jian

Cash Flow Statement

Prepared by: Aotecar New Energy Technology Co.,Ltd | Year 2020 | Monetary unit: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Cash flow generated from operating activities:		
Cash received from sales of goods or rendering of services	3,654,653.70	5,622,500.14
△ Net increase in customer's deposits and interbank		
△ Net increase in loans from the Central Bank		
△ Net increase in loans from other financial institutions		
△ Cash received from receiving premium of original		
△ Net cash received from reinsurance business		
△ Net increase from policyholders' deposits and deposits of investment		
△ Cash received from interests, handling charges and commissions		
△ Net increase in loans from other banks		
△ Net increase in repurchase operating capital		
△Net cash received from acting sales of securities		
Receipts of tax refunds		
Other cash received related to operating activities	18,310,444.64	224,928.94
Sub-total of cash inflows from operating activities	21,965,098.34	5,847,429.08
Cash paid to purchase commodities and receive labor services	300,970.27	5,231,066.33
△ Net increase in loans and advances to customers		
△ Net increase in balances with the Central Bank and other banks		
△ Cash paid for compensation under original insurance contract		
△ Net increase in lending funds		
△ Cash paid for interests, handling charges and commissions		
△ Cash paid for policy dividend		
Cash paid to and on behalf of employees	496,975.97	2,677,675.59
Payments of taxes and surcharges	1,361,397.37	2,506,394.64
Other cash paid related to operating activities	24,277,810.66	9,222,473.20
Subtotal of cash outflows	26,437,154.27	19,637,609.76
Net cash flows from operating activities	-4,472,055.93	-13,790,180.68
II. Cash flows from investing activities:		
Cash received from disposal of investments		16,365,000.00
Cash received from returns on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		100,000.00
Net cash received from disposal of subsidiaries and other business units		
Other received cash related to investing activities	291,049,832.04	
Subtotal of cash inflows from investing activities	291,049,832.04	16,465,000.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets	17,212,387.10	3,206,104.32
Cash paid to acquire investments		
△ Net increase of pledge loans		
Net cash paid for acquisitions of subsidiaries and other business units		
Other cash paid related to investing activities	256,967,041.12	
Sub-total of cash outflows from investing activities	274,179,428.22	3,206,104.32
Net cash flows from investing activities	16,870,403.82	13,258,895.68
III. Cash flows from financing activities:		
Cash received from investments		
Including: cash received for subsidiaries' absorbing minority shareholder investment		
Cash received from loans		
Other received cash related to financing activities		
Subtotal of cash inflows from financing activities		
Cash paid for debt repayment		
Cash for distributing dividends and profits or paying interest	12,522,660.71	
Including: dividends and profits paid to minority shareholders by subsidiary		
Other paid cashes related to financing activities		
Subtotal of cash outflows from financing activities	12,522,660.71	
Net cash flows from financing activities	-12,522,660.71	
IV. Effect of fluctuations in exchange rate on cash and cash equivalents	0.56	0.53
V. Net increase in cash and cash equivalents	-124,312.26	-531,284.47
Plus: Balance of cash and cash equivalents at the beginning of the period	786,030.83	1,317,315.30
VI. Balance of cash and cash equivalents at the end of the period	661,718.57	786,030.83

Legal Representative: Zhang Yongming Director of Accountancy: Zhu Guang Director of Accounting Department: Yao Jian

Statement of Changes in Shareholders' equity

Prepared by: Aotecar New Energy Technology Co.,Ltd — Year 2020 — Monetary unit: CNY

Item	Current amount											
	Stock	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive incomes	Special reserve	Surplus reserve	△ General risk reserve	Undistributed profits	Total shareholders' equity
		eferred sto	Perpetual bond	Others								
I. Balance at the end of previous year	3,131,359,417.00				961,447,636.40				59,188,848.72		84,233,303.34	4,236,229,205.46
Plus: changes in accounting policies												
Prior error correction												
Others												
II. Balance at the beginning of current year	3,131,359,417.00				961,447,636.40				59,188,848.72		84,233,303.34	4,236,229,205.46
III. Current year increase/decrease (decrease to be listed with "-")											-17,706,926.05	-17,706,926.05
(I) Total comprehensive income											-5,184,265.34	-5,184,265.34
(II) Shareholders' contributions and withdrawal in capital												
1. Common stock contribution from shareholders												
2.Capital contribution from other equity instruments holders												
3. Share-based payment recognised in shareholders' equity												
4. Others												
(3) Profit distribution											-12,522,660.71	-12,522,660.71
1. Provision for surplus reserve												
2. Provision for general risk preparation												
3. Distribution to shareholders											-12,522,660.71	-12,522,660.71
4. Others												
(IV) Transfers within shareholders' equity												
1. Capital surplus converted to share capital												
2. Surplus reserve converted to share capital												
3. Surplus reserves to recover loss												
4. Changes arising from re-measurement of net liabilities or net assets of defined benefit plan												
5. Other comprehensive income carried forward to retained earnings												
6. Others												
(V) Withdraw and use of special reserve												
1. Withdraw in current year												
2. Use in current year												
(VI) Others												
IV. Ending balance of current year	3,131,359,417.00				961,447,636.40				59,188,848.72		66,526,377.29	4,218,522,279.41

Legal Representative: Zhang Yongming — Director of Accountancy: Zhu Guang — Director of Accounting Department: Yao J

Statement of Changes in Shareholders' equity (continue)

Prepared by: Aotecar New Energy Technology Co.,Ltd | Year 2020 | Monetary unit: CNY

Item	Amount of previous period											
	Stock	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive incomes	Special reserve	Surplus reserve	△ General risk reserve	Undistributed profits	Total shareholders' equity
		Preferred stock	Perpetual bond	Others								
I. Balance at the end of previous year	3,131,359,417.00				961,447,636.40				31,524,637.49		-164,744,597.68	3,959,587,093.21
Plus: changes in accounting policies												
Prior error correction												
Others												
II. Balance at the beginning of current year	3,131,359,417.00				961,447,636.40				31,524,637.49		-164,744,597.68	3,959,587,093.21
III. Current year increase/decrease (decrease to be listed with "-")									27,664,211.23		248,977,901.02	276,642,112.25
(I) Total comprehensive income											276,642,112.25	276,642,112.25
(II) Shareholders' contributions and withdrawal in capital												
1. Common stock contribution from shareholders												
2.Capital contribution from other equity instruments holders												
3. Share-based payment recognised in shareholders' equity												
4. Others												
(3) Profit distribution									27,664,211.23		-27,664,211.23	
1. Provision for surplus reserve									27,664,211.23		-27,664,211.23	
2. Provision for general risk preparation												
3. Distribution to shareholders												
4. Others												
(IV) Transfers within shareholders' equity												
1. Capital surplus converted to share capital												
2. Surplus reserve converted to share capital												
3. Surplus reserves to recover loss												
4. Changes arising from re-measurement of net liabilities or net assets of defined benefit plan												
5. Other comprehensive income carried forward to retained earnings												
6. Others												
(V) Withdraw and use of special reserve												
1. Withdraw in current year												
2. Use in current year												
(VI) Others												
IV. Ending balance of current year	3,131,359,417.00				961,447,636.40				59,188,848.72		84,233,303.34	4,236,229,205.46

Legal Representative: Zhang Yongming | Director of Accountancy: Zhu Guang | Director of Accounting Department: Ya

Aotecar New Energy Technology Co., Ltd.

Notes to Financial Statements of 2020

(Amounts are denominated in CNY unless otherwise stated)

I. Background of the Company

(I) Registration address, type and headquarter address of the company

Name of the company: Aotecar New Energy Technology Co., Ltd. (the Company)

Date of establishment: June 13, 2002

Place of registration: Nantong, China

Type of the Company: Company Limited by Shares (listed)

Legal representative: Zhang Yongming

Registered capital: CNY 3,131,359,417.00

Unified social credit code: 913206007370999222

Business license issuing agency: Administrative Approval Bureau of Suzhou City, Jiangsu Province

Address of the Company: No. 666, Wenchang Road, Jinjiaba Community, Nantong High-tech Industrial Development Zone, Jiangsu Province.

(II) The business nature and main business activities of the company

Industry: Car parts industry

Scope of business: New energy technology development; development and promotion of alternative Freon application technology; manufacturing and sales of fluorine-free environmentally friendly refrigeration products and related consulting services; manufacturing and sales of auto parts; self-operating and acting as an agent for the import and export business of various commodities and technologies, but the state restricts the company Except commodities and technologies that are operated or prohibited from import and export. [Where business activities are involved with administrative license, operations shall be conducted with such license.]

(III) The name of the parent company

Parent company: Aotecar New Energy Technology Co., Ltd.

(IV) The approver and the approval date of the financial statements

The financial statements are approved to be issued by management on April 28, 2021.

(V) Scope of consolidation

The scope of consolidation of the company's consolidated financial statements is determined on the basis of control, including the financial statements of the company and all subsidiaries. Subsidiaries refer to enterprises or entities controlled by the company.

As of December 31, 2020, the companies within the scope of the company's consolidated financial statements are as follows:

No.	Company name	Company level
1	Nanjing Aotecar New Energy Technology Co., Ltd. ("Aotecar NJ")	2
2	Nanjing Aotecar Changheng Casting Co., Ltd ("Aotecar Changheng")	3
3	Nanjing Aotecar Xiangyun Refeigerating Co., Ltd ("Aotecar Xiangyun")	3
4	Nanjing Aotecar electric Compressor Co., Ltd ("Aotecar electric Compressor")	3
5	Nanjing Aoveac New Energy Technology Co., Ltd. ("Aoveac")	3
6	Nanjing Aotecar Commercial And Trade Service Co., Ltd ("Aotecar CATS")	3
7	Zhejiang LongStar Compressor Co., Ltd ("Zhejiang LongStar")	3
8	Shanghai ShengYou Investment Co., Ltd ("Shanghai ShengYou")	3
9	Hong Kong Aotecar Investment Co., Ltd ("AIHK")	4
10	Air International Thermal (Luxembourg) S.A.R.L.("AILUX")	5
11	Air Systems, S. de R.L. de C.V. ("AIMEX")	6
12	Air International Thermal Systems (DE) GmbH ("AIDE")	6
13	Air International Thermal (Belgium) ("AIBEL")	6
14	Air International Thermal (China) Pty Ltd ("AIT(China)")	7
15	Huxley Holdings Limited ("HHL")	8
16	Air International (Shanghai) Co., Ltd ("AISH")	9
17	Shanghai Air International Nantong Co.,Ltd ("AINT")	10
18	Hainan Air International Co., Ltd ("AIHN")	10
19	Chengdu Air International Co., Ltd ("AICD")	10
20	Chuzhou Air International Co., Ltd ("AICZ")	10
21	AIGL International Pty Ltd ("AIGL")	8
22	Air International Thermal (Australia) Pty Ltd ("AI(Australia)")	7
23	Air International Thermal Systems R&D (Shanghai) Co., Ltd. ("CTC")	8
24	AITS Australia Pty Ltd ("AITS(Australia)")	7

No.	Company name	Company level
25	Air International Thermal Systems (Thailand) Ltd("AITH")	8
26	AITS US Inc.("AITS(US)")	5
27	Air International Thermal (US) Subsidiary Inc.("AIT(US)")	6
28	Air International (US) Inc.("AIUS")	7
29	Air international Thermal （Usited Kingdom） Limited ("AIUK")	5
30	Air international Thermal （Slovakia） s.r.o.("AISK")	6
31	Aotecar New Energy Technology (Shanghai) Co., Ltd ("Aotecar SH")	3
32	Kunshan Aotecar New Energy Technology Co., Ltd ("Kunshan Aotecar")	4
33	Anhui Aotecar Technology Development Co., Ltd ("Anhui Aotecar")	3
34	Chuzhou Aotecar Commercial And Trade Service Co., Ltd ("Chuzhou Aotecar")	3
35	Chuzhou Aotecar Casting Co., Ltd ("Chuzhou Aotecar Casting")	3
36	Chuzhou Aotecar New Energy Technology Co., Ltd ("Chuzhou Aotecar New Energy")	3
37	Maanshan Aotecar Mechanical and electrical Technology Co., Ltd ("Maanshan Aotecar")	3
38	Maanshan Aotecar Technology Co., Ltd ("Maanshan Aotecar Technology")	3
39	Maanshan Aotecar Compressor Co., Ltd ("Maanshan Aotecar Compressor")	3
40	Xizang Xinyu Investment Co., Ltd ("Xizang Xinyu")	3
41	Aotecar Morocco New Technology Co.,Ltd ("ATC Morocco")	3
42	Aotecar (Malaysia) Co., Ltd ("Aotecar (Malaysia)")	3
43	Xizang Aotecar Investment Co., Ltd ("Xizang Aotecar")	2
44	Mudanjiang Futon Automotive Air Conditioner Co., Ltd (""Mudanjiang Futon)	2
45	Shiyan Paninco Futon Compressor Co., Ltd ("Shiyan Futon")	3
46	AİR İNTERNATİONAL TERMAL SİSTEMLERİ ANONİM ŞİRKETİ ("AITU")	7
47	Air International Thermal Climatizacao O Brasil LTDA("AIBR")	8

II. Basis for Preparation of Financial Statements

(I) Basis for preparation

The financial statements of the Company have been prepared on going concern basis and actual transaction in accordance with Accounting Standards for Business Enterprises ("ASBE") and supplementary regulations and the significant accounting policies and accounting estimates as follows.

(II) Going concern

The Company is capable of remain going concern within 12 months from the end of report period, without any significant matters influencing its capability of remaining going concern.

III. Significant Accounting Policies and Accounting Estimates

(I) Statement on Compliance with ASBE

The Company has adopted the most recent Accounting Standards for Business Enterprises ("ASBE") issued by the Ministry of Finance ("MOF), related Application Guidelines, Explanation and other related regulations. The financial statements present truly and completely the Company's financial position, the results of operations and cash flows.

(II) Going concern

The Company is capable of remain going concern within 12 months from the end of report period, without any significant matters influencing its capability of remaining going concern.

(III) Functional Currency

The Company's functional currency is Chinese Yuan ("CNY").

The functional currency of AIHK、HHL、AIUS、AITS（US）、AIT（US）、AIBR is U.S. dollar("USD").

The functional currency of AILUX、AIBEL、AISK、AIDE is Eurodollar("EUR") .

The functional currency of AITH is Thai Baht ("THB") .

The functional currency of AIGL、AI(Australia)、AITS(Australia)、 AIT(China) is Australian dollar ("AUD") .

The functional currency of AIMEX is Mexican Peso ("MXP") .

The functional currency of AIUK is Great Britain Pound ("GBP") .

The functional currency of Aotecar Morocco is Great Britain Pound ("GBP") .

(IV) Items with changes of measurement during the period and the measurement adopted for the period

The Company adopts measurements including historic cost, repurchase cost, net realizable value, present value and fair value.

(V) Business Combination

(1) Business Combinations Under Common Control

The company obtains the business combination under the same control in one transaction or through multiple transactions step by step. The assets and liabilities obtained in the business combination shall be measured according to the book value of the combined party in the final controlling party's consolidated financial statements at the combination date. The assets and liabilities acquired by the combining party are measured at carrying amount in the combined party on the combination date. Difference between the carrying amount of net assets acquired by the combining party and the carrying amount of paid consideration (or total par value of the shares issued) shall adjust capital reserve (share premium), and then adjust retained earnings if capital reserve (share premium) balance is reduced to zero.

(2) Business Combination Not Under Common Control

On the acquisition date, goodwill should be recognized at the difference between the combination cost and the fair value share of the acquiree's identifiable net assets obtained in the combination; if the combination cost is less than the fair value share of the acquiree's identifiable net assets obtained in the combination, the company first measures the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities and the combination cost If the combination cost is still less than the fair value share of the acquired Party's identifiable net assets, the difference shall be included in the current profits and losses. If a business combination not under the same control is realized step by step through multiple transactions, it shall be handled in the following order:

(1) Adjust the initial investment cost of long-term equity investment. If the equity held before the purchase date is accounted by the equity method, 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 its book value shall be included in the current investment income; if the equity of the acquiree held before the purchase date involves changes in other comprehensive income and other owner's equity under the equity method, it shall be transferred to the current income on the purchase date, and shall be transferred to the current income, except for other comprehensive income arising from changes in net liabilities or net assets of the benefit plan re-measured by the investee and changes in the fair value of other equity instrument investments held by the investee.

(2) The goodwill (or the amount included in the current profit and loss) is recognized. Comparing the initial investment cost of the long-term equity investment after the first step adjustment with the fair value share of the subsidiary's identifiable net assets on the purchase date, the former is greater than the latter, and the difference is recognized as goodwill; the former is less than the latter, and the difference is included in the current profit and loss.

The situation of disposing the equity step by step through multiple transactions until loss the control of the subsidiary

(1) Judge whether the transactions in the process of step-by-step disposal of equity to the loss of control over the subsidiary belong to the principle of "package deal"

If the terms, conditions and economic impact of various transactions for the disposal of equity investment in subsidiaries meet one or more of the following conditions, it usually indicates that multiple transactions should be treated as a package deal for Accounting:

1) These transactions are concluded at the same time or in consideration of mutual influence;

2) These transactions can achieve a complete business result as a whole;

3) The occurrence of one transaction depends on the occurrence of at least one other transaction;

4) It is uneconomic to look at a transaction alone, but it is economic when considered together with other transactions.

(2) The transactions from step-by-step disposal of equity to loss of control over subsidiaries belong to the accounting treatment method of "package deal"

If the transaction of disposing the equity investment of a subsidiary until losing the control right belongs to a package deal, the transaction shall be treated as a transaction of disposing the subsidiary and losing the control right; however, before losing the control right, the difference between each disposal price and the share of the net assets of the subsidiary corresponding to the disposal investment shall be recognized in the consolidated financial statements Other comprehensive income shall be transferred to the profits and losses of the current period when the control right is lost.

In the consolidated financial statements, the residual equity shall be re measured according to its fair value on the date of losing control. The difference between the sum of the consideration obtained from the disposal of the equity and the fair value of the remaining equity minus the share of the net assets of the atomic company continuously calculated from the purchase date according to the original shareholding ratio shall be included in the investment income of the current period when the control right is lost. Other comprehensive income related to the equity investment of the atomic company shall be converted into the current investment income or retained income when the control right is lost.

(3) The transactions from step-by-step disposal of equity to the loss of control over the subsidiary do not belong to the accounting treatment method of "package deal"

If the control right is not lost in the disposal of the investment in the subsidiary, the difference between the disposal price in the consolidated financial statements and the share of the net assets of the subsidiary corresponding to the disposal of the investment shall be included in the capital reserve (capital premium or equity premium). If the capital premium is insufficient to offset, the retained earnings shall be adjusted.

In case of loss of control over the investment in a subsidiary, the remaining equity shall be re measured according to its fair value on the date of loss of control in the consolidated financial statements. The difference between the sum of the consideration obtained from the disposal of the equity and the fair value of the remaining equity minus the share of the net assets of the original subsidiary calculated continuously from the purchase date according to the original shareholding ratio shall be included in the investment income of the current period when the control right is lost. Other comprehensive income related to the equity investment of the original subsidiary shall be converted into the current investment income or retained income when the control right is lost.

(VI) Preparation Method of Consolidated Financial Statements

The consolidated financial statements are based on the financial statements of the parent company and its subsidiaries, and are prepared by the company in accordance with the accounting standards for Business Enterprises No. 33 - consolidated financial statements according to other relevant information.

(VII) Types of Joint Arrangements and Accounting Treatment for Joint Operations

1. Recognition and classification of joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint venture arrangement has the following characteristics: (1) all participants are bound by the arrangement; (2) two or more participants jointly control the arrangement. No participant can control the arrangement alone, and any participant with common control over the arrangement can prevent other participants or a combination of participants from controlling the arrangement alone. Joint control refers to the common control of an arrangement in accordance with relevant agreements, and the relevant activities of the arrangement can only be decided after the consent of the participants sharing the control right.

Joint venture arrangement is divided into joint operation and joint venture. Joint operation refers to the joint venture arrangement in which the joint venture party enjoys the relevant assets of the arrangement and bears the relevant liabilities of the arrangement. The term "joint venture" refers to a joint venture arrangement in which the joint venture party only has the right to the net assets of the arrangement.

2. Accounting treatment of joint venture arrangement

The participants of joint operation shall confirm the following items related to their share of interests in joint operation, and carry out accounting treatment according to the relevant accounting standards for business enterprises: (1) confirm the assets held separately and the assets held jointly according to their share; (2) confirm the liabilities borne separately and the liabilities borne jointly according to their share; (3) confirm the sale The income generated by the share of output of joint operation enjoyed by them; (4) the income generated by selling output of joint operation shall be recognized according to their share; (5) the expenses incurred separately and the expenses incurred by joint operation shall be recognized according to their share.

The participants of a joint venture shall conduct accounting treatment for the investment of the joint venture in accordance with the accounting standards for Business Enterprises No. 2 - long term equity investment.

(VIII) Cash & cash equivalents in cash flow statement

The term "cash" refers to cash on hand of enterprise and deposit available for payment at any time; the term "cash equivalents" refers to short-term (generally three months since the purchase date) and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(IX) Translation of foreign currency transaction and foreign currency statement

1. Translation for foreign currency transaction

When initially recognized, foreign currency transaction are converted into CNY amounts at the spot exchange rate on the date of transaction. On balance sheet date, foreign currency monetary items are translated at the spot exchange rate on the balance sheet date and the exchange difference shall be recognized into profit or loss of the period, except for exchange differences related to a specific-purpose borrowing denominated in foreign currency for constructing an asset in relation to inventory and fixed assets that qualifies for capitalization. Foreign currency non-monetary items measured at historical cost are still translated at the spot exchange rate on the transaction date without adjusting their CNY amounts. Foreign currency non-monetary items measured at fair value shall be translated at spot exchange rate on the date the fair value was determined and the translation difference shall be charged to current profits and losses or other comprehensive income.

2. Translation of financial statements presented in foreign currencies

The asset and liability items in the balance sheet shall be converted at the spot exchange rate on the balance sheet date; the owner's equity items, except for the items of "undistributed profit", shall be converted at the spot exchange rate on the transaction date; the income and expenditure items in the income statement shall be converted at the spot exchange rate on the transaction date. The translation difference of foreign financial statements is recognized as other comprehensive incomes.

(X) Financial Instruments

1. Classification of Financial Assets and Liabilities

The company recognizes a financial asset or financial liability when it becomes a party to a financial instrument contract.

Trading in financial assets by conventional means shall be recognized and derecognized according to the accounting of the trading day. Conventional means of buying and selling financial assets refer to the collection or delivery of financial assets within the time limit stipulated by laws and regulations or common practices in accordance with the provisions of the contract. Trading day refers to the date when the company promises to buy or sell financial assets.

If the following conditions are met, financial assets (or part of financial assets or part of a group of similar financial assets) shall be derecognized, i.e. written off from their accounts and balance sheets:

(1) The right to receive cash flow from financial assets expires;

(2) Transferred the right to receive cash flow from financial assets, or assumed the obligation to timely pay the received cash flow in full to a third party under the "over-the-counter agreement"; And (a)

virtually all risks and rewards of ownership of financial assets have been transferred, or (b) although virtually all risks and rewards of ownership of financial assets have not been transferred or retained, control of the financial assets has been abandoned.

2. Classification and measurement of financial assets

At the time of initial recognition, the financial assets of the Company are classified into financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profits and losses according to the business model of the Company in managing financial assets and the contractual cash flow characteristics of financial assets. Subsequent measurement of financial assets depends on their classification.

The company's classification of financial assets is based on the company's business model of managing financial assets and the cash flow characteristics of financial assets.

(1) Financial Assets Measured at amortized cost

Financial assets that meet the following conditions at the same time are classified as financial assets measured at amortized cost: the company's business mode of managing the financial assets is to collect the contract cash flow as the target; The contractual terms of the financial asset stipulate that the cash flow generated on a specific date is only the payment of principal and interest based on the amount of outstanding principal. For such financial assets, the effective interest rate method is adopted for subsequent measurement according to amortized cost. The profits or losses arising from amortization or impairment are included in the current profits and losses.

(2) Investment in debt instruments measured at fair value through other comprehensive income

Financial assets that meet the following conditions at the same time are classified as financial assets that are measured at fair value through other comprehensive income: the company's business mode of managing the financial assets is aimed at both collecting contractual cash flow and selling the financial assets; The contractual terms of the financial asset stipulate that the cash flow generated on a specific date is only the payment of principal and interest based on the amount of outstanding principal. For such financial assets, fair value is adopted for subsequent measurement. The discount or premium is amortized using the effective interest rate method and recognized as interest income or expense. Except for impairment losses and exchange differences of foreign currency monetary financial assets recognized as current profits and losses, changes in fair value of such financial assets are recognized as other comprehensive income until the financial assets are derecognized, and their accumulated gains or losses are transferred into current profits and losses. Interest income related to such financial assets is included in current profits and losses.

(3) Investment in equity instruments measured at fair value through other comprehensive income

The Company irrevocably chooses to designate some non-trading equity instrument investments as financial assets that are measured at fair value through other comprehensive income. Only relevant dividend income is included in current profits and losses. Changes in fair value are recognized as other comprehensive income until the financial assets are derecognized, and their accumulated gains or losses are transferred to retained earnings.

(4) Financial assets measured at fair value through profits and losses

The above-mentioned financial assets measured at amortized cost and financial assets other than those measured at fair value through other comprehensive income are classified as financial assets measured at fair value through profits and losses. At the time of initial recognition, in order to eliminate or significantly reduce accounting mismatch, financial assets can be designated as financial assets measured at fair value through profits and losses of the current period. For such financial assets, fair value is adopted for subsequent measurement, and all changes in fair value are included in current profits and losses.

All affected related financial assets will be reclassified only when and only when the company changes its business mode of managing financial assets.

For financial assets measured at fair value through profits and losses of the current period, relevant transaction costs are directly included in the profits and losses of the current period, and transaction costs related to other types of financial assets are included in their initial recognition amount.

3. Classification and measurement of financial liabilities

The Company's financial liabilities are classified into: financial liabilities measured at amortized cost and financial liabilities measured at fair value through profits and losses upon initial recognition.

Financial liabilities that meet one of the following conditions may be designated as financial liabilities measured at fair value through profits and losses at the time of initial measurement: (1) the designation can eliminate or significantly reduce accounting mismatch; (2) According to the group's risk management or investment strategy stated in official written documents, manage and evaluate the financial liability portfolio or the combination of financial assets and financial liabilities on the basis of fair value, and report to key management personnel within the group on this basis; (3) The financial liability includes embedded derivatives that need to be split separately.

The Company determines the classification of financial liabilities upon initial recognition. For financial liabilities measured at fair value through profits and losses, relevant transaction costs are directly included in current profits and losses, and relevant transaction costs for other financial liabilities are included in their initial recognition amount.

Subsequent measurement of financial liabilities depends on their classification:

(1) Financial Liabilities Measured in amortized cost

For such financial liabilities, the real interest rate method is adopted and the subsequent measurement is carried out according to amortized cost.

(2) Financial liabilities measured at fair value through profits and losses

Financial liabilities measured at fair value through profits and losses include transactional financial liabilities (including derivatives belonging to financial liabilities) and financial liabilities designated at fair value at initial recognition and whose changes are included in current profits and losses.

4. Offset of financial instruments

If the following conditions are met at the same time, the financial assets and financial liabilities shall be listed in the balance sheet in the net amount after offsetting each other: they have the legal right to offset the recognized amount, and such legal right is currently enforceable; The plan is to settle on a net basis, or to realize the financial assets and settle the financial liabilities at the same time.

5. Impairment of financial assets

For financial assets measured at amortized cost, debt instrument investments and financial guarantee contracts measured by fair value and whose changes are included in other comprehensive income, the Company recognizes loss reserves on the basis of expected credit losses. Credit loss refers to the difference between all contractual cash flows receivable according to the contract and all cash flows expected to be collected, discounted according to the original actual interest rate, i.e. the present value of all cash shortages.

The Company estimates the expected credit losses of financial assets measured at amortized cost and financial assets (debt instruments) measured at fair value through other comprehensive income in a single or combined manner, taking into account all reasonable and based information, including forward-looking information.

(1) General model of expected credit loss

If the credit risk of the financial instrument has increased significantly since the initial confirmation, the Company will measure its loss reserve by an amount equivalent to the expected credit loss of the financial instrument throughout its life. If the credit risk of the financial instrument has not increased significantly since the initial confirmation, the Company will measure its loss reserve according to the amount equivalent to the expected credit loss of the financial instrument within the next 12 months. The increase or reversal amount of loss reserves thus formed shall be included in the current profits and losses as impairment losses or gains. The company's specific assessment of credit risk is detailed in the note "IX. Risks Related to Financial Instruments".

Usually, if the overdue period exceeds 30 days, the company will consider that the credit risk of the financial instrument has increased significantly, unless there is conclusive evidence to prove that the credit risk of the financial instrument has not increased significantly since the initial confirmation.

Specifically, the Company divides the process of credit impairment of financial instruments that did not incur credit impairment at the time of purchase or origin into three stages. There are different accounting methods for the impairment of financial instruments in different stages:

The first stage: the credit risk has not increased significantly since the initial confirmation

For financial instruments at this stage, the enterprise shall measure the loss reserve according to the expected credit loss in the next 12 months, and calculate the interest income according to its book balance (i.e. without deduction of impairment reserve) and the actual interest rate (if the instrument is a financial asset, the same below).

The second stage: the credit risk has increased significantly since the initial confirmation, but no credit impairment has occurred.

For financial instruments at this stage, the enterprise shall measure the loss reserve according to the expected credit loss during the whole life of the instrument, and calculate the interest income according to its book balance and actual interest rate.

The third stage: credit impairment occurs after initial confirmation

For financial instruments at this stage, the enterprise shall measure the loss reserve according to the expected credit loss during the whole life of the instrument, but the calculation of interest income is different from that of financial assets at the first two stages. For financial assets that have suffered credit impairment, the enterprise shall calculate interest income according to its amortized cost (book balance minus the provision for impairment, i.e. book value) and actual interest rate.

For financial assets that have suffered credit impairment at the time of purchase or origin, the enterprise shall only recognize the change of expected credit loss during the whole life after initial recognition as loss reserve, and calculate interest income according to its amortized cost and the actual interest rate adjusted by credit.

(2) For financial instruments with lower credit risk on the balance sheet date, the Company chooses not to compare the credit risk with the initial confirmation, and directly assumes that the credit risk of the instrument has not increased significantly since the initial confirmation.

If an enterprise determines that the default risk of a financial instrument is low, the borrower has a strong ability to fulfill its contractual cash flow obligations in a short period of time, and even if there are adverse changes in the economic situation and operating environment for a long period of time, it will not necessarily reduce the borrower's ability to fulfill its contractual cash flow obligations, then the financial instrument can be regarded as having a lower credit risk.

(3) Receivables and lease receivables

The Company adopts a simplified model of expected credit loss for receivables specified in Accounting Standards for Business Enterprises No.14-Revenue that do not contain significant financing components (including the financing components in contracts not exceeding one year according to the standards), and always measures its loss reserves according to the amount of expected credit loss during the entire duration.

The Company has made an accounting policy choice for receivables containing significant financing components and lease receivables regulated by the Accounting Standards for Business Enterprises No.21-Leasing. The Company has chosen to adopt a simplified model of expected credit loss, that is, to measure the loss reserve according to the amount equivalent to the expected credit loss during the entire duration.

6. Transfer of financial assets

If the company has transferred almost all risks and rewards in the ownership of the financial asset to the transferee, the confirmation of the financial asset shall be terminated; If almost all risks and rewards on the ownership of a financial asset are retained, the confirmation of the financial asset shall not be terminated.

If the company has neither transferred nor retained almost all risks and rewards in the ownership of financial assets, the following situations shall be handled respectively: if the company has given up control over the financial assets, the recognition of the financial assets shall be terminated and the resulting assets and liabilities shall be recognized; If it does not give up its control over the financial assets, the relevant financial assets shall be recognized according to the extent that it continues to be involved in the transferred financial assets, and the relevant liabilities shall be recognized accordingly.

In case of continued involvement by providing financial guarantee for the transferred financial assets, the assets formed by continued involvement shall be confirmed according to the lower of the book value of the financial assets and the amount of financial guarantee. Financial guarantee amount refers to the highest amount of consideration received that will be required to be repaid.

(XI) Note receivables

The Company adopts a simplified model of expected credit loss for receivables specified in the Accounting Standards for Business Enterprises No.14-Revenue that do not contain significant financing components (including the financing components in contracts that do not take into account for more than one year according to the standards), that is, the loss provision is always measured according to the amount of expected credit loss during the whole duration, and the increase or reversal amount of loss provision thus formed is included in the current profits and losses as impairment loss or profit.

For receivables with significant financing components, the Company adopts a simplified model of expected credit loss, i.e. its loss provision is always measured according to the amount of expected credit loss during the whole life.

Simplified model of expected credit loss: always measure the loss reserve according to the amount of expected credit loss during the whole life.

The Company estimates the expected credit loss of accounts receivable in a single or combined way, taking into account all reasonable and reliable information, including forward-looking information.

Item	Category	The depreciation method
Portfolio 1	Bank Acceptance Bill	Estimated credit loss is 0%
Portfolio 2	Commercial Acceptance Bill	See Note III (XII) Receivables

Note: For portfolio 1 which involves less risk, the company determines there is no estimated credit loss.

For portfolio 2, the commercial acceptance bill is treated as accounts receivable to determine expected credit loss.

(XII) Account receivable

The Company adopts a simplified model of expected credit loss for receivables specified in the Accounting Standards for Business Enterprises No.14-Revenue that do not contain significant financing components (including the financing components in contracts that do not take into account for more than one year according to the standards), that is, the loss provision is always measured according to the amount of expected credit loss during the whole duration, and the increase or reversal amount of loss provision thus formed is included in the current profits and losses as impairment loss or profit.

For receivables with significant financing components, the Company adopts a simplified model of expected credit loss, i.e. its loss provision is always measured according to the amount of expected credit loss during the whole life.

Simplified model of expected credit loss: always measure the loss reserve according to the amount of expected credit loss during the whole life.

The Company estimates the expected credit loss of accounts receivable in a single or combined way, taking into account all reasonable and reliable information, including forward-looking information.

Aging	Expected credit loss rate (%)
Within 1 year (inclusive, the same below)	5.00
1-2 years	10.00
2-3 years	30.00
3-4 years	100.00
4-5 yuears	100.00

Aging	Expected credit loss rate（%）
Above 5 years	100.00

(XIII) Receivables for financing

Financial assets which have satisfied following conditions at the same time, as a financial asset measured at fair value and the change shall be included in other comprehensive income: The purpose of acquiring the relevant financial asset is mainly for sale in recent period as well as for collection for contract cash flow; The terms of the contract for this financial asset provide that cash flows generated on a particular date are only paid on principal and interest based on the outstanding principal amount.

Thc company hold the receivables in order to form such as discount or endorsement to transfer, and this kind of business is relatively frequent, involves significant amount. The substance of the business model is to collect contract cash flow as well as for disposal. In accordance with the relevant provisions of financial instruments standards, it is classified into financial assets measured at fair value and recorded its changes into other comprehensive income.

(XIV) Other receivables

The Company adopts the general model of expected credit loss for other receivables. Please refer to "Note 3, (10) Financial Instruments" for details.

The company measures the provision for loss of other receivables according to the following situations: ① for financial assets whose credit risk has not increased significantly since the initial recognition, the company measures the provision for loss according to the amount of expected credit loss in the next 12 months; ② for financial assets whose credit risk has increased significantly since thc initial recognition, the company measures the provision for loss according to the expected credit loss equivalent to the whole duration of the financial instrument (3) for the purchase or source of financial assets with credit impairment, the company measures the loss provision according to the amount equivalent to the expected credit loss in the whole duration. For other receivables, the company can not obtain sufficient evidence of significant increase of credit risk at a reasonable cost at the level of single instrument, but it is feasible to evaluate whether the credit risk increases significantly on the basis of combination. Therefore, the company makes an assessment on other receivables according to the common risk characteristics of financial instrument type, credit risk rating, initial recognition date and remaining contract term Banks are grouped and assessed whether credit risk increases significantly on a portfolio basis.

The expected credit loss is measured on the basis of portfolio, and the company combines the expected credit loss proportion according to the corresponding aging credit risk characteristics. According to the combination of aging credit risk characteristics, the proportion of impairment of credit loss is as follows:

Aging	Percentage（%）
Within 1 year (including 1 year)	5.00

Aging	Percentage（%）
1-2 year （including 2 year）	10.00
2-3 year （including 3 year）	25.00
3-4 year （including 4 year）	50.00
Over 4 years	100.00

(XV) Inventory

1. Classification of inventories

Inventories comprise goods in transit, materials, turnover materials, finished goods, work-in-progress, subcontracted materials, development costs, etc.

2. Valuation method for inventory

Inventories are valued at moving weighted average, month-end weighted average and planned costs..

3. Determination basis of net realizable value of inventory and method of provision of decline in value of inventories

On the balance sheet date, the inventories shall be measured by cost or net realizable value, whichever is lower, and the provision for decline in value of inventories shall be made in accordance with the balance of single item cost higher than net realizable value. The net realizable value of the inventories directly used for sale is determined through deducting estimated sales expense and relevant taxes and dues from estimated sale price during normal production and operation; the net realizable value of the inventories to be further processed is determined through deducting the estimated cost for the further processing, the estimated sales expense and relevant taxes and dues from the estimated sale price of the finished products during normal production and operation; on the balance sheet date, as to the same inventories, some of which have a contract price and some have no contract price, the net realizable value shall be determined separately, and then be compared with the corresponding cost, to determine the provision for decline in value of inventories or the reversed amount.

4. Inventory taking system

The perpetual inventory system is adopted.

5. Amortization method for low value consumables and packaging materials

(1) Low value consumables

Low value consumables are amortized by lump-sum method.

(2) Packaging materials

Packaging materials are amortized by lump-sum method.

(XVI) Long-term equity investment

1. Initial recognition of investment cost

(1) For a business combination involving enterprises under common control, if the consideration of the combination is satisfied by paying cash, transfer of non-cash assets, assumption of liabilities or issue of equity securities, the initial investment cost of the long-term equity investment shall be made by the share of book value of net assets in the consolidated financial statements from the final controlling party at the date of combination. The difference between the initial investment cost and the book value of cash paid, non-cash assets transferred, liabilities assumed and the face value of equity securities issued shall be adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess be adjusted to retained earnings.

In terms of achieving the enterprise merger under the same control steps by steps, the initial investment cost of the investment shall be the share of the book owner's equity of the consolidated party on the consolidation date calculated by the proportion of shares held. The difference between the initial investment cost and the book value of the original long-term equity investment plus the sum of the book value of the new payment of the further shares on the merger day, adjusting the capital reserve (Capital premium or equity premium). If the balance of capital reserve is not sufficient, the excess shall be adjusted to retained earnings.

For a business combination involving enterprises under common control by step, the initial investment cost of the long-term equity investment shall be the entitled share of the absorbing party's share of the book value of the owners' equity of the party being absorbed calculated based on the shareholding ratio at combination date. The difference between the initial investment cost and sum of book value of original long-term equity investment and fair value of consideration paid for further shares at combination date shall be adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess shall be adjusted to retained earnings.

(2) For a business combination not involving enterprises under common control, the initial investment cost of the long-term equity investment acquired shall be measured at the fair value of consideration of combination at combination date.

(3) Except business combination: For a long-term equity acquired by paying cash, the initial investment cost shall be the actual purchase price has been paid; for a long-term equity acquired by the issue of equity or debt securities, the initial investment cost shall be the fair value of the equity or debt securities issued; For a long-term equity acquired by investors, the initial investment cost is based on the value agreed in the investment contract or agreement (except for the unfair value agreed in the contract or agreement).

2. Subsequent measurement

Where the Company is able to exercise control over an investor, the long-term equity investment shall be accounted for using the cost method. A long-term equity investment in an associate or a joint venture shall be accounted for using the equity method.

Under the cost method, investment income is recognized in the period in accordance with the attributable shares of cash dividends or profit distributions declared by the investee, except for cash dividends or profits already declared but not yet paid that are included in the price or consideration actually paid upon acquisition of the long-term equity investment. Meanwhile, the Company considers whether the long-term equity investment is impaired according to impairment policy.

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

Under the equity method, after acquired the long-term equity investment, the Company recognizes its share of the net profit or loss and other comprehensive income of the investee for the period as investment income or loss for the period and other comprehensive income and adjust the book value of long-term equity of investments. The Company recognizes its share of the investee's net profit or loss and other comprehensive income based on the fair value of the investee's individual separately identifiable assets, etc. at the acquisition date after making appropriate adjustments to confirm with the Company's accounting policies and accounting period. Unrealized profits or losses resulting from the Company's transactions with its associated enterprises and joint ventures are recognized as investment income or loss to the extent that those attributable to the Group's equity interest are eliminated. However, unrealized losses resulting from the Company's transactions with its associated enterprises and joint ventures which represent impairment losses on the transferred assets are not eliminated. The investee's profit is recognized after adjustment. The Company's share is calculated based on announced distributable profits or cash dividends and correspondingly adjusted to the book value of the long-term equity investment. The Company discontinues recognizing its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero, except for those investments that the Company has the obligation to undertake extra losses. Changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profit distribution are correspondingly adjusted to the book value of the long-term equity investment and recognized in capital reserve (other capital reserve).

3. Basis for determining joint control and significant influence over investee

Control is the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its operating activities. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

4. Disposal of long-term equity investment

(1) Situations partly disposing the long-term equity investment to the subsidiaries without losing control.

To partly dispose the long-term equity investment to the subsidiaries without losing control, the difference between the proceeds and book value of the disposal investment shall be recognized as current investment income.

(2) Situations resulting in losing control on the subsidiaries due to partly disposal of equity investment or other reasons

In case of situations resulting in losing control on the subsidiaries due to partly disposal of equity investment or other reasons, the book value of the long-term equity investment corresponding to the sold equity shall be de-recognized, and the difference between the sale price and the book value of the disposed long-term equity investment shall be recognized as investment profit (or loss); while the remaining equity shall be recognized as long-term equity investment or other relevant financial assets based on the book value. The remaining equity which may impose joint control or material influence on the subsidiaries shall go through proper changes in accounting procedures from cost method to equity method.

5. Impairment test method and provision for impairment loss

The Company reviews the investments to subsidiaries, associate enterprises and joint ventures at each balance sheet date to determine whether there is any indication that they have suffered an impairment loss. If an impairment indication exists, the recoverable amount is estimated. If such recoverable amount is less than its book value, a provision for impairment losses in respect of the deficit is recognized in profit or loss for the current period.

(XVII) Investment property

1) Investment property includes leased land use right, land use right that has been held and are prepared to sale after appreciation, and leased buildings.

2) Investment property shall be initially measured at cost and subsequently measured using the cost model. Depreciation or amortization shall be adopted in the same way as fixed assets and intangible assets. At the balance sheet date, if there is any indication that the investment property is impaired, the corresponding provision for impairment loss shall be made based on the difference between the book value and the recoverable amount.

(XVIII) Fixed assets

1. Recognition conditions, valuation and depreciation methods for fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year.

Fixed assets shall be recognized at the actual cost upon acquisition and shall be subject to depreciation by adopting straight-line method from the following month when the fixed assets are ready for their intended use.

2. Depreciation methods for fixed assets

Items	Depreciation method	Depreciable Life (Year)	Net residual rate (%)	Annual rate of depreciation (%)
Buildings	Straight-line depreciation	10-20	0.00-10.00	4.50-10.00
Machinery equipment	Straight-line depreciation	3-20	0.00-10.00	4.50-33.33
Transportation equipment	Straight-line depreciation	3-10	0.00-10.00	9.00-33.33
Electronic equipment and others	Straight-line depreciation	3-10	0.00-10.00	9.00-33.33
Fixed asset decoration	Straight-line depreciation	5	0.00	20.00
Land use right	——	Indefinite		

3. Impairment test method and provision for impairment loss of fixed assets

If any sign indicates that impairment is incurred in fixed assets on balance sheet date, the corresponding provision for impairment shall be withdrawn according to the difference between book value and recoverable amount.

4. Recognition basis and valuation methods for fixed assets acquired under finance leases

The lease which meets one or more criteria listed below is recognized as finance lease: (1) ownership of the leased assets is transferred to the leasee upon the expiry of the lease; (2) the leasee has option on the purchase of leased assets and the purchase price is expected to be far below the fair value of the leased assets during the exercise of the option so that it can be reasonably certain since the commencement date of the lease that the leasee will exercise the option; (3) even if the ownership of the leased assets is not transferred, the lease term accounts for most of the service life of the leased assets [normally, 75% (including)]; (4) the current value of the minimum amount paid by the leasee at the commencement of the lease is almost equal to [90% (including)] of the fair value of the leased assets at that time; the current value of the minimum amount received by the leaser at the commencement of the lease is almost equal to [90% (including)] of the fair value of the leased assets at that time; (5) the property of the leased assets is special and the leased assets can be used by the leasee only if not modified significantly.

For the fixed assets under finance lease, the lower of the fair value of leased assets at the commencement of the lease and the present value of the minimum lease payments shall be recognized as cost and depreciation shall be charged as per the depreciation policies for self-owned fixed assets.

(XIX) Construction in process

1. Construction in progress that has reached the expected usable condition will be transferred to fixed assets based on the actual cost. Construction in progress that has reached the expected usable condition but completion settlement has not been carried out shall be transferred to fixed assets as per their assessed value; after completion settlement is officially finished, this provisional estimate value shall be adjusted based on the actual cost but the original depreciation amount will not be adjusted.

2. If any sign indicates that impairment is incurred in construction in progress on balance sheet date, the corresponding provision for impairment shall be made according to the difference between book value and recoverable amount.

(XX) Borrowing costs

1. Recognition principle of capitalization of borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized when expenditures for such asset and borrowing costs are incurred and recognized in the cost of related assets. Other borrowing costs are recognized as an expense in the period in which they are incurred.

2. The capitalization period of borrowing costs

(1) The borrowing costs which meet the following conditions simultaneously shall begin to be capitalized: 1) expenditures to assets have already been incurred; 2) borrowing costs have already been incurred; 3) the acquisition and construction or production activities necessary for the assets to reach the expected usable or marketable condition have already started.

(2) Where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended. The borrowing costs occurred during such suspension period shall be recognized as current expenses until the acquisition and construction or production of the asset restarts.

(3) When the qualified assets under acquisition and construction or production reach the expected usable or marketable condition, the capitalization of the borrowing costs shall be ceased.

3. Capitalization amount of borrowing costs

When funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalized is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. When funds are borrowed under general-purpose borrowings, the Company determines the amount of interest to be capitalized on such borrowings by applying a capitalization rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

(XXI) Intangible assets

1. Intangible assets include land use rights, patents and non-patent technology, and so on. They are initially recognized at cost.

2. The intangible assets with limited service life shall be systematically and properly amortized based on the expected implementation model of economic benefits relevant to the intangible assets within service life; the intangible assets whose expected implementation model cannot be reliably determined shall be amortized in straight line method over the following useful lives:

Item	Amortization life (year)
Land use right	20-70
Patent right	5.67-10
Software	5-10
Unpatented technology	5
Trademark rights	10

3. As to the intangible assets with determined service life, in event of signs for impairment on the balance sheet date, the related impairment provision shall be calculated based on the difference between the book value and the recoverable amount; as to the intangible assets without determined service life and unavailable for service shall be tested for impairment no matter whether there are impairment signs or not.

4. The expenditures in research stage of the internal project research & development shall be charged to current profits and losses when occurred. The expenditures in development stage of the internal project research & development can be recognized as intangible assets if the conditions below are satisfied: (1) The intangible assets can be completed with the technical feasibility of service or sales; (2) there is the intent to finish the intangible assets for service or sales; (3) the model of economic benefits generated by operating the intangible assets, including the proof that there is a market for the products manufactured based on the intangible assets or the assets themselves, and the usefulness of the assets which are to be used internally; (4) there are sufficient technical, financial and other resource resources for the development, usage or sale of the intangible assets; (5) the expenditures in development stage of the intangible assets can be reliably measured.

(XXII) Impairment of assets

The company determines whether there is any indication of impairment of assets on the balance sheet date.

Goodwill arising from a business combination and an intangible asset with an indefinite useful life are tested for impairment at least at the end of every year, irrespective of whether there is any indication that the asset may be impaired.

If any of the following indications exist, it indicates that the asset may be impaired:

(1) The market price of the asset decreases significantly in the current period, which is significantly higher than the expected decrease due to the passage of time or normal use;

(2) The economic, technological or legal environment in which the enterprise operates and the market in which its assets are located are undergoing major changes at the present time or in the near future, thus adversely affecting the enterprise;

(3) Market interest rate or other market return rate of investment has increased in the current period, thus affecting the discount rate for enterprises to calculate the present value of expected future cash flow of assets, resulting in a significant reduction in the recoverable amount of assets;

(4) There is evidence that the asset is out of date or its entity is damaged;

(5) Assets have been or will be idle, terminated or disposed of in advance;

(6) Evidence from the internal report of the enterprise indicates that the economic performance of the asset is lower or will be lower than expected, for example, the net cash flow created by the asset or the realized operating profit (or loss) is lower than (or higher than) the expected amount;

(7) Other indications that an asset may have been impaired.

If any indication exists that an asset may be impaired, the Group estimates the recoverable amount of the asset and performs impairment tests.

The recoverable amount of an asset is the higher of its fair value less costs to sell and the present value of the future cash flow expected to be derived from the asset.

Costs to sell involves legal fees related to the disposal of assets, relevant taxes, handling fees and direct expenses incurred to make the assets saleable.

The present value of the estimated future cash flow of an asset shall be determined by choosing an appropriate discount rate to discount the amount of the estimated future cash flow generated by the asset during its continuous use and final disposal. The present value of the estimated future cash flow of an asset shall take into account the estimated future cash flow, useful life and discount rate of the asset.

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

(XXIII) Long-term deferred expenses

Long-term deferred expenses shall be recorded according to the actual amount incurred and averagely amortized by stages within the benefit period or the specified period. Long-term deferred expenses are amortized using the straight-line method over the expected periods.

(XXIV) Employee benefits

Employee benefits refer to the various forms of remuneration or compensation for the service provided by the employees or for termination of employment relationship otherwise than share based payment. Employee benefits include short-term payroll, post-employment benefits, termination benefits and other long-term employee benefits. Benefit provided to the spouse, children, dependents, dependents of deceased employee and other beneficiaries are also included in employee benefits

1. Short-term employee benefits

The Company recognizes, in the accounting period in which an employee provides service, short-term employee benefits actually incurred as liabilities, with a corresponding charge to profit or loss or the cost of a relevant asset, otherwise than those recognized as cost of capital required or permitted by other accounting standards. Wherein, non-currency benefit shall be measured at fair value.

In the case of a profit-sharing plan, the relevant employee compensation payable shall be recognized when the following conditions are also met:

(1) As a result of past events, the company now has the statutory or constructive obligation to pay employee remuneration;

(2) The amount of employee compensation obligations due to the profit sharing plan can be reliably estimated.

If the company does not need to pay in full the salary payable to the employee arising from the profit-sharing plan within 12 months after the end of the annual reporting period in which the employee provides the relevant services, the profit-sharing plan shall be subject to the relevant provisions of other long-term employee benefits. Bonuses drawn by the Company based on business performance or employee contributions shall be regarded as bonus plans and shall be treated as short-term profit sharing plans.

2. Post-employment benefits

(1) Defined contribution plan

The Company 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. Under a defined contribution plan, when contributions are not expected to be settled in full within twelve months from the end of the annual reporting period in which the employees render their related service, the employee benefits payable shall be measured at the discounted value of all contributions using a defined discount rate.

(2) Defined benefit plan

The Company shall attribute benefit obligations under a defined benefit plan to periods of service provided by employees according to the formula determined by projected unit credit method, with a corresponding charge to the profit and loss for the current period or the cost of a relevant asset. When an employee's service in later years will lead to a materially higher level of benefit from the defined benefit plan than in earlier years, the Company shall attribute accumulated defined benefit plan obligation with straight line method to the period from the date when service provided by the employee first leads to Company's benefit obligation under the defined benefit plan to the date when future service provided by the employee will not lead to material increase in defined benefit plan obligation. In determining the period to which the benefit obligation shall attribute, the Company shall not consider the situation in which the material increase in defined benefit plan obligation only as a result of future salary increases.

At the end of reporting period, the Company shall recognize the following components of employee benefit cost arising from defined benefit plan:

① Service costs, comprising current service costs, past service costs and any gains and losses on settlement.

② Net interest on the net defined benefit plan assets or liabilities, including interest income on plan assets, interest cost on the defined benefit plan obligation and interest on the effect of the asset ceiling.

③ Changes as a result of re-measurements of the defined benefit assets/liabilities.

Unless other accounting standards requires or permits the inclusion of employee benefit costs in the cost of assets, item ① and ② above should be recognized in profit or loss for the current period; item ③ should be recognized in comprehensive income.

3. Termination benefits

Termination benefits primarily include:

(1) Compensation provided to employees due to the termination of employment relationship before due date of employment contract, whether employees agree with the termination or not.

(2) Compensation provided to employees to encourage them to accept employee curtailment before the due date of employment contract, in which the employees have a choice of either to stay in service or leave.

When termination benefits are provided, the Company recognizes employee benefit liabilities for termination benefits, with a corresponding charge to the profit or loss for the current period, at the earlier of the following dates:

① The date when the Company cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal, or

② The date when the Company recognizes costs or expenses related to a restructuring that involves the payment of termination benefits.

If the termination benefits are expected to be settled wholly within 12 months after the end of the reporting period in which the termination benefit is recognized, the Company shall apply the relevant regulations of short-term employee benefits; if the termination benefits are not expected to be settled wholly within 12 months after the end of the reporting period in which the termination benefit is recognized, the Company shall apply the relevant regulations of long-term employee benefits.

4. Other long-term employee benefits

Other long-term employee benefits provided to employees shall be dealt with in accordance with the relevant provisions of the established escrow plan if they meet the conditions of the established escrow plan. Other long-term employee benefits shall be recognized and measured in accordance with the relevant provisions of the established benefit plan as well as the net liabilities or net assets of other long-term employee benefits.

(XXV) Estimated liabilities

1. If the obligations pertinent to contingencies such as external security, arbitration, product warranty and onerous contract become the current obligations of the Company, the performance of the obligations is likely to result in the outflow of economic benefits from the Company, and the amount of the obligations can be measured reliably, the obligations are recognized as estimated liabilities by the Company.

2. The Company initially measures the estimated liabilities based on the best estimate required to be paid when performing relevant current obligations, and reviews the book value of the estimated liabilities on the balance sheet date.

(XXVI) Share-based payment

1. Category of share-based payment

Share-based payment includes equity-settled share-based payment and cash-settled share-based payment.

2. Measurement for fair value of equity instrument

(1) For equity instruments with an active market, the fair value thereof shall be measured as the

quotation in the active market.

(2) For equity instruments without an active market, the value appraisal techniques shall be adopted, which mainly include reference to the most recent market transactions conducted by parties who are familiar with and willing to trade, the cash flow discount method and option pricing model.

3. Basis of recognizing optimal estimation of vesting equity instrument

The optimal estimation of the vesting equity instrument shall be conducted as per the subsequent information obtained for the change of quantity of employees for vesting, etc.

4. Accounting treatment related to implementation, modification and termination of share-based payment plan

(1) Equity-settled share-based payment

The share-based payment with immediate vesting after it is granted for staff services and settled by equity shall be recorded in relevant costs or expenses at the fair value of the equity instruments on the grant date, and the capital reserve shall be adjusted correspondingly. For share-based payment settled by equity and vesting for staff services only after the services in the waiting period is completed or the specified performance conditions are satisfied, the services obtained in the current period shall be recorded into related costs or expenses with capital reserves adjusted accordingly based on the optimal estimation of volume of vesting equity instruments and at the fair value of the equity instruments of the grant date on each balance sheet date within the waiting period.

For the share-based payment settled by equity for obtaining services provided by other parties, if fair value of services provided by other parties can be reliably measured, it shall be measured based on the fair value on the date when services provided by other parties are received; if fair value of services cannot be reliably measured, however, the fair value of equity instruments can be reliably measured, it shall be measured based on fair value on the date when services are received, recored into relevant costs and expenditures, and corresponding increase owner's equity.

(2) Cash-settled share-based payment settled in cash

The share-based payment with immediate vesting for exchange of services from employees after it is granted and settled by cash shall be recorded in relevant costs or expenses at the fair value of the liabilities assumed by the company on the grant date, and the liabilities shall be accrued correspondingly. For the share-based payment settled by cash with vesting available only after the services in the waiting period is completed or the specified performance conditions are satisfied for the exchange of services of employees, the services obtained in the current period shall be recorded into relevant costs or expenses and corresponding liabilities based on the optimal estimation of the vesting and at the fair value of the liabilities assumed by the Company on each balance sheet date within the waiting period.

(3) Modification and termination of share-based payment plan

If modification increases the fair value of the equity instrument granted, the company shall correspondingly recognize the increase of services obtained at the increase of fair value of the equity instrument. If modification increases volume of equity instruments granted, the Company shall correspondingly recognize the increase of services obtained at the fair value of the equity instrument increased. If the company modifies the vesting conditions as the way favorable to the staffs, the company shall take into account the modified vesting conditions when dealing with them.

If modification reduces the fair value of the equity instrument granted, the company shall continue to recognize the amount of services obtained based on the fair value of the equity instrument on the grant date, without consideration of the decrease of the fair value of the equity instrument. If modification reduces volume of equity instruments granted, the company will treat the reduced part as the cancelation of the granted equity instruments. If the vesting conditions are modified as the way unfavorable to the staffs, the company will not take into account the modified vesting conditions when dealing with them.

If the Company cancels or settles the equity instruments granted in the waiting period (except for those canceled due to unsatisfaction to the vesting conditions), such a cancelation or settlement shall be treated as accelerated vesting and immediately recognize the amount originally recognized in the remaining waiting period.

(XXVII) Revenue

1. Recognition of revenue

The company's revenue is mainly from sales of automotive air-conditioning compressors and automotive air-conditioning systems, etc.

The company has fulfilled the performance obligation in the contract, that is, the revenue is recognized when the customer obtains the control right of relevant goods. To obtain the control right of the relevant commodity means to be able to dominate the use of the commodity and obtain almost all the economic benefits from it.

2. According to the relevant provisions of revenue standards, the company judges that the nature of relevant performance obligations belongs to "performance obligations performed within a certain period of time" or "performance obligations performed at a certain point of time", and recognizes the revenue according to the following principles.

(1) If the company meets one of the following conditions, it shall fulfill the performance obligation within a certain period of time:

① When the customer performs the contract in the company, he obtains and consumes the economic benefits brought by the company's performance.

② Customers can control the assets under construction during the performance of the contract.

③ The assets produced by the company in the process of performance have irreplaceable uses, and the company has the right to collect money for the performance part that has been completed so far in the whole contract period.

For the performance obligations performed within a certain period of time, the company shall recognize the revenue according to the performance progress within that period, except that the performance progress cannot be reasonably determined. Considering the nature of goods, the company adopts the output method or input method to determine the appropriate performance schedule.

(2) For the performance obligations that are not performed within a certain period of time, but performed at a certain point of time, the company recognizes the revenue at the time when the customer obtains the control right of the relevant goods.

When judging whether a customer has acquired control over the commodity, the company considers the following conditions:

① The company has the right to collect the goods now, that is, the customer has the obligation to pay for the goods now.

② The company has transferred the legal ownership of the goods to the customer, that is, the customer has the legal ownership of the goods.

③ The company has transferred the goods in kind to the customer, that is, the customer has possessed the goods in kind.

④ The company has transferred the main risks and rewards of the ownership of the goods to the customer, that is, the customer has obtained the main risks and rewards of the ownership of the goods.

⑤ The product has been accepted by the customer.

⑥ Other indications that the customer has taken control of the goods.

Policies for revenue recognition of the company:

Car component business except AI overseas group:

The main domestic sales target is divided into two categories: one is the vehicle manufacturers, the other is the car after-sales maintenance market. Sales model for vehicle manufacturers, that is, products sold directly to vehicle manufacturers sales model. The sales model for the auto after-sales maintenance market, that is, the sales model that sells products to the auto parts purchasing customers according to their orders.

Revenue recognition of vehicle manufacturers: sales are not confirmed when goods are shipped to the external warehouse, managed as inventories in external warehouse. Revenue recognized when goods are shipped to vehicle manufacturer and pass quality inspection by vehicle manufacturer.

When the goods in external warehouse meet the above sales revenue recognition conditions, the sales quantity shall be recognized according to the quantity of goods received and inspected by the vehicle manufacturer, and the sales revenue shall be recognized at the price agreed with the customer.

Revenue recognition of automobile after-sales maintenance are as follows: products sold to auto parts purchasing customers are generally recognized after customer's inspection.

Auto component business of AI Overseas Business Group:

Revenue is recognized when there is evidence that control of goods has been transferred to the purchaser (usually at the time of delivery of goods or samples as agreed in the contract), no further work is required, the quantity and amount of goods can be confirmed, the price is fixed and control has been transferred (usually at the date of receipt).

3. Measurement of revenue

The company shall measure the income according to the transaction price allocated to each individual performance obligation. In determining the transaction price, the company considers the influence of variable consideration, significant financing components in the contract, non cash consideration, consideration payable to customers and other factors.

(1) Variable consideration

The company determines the best estimate of the variable consideration according to the expected value or the most likely amount, but the transaction price including the variable consideration shall not exceed the amount that the accumulated recognized income is likely not to have a significant reversal when the relevant uncertainty is eliminated. The company should consider the possibility and proportion of revenue reversal when evaluating whether the cumulative recognized revenue is highly unlikely to have a significant reversal.

(2) Major financing components

If there are significant financing elements in the contract, the company shall determine the transaction price according to the amount payable in cash when assuming that the customer obtains the commodity control right. The difference between the transaction price and the contract consideration shall be amortised with the effective interest method during the contract period.

(3) Non cash consideration

If the customer pays the non cash consideration, the company shall determine the transaction price according to the fair value of the non cash consideration. If the fair value of the non cash consideration cannot be reasonably estimated, the company indirectly determines the transaction price by referring to the separate selling price of the goods it promises to transfer to the customer.

(4) Customer consideration payable

For the consideration payable to customers, the consideration payable shall be offset against the transaction price, and the current income shall be offset at the later time point of confirming the relevant income or paying (or promising to pay) the customer's consideration, except that the consideration payable to customers is to obtain other clearly distinguishable commodities from customers.

If the company's consideration to customers is to obtain other clearly distinguishable goods from customers, it shall confirm the purchased goods in a way consistent with other purchases of the company. If the consideration payable by the company to the customer exceeds the fair value obtained from the customer, the excess amount shall be used to offset the transaction price. If the fair value of clearly distinguishable commodities obtained from customers cannot be reasonably estimated, the company shall offset the transaction price with the consideration payable to customers in full.

(XXVIII) Cost of Contract

Cost of contract involves costs of obtaining a contract and cost of contract fulfillment.

The cost of the Group's performance of a contract satisfies the following conditions is recognized at the contract performance cost as an asset:

1.The cost is directly related to a current or anticipated contract, including direct labor, direct materials, manufacturing costs (or similar costs), costs expressed by the customer and other costs incurred solely as the result of such contract.

2.The cost increases the Group's resources for fulfilling performance obligations in the future

3.The cost is expected to be recovered

Incremental costs incurred by the Group to obtain a contract and expected to be recovered are recognized as an asset, and amortized using the same basis as revenue recognition for the goods or services to which the asset relates, and included in current profit or loss. If the amortization period of the asset does not exceed one year, it is included in current profit or loss when it occurs.

In determining impairment losses on assets related to contract costs, impairment losses are determined for assets related to contract costs whose carrying value is higher than the difference between the following two items, the Group makes provision for impairment for the excess to be recognized as asset impairment losses:

1.The remaining amount of consideration that the Group expects to receive as a results of transfer of goods or services to which the asset relates

2.the estimated costs to be incurred in connection with the transfer of relevant goods or services

After the provision for impairment for the asset related to contract costs is made, if the difference between the above two items is higher than the carrying amount of the asset due to changes in the factors of impairment in previous periods, the original provision for impairment of the asset is reversed and included in the current profit or loss, but the carrying amount of the asset after the reversal shall not exceed the carrying amount of the asset on the reversal date assuming no provision for impairment is made.

(XXIX) Government grants

1. Government grants include asset-related government grants and income-related government grants

2. If the government grant is monetary asset, it is recorded at the amount received or receivable. If the government grant is non-monetary asset, it shall be measured at the fair value; if the fair value cannot be obtained, then it shall be measured at nominal amount.

3. Gross method is adopted

(1) The government grants related to assets shall be recognized as deferred incomes; and shall be evenly allocated into the profits and losses during useful life of related assets. If the related assets are sold, transferred, scrapped or damaged before the end of life of the assets, the balance of the relevant deferred incomes that have not been allocated shall be transferred to the current profits and losses of asset disposal.

(2) The government grants related to income shall be recognized as deferred incomes for compensation of future related expenses or loss and recognized in current profits and losses after related expenses are identified; if compensation of related expenses or losses already incurred, they shall be directly recognized in the current profits and losses..

The company adopted gross method for all government grants except for policy concessional loan discount.

4. For government grants both related to assets and income, they shall be treated as different accounting treatments. The whole will be classified as government grants related to income if cannot be distinguished

5. Government grants related to daily operating activities will be calculated into other incomes or write down related cost in accordance with the business nature.

(1) If the financial discount funds paid to the loan bank, the bank provides loans at policy preferential interest rates. The company chooses one of below accounting treatments:

1) The actual money of loan received is recorded. The borrowing cost is calculated based on principal and the preferential interest rate of the policy.

2) The fair value of the loan is recorded and borrowing cost is calculated based on the actual interest rate method, the difference between the actual amount received and fair value of the loan is recognized as deferred income.

(2) If the financial discount funds paid directly to the company, the company shall reduce the related

borrowing costs.

(XXX) Deferred income tax assets and deferred income tax liabilities

1. Deferred tax assets and liabilities shall be measured at the temporary differences between the book value of certain assets or liabilities and their tax base (or between the book value of those Item that are not recognized as assets or liabilities and their tax base that can be determined according to tax laws), and the tax rates that are expected to apply to the period when the asset is realized or the liability is settled according to the requirements of tax laws.

2. Deferred tax assets for deductible temporary differences arc recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. At balance sheet date, the book value of deferred tax assets shall be reviewed and if it is probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilized, the Company shall recognize deferred tax assets that not been recognized in previous period.

3. On balance sheet date, the book value of deferred income tax assets shall be reviewed; if it is unlikely to acquire sufficient taxable income that may be used to offset the interests of deferred income tax assets, the book value of the deferred income tax assets shall be reduced. Any such reduction in amount shall be reversed to the extent if it becomes likely that sufficient taxable profits can be obtained.

4. Current and deferred tax of the Company shall be recognized as income or an expense and included in profit or loss for the current period, except to the extent that the tax arises from: (1) a business combination; and (2) a transaction or event which is recognized directly into owner's equity.

(XXXI) Operating lease and finance lease

1.Operating lease

When the Company is the lessee, the rents shall be charged to relevant assets or be recognized as current profits and losses as per the straight-line method at each period within the lease term. The incurred initial direct expenses shall be directly charged to current profits and losses. Contingent rents are credited to profit or loss in the period in which they are actually incurred.

When the Company is the lessor, the rents shall be recognized as current profits and losses as per the straight-line method at each period within the lease term. The incurred initial direct expenses shall be directly charged to current profits and losses except those with large amount shall be capitalized and be charged to profits and losses. Contingent rents are credited to profit or loss in the period in which they are actually incurred.

2. Finance lease

When the Company is the lessee, on the commencement date of the lease term, the company shall recognize the fair value of leased assets or the present value of minimum lease payment (whichever is lower) as the entry value of the leased assets, and recognize the minimum lease payment as the entry value of long-term accounts payable and the difference between the entry values as unrecognized financing fees. The incurred initial direct expenses shall be charged to the value of leased assets. The current financing expenses shall be calculated and recognized as per the effective interest method at each period within the lease term.

When the Company is the lessor, on the commencement date of the lease term, the company shall recognize the sum of the minimum lease receipts on the lease commencement date and the initial direct expenses as the entry value of the finance lease receivables, and record the unguaranteed residual value at the same time; the balance between the sums of the minimum lease receipts, the initial direct expenses and the unguaranteed residual value, and the sum of their present values shall be recognized as unrealized financing income. The current financing income shall be calculated and recognized as per the effective interest method at each period within the lease term.

IV. Taxes

(I) Main taxes and tax rates

Tax type	Taxation basis	Tax rate
Corporate income tax	Taxable income	15%、16.5%、19%、20%、21%、25%、29%、30%、24.94%
Value-added tax	Taxable VAT is the balance of output tax subtracted by deductible income tax	0.00%、5.00%、6.00%、7.00%、10%、13.00%、16.00%
Tax for land use right	Land area	CNY 4.00、5、6/m²
Property tax	Calculated and collected at 1.2% after deducting 30%/20% of the original price of the property in case of ad valorem taxation	1.20%/12.00%
Urban maintenance and construction tax	Turnover tax payable	5.00%、7.00%
Educational surcharges	Turnover tax payable	3.00%
Local educational surcharges	Turnover tax payable	2.00%
Other taxes	Collected as stipulated by the state	

Income tax rate of each company:

Company	Income tax rate
Companies other than overseas operating groups、Aotecar NJ、Anhui Aotecar、AIHK、Zhejiang LongStar、Mudanjiang Futon、HHL、AISH	25%
Aotecar NJ、Anhui Aotecar、Zhejiang LongStar、Mudanjiang Futon、AISH、HHL、AIDE、AIBR	15%

Company	Income tax rate
AIHK	16.5%
AIBEL	29%
AIUS、AITS(US)、AIT(US)、AISK	21%
AITH	20%
AILUX	24.94%
AI(Australia)、AIGL、AITS(Australia)、AIGL、AIMEX	30%
AIUK	19%
ATC Morocco	免税

(II) Tax preference and approval

Anhui Aotecar obtained the certificate of high and new technology enterprise (Certificate No.: GR202023000377) jointly issued by Anhui science and Technology Department, Anhui finance department, Anhui State Administration of Taxation and Anhui Local Taxation Bureau on 9 September 2019, and identified the company as a high and new technology enterprise with a term of validity of 3 years. During the reporting period, the enterprise income tax is levied at a reduced rate of 15%.

Mudanjiang Futon obtained the certificate of high and new technology enterprise (Certificate No.: GR202023000377) jointly issued by Heilongjiang science and Technology Department, Heilongjiang finance department, Heilongjiang State Administration of Taxation and Heilongjiang Local Taxation Bureau on 1 December 2020, and identified the company as a high and new technology enterprise with a term of validity of 3 years. During the reporting period, the enterprise income tax is levied at a reduced rate of 15%.

Zhejiang Longstar obtained the certificate of high and new technology enterprise (Certificate No.: GR202033008082) jointly issued by Zhejiang science and Technology Department, Zhejiang finance department, Zhejiang State Administration of Taxation and Zhejiang Local Taxation Bureau on 1 December 2020, and identified the company as a high and new technology enterprise with a term of validity of 3 years. During the reporting period, the enterprise income tax is levied at a reduced rate of 15%.

Aotecar NJ obtained the certificate of high and new technology enterprise (Certificate No.: GR202032003735) jointly issued by Jiangsu science and Technology Department, Jiangsu finance department, Jiangsu State Administration of Taxation and Jiangsu Local Taxation Bureau on 2 December 2020, and identified the company as a high and new technology enterprise with a term of validity of 3 years. During the reporting period, the enterprise income tax is levied at a reduced rate of 15%.

AISH obtained the certificate of high and new technology enterprise (Certificate No.: GR201931005175) jointly issued by Shanghai science and Technology Department, Shanghai finance department, Shanghai State Administration of Taxation and Shanghai Local Taxation Bureau on 6 December 2019, and identified the company as a high and new technology enterprise with a term of validity of 3 years. During the reporting period, the enterprise income tax is levied at a reduced rate of 15%.

AITH, in accordance with the value added tax law of Thailand, its factories located in the Free Trade Zone enjoy the VAT exemption on the purchase of raw materials and machinery and equipment; in addition, it enjoys the preferential corporate income tax policy in accordance with the relevant provisions of the investment promotion act B.E.2,520 issued by the government of Thailand, and is exempted from the corporate income tax on specific products during the reporting period.

V. Explanations on Changes in Accounting Policies and Estimates and Corrections of Early Errors

(I) Changes of accounting policies

With the approval of the company's management, the relevant provisions of accounting standards for Business Enterprises No. 14 - Revenue (CK [2017] No. 22) will be adopted from January 1, 2020. According to the cumulative impact, the amount of retained earnings at the beginning of the year and other relevant items in the financial statements will be adjusted, and the information of the comparable period will not be adjusted. The impact of accounting policy changes is as follows:

Change of accounting policies and reasons	Name and amount of influenced items in the financial statements
The new revenue standard introduces five steps of revenue recognition and measurement. For detailed accounting policies of revenue recognition and measurement, please refer to "III. important accounting policies and accounting estimates 25. Revenue"	The amount of consolidated Contract liability is increased CNY17,137,054.69 at 1 January 2020; The amount of consolidated Contract liability is increased CNY 35,688,405.15 at 31 December 2020 The amount of consolidated Receipts in advance is reduced CNY 0.00 at 1 January 2020. The amount of consolidated Receipts in advance is reduced CNY0.00 at 31 December 2020. The amount of consolidated other current liabilities is reduced CNY 44,227,817.11at 1 January 2020. The amount of consolidated other current liabilities is reduced CNY224,306,162.07 at 31 December 2020.

(II) Changes of accounting estimate

None

(III) Correction of prior significant accounting errors

None

(IV) Impact of first-time adoption of the new accounting standard - revenue on opening financial statements:

Item	December 31, 2019	January 1, 2020	The amount of adjustment
Receipts in advance	19,364,871.80		-19,364,871.80
Contract liabilities		17,137,054.69	17,137,054.69
Other current liabilities	42,000,000.00	44,227,817.11	2,227,817.11
Total current liabilities	2,683,577,261.84	2,683,577,261.84	
Total liabilities	2,891,770,640.45	2,891,770,640.45	
Total owner's equity	5,299,907,236.23	5,299,907,236.23	
Total liabilities and owner's equity	8,191,677,876.68	8,191,677,876.68	

VI. Notes to Main Items of the Consolidated Financial Statements

Note: the " Beginning " refers to January 1, 2020; " Ending " refers to December 31, 2020, "the previous period" refers to 2019 while "the current period" refers to 2020.

(I) Cash & cash equivalents

(1) Presented by category

Item	Ending balance	Beginning balance
Cash	516,836.33	683,538.25
Deposit in bank	239,970,831.25	174,550,975.19
Other monetary fund	659,424,584.61	485,487,589.65
Total	899,912,252.19	660,722,103.09
Of which: the total amount of money deposited abroad	35,953,100.42	29,493,295.91

(2) Ending balance of cash and cash equivalents are restricted to use including pledge, frozen ,etc:

Item	Ending balance
Margin of bank acceptance draft	207,324,584.61
Pledged Deposit receipt	452,100,000.00
Total	659,424,584.61

(3) Ending balance of oversea deposited and fund subjected to potential recovery risks: None.

(II) Trading financial assets

Item	Ending balance	Beginning balance
Financial product	20,000.00	30,355,790.91
Equity investment	652,063.61	
Total	672,063.61	30,355,790.91

(III) Notes receivable

(1) Presented by category

Item	Ending balance	Beginning balance
Bank acceptance	299,589,812.94	
Commercial acceptance	47,305,427.98	
Total	346,895,240.92	

(2). Pledged Notes receivable

Item	Pledged amount	Note
Bank acceptance	49,767,129.67	Pledge for billing
Total	49,767,129.67	

(3). Unexpired endorsed or discounted notes

Item	Terminated confirmation amount	Unterminated confirmation amount	Note
Bank acceptance	274,771,057.93	191,932,549.00	
Commercial acceptance		39,641,456.99	
Total	274,771,057.93	231,574,005.99	

(4). Non-performing notes transferred to accounts receivable

Ticket issuing unit	Ticket issuance date	Deadline	Amount transferred to accounts receivable	Note
Chongqing Lifan Passenger Vehicle Co., Ltd.	2018-7-12	2018-11-12	200,000.00	
Chongqing Lifan Passenger Vehicle Co., Ltd.	2018-8-9	2018-12-9	500,000.00	
Chongqing Lifan Automobile Engine Co., Ltd.	2018-11-8	2019-1-8	5,800,000.00	
Chongqing Lifan Passenger Vehicle Co., Ltd.	2018-12-10	2019-4-10	650,000.00	
Total			7,150,000.00	

(5). Classified disclosure according to bad debt accrual method

Item	Ending balance				
	Book balance		Provision of bad debts		Book value
	Amount	Percentage (%)	Amount	Percentage (%)	
Single provision for bad debts	495,000.00	0.14	495,000.00	100.00	
Notes receivable which bad debts are provided by groups of credit risk characteristics	347,298,607.82	99.86	403,366.90	0.12	346,895,240.92
Total	347,793,607.82	100.00	898,366.90		346,895,240.92

Continued:

Item	Beginning balance				
	Book balance		Provision of bad debts		Book value
	Amount	Percentage (%)	Amount	Percentage (%)	
Single provision for bad debts					
Notes receivable which bad debts are provided by groups of credit risk characteristics					
Total					

Single provision for bad debts:

Item	Ending balance			
	Book balance	Provision of bad debts	Percentage (%)	Reason
Huachen Automotive Group Holdings Co., Ltd.	495,000.00	495,000.00	100.00	Inability of the acceptor to pay
Total	495,000.00	495,000.00		

Notes receivable which bad debts are provided by groups of credit risk characteristics

Item	Ending balance		
	Book balance	Provision of bad debts	Percentage (%)
Commercial acceptance in hand within one year	8,067,337.89	403,366.90	5.00
Bank acceptance	339,231,269.93		
Total	347,298,607.82	403,366.90	

(6). Provision for bad debts

Item	Beginning balance	Amount of change in the current period				Ending balance
		Provision	Accrued recovered or reversed	Reversed or collected	Other changes	
Single provision for bad debts		495, 000. 00				495, 000. 00
Notes receivable which bad debts are provided by groups of credit risk characteristics		403, 366. 90				403, 366. 90
Total		898, 366. 90				898, 366. 90

(IV) Accounts receivable

(1) Disclosure by Aging

Aging	Ending book balance
Within 1 year (including 1 year)	1,125,671,014.78
1-2 years (including 2 years)	34,035,447.59
2-3years (including 3 years)	72,494,626.59
3-4years (including 4 years)	38,227,782.99
4-5years (including 5 years)	24,903,725.67
Over 5years	15,440,616.56
Total	1,310,773,214.18

(2) Disclosure by the bad debt provision method classification

Category	Ending balance				
	Book balance		Provision of bad debts		Book value
	Amount	Percentage (%)	Amount	Percentage of provision (%)	
Single provision for bad debts	138,150,889.89	10.54	138,150,889.89	100.00	
Receivables which bad debts are provided by groups of credit risk characteristics	1,172,622,324.29	89.46	80,039,361.69	6.83	1,092,582,962.60
Total	1,310,773,214.18	100.00	218,190,251.58		1,092,582,962.60

Continued:

Category	Beginning balance				
	Book balance		Provision of bad debts		Book value
	Amount	Percentage (%)	Amount	Percentage of provision (%)	
Single provision for bad debts	179,000,581.94	16.19	64,382,948.87	35.97	114,617,633.07
Receivables which bad debts are provided by groups of credit risk characteristics	926,728,794.03	83.81	97,952,161.77	10.57	828,776,632.26
Total	1,105,729,375.97	100.00	162,335,110.64		943,394,265.33

Single provision for bad debts:

Item	Ending balance			
	Book balance	Provision of bad debts	Percentage (%)	Reason
Provision for bad debts of accounts receivable	138,150,889.89	138,150,889.89	100.00	Inability of the acceptor to pay
Total	138,150,889.89	138,150,889.89		

Provision of bad debts by combination:

Items of provision by combination: Provision of bad debts by Credit risk characteristic combination

Aging	Ending balance		
	Accounts receivable	Provision of bad debts	Percentage of provision (%)
Within 1 year (including 1 year)	1,124,011,638.31	56,200,196.52	5.00
1-2 years (including 2 years)	21,329,413.31	2,132,941.31	10.00
2-3years (including 3 years)	7,964,355.46	2,389,306.64	30.00
3-4years (including 4 years)	8,144,738.28	8,144,738.28	100.00
4-5years (including 5 years)	3,661,581.25	3,661,581.25	100.00
Over 5years	7,510,597.68	7,510,597.69	100.00
Total	1,172,622,324.29	80,039,361.69	

(3) Conditions of bad debts provision

Category	Beginning balance	Amount of change in the current period				Ending balance
		Provision	Accrued recovered or reversed	Reversed or collected	Other changes	
Receivables which	97,952,161.77		17,580,218.69	332,581.39		80,039,361.69

Category	Beginning balance	Amount of change in the current period: Provision	Accrued recovered or reversed	Reversed or collected	Other changes	Ending balance
bad debts are provided by groups of credit risk characteristics						
Single provision for bad debts	64,382,948.87	77,309,457.19		3,541,516.17		138,150,889.89
Total	162,335,110.64	77,309,457.19	17,580,218.69	3,874,097.56		218,190,251.58

Significant provisions reversed or collected during current period:

(4) Receivables actually written off during the period:

Item	Amount
Receivables actually written off	3,874,097.56

(5) Top 5 accounts receivable in terms of ending balance

Name of company	aging	Ending balance	Ending balance of provision for bad debts	Percentage of total receivables (%)
First place	Within 1 year (including 1 year)	91,656,253.85	4,582,812.68	6.99
Second place	Within 1 year (including 1 year)	81,179,575.95	4,058,978.80	6.19
Third place	Within 1 year (including 1 year)	60,207,570.55	3,010,378.53	4.59
fourth place	Within 1 year (including 1 year)	56,018,473.15	2,800,923.66	4.27
the fifth place	Within 1 year (including 1 year)	34,547,167.35	1,727,358.37	2.64
Total		323,609,040.85	16,180,452.04	24.68

(6) Account receivables that terminated due to the transfer of financial assets: None.

(7) Amount of assets and liabilities transferred from receivables that continue to be involved: None.

(V) Accounts receivable financing

Item	Ending balance	Beginning balance
Bank acceptance	331,166,359.38	683,521,929.61

Item	Ending balance	Beginning balance
Total	331,166,359.38	683,521,929.61

(VI) Prepayments

(1) Presented by aging

Aging	Ending balance		Beginning balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year (including 1 year)	34,253,348.51	87.52	40,219,027.69	92.52
1-2 years (including 2 years)	4,150,587.05	10.60	2,773,922.53	6.38
2-3 years (including 3 years)	720,347.31	1.84	356,643.94	0.82
more than 3 years	14,921.70	0.04	122,642.30	0.28
Total	39,139,204.57	100.00	43,472,236.46	100.00

(2) Top 5 prepayments in terms of ending balance

Client	Ending balance	Percentage (%)
First place	2,283,715.00	5.83
Second place	1,431,713.39	3.66
Third place	1,038,194.25	2.65
fourth place	893,702.00	2.28
the fifth place	862,154.90	2.20
Total	6,509,479.54	16.62

(VII) Other receivables

(1) Summary

Items	Ending balance	Beginning balance
Other receivables	59,601,286.84	57,254,358.99
Total	59,601,286.84	57,254,358.99

(2) Interest receivable:None.

(3) Dividend receivable: None.

(4) Other receivables

1) Disclosure by Aging

Aging	Ending book value
Within 1 year (including 1 year)	30,869,541.17

Aging	Ending book value
1-2 years (including 2 years)	2,750,138.58
2-3years (including 3 years)	30,312,353.98
3-4years (including 4 years)	301,367.39
4-5years (including 5 years)	138,602.22
Over 5years	4,232,167.03
Total	68,604,170.37

2) Book balance of other receivables classified by nature

Nature of amount	Ending balance	Beginning balance
Petty cash	1,596,536.42	7,445,412.67
Deposit and Margin	47,018,063.48	41,180,026.45
Open credit	15,725,901.86	16,782,288.08
Other	4,076,305.25	1,726,857.44
Payment of social security	187,363.36	
Total	68,604,170.37	67,134,584.64

3) Conditions of bad debts provision

Provision of bad debts	Stage 1 Expectations for the next 12 months Credit loss	Stage 2 Expected credit loss during the whole life (no credit impairment)	Stage 3 Expected credit loss for the entire duration (credit impairment has occurred)	Total
Balance at January 1, 2020	643,101.00	5,344,002.00	3,893,122.65	9,880,225.65
The book balance of interest receivable on January 1, 2020 in the current period				
——Move on to the Stage 2				
——Move on to the Stage 3				
——Return to the Stage 2				
——Return to the Stage 1				
Provision in the current period	707,217.68	1,420,000.00	4,000,000.00	6,127,217.68
Reversed in the current period	230,955.59			230,955.59
Collected in the current period	9,602.21	6,764,002.00		6,773,604.21
Written off in the current period				
Other changes				

Provision of bad debts	Stage 1 Expectations for the next 12 months Credit loss	Stage 2 Expected credit loss during the whole life (no credit impairment)	Stage 3 Expected credit loss for the entire duration (credit impairment has occurred)	Total
Balance at 31 December 2020	1,109,760.88		7,893,122.65	9,002,883.53

4) Conditions of bad debts provision

Category	Beginning balance	Amount of change in the current period				Ending balance
		Provision	Accrued recovered or reversed	Reversed or collected	Other changes	
bad debts provision	9,880,225.65	6,127,217.68	230,955.59	6,773,604.21		9,002,883.53
Total	9,880,225.65	6,127,217.68	230,955.59	6,773,604.21		9,002,883.53

Significant provisions reversed or collected during current period: None.

5) Other receivables actually written off in the current period.

Items	Amount
Other receivables actually written off	6,773,604.21

6) Top 5 accounts other receivable in terms of ending balance:

Name of company	Nature of amount	Ending balance	Aging	Percentage of total of other receivables (%)	Ending balance of provision for bad debts
First place	Margin	30,000,000.00	2-3 years	43.73	4,000,000.00
Second place	Margin	12,700,000.00	Within 1 year	18.51	
Third place	Open credit	3,226,000.00	Over 5 year	4.70	3,226,000.00
Fourth place	Open credit	1,650,797.52	Within 2 year	2.41	165,079.75
Fifth place	Margin	1,278,594.41	Within 1 year	1.86	
Total		48,855,391.93		71.21	7,391,079.75

7) Government grants receivable: None.

8) Other receivables that were terminated due to the transfer of financial assets: None.

9) Amount of assets and liabilities transferred to other receivables continue to be involved: None.

(VIII) Inventory

(1) Presented by category

Items	Ending balance		
	Book balance	Provisions for decline in value of inventories	Book value
Raw materials	370,404,582.17	46,842,007.75	323,562,574.42
Semi-finished products	96,604,877.03	198,670.49	96,406,206.54
Merchandise inventories	356,748,401.92	71,955,650.04	284,792,751.88
Goods in transit	10,110,111.00		10,110,111.00
Reusable materials	15,333,164.82	658,117.24	14,675,047.58
Consigned processing materials	12,485,756.34		12,485,756.34
release products	266,003,146.52	6,837,921.39	259,165,225.13
Development costs	89,324,038.60		89,324,038.60
Total	1,217,014,078.40	126,492,366.91	1,090,521,711.49

Continued:

Items	Beginning balance		
	Book balance	Provisions for decline in value of inventories	Book value
Raw materials	319,560,928.05	22,710,094.24	296,850,833.81
Semi-finished products	70,348,669.94	268,253.57	70,080,416.37
Merchandise inventories	409,406,973.87	31,055,431.26	378,351,542.61
Goods in transit	9,145,817.06		9,145,817.06
Reusable materials	14,635,048.59		14,635,048.59
Consigned processing materials	93,176.52	93,176.52	
Release products	218,676;367.93		218,676,367.93
Development costs	77,925,336.36		77,925,336.36
Total	1,119,792,318.32	54,126,955.59	1,065,665,362.73

(2) Provision for decline in value of inventories and impairment of contract performance costs

Items	Beginning balance	Increased amount in this period		Decreased amount in this period		Ending balance
		Accrued	Others	Reversal or write off	Others	
Merchandise inventories	22,710,094.24	32,864,991.11		8,733,077.60		46,842,007.75
Semi-finished products	268,253.57	183,387.03		252,970.11		198,670.49
Merchandise inventories	31,055,431.26	50,049,622.81		9,149,404.03		71,955,650.04
Reusable materials		658,117.24				658,117.24
Consigned processing	93,176.52			93,176.52		

Items	Beginning balance	Increased amount in this period		Decreased amount in this period		Ending balance
		Accrued	Others	Reversal or write off	Others	
materials						
Release products		6,837,921.39				6,837,921.39
Total	54,126,955.59	90,594,039.58		18,228,628.26		126,492,366.91

(IX) Non-current assets due within one year

Item	Ending balance	Beginning balance
Development project compensation		505,019.21
Total		505,019.21

(X) Other current assets

Items	Ending balance	Beginning balance
Value added tax to be deducted	70,591,379.87	69,527,681.40
Prepaid corporate income tax	1,667,373.52	9,998,309.82
Prepaid other tax	84,675.08	45,322.71
Prepaid expenses due within one year	814,100.46	305,982.83
Interest on certificate of deposit	13,800,663.03	7,341,607.53
Financing intermediary agency fees	2,433,962.26	
Total	89,392,154.22	87,218,904.29

Note: Others are mainly garbage disposal and equipment maintenance fees to be amortized.

(XI) Long-term equity investment

Items	Beginning balance	Confirm investment income	Pay dividends	Others	Ending balance
1.Joint Venture					
SAT(note1)	190,805,790.25	20,734,384.65	15,000,000.00	-130,831.47	196,409,343.43
AI TTR（note2)	8,361,040.80	-1,497,912.94		-19,970.96	6,843,156.90
Subtotal	199,166,831.05	19,236,471.71	15,000,000.00	-150,802.43	203,252,500.33
2.Associate					
HXR(note3)	158,690,000.00	-8,993,173.52			149,696,826.48
Subtotal	158,690,000.00	-8,993,173.52			149,696,826.48
Total	357,856,831.05	10,243,298.19	15,000,000.00	-150,802.43	352,949,326.81

Note1:Full name of SAT is South air international Co,Ltd

Note2:Full name of AI TTR is Air International TTR Thermal Systems Limited

Note3: Full name of HXR is Qinghai HXR Lithium Tech Ltd

(XII) Investment in other equity instruments

Items	Ending balance	Beginning balance
Shenzhen Henghe Investment Management (Shenzhen) Co.,Ltd	10,000,000.00	10,000,000.00
Total	10,000,000.00	10,000,000.00

(XIII) Investment real estate

Items	Buildings	Land-use right	Total
I. Total original value			
(I) Beginning balance	26,047,488.91	16,338,307.13	42,385,796.04
(II) Increase in the current period	11,033,209.50		11,033,209.50
1)Purchase			
2)Transferred from construction in process	11,033,209.50		11,033,209.50
(III) Decrease in the current period	13,856,884.96	2,049,402.36	15,906,287.32
1)Disposal or retirement			
2)Reverse inventory, fixed assets, construction in progress	13,856,884.96	2,049,402.36	15,906,287.32
(IV) Ending balance	23,223,813.45	14,288,904.77	37,512,718.22
II. Total accumulated depreciation			
(I) Beginning balance	11,918,743.30	2,009,345.79	13,928,089.09
(II) Increase in the current period	990,729.01	536,881.44	1,527,610.45
1)Accrued in the current period	347,837.64	536,881.44	884,719.08
2)From inventory, fixed assets, construction in progress	642,891.37		642,891.37
(III) Decrease in the current period	4,364,139.33	419,757.60	4,783,896.93
1)Decreased by disposal or retirement			
2)Reverse inventory, fixed assets, construction in progress	4,364,139.33	419,757.60	4,783,896.93
(IV) Ending balance	8,545,332.98	2,126,469.63	10,671,802.61
III Total accumulated provision for impairment			
(I) Beginning balance			
(II) Increase in the current period			

Items	Buildings	Land-use right	Total
1)Accrued in the current period			
(III) Decrease in the current period			
1)Decreased by disposal of fixed assets			
(IV) Ending balance			
IV. Total book value			
(I) Ending book value	14,678,480.47	12,162,435.14	26,840,915.61
(II) Beginning book value	14,128,745.61	14,328,961.34	28,457,706.95

(XIV) Fixed assets

(1) Summary

Presented by category

Item	Ending balance	Beginning balance
Fixed assets	1,280,096,477.87	1,385,176,366.40
Total	1,280,096,477.87	1,385,176,366.40

(2) Fixed assets

1) Fixed assets

Item	Buildings	Machinery equipment	Transportation equipment	Electronic	Fixed asset decoration	land	Others	Total
I. Total original value								
(I) Beginning balance	666,769,295.57	1,635,159,947.43	18,729,926.36	6,537,174.05	6,805,167.13	4,223,168.27	196,983,998.12	2,535,208,676.93
(II) Increase in the current period	15,487,925.98	58,179,695.52	511,834.60	502,462.16		-270,297.18	25,550,171.52	99,961,792.60
1)Purchase	2,729,918.82	43,256,814.52	521,409.28	1,138,570.14			19,884,193.61	67,530,906.37
2)Transferred from construction in process	1,261.75	29,480,973.01					5,715,972.79	35,198,207.55
3)Foreign currency translation impact	-1,100,139.55	-14,558,092.01	-9,574.68	-636,107.98		-270,297.18	-49,994.88	-16,624,206.28
From Investment real estate	13,856,884.96							13,856,884.96
(III) Decrease in the current period	13,157,079.89	16,652,735.43	655,537.56	70,458.40	1,088,435.14		22,209,456.06	53,833,702.48
1)Disposal or retirement of fixed assets	2,123,870.39	13,989,527.02	655,537.56	70,458.40	1,088,435.14		21,430,310.75	39,358,139.26
2)To Investment real estate	11,033,209.50							11,033,209.50

Item	Buildings	Machinery equipment	Transportation equipment	Electronic	Fixed asset decoration	land	Others	Total
3)To investment real estate		2,663,208.41						2,663,208.41
4)Others							779,145.31	779,145.31
(IV) Ending balance	669,100,141.66	1,676,686,907.52	18,586,223.40	6,969,177.81	5,716,731.99	3,952,871.09	200,324,713.58	2,581,336,767.05
II. Total accumulated depreciation								
(I) Beginning balance	195,995,630.96	820,179,512.61	11,701,499.88	5,576,817.97	2,067,332.74		111,919,363.22	1,147,440,157.38
(II) Increase in the current period	34,663,659.29	119,867,048.33	1,280,470.47	856,101.20	357,737.29		17,998,338.58	175,023,355.16
1)Accrued in the current period	30,828,075.66	129,215,539.85	1,287,083.38	1,409,189.74	357,737.29		18,011,561.06	181,109,186.98
2)Foreign currency translation impact	-528,555.70	-9,348,491.52	-6,612.91	-553,088.54			-13,222.48	-10,449,971.15
3)From investment real estate	4,364,139.33							4,364,139.33
(III) Decrease in the current period	812,493.53	12,129,420.89	512,186.11	54,570.56	157,170.28		13,606,466.63	27,272,308.00
1)Decreased by disposal or retirement of fixed assets	169,602.16	11,332,446.54	512,186.11	54,570.56	157,170.28		12,905,235.86	25,131,211.51
2)To investment real	642,891.37							642,891.37

Item	Buildings	Machinery equipment	Transportation equipment	Electronic	Fixed asset decoration	land	Others	Total
estate								
3)To Construction in process		796,974.35						796,974.35
3)Others							701,230.77	701,230.77
(IV) Ending balance	229,846,796.72	927,917,140.05	12,469,784.24	6,378,348.61	2,267,899.75		116,311,235.17	1,295,191,204.54
III. Total accumulated provision for impairment								
(I) Beginning balance		2,592,153.15						2,592,153.15
(II) Increase in the current period		3,080,471.15					376,460.34	3,456,931.49
1)Accrued in the current period		3,080,473.08					376,460.34	3,456,933.42
2)Foreign currency translation impact		-1.93						-1.93
(III) Decrease in the current period								
1)Decreased by disposal of fixed assets								
(IV) Ending balance		5,672,624.30					376,460.34	6,049,084.64

Item	Buildings	Machinery equipment	Transportation equipment	Electronic	Fixed asset decoration	land	Others	Total
IV. Total book value of fixed assets								
(I) Ending book value	439,253,344.94	743,097,143.17	6,116,439.16	590,829.20	3,448,832.24	3,952,871.09	83,637,018.07	1,280,096,477.87
(II) Beginning book value	470,773,664.61	812,388,281.67	7,028,426.48	960,356.08	4,737,834.39	4,223,168.27	85,064,634.90	1,385,176,366.40

2) Temporary idle fixed assets: None.

3) Fixed assets acquired under finance leases: None.

4) Fixed assets leased out through operating leases

category	Ending balance
Buildings	19,862,626.82
Machinery equipment	133,764.67
Others	515,024.83

5) Fixed assets without certificate of title:

category	Ending balance
Buildings	58,380,940.39

(XV) Construction in process

1) Construction in progress

Item	Ending balance			Beginning balance		
	Book balance	Provision	Book value	Book balance	Provision	Book value
Construction in progress	246,963,788.99	280,307.97	246,683,481.02	222,334,846.86	60,038.11	222,274,808.75
Total	246,963,788.99	280,307.97	246,683,481.02	222,334,846.86	60,038.11	222,274,808.75

2) Changes in important construction projects in the current period

Item	Budget	Beginning balance	Increasing	Transfer to fixed assets	Other reduced amount	Ending balance
Aotocar No.2018G46 project	750,000,000.00	182,735,674.88	26,667,281.73			209,402,956.61
Moving Test Machine (CWT) from AIAU	8,501,364.92	5,515,590.42	3,364,689.24	8,880,279.66		
AISH–ES6、ES8NIOHeatPump	6,360,000.00	3,450,041.21	404,056.87	3,335,927.40		518,170.68
Total	764,861,364.92	191,701,306.51	30,436,027.84	12,216,207.06		209,921,127.29

(XVI) Intangible assets

(1) Intangible assets

Item	Software	Land-use right	Trademark rights	Patent	Unpatented technology	Total
I. Total original value						
(I) Beginning balance	148,534,338.26	260,254,124.25	98,238,208.68	170,585,298.46	340,855,237.67	1,018,467,207.32
(II) Increase in the current period	2,401,202.48	2,121,610.64			119,212,282.94	123,735,096.06
1)Purchase	4,755,479.04				55,505.88	4,810,984.92
2)Foreign currency translation impact	-2,354,276.56	72,208.28			-24,139,168.72	-26,421,237.00
2)Internal R&D					143,295,945.78	143,295,945.78
3)From investment real estate		2,049,402.36				2,049,402.36
(III) Decrease in the current period	50,278,736.76	9,370,400.00				59,649,136.76
1)Disposal of intangible assets	50,278,736.76	9,370,400.00				59,649,136.76
(IV) Ending balance	100,656,803.98	253,005,334.89	98,238,208.68	170,585,298.46	460,067,520.61	1,082,553,166.62
II. Total accumulated amortization						
(I) Beginning balance	139,570,147.24	36,583,441.15	43,730,588.70	127,868,564.74	172,486,101.73	520,238,843.56
(II) Increase in the current period	3,249,866.62	5,910,306.66	9,823,820.87	24,755,207.44	28,548,620.51	72,287,822.10
1)Accrued in the current period	5,526,003.82	5,490,549.06	9,823,820.87	24,755,207.44	38,381,795.31	83,977,376.50
2)From fixed assets						
3)Foreign currency translation impact	-2,276,137.20				-9,833,174.80	-12,109,312.00
4)From investment real estate		419,757.60				419,757.60
(III) Decrease in the current period	50,227,753.62	359,198.65				50,586,952.27
1)Decreased by disposal of intangible assets	50,227,753.62	359,198.65				50,586,952.27
2)To investment real estate						
(IV) Ending balance	92,592,260.24	42,134,549.16	53,554,409.57	152,623,772.18	201,034,722.24	541,939,713.39
III. Provision for						

Item	Software	Land-use right	Trademark rights	Patent	Unpatented technology	Total
impairment						
(I) Beginning balance				6,264,250.11	9,331,918.08	15,596,168.19
(II) Increase in the current period				81,156.91	78,882,021.64	78,963,178.55
1)Accrued in the current period				81,156.91	79,528,993.04	79,610,149.95
2)Foreign currency translation impact					-646,971.40	-646,971.40
(III) Decrease in the current period						
1)Decreased by disposal of intangible assets						
(IV) Ending balance				6,345,407.02	88,213,939.72	94,559,346.74
IV. Total book value of intangible assets						
(I) Ending book value	8,064,543.74	210,870,785.73	44,683,799.11	11,616,119.26	170,818,858.65	446,054,106.49
(II) Beginning book value	8,964,191.02	223,670,683.10	54,507,619.98	36,452,483.61	159,037,217.86	482,632,195.57

(2) Land use rights without certificate of title: None.

(XVII) Development expenditure

Item	Beginning balance	Increase: Internal development expenditure	Increase: Others	Decrease: Recognized as intangible assets	Decrease: Included in current profit and loss	Decrease: Others	Ending balance
Scroll compressor - Compact and efficient scroll type automobile air-conditioning compressor（GAC-A55）		411,818.70					411,818.70
Ring pin compressor -CHERY-NL—4AB	4,039,965.10					78,339.26	3,961,625.84
Ring pin compressor – Malaysia-Proton	1,989,478.10					12,951.74	1,976,526.36
Electric Drive Automotive Air Conditioning Compressor（BAIC-C35DB—C03）		572,627.05					572,627.05
Electric compressor –BYD-HC	5,214,675.67	732,559.43			618,235.96		5,328,999.14
Electric Drive Automotive Air Conditioning Compressor（CHERY-PMA—2）		802,217.15					802,217.15
Electric compressor -VW MEB	3,460,395.34	2,223,595.45			439,600.95		5,244,389.84
Piston compressor –CHERY- T1X	5,356,996.08	850,135.61		6,207,131.69			
Scroll compressor –CHANGAN AUTO-C211—MCA	2,752,225.89			2,706,732.29		45,493.60	
Electric vehicle air-conditioning compressor controller	2,766,658.68				2,766,658.68		
AISH — Geely PMA HVAC& HP System	9,162,495.41	3,241,165.63					12,403,661.04
AISH — Geely BX11 HVAC and Condenser	6,474,317.25	950,314.13		7,424,631.38			
AISH—Geely GE12—A HVAC	5,206,008.11	1,981,899.03		7,187,907.14			
AISH – Geely KX11 HVAC	4,645,958.15	3,072,150.82					7,718,108.97

Item	Beginning balance	Increase: Internal development expenditure	Increase: Others	Decrease: Recognized as intangible assets	Decrease: Included in current profit and loss	Decrease: Others	Ending balance
AISH - SAIC A+ HVAC	4,660,370.54	1,177,259.61					5,837,630.15
Geely CX11 HVAC	3,755,206.27	1,443,092.29					5,198,298.56
AISH — Geely FS11 Radiators&Condenser	4,867,781.90	469,560.88		5,337,342.78			
AISH — Geely NL—3B HVAC	3,003,832.86	831,687.43		3,835,520.29			
SAIC IM31 HVAC	1,801,031.73	3,612,921.88		5,413,953.61			
AISH — Project Silver		2,393,481.18		2,393,481.18			
AISH — Geely PMA EF1E Rear HVAC		1,378,137.21					1,378,137.21
AISH-M36T	482.25	1,436,861.56		1,437,343.81			
AIUS FMC EV Vehicle HVAC		177,381.54					177,381.54
AISH — JMC CX743BEV Heat Pump System		1,377,814.39			1,356,688.32		21,126.07
NextEV ES8+18 Heat Pump System		384,750.58			384,750.58		
BAIC FOTON S300 Car/SUV HVAC	5,105,728.96	41,283.61		5,147,012.57			
AISH — NIO Force HAVC/CRFM/CCU		1,209,653.40					1,209,653.40
Ford C48X	54,721,351.66			52,151,934.81	2,569,416.85		
T6&L663	7,247,091.51	393,896.50		6,815,838.81			825,149.20
Z1381 Ford Radiator TOC's	1,177,052.37				1,177,052.37		
Z1474 Ford V713 Aux HVAC	11,986,220.82	20,241,767.20		32,227,988.02			

Item	Beginning balance	Increase		Decrease			Ending balance
		Internal development expenditure	Others	Recognized as intangible assets	Included in current profit and loss	Others	
Z1498 - PSA CMP FRONT HVAC	1,057,504.93	1,457,159.11					2,514,664.04
Z1501 PROJECT FRANKLIN	11,882,303.34				11,882,303.34		
Z1519 Project Silver (Tesla)	10,441,069.25				10,441,069.25		
RTOC MY20	1,162,679.88	417,833.17		1,580,513.05			
Proton	3,023,867.43	214,345.67		3,238,213.10			
Franklin	87,802.24	257,998.90					345,801.14
Evap V713	51,479.40						51,479.40
Evap SILVER	163,504.48	26,896.78		190,401.26			
FORD U725 TOC		254,655.30					254,655.30
Project Palladium HVAC		2,990,196.79					2,990,196.79
Tesla Project Gold HVAC		116,132.45					116,132.45
Z1445 Byton EV Vehicle HVAC / Z1518 Byton Fragrance Module		815,149.17					815,149.17
Z1537 Ford GE2 Aux HVAC		1,618,874.48					1,618,874.48
Z1539 Ford CD539E/CD390 LTR		186,164.66					186,164.66
Z1545 FCA WS Aux Radiator		997,962.12					997,962.12
EVAP CX11		499,286.64					499,286.64
VX11 WCC		82,888.50					82,888.50

Item	Beginning balance	Increase: Internal development expenditure	Increase: Others	Decrease: Recognized as intangible assets	Decrease: Included in current profit and loss	Decrease: Others	Ending balance
VX11 Chiller		76,701.06					76,701.06
CX743 WCC		33,368.65					33,368.65
WTOC P708		28,232.42					28,232.42
CX743 Chiller		21,117.91					21,117.91
CHILLER CSUV		5,530.11					5,530.11
D&D in progress		51,919.35					51,919.35
Total	177,265,535.60	61,560,445.50		143,295,945.79	31,635,776.30	136,784.60	63,757,474.41

(XVIII) Goodwill

(1)Original book value

Name of investee	Beginning balance	Increase: Formed by business combination	Increase: Others	Decrease: Dispose	Decrease: Others	Ending balance
Automotive air-conditioning compressor business asset group	1,476,307,703.76					1,476,307,703.76
Air International	454,804,306.30					454,804,306.30
Aoteka	3,544,941.85					3,544,941.85
Nanjing Aoveac	1,089,826.48					1,089,826.48
Total	1,935,746,778.39					1,935,746,778.39

(2)Provision for impairment

Name of investee	Beginning balance	Increase: Formed by business combination	Increase: Others	Decrease: Dispose	Decrease: Others	Ending balance
Automotive air-conditioning compressor business asset group	99,589,428.67		5,441,938.85			105,031,367.52
Air International	113,026,830.07		10,510,909.04			123,537,739.11
Aoteka	3,544,941.85					3,544,941.85
Nanjing Aoveac	1,089,826.48					1,089,826.48
Total	217,251,027.07		15,952,847.89			233,203,874.96

(XIX) Long-term deferred expenses

Item	Beginning balance	Increase in the current period	Amount amortized in the current period	Other amount decrease	Ending balance
Operating leased asset improvement expenditure	3,700,908.41	40,419.56	864,137.73		2,877,190.24
Others	2,313,682.34	1,126,112.09	1,302,969.01	-2,194.52	2,139,019.94
Total	6,014,590.75	1,166,531.65	2,167,106.74	-2,194.52	5,016,210.18

(XX) Deferred income tax assets and deferred income tax liabilities

(1)Deferred income tax assets that are not offset

Item	Ending balance		Beginning balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Impairment of assets	364,953,637.04	60,061,813.15	225,061,560.83	34,651,438.68
Unrealized profits from internal transactions	33,198,460.74	7,127,824.76	10,450,002.75	1,211,431.00
Deductible loss	579,363,731.49	130,330,601.31	445,469,913.94	101,384,416.49
Employee compensation that has been accrued but not paid	49,167,440.38	10,177,789.27	45,505,767.00	9,521,875.70
Estimated liabilities	75,512,398.63	11,367,893.03	92,579,506.69	14,396,700.64
Accrued expenses	47,503,916.42	9,702,583.83	32,915,747.89	5,343,118.18
Devaluation of assets in mergers of companies not under common control	6,238,871.06	1,192,658.11	10,435,002.21	1,899,900.29
Losses on disposal of assets that have not been paid before tax but will be paid before tax in future periods			3,828,957.72	574,343.66
Deferred income	25,670,149.61	4,782,462.12	20,065,147.10	3,913,757.03
Fixed asset depreciation tax difference	5,514,369.04	1,158,017.50	64,305.55	16,076.39
Intangible asset amortization tax difference			162,962.97	40,740.74
AIUS R&D expense tax incentives are carried forward to future years	44,572,120.10	9,360,145.22	29,348,286.32	6,163,140.13
The impact of deductible temporary differences arising from inventory in accordance with Section 263A of the U.S. Tax Code	580,840.07	121,976.42	1,762,439.26	370,112.24
Tax deduction based on taxation bilateral agreements Foreign Tax Credit	22,424,154.90	4,709,072.53	4,444,657.56	933,378.08
Total	1,254,700,089.48	250,092,837.25	922,094,257.79	180,420,429.25

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

Item	Ending balance	
	Temporary differences in taxable income	Deferred tax liability
Appraisal and appreciation of assets in mergers of companies not under the same control	188,840,831.02	33,345,500.29
Fixed asset depreciation tax difference	1,929,009.08	405,091.90

Item	Ending balance	
	Temporary differences in taxable income	Deferred tax liability
Consolidate to offset deferred income tax arising from internal unrealized losses		
Total	190,769,840.10	33,750,592.19

Continued:

Item	Beginning balance	
	Temporary differences in taxable income	Deferred tax liability
Asset Appraisal Value Added in Mergers of Non-identical Controlled Enterprises	288,384,979.28	50,216,136.92
Fixed asset depreciation tax difference	18,926,458.50	3,974,556.28
Consolidate to offset deferred income tax arising from internal unrealized losses	249,089.01	52,087.85
Total	307,560,526.79	54,242,781.05

(3) Unrecognized deferred income tax assets:

Item	Ending balance	Beginning balance
Deductible temporary difference	94,570,729.69	19,699,671.10
Deductible loss	489,695,410.83	394,134,613.01
Total	584,266,140.52	413,834,284.11

(4) Deductible losses expires in the following years:

Year	Ending balance	Beginning balance	Note
2020		2,843,400.42	
2021	25,213,087.14	25,511,760.86	
2022	16,858,079.73	16,858,079.73	
2023	548,043.57	1,261,376.26	
2024	37,685,154.51	43,406,243.85	
2025	22,086,193.35		
According to the U.S. tax law, it can be carried forward for 15 years	41,774,768.35		
Can be carried forward indefinitely according to Australian tax law	313,092,352.92	304,253,751.89	
Total	489,695,410.83	394,134,613.01	

(XXI) Other non-current assets

Items	Ending balance			Beginning balance		
	Book value	Provision for impairment loss	Net book value	Book balance	Provision for impairment loss	Net book value
Prepaid equipment and engineering funds	68,208,354.44		68,208,354.44	38,999,784.88		38,999,784.88
Development projects with compensation payments	6,519,363.37		6,519,363.37	11,973,905.54		11,973,905.54
Total	74,727,717.81		74,727,717.81	50,973,690.42		50,973,690.42

(XXII) Short-Term loan

(1) Short-term loan classification

Item	Ending balance	Beginning balance
Mortgage loan	120,781,221.49	169,444,523.05
Credit garanteed	551,808,932.90	261,924,167.47
Bill discount	10,000,000.00	
Interest		121,316.67
Total	682,590,154.39	431,490,007.19

(2) Short-term borrowings that have been overdue: None.

(XXIII) Notes payable

Item	Ending balance	Beginning balance
Bank acceptance	714,632,804.24	702,417,249.22
Commercial acceptance		516,072.93
合计	714,632,804.24	702,933,322.15

At the end of the period, there were no notes payable that were due but not paid.

(XXIV) Accounts payable

(1) Presented by category

Items	Ending balance	Beginning balance
Payment	1,028,730,032.97	919,133,239.91
Expenses	52,499,910.30	
Engineering equipment	1,056,358.69	
Total	1,082,286,301.96	919,133,239.91

(2) Significant payables with the aging over 1 year at the end of the period.

Item	Ending balance	Reasons for outstanding or carrying over
Changchun Jianye Dust Metallurgy Products Factory	2,325,404.54	No judgment in second instance
Shiyan Qingbao Automobile Parts Co., Ltd.	1,752,336.97	Not yet settled
Nanjing Maojiang PRECISION Machinery Co., Ltd.	1,604,478.95	Not yet settled
Wuxi Tianda Axletree Co., Ltd.	1,424,098.13	Not yet settled
Jiangsu Jubang International Logistics Co., Ltd.	1,059,291.77	Not yet settled
Total	8,165,610.36	

(XXV) Contract liabilities

(1) Presented by category

Item	Ending balance	Beginning balance
Advance Contract Payment for Sales of Products	35,688,405.15	17,137,054.69
Total	35,688,405.15	17,137,054.69

(2) The amount and reasons for the significant change in book value during the reporting period: None.

(XXVI) Employee benefits payable

(1) Presented by category

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Short-term compensation	93,622,588.72	585,692,594.95	564,300,367.26	115,014,816.41
Liabilities in defined contribution plan for post-employment benefits	1,456,655.66	9,869,857.88	7,598,935.22	3,727,578.32
Dismissal benefits:		1,963,760.52	1,963,760.52	
Total	95,079,244.38	597,526,213.35	573,863,063.00	118,742,394.73

(2) Short-term compensation

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
I. Wage, bonus, allowance and subsidy	46,631,945.44	515,920,681.84	502,268,764.93	60,283,862.35
II. Employee welfare	2,509,979.81	22,340,366.53	21,070,841.11	3,779,505.23
III. Social insurance premiums	717,986.06	15,910,883.65	15,329,115.92	1,299,753.79
Including: 1. Medical insurance premium	626,278.22	14,993,718.89	14,486,540.74	1,133,456.37

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
2. Industrial injury insurance premium	45,305.34	99,159.52	75,378.18	69,086.68
3. Birth insurance premium	46,402.50	818,005.24	767,197.00	97,210.74
IV. Housing fund	599,798.00	14,664,207.90	14,651,019.90	612,986.00
V. Labor-union expenditures and personnel education funds	43,162,879.41	6,786,537.48	1,487,817.57	48,461,599.32
VI. Short-term compensated absences		2,565,159.65	1,988,049.93	577,109.72
VII. Short-term profits sharing plan				
VIII. Other short-term compensation		7,504,757.90	7,504,757.90	
Total	93,622,588.72	585,692,594.95	564,300,367.26	115,014,816.41

(3) Liabilities in defined contribution plan for post-employment benefits

Item	Beginning balance	Increase in the current period	Payment in the current period	Ending balance
Basic pension insurance premium	1,379,014.93	9,661,213.29	7,412,687.08	3,627,541.14
Unemployment insurance premium	72,406.97	208,644.59	181,014.38	100,037.18
Corporate Annuity Payment				
Retirement savings (overseas)	5,233.76		5,233.76	
Total	1,456,655.66	9,869,857.88	7,598,935.22	3,727,578.32

(4) Dismissal benefits:

Item	Current payment amount	Unpaid amount payable at the end of the period
Dismissal benefits:	1,963,760.52	
Total	1,963,760.52	

(XXVII) Taxes payable

Tax Item	Ending balance	Beginning balance
corporate income tax	7,234,435.81	46,797,586.18
VAT	18,521,280.35	14,036,462.84
land holding tax	1,239,213.22	966,259.48
property tax	1,772,242.98	1,452,417.44
vehicle usage tax		
Urban maintenance and construction tax	682,402.27	1,071,311.88

Tax Item	Ending balance	Beginning balance
Education surcharge	401,692.54	356,395.96
Local education fee surcharge	267,795.03	241,268.07
Withholding and paying personal income tax	1,423,816.92	3,249,070.38
Special funds for water conservancy construction	19,681.32	6,179.12
Environmental tax	1,710.51	6,300.00
Other	999,048.05	69,799.39
Total	32,563,319.00	68,253,050.74

(XXVIII) Other payables

(1) Summary

Items	Ending balance	Beginning balance
Interest payable	1,131,769.28	759,456.98
Other payables	182,559,735.00	212,630,598.64
Total	183,691,504.28	213,390,055.62

(2) Interest payable

1) Presented by category

Items	Ending balance	Beginning balance
Interest on long-term bank loans	92,800.00	202,275.00
Interest on shrot-term bank loans	1,038,969.28	557,181.98
Total	1,131,769.28	759,456.98

2) Important overdue interest payment: None.

(3) Other payables

1) Presented by nature

Nature of amount	Ending balance	Beginning balance
Unit transaction	24,308,104.83	50,883,936.80
Personal account	2,447,348.12	2,062,713.75
Deposit, security deposit	2,956,244.06	4,537,021.45
Equity transfer		10,000,000.00
Accrued expenses	52,470,834.27	40,803,979.65
Equipment and engineering	68,126,810.62	64,918,539.05
Other	4,385,913.73	2,636,455.31

Nature of amount	Ending balance	Beginning balance
Consulting service fee	27,864,479.37	36,787,952.63
Total	182,559,735.00	212,630,598.64

2) Ending balance of significant other payables with the aging over 1 year

Item	Ending balance	Beginning balance
Guangdong Yingkaibang Law Firm	19,957,924.14	Not settled
Yantai Development Zone Jingyueda Machinery Equipment Co., Ltd.	9,059,829.06	Not settled
Shenyang Xinsong Robot Automation Co., Ltd.	5,784,000.00	Not settled
Nanjing Hongya Construction Group Co., Ltd.	2,333,661.51	Not settled
Beijing Golden Century Fengxiang Trading Co., Ltd.	1,893,000.00	Not settled
Total	39,028,414.71	

(XXIX) Non-current liabilities due within one year

Item	Ending balance	Beginning balance
Long-term loans due within 1 year	62,096,225.80	191,184,300.37
Long-term payables due within 1 year	27,901,911.15	472,730.00
interset		276,439.68
Total	89,998,136.95	191,933,470.05

(XXX) Other current liabilities

(1) Summary of other current liabilities

Item	Ending balance	Beginning balance
On-lending funds		42,000,000.00
Commercial draft that has been endorsed but not yet terminated	221,574,005.99	
Output tax to be resold	2,732,156.08	2,227,817.11
Total	224,306,162.07	44,227,817.11

(XXXI) Long-term loans

Category of loan conditions	Ending balance	Beginning balance	Interest rate range
Mortgage loan	77,000,000.00	12,859,871.28	4.00%-5.00%

Category of loan conditions	Ending balance	Beginning balance	Interest rate range
Credit loan	12,164,223.50	2,645,527.29	4.00%-5.00%
Total	89,164,223.50	15,505,398.57	

(XXXII) Long-term payables

(1) Summary

Item	Ending balance	Beginning balance
Long-term payables	27,066,993.04	
Special payables	8,743,937.18	10,377,027.18
Total	35,810,930.22	10,377,027.18

(2) Long-term payables

Presented by category

Classified by nature	Ending balance	Beginning balance
Finance lease payables	27,066,993.04	
Total	27,066,993.04	

(3) Special accounts payable:

Item	Beginning balance	Increase in the current period	Payment in the current period	Ending balance	Cause of formation
Special R&D Expenses	10,377,027.18		1,633,090.00	8,743,937.18	Customer R&D fee compensation
Total	10,377,027.18		1,633,090.00	8,743,937.18	

(XXXIII) Long-term employee compensation payable

Item	Ending balance	Beginning balance
Other long-term benefits	2,378,387.65	2,198,648.38
Total	2,378,387.65	2,198,648.38

(XXXIV) Estimated liabilities

Item	Ending balance	Beginning balance	Cause of formation
product quality assurance	79,359,171.64	92,681,087.29	Calculated based on the occurrence of sales and three guarantees

Item	Ending balance	Beginning balance	Cause of formation
Total	79,359,171.64	92,681,087.29	

(XXXV) Deferred revenues

Deferred revenues situation

Item	Beginning balance	Increase in the current period	Payment in the current period	Ending balance	Cause of formation
Government subsidy	33,188,436.14	6,128,600.00	3,825,492.19	35,491,543.95	Government subsidy
Total	33,188,436.14	6,128,600.00	3,825,492.19	35,491,543.95	

(XXXVI) Share capital

Item	Beginning balance	Increases and decreases of the current period (+, -)					Ending balance
		Share newly issued	Bonus shares issued	Transfer into Shares from Accumulation Funds	Others	Total	
I. Shares with trading limited	39,076,132.00				-39,038,407.00	-39,038,407.00	37,725.00
1. Share held by the state							
2. Share held by the state-own legal-person							
3. Share held by other domestic enterprise	39,076,132.00				-39,038,407.00	-39,038,407.00	37,725.00
Including: share held by domestic legal person	38,727,197.00				-38,727,197.00	-38,727,197.00	
Share held by domestic nature person	348,935.00				-311,210.00	-311,210.00	37,725.00
4. Share held by foreign enterprise							
Including: share held by foreign legal person							
Share held by foreign nature person							
II. Negotiable share without trading limited	3,092,283,285.00				39,038,407.00	39,038,407.00	3,131,321,692.00
1. CNY ordinary share	3,092,283,285.00				39,038,407.00	39,038,407.00	3,131,321,692.00
2.Foreign shares listed in domestic market							

Item	Beginning balance	Increases and decreases of the current period (+, -)					Ending balance
		Share newly issued	Bonus shares issued	Transfer into Shares from Accumulation Funds	Others	Total	
3.Foreign shares listed in oversea market							
4.Others							
Total shares	3,131,359,417.00						3,131,359,417.00

(XXXVII) Capital reserves

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
stock premium	868,498,368.58			868,498,368.58
Other capital reserves	28,267,858.35			28,267,858.35
Total	896,766,226.93			896,766,226.93

(XXXVIII) Other comprehensive income

Item	Beginning balance	Amount incurred in the current period						Ending balance
		Amount incurred before income tax in the current period Less	Deduct: included in other comprehensive income in the previous period and transferred to profit and loss in the current period	Deduct: included in other comprehensive income in the previous period and transferred to retained earnings in the current period	Deduct: income tax expense	Attributable to the parent company after tax	Attributable to minority shareholders after tax	
I.Other comprehensive income that cannot be reclassified into profit or loss								
1. Remeasure changes in defined benefit plans								
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method								
3. Changes in the fair value of other equity instrument investments								
4. Changes in fair value of the company's								

Item	Beginning balance	Amount incurred before income tax in the current period Less	Deduct: included in other comprehensive income in the previous period and transferred to profit and loss in the current period	Deduct: included in other comprehensive income in the previous period and transferred to retained earnings in the current period	Deduct: income tax expense	Attributable to the parent company after tax	Attributable to minority shareholders after tax	Ending balance
		Amount incurred in the current period						
own credit risk								
II.Other comprehensive income that will be reclassified into profit and loss	43,575,859.36	21,423,472.66				21,423,472.66		22,152,386.70
1. Other comprehensive income that can be converted to profit or loss under the equity method								
2. Changes in the fair value of other debt investments								
3. The amount of financial assets reclassified and included in other comprehensive income								
4. Other debt investment credit impairment								

Item	Beginning balance	Amount incurred in the current period						Ending balance
		Amount incurred before income tax in the current period Less	Deduct: included in other comprehensive income in the previous period and transferred to profit and loss in the current period	Deduct: included in other comprehensive income in the previous period and transferred to retained earnings in the current period	Deduct: income tax expense	Attributable to the parent company after tax	Attributable to minority shareholders after tax	
reserves								
5. The effective part of the cash flow hedge								
6. Translation differences of foreign currency financial statements	43,575,859.36	21,423,472.66				21,423,472.66		22,152,386.70
Total	43,575,859.36	21,423,472.66				21,423,472.66		22,152,386.70

(XXXIX) Surplus reserves

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Statutory surplus reserves	59,188,848.72			59,188,848.72
Total	59,188,848.72			59,188,848.72

(XL) Undistributed profits

Item	Amount for the current period	Amount for the previous period
The undistributed profit at the end of the previous period before adjustment	1,161,510,850.16	1,087,143,357.28
Total adjusted opening undistributed profits (with "+" for increase and "-" for decrease)		
Opening undistributed profits after adjustment	1,161,510,850.16	1,087,143,357.28
Plus: Net profits attributable to owners of parent company in the current period	-296,185,380.75	102,031,704.11
Less: Appropriation of statutory surplus reserve		27,664,211.23
Appropriation of discretionary surplus reserves		
Appropriation of general risk preparation		
Common stock dividends payable	12,522,660.71	
Common stock dividends transferred into capital		
Closing retained earnings	852,802,808.70	1,161,510,850.16

(XLI) Operating incomes and operating costs

Item	Amount incurred in the current period		Amount incurred in the previous period	
	revenues	costs	revenues	costs
Principle operating	3,586,284,296.99	3,108,970,826.59	3,008,019,951.58	2,436,261,419.85
Other operating	140,609,298.06	101,592,472.97	202,628,394.95	231,757,249.09
Total	3,726,893,595.05	3,210,563,299.56	3,210,648,346.53	2,668,018,668.94

2. Revenue generated by the contract

Contract classification	Total
Product types	
Air conditioning compressor	2,052,290,520.60
Air conditioning system	1,533,993,776.39
Classification by business area	

Contract classification	Total
Territory	2,540,797,497.17
Overseas	1,045,486,799.82
Customer type	
Vehicle manufacturer	3,034,258,410.15
After sales market	552,025,886.84
Type of contract	
Commodity sales contract	3,586,284,296.99
Time of commodity transfer	
Recognize revenue on time	3,586,284,296.99
Contract period	
Within one year	3,586,284,296.99
Distribution channel	
Direct selling	3,034,258,410.15
Sell on commission	552,025,886.84

3. Description of obligations

The company will fulfill the performance obligation when the customer obtains the control right of relevant goods.

The company clears warranty period in the contract. According to the legal requirement, the company should provide customers with quality assurance to ensure that the goods meet the prescribed requirements within the agreed period. The warranty does not charge any additional cost, customer can't separate negotiate with the company, and will not be purchased separately. Such warranties belong to the quality assurance category and do not constitute a single performance obligation.

4. Notes of remaining performance obligations

The amount of income corresponding to performance obligations contracted but not performed or completed at the end of this report is CNY 40,327,897.82, among which RMB 40,327,897.82 is expected to be recognized in 2021.

(XLII) Taxes and surcharges

Item	Amount incurred in the current period	Amount incurred in the previous period	Charging standard
Urban maintenance and construction tax	4,725,882.15	7,947,515.26	Refer to Note IV. Taxes for details
Education surcharge	3,748,694.07	5,673,521.17	Refer to Note IV. Taxes for details
property tax	5,282,207.80	4,759,613.76	Refer to Note IV. Taxes for

Item	Amount incurred in the current period	Amount incurred in the previous period	Charging standard
			details
land holding tax	4,465,658.83	4,131,452.86	Refer to Note IV. Taxes for details
vehicle usage tax	26,619.08	31,882.16	Refer to Note IV. Taxes for details
Stamp duty	2,138,080.05	1,610,463.60	Refer to Note IV. Taxes for details
Environmental tax	29,695.58	26,226.72	Refer to Note IV. Taxes for details
other	330,994.51	60,325.89	Calculated and paid according to relevant national regulations
Total	20,747,832.07	24,241,001.42	

(XLIII) Selling expenses

Item	Amount incurred in the current period	Amount incurred in the previous period
Warranty	80,828,315.44	80,172,274.75
Transportation costs	342,831.55	27,775,198.68
Storage fee	8,404,324.22	5,033,498.77
employee's salary	6,281,466.64	9,119,864.36
Marketing expenses	13,764,669.42	9,615,322.46
Business entertainment expenses	5,071,328.39	2,747,754.37
Travel expenses	4,439,535.79	3,351,202.42
Import and export agency fees		2,624,547.34
Exhibition promotion fee	34,716.98	543,611.24
advertising fee	218,865.71	98,192.00
conference fee	23,550.94	25,415.09
Maintenance and installation fee	1,675.85	
loading fee	254,557.79	220,915.47
Rental fees	810,682.71	2,652,180.34
other	4,183,016.87	3,703,346.15
Total	124,659,538.30	147,683,323.44

(XLIV) Administrative expenses

Item	Amount incurred in the current period	Amount incurred in the previous period
IT and communication fees	7,689,690.36	4,955,719.55
Office expenses	5,137,979.18	3,433,704.31
Travel expenses	8,822,340.41	7,171,152.50
Vehicle expenses and transportation expenses	1,550,456.94	2,264,650.63
Inventory loss and damage	14,730,303.13	
Amortization of low-value consumables	2,354,623.84	
conference fee	37,136.79	114,709.05
Labor fee	1,120,797.49	
Test and inspection fee	1,926,433.18	
Amortization of intangible assets	71,350,587.15	55,929,015.08
Property costs	6,852,152.51	4,185,596.39
Repair cost	16,108,544.52	12,976,412.44
Business Hospitality	5,560,498.26	4,400,345.54
Amortization of long-term deferred expenses	942,365.72	706,018.77
Depreciation	19,537,993.49	14,689,562.91
employee's salary	107,576,281.68	116,742,245.56
Intermediary agency fees	14,741,253.53	45,068,374.13
Consultation fee	5,274,856.37	6,172,225.06
Rental fees	12,678,934.30	2,577,025.97
insurance	1,676,311.25	
other	15,350,796.03	14,535,683.58
Total	321,020,336.13	295,922,441.47

(XLV) Research and development expenses

Item	Amount incurred in the current period	Amount incurred in the previous period
Personnel labor costs	82,710,749.10	41,002,485.63
Direct input cost	42,719,264.12	44,261,852.74
Depreciation expense	11,346,465.58	11,332,371.11
Amortization of intangible assets	110,529.12	103,931.64
New product design fee	15,262,653.93	867.80
Subcontract	5,789,903.91	8,864,939.48

Item	Amount incurred in the current period	Amount incurred in the previous period
other	15,723,305.77	4,277,120.12
Total	173,662,871.53	109,843,568.52

(XLVI) Financial expenses

Item	Amount incurred in the current period	Amount incurred in the previous period
Interest expense	32,231,981.67	27,316,804.67
Less: Interest income	21,685,765.13	10,745,076.72
Exchange gains and losses	-11,205,538.30	4,000,194.81
Others	17,533,386.22	11,851,609.35
Total	16,874,064.46	32,423,532.11

(XLVII) Other incomes

Item	Amount incurred in the current period	Amount incurred in the previous period
Government subsidy	24,816,587.44	12,619,602.25
Total	24,816,587.44	12,619,602.25

(XLVIII) Investment income

Item	Amount incurred in the current period	Amount incurred in the previous period
Long-term equity investment income calculated by the equity method	10,243,298.19	21,228,628.57
Investment income from the disposal of long-term equity investments		
Investment income during the holding period of financial assets that are measured at fair value and whose changes are included in the current profit and loss		
Investment income from disposal of financial assets that are measured at fair value and whose changes are included in the current profit and loss		
Entrust others to invest or manage the profit and loss of assets (financial management products)	916,855.45	265,539.73
Profit and loss arising from the debt restructuring process	-5,511,379.04	
Investment income from downstream trading	817,753.33	
Total	6,466,527.93	21,494,168.30

(XLIX) Gains from changes in fair value

Item	Amount incurred in the current period	Amount incurred in the previous period
Changes in the fair value of trading financial assets	-99,257.04	922,661.06
Total	-99,257.04	922,661.06

(L) Credit impairment loss

Item	Amount incurred in the current period	Amount incurred in the previous period
Loss on bad debt	-59,550,229.99	-57,458,110.87
Loss on other receivables	-5,896,262.09	5,405,391.18
Loss on notes receivable	-898,366.90	
Total	-66,344,858.98	-52,052,719.69

(LI) Asset impairment loss

Item	Amount incurred in the current period	Amount incurred in the previous period
1. Loss of bad debts		
2. Loss of inventory falling prices	-90,699,139.08	-20,201,348.14
3. Impairment loss of fixed assets	-3,456,933.42	-332,850.00
4. Impairment loss of construction in progress	-220,269.86	
5. Intangible assets impairment loss	-79,610,149.95	-5,806,918.08
6. Goodwill impairment loss	-15,952,847.89	-139,326,146.26
7. Impairment losses of other current assets	-973,187.11	
Total	-190,912,527.31	-165,667,262.48

(LII) Asset disposal income

Item	Amount incurred in the current period	Amount incurred in the previous period
Disposal of non-current assets	-848,940.63	-795,642.20
Total	-848,940.63	-795,642.20

(LIII) Non-operating incomes

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount included into non-recurring profits and losses
government subsidy	8,918,682.16	16,360,600.00	8,918,682.16
Expected guarantee loss reversal		308,574,962.56	

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount included into non-recurring profits and losses
other	4,241,265.37	3,394,275.32	4,241,265.37
Total	13,159,947.53	328,329,837.88	13,159,947.53

(LIV) Non-operating expenditures

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount recorded into non-recurring profits and losses
Total non-current asset retirement losses:	9,573,379.73	2,618,103.83	9,573,379.73
Including: Loss from scrapped fixed assets	9,573,379.73	2,618,103.83	9,573,379.73
Estimated guarantee loss			
External donation	124,681.21	13,441.35	124,681.21
Compensation expenditure	2,061,533.12	592,859.39	2,061,533.12
Refund of government subsidies			
other	452,605.57	44,502.25	452,605.57
Total	12,212,199.63	3,268,906.82	12,212,199.63

(LV) Income Taxes

(1) Income taxes expense statement

Item	Amount incurred in the current period	Amount incurred in the previous period
Income taxes expense	-68,838,619.61	-27,456,784.98
Including: current income taxes	25,106,629.03	14,267,210.68
Deferred Income Taxes	-93,945,248.64	-41,723,995.66

(2) Explanations to relationship between income taxes (profits) and accounting profits

Item	Amount incurred in the current period	Amount incurred in the previous period
Total profit	-366,609,067.69	74,097,548.93
Income tax expense calculated at statutory tax rate	-91,652,266.92	18,524,387.23
The impact of different tax rates applied to subsidiaries	-2,722,871.47	-7,532,227.15
Adjust the impact of income tax in previous periods	272,505.20	-2,987,599.64
Profit and loss attributable to joint ventures and associates	2,352,873.66	-2,790,466.12
Impact of non-taxable income	-833,501.44	

Item	Amount incurred in the current period	Amount incurred in the previous period
Enjoy the income tax impact of "exempt" and "reduction" in accordance with the tax law		-52,323.29
The impact of non-deductible costs, expenses and losses	4,848,582.93	2,870,034.50
Effect of deductible losses/temporary differences of deferred income tax assets that have not been recognized in the previous period	-1,969,216.02	
The effect of deductible temporary differences/losses recognized in deferred income tax assets in previous years but not eligible for reversal in this year	4,535,777.11	
The deferred income tax liabilities are recognized as taxable temporary differences in previous years and are reversed or reversed in the current year.	-8,447,149.45	
The impact of deductible temporary differences or deductible losses on unrecognized deferred income tax assets in the current period	37,847,503.36	49,854,724.55
R&D expenses plus deduction	-12,124,896.96	-10,627,820.86
The impact of tax rate changes on the balance of deferred income tax assets at the beginning of the period		2,137,851.62
Recognition in the current period and the impact of the loss/temporary difference of unrecognized deferred income tax assets in the previous period	-257,862.06	-464,307.43
The effect of deductible temporary differences of deferred income tax assets that have not been recognized in the previous period	-647,700.74	
Other	-40,396.81	-76,389,038.39
Total	-68,838,619.61	-27,456,784.98

(LVI) Items of the cash flow statement

1. Cash received relating to other operating activities

Item	Amount incurred in the current period	Amount incurred in the previous period
Guarantee deposit and litigation costs	49,631,997.04	337,466.21

Item	Amount incurred in the current period	Amount incurred in the previous period
Government subsidies	34,405,287.41	30,778,504.12
Bank interest income	15,226,709.63	3,403,469.19
Returned income tax	26,996,987.86	
Others and non-operating income	18,701,563.01	663,237.70
Total	95,330,547.91	35,182,677.22

2. Other cash paid regarding operating activities

Item	Amount incurred in the current period	Amount incurred in the previous period
Guarantee deposit and cash deposit		284,000,000.00
Fees expenses	316,511,684.37	109,192,385.05
Guarantee deposit and litigation costs		
Others and non-operating expense	35,198,484.78	94,784.33
Total	351,710,169.15	393,287,169.38

3. Other cash received regarding investing activities

Item	Amount incurred in the current period	Amount incurred in the previous period
earnings of the restricting deposit	916,855.45	832,409.88
Total	916,855.45	832,409.88

4. Other cash received regarding financing activities

Item	Amount incurred in the current period	Amount incurred in the previous period
Financing funds		137,000,000.00
Financing funds generated by sale and leaseback	45,500,000.00	
Financing bill discount	290,783,750.00	
Total	336,283,750.00	137,000,000.00

5. Other cash paid regarding financing activities

Item	Amount incurred in the current period	Amount incurred in the previous period
Payment of financing notes	170,000,000.00	
Deposit paid for loans	321,663,290.00	
Financing funds	42,000,000.00	95,000,000.00

Item	Amount incurred in the current period	Amount incurred in the previous period
Service charge of financing funds		697,500.00
Expense related to finance lease	4,187,500.00	
Total	537,850,790.00	95,697,500.00

(LVII) Supplementary information about cash flow statement

1. Supplementary information about cash flow statement

Item	*Amount incurred in* the current period	*Amount incurred in* the previous period
I. Reconciliation of net profits into cash flow from operating activities		
Net profits	-297,770,448.08	101,554,333.91
Plus: Provision for assets impairment loss	190,912,527.31	217,719,982.17
Credit impairment loss	66,344,858.98	
Depreciation of fixed assets, depletion of oil-and-gas assets and depreciation of productive biological assets	180,263,205.08	180,074,361.73
The accumulative amortization of investment property	884,719.08	
Amortization of intangible assets	83,977,376.50	66,418,028.44
Amortization of long-term deferred expenses	2,167,106.74	1,249,317.66
Loss from disposal of fixed assets, intangible assets and other long-term assets	848,940.63	795,642.20
(with "-" for profits)	9,573,379.73	2,618,103.83
Loss on retirement of fixed assets (with "-"for profit)	99,257.04	-922,661.06
Loss on change of fair value (with "-"for profit)	30,242,693.36	28,014,304.67
Financial expenses (with "-" for profit)	-11,160,153.64	-21,494,168.30
Loss on investment (with "-" for profit)	-73,763,440.36	-30,186,975.84
Decrease on deferred income tax asset (with "- for increase)	-20,181,808.28	-11,537,019.82
Increase on deferred income tax liabilities (with "-" for decrease)	-115,450,388.34	-54,099,624.56
Decrease on inventory (with "- for increase)	214,400,953.41	15,766,208.23
Decrease on operating receivables (with "-" for increase)	21,792,849.66	-362,175,451.34

Item	Amount incurred in the current period	Amount incurred in the previous period
Increase on operating payables (with "-" for decrease)		7,071,506.07
Others	283,181,628.82	140,865,887.99
Net cash flow from operating activities		
II. Investing and financing activities that do not involve cash receipts and payments:		
Transferring debts into capital		
Convertible bonds due within 1 year		
Fixed assets under financing lease		
III. Net increase in cash and cash equivalents:	240,487,667.58	175,234,513.44
Ending balance of cash	175,234,513.44	302,500,887.54
Less: Beginning balance of cash		
Plus: Ending balance of cash equivalents		
Less: Beginning balance of cash equivalents	65,253,154.14	-127,266,374.10

2. Net cash paid for obtaining subsidiaries in the current period: None

3. Net cash received from disposal of subsidiaries in the current period: None

4. Composition of cash and cash equivalents

Item	Ending balance	Beginning balance
I. Cash	240,487,667.58	175,234,513.44
Including: 1. Cash on hand	516,836.33	683,538.25
2. Deposit in bank available for payment at any time	239,970,831.25	174,550,975.19
3. Other monetary funds available for payment at any time		
4. Available amount due from central bank		
5. Amount due from other banks		
6. Amount for inter-bank lending		
II. Cash equivalents		
Including: Bond investment due within three months		
III. Ending balance of cash and cash equivalents	240,487,667.58	175,234,513.44
Including: Cash and cash equivalents that parent company or subsidiaries of the company are limited to use		

(LVIII) Assets with restricted ownership or right-of-use

Item	Carrying amount at the end of the reporting period	Reasons of restriction
Cash and Cash equivalents	659,424,584.61	Bail
Notes receivable	49,767,129.67	Pledge
Receivable for financing	229,588,726.08	Pledge
Fixed assets	231,560,976.96	Mortgage
Intangible assets	96,503,109.27	Mortgage
Total	1,266,844,526.59	

VII. Changes of consolidation scope

Compared with the previous period, two new subsidiaries were added in the scope of consolidation in this period. This is due to the newly established subsidiaries AI Turkey and AI Brazil in this period; AI Turkey has not yet started business, and AI Brazil has already started business.

VIII. Rights and Interest in Other Entities

1. Rights and Interest in subsidiaries

Name of subsidiary	principal place of business	Registration place	Nature of business	Shareholding ratio (%) Direct	Indirect	Proportion of voting rights (%)	Ways of obtaining
Nanjing Aotecar New Energy Technology Co., Ltd.	Nanjing	103 Daming Road, Qinhuai District, Nanjing	New energy technology development, manufacturing, and sales of fluorine-free environmentally friendly refrigeration products	100.00		100.00	Non-identical control
Nanjing Aotecar Changheng Casting Co., Ltd.	Nanjing	No. 11, Ningyang Street, Hengxi Street, Jiangning District, Nanjing	Aluminum alloy casting production		100.00	100.00	Non-identical control
Nanjing Aotecar Xiangyun Refrigerator Co., Ltd.	Nanjing	Industrial Concentration Zone, Moling Street, Jiangning District, Nanjing	Manufacturing and sales of automotive air conditioners		100.00	100.00	Non-identical control
Nanjing Aotecar Electric Compressor Co., Ltd.	Nanjing	No. 8, Mozhou East Road, Moling Street, Jiangning District, Nanjing	Design, production, sales and technical services of electric compressors and their accessories and auto parts		100.00	100.00	set up
Nanjing Aoveac New Energy Technology Co., Ltd.	Nanjing	8th Floor, Comprehensive R&D Building, 162 Guanghua Road, Qinhuai District, Nanjing	New energy technology development and trade		51.02	51.02	Non-identical control

Name of subsidiary	principal place of business	Registration place	Nature of business	Shareholding ratio (%) Direct	Indirect	Proportion of voting rights (%)	Ways of obtaining
Nanjing Aotecar Trading Service Co., Ltd.	Nanjing	103 Daming Road, Qinhuai District, Nanjing	Own house leasing and property management;		100.00	100.00	set up
Zhejiang Longstar Compressor Co., Ltd.	Longquan	Lot 1 and 2 of Luotou Block, Longquan Industrial Park, Zhejiang Province	Manufacturing and sales of compressors		93.00	93.00	Non-identical control
Shanghai Shengyou Investment Co., Ltd.	Shanghai	Room B2, 2nd Floor, Building 2, No. 317, Meigui North Road, China (Shanghai) Pilot Free Trade Zone	Investment management		100.00	100.00	set up
Aotecar Investment (Hong Kong) Co., Ltd.	Hongkong	UNIT 17,9/F Tower A New Mandarin Plaza NO.14 Science Musemum RD TST KL	New energy technology development, equity investment		100.00	100.00	set up
Air International Thermal (Luxembourg) S.A.R.L.	Luxembourg	25A, Boulevard Royal, L-2449 Luxembourg	Investment industry		100.00	100.00	Non-identical control
Air Systems, S. de R.L. de C.V.	Mexico	Fernando Montes de Oca 126, Col. Condesa, Del. Cuauhtemoc, ZC 06140, in Mexico City, Federal District	Investment industry		100.00	100.00	Non-identical control
Air International Thermal Systems (DE) GmbH	Germany	De-Saint-Exupéry-Stra?e 8, Condor Platz, 60549 Frankfurt am Main	Investment industry		100.00	100.00	Non-identical control
Air International Thermal (Belgium)	Belgium	Louizalaan 331-333, 1050 Brussels, Belgium	Investment industry		100.00	100.00	Non-identical control
Air International Thermal (China) Pty Ltd	Australia	50-80 Turner Street, Port Melbourne, VIC 3207, Australia	Investment industry		100.00	100.00	Non-identical control

Name of subsidiary	principal place of business	Registration place	Nature of business	Shareholding ratio (%) Direct	Indirect	Proportion of voting rights (%)	Ways of obtaining
Huxley Holdings Limited	Mauritius	c/o Cimglobal Business, 33 Edith Cavell Street, Port Louis, Mauritius	Investment industry		100.00	100.00	Non-identical control
Air Conditioning International (Shanghai) Co., Ltd.	Shanghai	No. 108, Chunguang Road, Xinzhuang Industrial Zone, Minhang District, Shanghai	manufacturing		100.00	100.00	Non-identical control
Shanghai Air Conditioning International Nantong Co., Ltd.	Nantong	666 Wenchang Road, Nantong High-tech Industrial Development Zone	manufacturing		100.00	100.00	set up
Hainan Air Inte Air Conditioning Co., Ltd.	Hainan	Haima (Phase II) Industrial Park M-25, Haikou High-tech Zone	manufacturing		100.00	100.00	Non-identical control
Chengdu ATS Thermal System Co., Ltd.	Chengdu	The second bridge on the west side of the No.1 plant, No. 298, Nansi Road, Chengdu Economic and Technological Development Zone (Longquanyi District), Sichuan Province	manufacturing		100.00	100.00	set up
Chuzhou ATS Thermal System Co., Ltd.	Chuzhou	No. 6, Jiangpu Road, Chahe Economic Development Zone, Lai'an County, Chuzhou City, Anhui Province	manufacturing		100.00	100.00	set up
AIGL International Pty Ltd	Australia	50-80 Turner Street, Port Melbourne, Victoria 3207, Australia	Investment industry		100.00	100.00	Non-identical control
Air International Thermal (Australia) Pty Ltd	Australia	50-80 Turner Street, Port Melbourne, VIC 3207, Australia	trading		100.00	100.00	Non-identical control

Name of subsidiary	principal place of business	Registration place	Nature of business	Shareholding ratio (%) Direct	Indirect	Proportion of voting rights (%)	Ways of obtaining
ATS Thermal System Research and Development (Shanghai) Co., Ltd.	Shanghai	Room 106, No. 28, Lane 259, Tiandeng Road, Xuhui District, Shanghai	R & D Center		100.00	100.00	Non-identical control
AITS Australia Pty Ltd	Australia	Air International Thermal Systems, 50-80 Turner Street, Port, Melbourne VIC 3207, Australia	Investment industry		100.00	100.00	Non-identical control
Air International Thermal Systems (Thailand) Ltd	Thailand	500/46 Moo 3, Hemaraj Eastern Seaboard Industrial Estate, Tasit Sub-district, Pluakdaeng District, Rayong Province, Thailand	manufacturing		100.00	100.00	Non-identical control
AITS US Inc.	America	2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle, Delaware 19808, USA	Investment industry		100.00	100.00	Non-identical control
Air International Thermal (US) Subsidiary Inc.	America	2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle, Delaware 19808, USA	Investment industry		100.00	100.00	Non-identical control
Air International (US) Inc.	America	2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle, Delaware 19808, USA	manufacturing		100.00	100.00	Non-identical control
Air international Thermal (Usited Kingdom) Limited	U.K	ÁC Diplomat, Palisády 29/A, Bratislava 811 06	Mainly produce automobiles, engines, vehicle accessories and equipment		100.00	100.00	set up

Name of subsidiary	principal place of business	Registration place	Nature of business	Shareholding ratio (%) Direct	Indirect	Proportion of voting rights (%)	Ways of obtaining
Air international Thermal (Slovakia) s.r.o.	Slovakia	10 Norwich Street, London, United Kingdom, EC4A 1BD	Engineering design and industrial manufacturing		100.00	100.00	set up
Autoca New Energy Technology (Shanghai) Co., Ltd.	Shanghai	Room J10, No.185 Moyu Road, Anting Town, Jiading District, Shanghai	New energy technology research and development, technical services; trade		100.00	100.00	Non-identical control
Kunshan Aoteca New Energy Technology Co., Ltd.	Kunshan	Room 6, No. 1, Jinjie Road, Huaqiao Town, Kunshan City	New energy technology research and development, technical services; trade		100.00	100.00	Non-identical control
Anhui Aotejia Technology Development Co., Ltd.	Chuzhou	No.669, Shuangying Avenue, Wuyi Park, Nanqiao Industrial Development Zone, Chuzhou City	Production of various compressors and air-conditioning system products		100.00	100.00	Non-identical control
Chuzhou Aotejia Trading Service Co., Ltd.	Chuzhou	No.669, Shuangying Avenue, Wuyi Park, Nanqiao Industrial Development Zone, Chuzhou City	Sales and technical services of mechanical and electrical products and auto parts		100.00	100.00	Non-identical control
Chuzhou Aotejia Casting Co., Ltd.	Chuzhou	No.669, Shuangying Avenue, Wuyi Park, Nanqiao Industrial Development Zone, Chuzhou City, Anhui Province	Metal casting product production		100.00	100.00	set up
Chuzhou Aotejia New Energy Technology Co., Ltd.	Chuzhou	No.669, Shuangying Road, Wuyi Park, Nanqiao Industrial Development Zone, Chuzhou City, Anhui Province	R&D, production and sales of automotive air-conditioning compressors and air-conditioning systems		100.00	100.00	set up

Name of subsidiary	principal place of business	Registration place	Nature of business	Shareholding ratio (%) Direct	Indirect	Proportion of voting rights (%)	Ways of obtaining
Maanshan Aotejia Electromechanical Co., Ltd.	Maanshan	Fumin Road, Special Steel Industrial Park, Danyang Town, Bowang District	Metal casting product production		100.00	100.00	Non-identical control
Maanshan Aotejia Technology Co., Ltd.	Maanshan	Special Steel Industrial Park, Fumin Road, Danyang Town, Bowang District, Ma'anshan City	New energy technology development, research and development, manufacturing and sales of auto parts and other electronic products		100.00	100.00	set up
Maanshan Aotejia Compressor Co., Ltd.	Maanshan	Danyang Industrial Park, Danyang Town, Bowang District, Ma'anshan City	Compressor and refrigeration equipment manufacturing, processing, assembly and sales		100.00	100.00	set up
Tibet Xinyu Investment Co., Ltd.	Lhasa	Room 08, 2nd Floor, Liuwu Building, Liuwu New District, Lhasa	Equity investment; investment management		100.00	100.00	set up
Aotejia (Morocco) New Energy Technology Co., Ltd.	Morocco	ATLANTIC FREE ZONE /ZONE FOURNISSEURS RN4 LOT I 25 , Kénitra	manufacturing		100.00	100.00	set up
Aotejia (Malaysia) Sdn Bhd	Malaysia	NO. 212 (2ND FLOOR), JALAN PJU 8/3, PERDANA BUSINESS CENTRE, BANDAR DAMANSARA PERDANA, 47820 PETALING JAYA SELANGOR MALAYSIA	manufacturing		100.00	100.00	set up
Tibet Aotejia Investment Co., Ltd.	Lhasa	Room 07, 2nd Floor, Liuwu Building, Liuwu New District, Lhasa	Equity investment; investment management	100.00		100.00	set up

Name of subsidiary	principal place of business	Registration place	Nature of business	Shareholding ratio (%) Direct	Indirect	Proportion of voting rights (%)	Ways of obtaining
Mudanjiang Fortis Automotive Air Conditioning Co., Ltd.	Mudanjiang	West Shitiao Road, Xi'an District, Mudanjiang City, Heilongjiang Province	Production and sales of automobile air-conditioning compressors and their systems	100.00		100.00	Non-identical control
Shiyan Pine Fortis Compressor Co., Ltd.	Shiyan	1-1, Building 1, No. 3A, Jiangjiashan Road, Maojian District (Bailang), Shiyan City	R&D, manufacturing and sales of automobile air-conditioning compressors and parts		51.00	51.00	set up
AİR İNTERNATİONAL TERMAL SİSTEMLERİ ANONİM ŞİRKETİ	Turkey	MASLAK MAHALLESİ SÜMER SK. NO: 4/2 Kar Plaza SARIYER/İSTANBUL 'dir	manufacturing		100.00	100.00	set up
AIR INTERNATIONAL THERMAL CLIMATIZACAO O BRASIL LTDA	Brazil	RODOVIA MARIO TONOLI ,GUACURI ,ITUPEVA	manufacturing		100.00	100.00	set up

2. Rights and Interest in joint venture arrangements or joint ventures: None.

3. Investment entities: None.

4. Rights and Interests in a joint venture:

Joint venture or Associate	Principal place of business	Registration	Business nature	Shareholding ratio (%) Direct	indirect	Accounting treatment method
I.Joint ventures						
1.South AIR Inernational	China	Building 1-4, No. 1, Gaobaohu Road, Shuangfengqiao Street, Yubei District, Chongqing	manufacturing		50.00	Equity method
2.AI TTR	India	235/245,Village Hinjewadi, Taluka Mulshi, Pune, Maharashtra, India, 411027	manufacturing		50.00	Equity method
II.Associate						
1.Hengxinrong	China	No. 3, West Terrace, Dachaidan Town, Dachaidan Administrative Committee, Haixi Prefecture, Qinghai Province	Scientific research and technical service industry		6.90	Equity method

5. Rights and Interests of structured entities which is not included in the scope of consolidated financial statements: None.

IX. Risk Related to Financial Instruments

The company's goal in risk management is to strike a balance between risk and reward, minimizing the negative impact of risk on the company's performance, maximizing the interests of shareholders and other equity investors. Based on this risk management objective, the basic strategy of the company's risk management is to identify and analyze the various risks that the company is facing, establishing the appropriate risk-taking baselines and risk management, and timely and reliable make supervision to various risks, controlling risks within limits.

The company's main financial instruments, except for derivatives, include bank loans, currency funds and so on. The main purpose of these financial instruments is to finance the operation of the company. The company has a variety of other financial assets and liabilities, such as accounts receivable and accounts payable, which are directly generated by business operations. The Company's main risks related to financial instruments are credit risk, liquidity risk and market risk.

1. Classification of Financial Instruments

(1) The book value of various types of financial assets on the balance sheet date is as follows:

Financial Asset item	Ending balance			
	financial assets measured at amortized cost	Financial assets at fair value through profits and losses	Financial assets at fair value through other comprehensive income	Total
Cash & cash equivalents	899,912,252.19			899,912,252.19
Trading financial assets		672,063.61		672,063.61
Notes receivable	346,895,240.92			346,895,240.92
Accounts receivable financing			331,166,359.38	331,166,359.38
Accounts receivable	1,092,582,962.60			1,092,582,962.60
Other receivables	59,601,286.84			59,601,286.84
Other equity investments			10,000,000.00	10,000,000.00

Continued:

Financial Asset item	Beginning balance			
	financial assets measured at amortized cost	Financial assets at fair value through profits and losses	Financial assets at fair value through other comprehensive income	Total
Cash & cash equivalents	660,722,103.09			660,722,103.09
Trading financial assets		30,355,790.91		30,355,790.91
Accounts receivable financing			683,521,929.61	683,521,929.61
Accounts receivable	943,394,265.33			943,394,265.33
Other receivables	57,254,358.99			57,254,358.99

(2) The book value of various types of financial liabilities on the balance sheet date is as follows:

Financial Liabilities item	Ending balance		
	Financial liabilities at fair value through profits and losses	Other financial liabilities	Total
Short-term loan		682, 590, 154. 39	682, 590, 154. 39
Notes payable		714, 632, 804. 24	714, 632, 804. 24
Accounts payable		1, 082, 286, 301. 96	1, 082, 286, 301. 96
Other payables		183, 691, 504. 28	183, 691, 504. 28
Non-current liabilities due		89, 998, 136. 95	89, 998, 136. 95

Financial Liabilities item	Ending balance		
	Financial liabilities at fair value through profits and losses	Other financial liabilities	Total
within one year			
Long-term payables		89, 164, 223. 50	89, 164, 223. 50

Continued:

Financial Liabilities item	Beginning balance		
	Financial liabilities at fair value through profits and losses	Other financial liabilities	Total
Short-term loan		431,490,007.19	431,490,007.19
Notes payable		702,933,322.15	702,933,322.15
Accounts payable		919,133,239.91	919,133,239.91
Other payables		213,390,055.62	213,390,055.62
Non-current liabilities due within one year		191,933,470.05	191,933,470.05
Long-term payables		15,505,398.57	15,505,398.57

2. Credit risks

As of December 31, 2020, the largest credit risk exposure that may cause the company's financial losses mainly comes from the loss of the company's financial assets caused by the failure of the other party to the contract, including:

The book value of the financial assets confirmed in the consolidated balance sheet; for financial instruments measured at fair value, the book value reflects their risk exposure, but not the maximum risk exposure. The maximum risk exposure will change in the future. Changes in fair value. In order to reduce credit risk, the company controls credit lines, conducts credit approvals, and implements other monitoring procedures to ensure that unnecessary measures are taken to recover overdue claims. In addition, the company makes adequate provision for bad debts based on the recovery of accounts receivable on each balance sheet date. Therefore, the management of the company believes that the credit risk assumed has been greatly reduced.

In addition, the company's monetary funds are deposited in banks with higher credit ratings, so the credit risk of monetary funds is low.

3. Liquidity risk

To manage liquidity risk, the company maintains and monitors the cash and cash equivalents deemed sufficient by the management to meet the company's operating needs and reduce the impact of cash flow fluctuations.

The management of the company believes that the liquidity risk borne by the company is relatively low and does not have a significant impact on the company's operations and financial statements. The financial statements are prepared on the basis of continuing operations assumptions.

The financial assets and financial liabilities held by the company are based on the maturity period of the undiscounted remaining contractual obligations, except for borrowings and financial lease payables, within 6 months, short-term borrowings (including unexpired interest payable) contracts The maturity period of the obligation is CNY 772,590,154.39 within 6 months, and CNY 230,000,000.00 for 6-12 months. The maturity period of the long-term loan contract obligation is CNY 21,000,000.00 within 6 months and CNY 130,260,449.30 for more than 6 months.

4. Market risk

Market risk refers to the risk that the fair value of financial instruments or future cash flows fluctuate due to market price changes. Market risk mainly includes interest rate risk, foreign exchange risk and other price risk, such as equity instrument investment price risk.

(1) Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows will fluctuate due to changes in market interest rates. The interest rate risk faced by the company mainly comes from long-term bank loans and short-term loans. The company's current policy is to determine the relative proportions of fixed-rate and floating-rate contracts based on the prevailing market environment. In order to maintain this ratio, the company may use interest rate swaps to achieve the expected interest rate structure. Although this policy does not enable the company to completely avoid the risk of paying interest rates exceeding current market interest rates, nor can it completely eliminate the cash flow risks associated with fluctuations in interest payments, the management believes that the policy achieves a reasonable balance between these risks.

The following table is the sensitivity analysis of interest rate risk, which reflects the impact on net profit (through the impact on floating-rate borrowing) and shareholder equity under the assumption that other variables remain unchanged, when a reasonable and possible change in interest rate occurs.

	Current period		
Item	**Base point increase/(decrease)**	**Increase/(decrease) in total profit**	**Increase/(decrease) in shareholders' equity**
CNY	1.00%	1,050,000.00	1,050,000.00
USD	1.00%		

Continued

Item	Last period		
	Base point increase/(decrease)	Increase/(decrease) in total profit	Increase/(decrease) in shareholders' equity
CNY	1.00%	1,487,500.00	1,487,500.00
USD	1.00%	1,094,076.74	1,094,076.74

(2) Exchange-rate risks

The risk of foreign exchange changes faced by the company is mainly related to the company's operating activities (when income and expenditure are settled in a foreign currency different from the company's functional currency) and its net investment in overseas subsidiaries.

The exchange rate risks faced by the company mainly come from the following two aspects:

For companies operating in China, the main risk comes from exchange differences caused by the holding of foreign currency monetary funds and financial assets and financial liabilities denominated in non-booking currency when exchange rates fluctuate;

For companies operating outside of China, the main risks come from the depreciation of overseas assets caused by fluctuations in the exchange rate of the bookkeeping currency and the decline in reporting profits when they are converted into equivalent RMB.

The following table shows the sensitivity analysis of exchange rate risk, which reflects the impact on net profit and shareholder equity when the exchange rate changes reasonably and possible under the assumption that other variables remain unchanged.

1)Companies operating in China

Item	Current period		
	Exchange rate increase/(decrease)	Increase/(decrease) in total profit	Increase/(decrease) in shareholders' equity
CNY/USD	1.00%	481,211.49	481,211.49
CNY/EUR	1.00%	563,123.63	563,123.63
CNY/AUD	1.00%	15.91	15.91
CNY/GBP	1.00%	72.36	72.36
CNY/JPY	1.00%	0.73	0.73
CNY/HKD	1.00%	0.78	0.78
CNY/INR	1.00%	7,749.66	7,749.66
CNY/IDR	1.00%	0.03	0.03

Continued

Item	Last period		
	Exchange rate increase/(decrease)	Increase/(decrease) in total profit	Increase/(decrease) in shareholders' equity
CNY/USD	1.00%	319,988.58	319,988.58
CNY/EUR	1.00%	273,238.97	273,238.97
CNY/AUD	1.00%	15.49	15.49
CNY/GBP	1.00%	74.47	74.47
CNY/JPY	1.00%	0.74	0.74
CNY/HKD	1.00%	0.83	0.83
CNY/INR	1.00%	8,477.00	8,477.00
CNY/IDR	1.00%	0.03	0.03

2)Companies operating outside of China

Item	Current period		
	Exchange rate increase/(decrease)	Increase/(decrease) in total profit	Increase/(decrease) in shareholders' equity
CNY/USD	1.00%	70,263,500.93	70,263,500.93
CNY/EUR	1.00%	5,859,253.49	5,859,253.49
CNY/AUD	1.00%	3,147,808.52	3,147,808.52
CNY/GBP	1.00%	1,926,278.62	1,926,278.62
CNY/THB	1.00%	14,010.02	14,010.02
CNY/MAD	1.00%	16,842.27	16,842.27
CNY/PHP	1.00%	-20,021.15	-20,021.15

Continued

Item	Last period		
	Exchange rate increase/(decrease)	Increase/(decrease) in total profit	Increase/(decrease) in shareholders' equity
CNY/USD	1. 00%	10, 532, 617. 20	10, 532, 617. 20
CNY/EUR	1. 00%	5, 037, 066. 08	5, 037, 066. 08
CNY/AUD	1. 00%	3, 052, 004. 16	3, 052, 004. 16
CNY/GBP	1. 00%	7, 478. 60	7, 478. 60
CNY/THB	1. 00%	2, 034, 688. 86	2, 034, 688. 86
CNY/MAD	1. 00%	102, 536. 90	102, 536. 90
CNY/PHP	1. 00%	-15, 359. 01	-15, 359. 01

(3) Investment price risk of equity instruments

The price risk of equity instrument investment refers to the risk that the fair value of equity securities is reduced due to changes in the stock index level and the value of individual securities. 5. Capital management.

X. Capital management

The main goal of the company's capital management is to ensure the company's ability to continue operations and maintain a healthy capital ratio to support business development and maximize shareholder value.

The company manages the capital structure and adjusts it according to changes in the economic situation and the risk characteristics of related assets. In order to maintain or adjust the capital structure, the company may adjust the distribution of profits to shareholders, return capital to shareholders or issue new shares. The company is not subject to external mandatory capital requirements. In 2020 and 2019, there is no change in capital management objectives, policies or procedures.

The company uses a leverage ratio to manage capital. The leverage ratio refers to the ratio of interest-bearing liabilities (excluding long-term payables and outstanding interest payable) and adjusted capital plus interest-bearing liabilities. The company's leverage ratio at the balance sheet date is as follows

Item	Ending balance or Ending ratio	Beginning balance or Beginning ratio
Short-term loan	682,590,154.39	431,368,690.52
Long-term loan	89,164,223.50	15,505,398.57
Non-current liabilities due within one year	62,096,225.80	191,184,300.37
Subtotal of interest-bearing liabilities	833,850,603.69	638,058,389.46
Adjusted capital	4,968,190,654.78	5,299,907,236.23
Plus: interest-bearing liabilities	833,850,603.69	638,058,389.46
Total interest-bearing liabilities and capital	5,802,041,258.47	5,937,965,625.69
Leverage ratio	14.37%	10.75%

XI. Fair Value

Fair value refers to the price that a market participant can receive or transfer a debt by selling an asset in an orderly transaction on the measurement day.

The following methods and assumptions are used to estimate fair value.

Cash & cash equivalents, notes receivable, accounts receivable, notes payable, accounts payable, etc., because the remaining period is not long, the fair value and book value are equal.

Non-listed holding to maturity investment, long-term receivables, long-term and short-term loans, bonds payable and so on, use the discount method of future cash flow to determine the fair value, and take the market rate of return of other financial instruments with the same contract terms and characteristics as the discount rate.

The fair value of listed financial instruments is determined by market quotation.

The fair value adopted by the company is measured at the following levels:

The first level of input value is that an enterprise can obtain unadjusted quotations of the same assets or liabilities in the active market on the measurement day;

The input value of the second level is the direct or indirect observable input value of related assets or liabilities except the input value of the first level;

The third level of input value is the unobservable input value of related assets or liabilities. The third level of input value includes interest rate, stock volatility, future cash flow of abandonment obligation in merger, financial forecast made by enterprises using their own data which can not be directly observed and verified by observable market data.

	Fair value at the end of the period			
	The first level of input value	**The second level of input value**	**The third level of input value**	**Total**
Continuous fair value measurement		652,063.61	341,186,359.38	341,838,422.99
1.Transactional financial assets		652,063.61	20,000.00	672,063.61
1)Structured deposits			20,000.00	20,000.00
2)Equity instrument investment		652,063.61		652,063.61
2)Financing of accounts receivable			331,166,359.38	331,166,359.38
3)Other debt investments				
4)Investment in other equity instruments			10,000,000.00	10,000,000.00
Total		652,063.61	341,186,359.38	341,838,422.99

XII. Related Party Relationship and Transactions

1. Criteria for recognition of related party: Parties are considered to be related when one controls, jointly controls or significantly influences the other or two or above parties are under the common control,

joint control or significant influence.

2. Related information of parent company of the Company

Name of parent company	Company type	Registration place	Legal representative	Business nature	Registered Capital
Jiangsu Tianyou Jingan Investment Co., Ltd..	Private company	No. 135-3, Daming Road, Qinhuai District, Nanjing	Zhang Yongming	Leasing and business services	CNY 10 million

Continued

Shareholding ratio of the parent company to the Company (%)	Voting ratio of the parent company to the company (%)	Ultimate controlling party of the Company	Organization Code
11.30	11.30	Zhang Yongming	05799138-6

3. Subsidiaries of the Company

For details of the company's subsidiaries, please refer to "VIII. Rights and Interest in Other Entities"

4. Information of other related parties of the Company, please refer to "VIII. Rights and Interest in Other Entities"

5. Transactions of related parties

(1) Statement of purchase of commodities/receiving of labor services

Name of company	Contents of concerned transaction	Amount incurred in the current period	Amount incurred in the previous period
South AIR Inernational Co., Ltd.	Accept labor	552,050.55	2,698,248.60
Air International TTR Thermal Systems Limited	Purchase goods	28,110.23	
Air International TTR Thermal Systems Limited	Accept labor	2,051,457.24	
Shiyan Pine Meisheng Automobile Air Conditioning Compressor Co., Ltd.	Purchase goods		71,404.62

(2) Sales of goods or provided labor status table

Name of company	Contents of concerned transaction	Amount incurred in the current period	Amount incurred in the previous period
South AIR Inernational Co., Ltd.	Providing services	1,159,962.00	
Air International TTR Thermal Systems Limited	Sale of goods	12,135,106.09	1,652,346.84

(3) Fund lending among related parties: None

6. Receivable and payable of related parties

(1) Receivables to related parties

Item	Related party	Closing Book Amount	Opening Book Amount
Accounts receivables	South AIR Inernational Co., Ltd.	555,319.40	532,264.48
Accounts receivables	Air International TTR Thermal Systems Limited	1,824,713.21	1,802,649.15
Accounts receivables	Shiyan Pine Meisheng Automobile Air Conditioning Compressor Co., Ltd.	1,051,791.35	1,284,944.00
Other receivables	South AIR Inernational Co., Ltd	327,079.64	1,893,978.23
Other receivables	Air International TTR Thermal Systems Limited	555,319.40	448,642.64

(2) Payables to related parties

Item	Related party	Closing Book Amount	Opening Book Amount
Accounts Payables	South AIR Inernational Co., Ltd.	1,080,534.57	16,295.10
Accounts Payables	Mudanjiang Huatong Auto Parts Co., Ltd.		2,794.25
Other Payables	Shiyan Pine Meisheng Automobile Air Conditioning Compressor Co., Ltd.	228,455.48	221,255.48
Other Payables	Air International TTR Thermal Systems Limited	829,763.27	
Other r Payables	South AIR Inernational Co., Ltd	629,922.01	
Other Payables	He Bing	12,000.00	

XIII. Share-based payment

None.

XIV. Commitments and Contingency

1. Significant commitment: None

2. Contingency:

In January 2021, Shanghai Autocar, a subsidiary of the company, filed a request for repayment of the purchase price from Shanghai Fuyousaier Automotive Engineering Co., Ltd. due to a dispute over the sale and purchase contract. The amount involved was CNY 4,941,352.43. On March 1, 2021, Shanghai Autocar, a subsidiary of the company, received a civil judgment from the People's Court of Jiading District, Shanhai City (2021) Hu 0114 Min Chu 1581, ruling Shanghai Fuyou Ser Automotive Engineering Co., Ltd. to repay the purchase price of CNY 4,941,352.43.

XV. Subsequent events after Balance Sheet Date

1.Important non-adjusting matters

1)Equity incentives

On March 19, 2021, the company held the 27th meeting of the Fifth Board of Directors and the 17th Meeting of the Fifth Board of Supervisors and passed the resolution of First Award of Stock Options to Personnel as incentive objects. March 19 was the first award day, and a total of 50,096 million companies were awarded to Ding Tao, Zhou Jianguo, Rao Bingxiao, Dou Haitao, Zhu Guang, and senior management personnel, core technical personnel and business backbone personnel of the subsidiaries, and other incentive objects totaling 65 people. Stock options. The first grant registration of the above-mentioned stock option incentive plan was completed on March 30, 2021, and the stock option exercise price was CNY4.92 per share.

2) Shareholders' equity freeze

As of the reporting date, shareholders Mr. Wang Jinfei and Jiangsu Dio Holding Group Co., Ltd. were involved in litigation due to their own debt disputes. Wang Jinfei held 273,545,049.00 shares in the company and Jiangsu Dio Holding Group Co., Ltd. held 74,696,915.00 shares., were ordered to be frozen by the court, and its disposal depends on the judicial decisions of the courts. The above-mentioned shares account for 11.12% of the company's total share capital.

XVI. Other Significant Matters

1.Foreign currency conversion

The company's 2020 foreign exchange gain included in the current profit and loss is CNY11,205,538.30.

2. Lease

Operating lease assets leased out by lessors:

Item	Ending balance	Beginning balance
Buildings	19,862,626.82	17,320,985.87
Mechanical equipment	133,764.67	1,439,700.51
Land-use rights	2,436,724.61	5,098,509.29
Others	515,024.83	
Total	22,948,140.93	23,859,195.67

3. Pledge of stocks of the actual controller of the company

Shareholder	Shares held		Pledged shares		
	Number	Percentage of total shares	Number	Percentage of holdings	Percentage of total shares
Beijing Tianyou Investment Co., Ltd.	289,438,596.00	9.24%	276,999,995.00	95.70%	8.85%
Jiangsu Tianyou Jingan Investment Co., Ltd.	81,832,788.00	2.61%	30,000,000.00	36.66%	0.96%

XVII. Notes to The Company financial statement items

1. Accounts receivable

(1) Disclosure by Aging

Aging	Ending book balance
Within credit term	
Within 1 year (including 1 year) after the credit term	
1-2 years after the credit term (including 2 years)	
2-3 years after the credit term (including 3 years)	
Subtotal of book value	
Provision for bad debts	
Total	

(2) Disclosure by the bad debt provision method classification

Category	Ending balance				
	Book balance		Provision of bad debts		Book value
	Amount	Percentage (%)	Amount	Percentage of provision (%)	
Single provision for bad debts					
Receivables which bad debts are provided by groups of credit risk characteristics					
Total					

Continued:

Category	Beginning balance				
	Book balance		Provision of bad debts		Book value
	Amount	Percentage (%)	Amount	Percentage of provision (%)	
Single provision for bad debts	5,839,410.00	84.99			5,839,410.00
Receivables which bad debts are provided by groups of credit risk characteristics	1,031,194.87	15.01	55,870.09	5.42	975,324.78
Total	6,870,604.87	100.00	55,870.09		6,814,734.78

Provision of bad debts by single item: None.

Provision of bad debts by combination:None

(3) Conditions of bad debts provision

Category	Beginning balance	Amount of change in the current period				Ending balance
		Provision	Accrued recovered or reversed	Reversed or collected	Other changes	
Receivables which bad debts are provided by groups of credit risk characteristics	55, 870. 09		55, 870. 09			
Single provision for bad debts		456, 242. 85		456, 242. 85		
Total	55, 870. 09	456, 242. 85	55, 870. 09	456, 242. 85		

Significant provisions reversed or collected during current period: None.

(4) Receivables actually written off during the period:

Item	Amount
Receivables actually written off	456,242.85

(5) Top 5 accounts receivable in terms of ending balance:None

(6) Account receivables that terminated due to the transfer of financial assets: None.

(7) Amount of assets and liabilities transferred from receivables that continue to be involved: None.

2. Other receivables

(1) Summary

Items	Ending balance	Beginning balance
Other receivables	424,681,817.27	425,991,223.92
Total	424,681,817.27	425,991,223.92

(2) Interest receivable: None.

(3) Dividend receivable: None.

(4) Other receivables

1) Disclosure by Aging

Aging	Ending book value
Within 1 year (including 1 year)	295,586,417.27
1-2 years (including 2 years)	128,804,400.00
2-3years (including 3 years)	5,000.00
3-4years (including 4 years)	
4-5years (including 5 years)	
Over 5years	286,000.00
Total	424,681,817.27

2) Book balance of other receivables classified by nature

Nature of amount	Ending balance	Beginning balance
Unit transaction	424,290,817.27	421,450,223.92
Deposit	391,000.00	8,791,000.00
Total	424,681,817.27	430,241,223.92

3) Conditions of bad debts provision

Provision of bad debts	Stage 1 Expectations for the next 12 months Credit loss	Stage 2 Expected credit loss during the whole life (no credit impairment)	Stage 3 Expected credit loss for the entire duration (credit impairment has occurred)	Total
Balance at January 1, 2020		4,250,000.00		4,250,000.00
The book balance of interest receivable on January 1, 2020 in the current period				
——Move on to the Stage 2				
——Move on to the Stage 3				
——Return to the Stage 2				
——Return to the Stage 1				
Provision in the current period		1,420,000.00		1,420,000.00
Reversed in the current period				
Collected in the current period				
Written off in the current period		5,670,000.00		5,670,000.00
Other changes				
Balance at 31 December 2020				

4) Conditions of bad debts provision

Category	Beginning balance	Amount of change in the current period				Ending balance
		Provision	Accrued recovered or reversed	Reversed or collected	Other changes	
bad debts provision	4,250,000.00	1,420,000.00		5,670,000.00		
Total	4,250,000.00	1,420,000.00		5,670,000.00		

Significant provisions reversed or collected during current period: None.

5) Other receivables actually written off in the current period.

Items	Amount
Other receivables actually written off	5,670,000.00

6) Top 5 accounts other receivable in terms of ending balance:

Name of company	Nature of amount	Ending balance	Aging	Percentage of total of other receivables (%)	Ending balance of provision for bad debts
First place	Unit transaction	254,707,215.67	Within 1 year	59.98	
Second place	Unit transaction	128,804,400.00	1-2 year	30.33	
Third place	Unit transaction	40,779,201.60	Within 1 year	9.60	
Fourth place	Equity margin	286,000.00	Within 1 year	0.07	
Fifth place	Deposit	100,000.00	Within 1 year	0.02	
Total		424,676,817.27		100.00	

7) Government grants receivable: None.

8) Other receivables that were terminated due to the transfer of financial assets: None.

9) Amount of assets and liabilities transferred to other receivables continue to be involved: None.

3. Long-term equity investment

Item	Ending balance			Beginning balance		
	Book balance	Impairment loss	Book value	Book balance	Impairment loss	Book value
Invest in subsidiaries	3,698,470,505.00		3,698,470,505.00	3,698,470,505.00		3,698,470,505.00
Total	3,698,470,505.00		3,698,470,505.00	3,698,470,505.00		3,698,470,505.00

(1) Invest in subsidiaries

Company Name	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Provision for impairment in the current period	Ending balance of impairment provision
Nanjing Aotecar New Energy Technology Co., Ltd.	3,290,000,000.00			3,290,000,000.00		
Mudanjiang Foton Automotive Air Conditioner Co., Ltd.	378,470,505.00			378,470,505.00		
Tibet Aotecar Investment Co., Ltd.	30,000,000.00			30,000,000.00		
Total	3,698,470,505.00			3,698,470,505.00		

4. Operating incomes and operating costs

Item	Amount incurred in the current period		Amount incurred in the previous period	
	revenues	costs	revenues	costs
Principle operating revenues				
Other operating revenues	6,738,463.74	4,526,926.05	7,475,848.93	8,102,616.65
Total	6,738,463.74	4,526,926.05	7,475,848.93	8,102,616.65